CHALIECO
中铝国际

中鋁國際工程股份有限公司
China Aluminum International Engineering Corporation Limited

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

(Stock Code: 2068)

2025 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "**Board**") of China Aluminum International Engineering Corporation Limited (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2025. This results announcement, containing the full text of the 2025 Interim Report of the Company, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results and has been reviewed by the audit committee under the Board. The 2025 Interim Report of the Company will be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at https://zlgj.chinalco.com.cn in September 2025, being available for viewing by the holders of H shares of the Company.

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

Beijing, PRC, 28 August 2025

As at the date of this announcement, the non-executive Directors are Mr. LIU Changkui and Ms. HU Weixi; the executive Directors are Mr. LI Yihua, Mr. LIU Jing and Mr. TAO Fulun; and the independent non-executive Directors are Mr. ZHANG Tingan, Mr. SIU Chi Hung and Mr. TONG Pengfang.

Corporate Vision

Build a world-class, highly competitive, new-generation engineering technology enterprise that provides comprehensive solutions for advanced non-ferrous metal technologies, complete sets of equipment and integrated services

Development Positioning

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

Core Values

Responsibility | Integrity | Openness | Excellence

Strategic Planning

Technology + Internationalisation

A quick look at the interim report

About Chalieco

30 new scientific and technological achievements were added, including **3** at the international leading level

We have won **4** provincial and ministerial science and technology awards

We have won **1** provincial and ministerial quality award

We have won **21** provincial and ministerial awards for survey and design

We have won **73** provincial and ministerial awards for QC achievements

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

Principal business indicators

Newly signed industrial contracts RMB**15.633** billion, representing a period-on-period increase of **37.68**%

Overseas contracts RMB**3.189** billion,representing a period-on-period increase of **284.22**%

Revenue from equipment manufacturing business RMB**1.749** billion, representing a period-on-period increase of **46.20**%

EPC general contracting and engineering contracts RMB**13.981** billion, representing a period-on-period increase of **25.94**%

Revenue from overseas operation RMB**2.016** billion, representing a period-on-period increase of **6.89**%

Comprehensive gross profit margin of the principal businesses **10.84**%, representing a period-on-period increase of **1.26** percentage points

IMPORTANT NOTE

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

II. All Directors of the Company are present at the meeting of Board of Directors.

III. This interim report is unaudited.

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

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

None

VI. Forward-looking Risk Statements

✓Applicable ☐Not applicable

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

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

VII. Any funds occupied by the controlling shareholder or its related parties for non-operating purpose

No

VIII. Any guarantee provided for any third party in violation of required decision procedures

No

IMPORTANT NOTE

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

No

X. Material Risk Disclosure

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

XI. Others

✓Applicable ☐Not applicable

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

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SECTION 1 DEFINITIONS

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

DEFINITION OF TERMS

"the Company", "Company", "Chalieco"	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)
"Group"	the Company and its subsidiaries
"Chinalco"	Aluminum Corporation of China (中國鋁業集團有限公司), our controlling shareholder
"Luoyang Institute"	Luoyang Engineering & Research Institute for Nonferrous Metals Processing (洛陽有色金屬加工設計研究院有限公司), one of our promoters and shareholders
"YAIC"	Yunnan Aluminum International Company Limited (雲鋁國際有限公司), our shareholder, whose controlling shareholder, Yunnan Aluminium Co., Ltd. (雲南鋁業股份有限公司), is a subsidiary of Aluminum Corporation of China (中國鋁業集團有限公司)
"SSE"	the Shanghai Stock Exchange
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Listing Rules of the Stock Exchange"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"SAMI"	Shenyang Aluminum & Magnesium Engineering and Research Institute Company Limited (瀋陽鋁鎂設計研究院有限公司), a subsidiary owned as to 60.22% by the Company
"GAMI"	Guiyang Aluminum & Magnesium Design Institute Co., Ltd. (貴陽鋁鎂設計研究院有限公司), a wholly-owned subsidiary of the Company
"CINF"	Changsha Engineering & Research Institute Limited for Nonferrous Metallurgy (長沙有色冶金設計研究院有限公司), a subsidiary owned as to 64.90% by the Company
"Kunming Survey and Design Institute"	Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry (中國有色金屬工業昆明勘察設計研究院有限公司中國有色金屬工業昆明勘察設計研究院有限公司), a subsidiary owned as to 60.30% by the Company
"CNPT"	China Nonferrous Metals Processing Technology Co., Ltd. (中色科技股份有限公司), a subsidiary owned as to 92.35% by the Company
"Sixth Metallurgical Company"	Sixth Metallurgical Construction Company of China Nonferrous Metals Industry (中國有色金屬工業第六冶金建設有限公司), a wholly-owned subsidiary of the Company
"Ninth Metallurgical Company"	Ninth Metallurgical Construction Co., Ltd. (九冶建設有限公司), a subsidiary owned as to 73.17% by the Company
"Twelfth Metallurgical Company"	China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. (中色十二冶金建設有限公司), a wholly-owned subsidiary of the Company

SECTION 1 DEFINITIONS

"Three Major Markets"	the Group's internal market, the domestic market, and the overseas market
"Two Merchants"	suppliers and contractors
"Two Systems"	the cost accounting system and the project manager responsibility system
"Articles of Association"	Articles of Association of China Aluminum International Engineering Corporation Limited
"Reporting Period", "Current Reporting Period"	the period from January 2025 to June 2025

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

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

II. CONTACTS AND CONTACT INFORMATION

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

Note: The Company engages Mr. TAO Fulun and Ms. NG Ka Man as joint company secretaries.

III. CHANGES IN BASIC INFORMATION

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

IV. CHANGES IN THE PLACES FOR INFORMATION DISCLOSURE AND REFERENCE

The Company's designated press media for information disclosure	Securities Daily, Securities Times
Designated website for the interim report	www.sse.com.cn; www.hkex.com.hk
The interim report is available at	Office of the Board of Directors of Chalieco, Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座中鋁國際董事會辦公室)
Index of changes during the Reporting Period	No changes during the Reporting Period

V. STOCK PROFILE

Share Class	Listed on	Stock Abbreviation	Stock Code	Previous Stock Abbreviation
A Shares	The SSE	中鋁國際	601068	–
H Shares	The Stock Exchange	中鋁國際	2068	–

VI. OTHER RELEVANT INFORMATION

✓Applicable ☐Not applicable

Accounting firm engaged by the Company	Name	Grant Thornton (Special General Partnership)
	Office address	5/F, Scitech Plaza, No. 22 Jianguomenwai Avenue, Chaoyang District, Beijing, China
	Names of signing accountants	Huang Zhibin, Li Yang
Legal advisor as to PRC laws	Name	Jia Yuan Law Offices (北京市嘉源律師事務所)
	Office address	F408, Ocean Plaza, 158 Fuxing Men Nei Street, Xicheng District, Beijing
Legal advisor as to Hong Kong laws	Name	Jia Yuan Law Office
	Office address	Suites 3502-3503, 35/F, One Exchange Square, 8 Connaught Place, Hong Kong
A Shares Registrar of the Company	Name	China Securities Depository and Clearing Co., Ltd. Shanghai Branch
	Office address	188 South Yanggao Road, Pudong New Area, Shanghai (上海市浦東新區楊高南路188號)
H Shares Registrar of the Company	Name	Computershare Hong Kong Investor Services Limited (香港中央證券登記有限公司)
	Office address	Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (香港灣仔皇后大道東183號合和中心17樓1712-1716號鋪)

VII. KEY ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key Accounting Figures

Unit: '000 Currency: RMB

Key Accounting Figures	The Current Reporting Period (From January to June)	Corresponding period of last year	Changes for this Reporting Period as compared with the corresponding period of last year (%)
Operating revenue	**9,698,350**	10,710,476	–9.45
Total profit	**235,317**	269,332	–12.63
Net profit attributable to the shareholders of the listed company	**102,589**	155,989	–34.23
Net profit attributable to shareholders of the listed company, net of non-recurring gain or loss	**55,926**	66,325	–15.68
Net cash flows from operating activities	**–199,300**	–2,034,849	N/A

	As at the end of the Reporting Period	As at the end of the previous year	Changes for this Reporting Period as compared with the end of the previous year (%)
Net assets attributable to shareholders of the listed company	**6,664,224**	6,582,409	1.24
Total assets	**40,425,812**	41,156,527	-1.78

(II) Key Financial Indicators

Key Financial Indicators	The Current Reporting Period (From January to June)	Corresponding period of previous year	Changes for this Reporting Period as compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.01	0.02	–50.00
Diluted earnings per share (RMB/share)	0.01	0.02	–50.00
Basic earnings per share, net of non-recurring gain or loss (RMB/share)	–0.01	–0.01	N/A
Weighted average return on net assets (%)	0.96	2.98	Reduced by 2.02 percentage points
Weighted average rate of return on net assets, net of non-recurring gain or loss (%)	–0.70	–1.07	N/A

Explanation of key accounting figures and financial indicators of the Company

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Non-recurring Gain or Loss	Amount	Note (as applicable)
Gain or losses on disposal of non-current assets, including reversal of provision for impairment of assets	28,468	
Government subsidies recorded in current P&L (except government subsidies closely related to business operations granted continuously in a fixed amount or quota according to the unified national standards)	4,476	
Fund occupation fees charged to non-financial enterprises included in current profit and loss	2,395	
Reversal of provision for impairment of receivables tested separately for impairment	31,870	
Gain or loss on debt reorganization	568	
Other non-operating revenue and expenses other than the above items	3,745	
Less: Impact of income tax	16,474	
Impact of non-controlling interests (after tax)	9,385	
Total	46,663	

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: ’000 Currency: RMB

Key Accounting Figures	The Current Reporting Period (From January to June)	Corresponding period of previous year	Change for the period as compared with that of the same period of last year (%)
Net profit after deducting the impact of share-based payments	164,809	199,094	-17.22

XI. OTHERS

☐Applicable ✓Not applicable

SECTION 3 CHAIRMAN STATEMENT

Dear shareholders and investors,

On behalf of the Board of Directors of the Company, I would like to present to you the 2025 Interim Report of Chalieco and express my sincere gratitude to each and every one of you for your long-term care and support for Chalieco!

In the first half of 2025, Chalieco thoroughly studied and implemented XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, unswervingly implemented the "Science and Technology+ International" development strategy, comprehensively implemented various innovation management measures, and deeply advanced various reform initiatives, achieving a positive operating trend with steady growth, and seen initial results in high-quality development.

First, our transformation and development efforts have reached new heights in enhancing quality and efficiency. The Company continued to focus on non-ferrous and advantageous industrial sectors, accurately grasped the incremental opportunities in the industry, tapped into the potential of existing assets, promoted the systematic optimization of the business structure, and achieved reasonable growth in "quantity" and effective improvement in "quality" in marketing. In the first half of 2025, our newly signed industrial contracts amounted to RMB15.633 billion, accounting for 95% of the total new contracts, representing a period-on-period increase of 38%; newly signed EPC general contracting and engineering contracts amounted to RMB13.981 billion, representing a period-on-period increase of 26% over the corresponding period last year; and newly signed overseas contracts amounted to RMB3.189 billion, representing a period-on-period increase of 284% over the corresponding period last year.

Second, new progress was made in the establishment of market competition capabilities. The three-tier management system of "company-subsidiary-project department" was steadily implemented, the Qinghai Aluminum Project began power supply and production, the Yunnan Copper Zinc Relocation Project was successfully put into operation, and a number of key domestic projects such as the second phase of the SPIC Zahannur Aluminum Project and the Guangxi Qiangqiang Carbon Project were steadily advanced. Breakthroughs have been made in the subcontractor system and the reform of procurement system. An Engineering Project Materials Procurement Center has been established, and multiple public tenders for outstanding subcontractors and suppliers have been conducted, resulting in a 5% increase in the number of outstanding subcontractors and suppliers. Cost management has been further deepened, and project cost competitiveness has significantly improved. The "two-system" project management mechanism and the legal person-led project management mechanism have been further implemented, and the project responsibility system has been further clarified. In the first half of the year, new major overseas projects were quickly implemented. The contract for the mining, operation and maintenance project of the Simandou, Guinea was successfully signed, with a contract value of approximately RMB2.033 billion, and construction commenced in mid-August.

SECTION 3 CHAIRMAN STATEMENT

Third, the deepening reform initiative was advanced in a systematic manner and achieved new breakthroughs. The reform of our organizational system was deepened, management layers were significantly streamlined, management efficiency was effectively improved, operational performance showed notable progress, and we have entered a path of healthy development with a brand new corporate outlook. In the 2024 special assessment of "Science and Technology Reform Action" of central state-owned enterprises organized by the State-owned Assets Supervision and Administration Commission, six "Science and Technology Reform Enterprises" under Chalieco obtained the results of "one benchmark, three excellent and two good", among them, CNPT, which was selected as a "science and technology reform enterprise" in 2021, achieved annual leaps from good to excellent to benchmark over the past three years. The Company's business operations, management, organizational structure and market-oriented mechanism reforms are advancing steadily, with results gradually becoming evident.

In the second half of the year, Chalieco will continue to thoroughly implement the strategy of "strengthening operation, promoting transformation, mitigating risks and deepening reform", and will spare no effort to ensure that all annual targets and tasks are achieved to high standards and with high quality.

First, we will strengthen operations, driving performance growth through the "two-wheel drive" of market expansion and enhanced contract fulfillment quality. We will continue to increase our market share in design and consulting services, consolidating the industrial leadership; continue to devote efforts in the development of EPC general contracting business, promote the priority undertaking of key projects through the EPC model. By deepening the technology-driven marketing, we will strengthen the promotion, application, and industrialization of scientific achievements led by core technologies, empower users through customized digital and intelligent services. Leveraging our integrated design, construction, and operation capabilities, we will enable smart mine construction and operations, enhance our full-industry-chain service capacity for mining, and steadily expand our business scale. We will benchmark and learn from advanced management experience both at home and abroad, standardize management processes, deepening roving inspection and supervision of projects, create benchmark projects, utilize the smart construction site project scheduling system, and take multiple measures to promote the improvement of contract fulfillment quality.

Second, we will promote transformation, accelerate business upgrading through structural optimization and strategy implementation. We will establish and improve a three-tier marketing structure consisting of the headquarters' key customers marketing, the marketing centers of affiliated enterprises and various marketing bases (regional marketing centers), firmly focus on core responsibilities and principal businesses, withdraw from high-risk, low-efficiency and non-principal businesses, and continue to increase the business in the industrial sector, survey and design business, EPC general contracting, strategic emerging business, and overseas business. To comprehensively review the implementation results of the forecast of the "14th Five-Year Plan" and compile the forecast of the "15th Five-Year Plan" with high quality, closely follow industrial trends and strategic needs, take the development of key core technologies, the conversion of scientific and technological achievements into practical applications and the layout of new productive forces as core tasks; strengthen the linkage between planning, resource allocation and performance evaluation to ensure that business plans go from the "blueprint" to the "ground".

Third, we will mitigate risks, safeguard the bottom line of development through safety management and control and overseas risk management. To focus on strengthening on-site control, conduct safety management evaluations; to deepen the advancement of establishment of safety and environmental protection management informatization, and actively build standardized construction sites; to comprehensively improve overseas project management standards, conduct comprehensive risk assessments during the bidding and preliminary preparation stages, to ensure the stable development of overseas business.

Fourth, we will deepen reforms, stimulate internal momentum through organizational optimization and process transformation. To optimize organizational structure and human resource allocation, focusing on key areas such as the market, contract fulfillment, finance, human resources, legal compliance and safety and environmental protection, accelerate the promotion of systematic reforms; to continue to adjust and optimize business processes, break down management barriers, and continuously improve operational efficiency and management effectiveness, so as to inject strong impetus for the Company's high-quality development.

Here, I would like to express my heartfelt gratitude to the shareholders who support the reform and development of Chalieco, to all sectors of society who care about the growth and development of Chalieco, and to all employees who share the same destiny with Chalieco!

Chairman: **LI Yihua**
28 August 2025

SECTION 4 MANAGEMENT DISCUSSION AND ANALYSIS

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

(I) Principal businesses and operation modes

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

1. Design consultancy business

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

2. EPC general contracting and engineering business

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

3. Equipment manufacturing business

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

(II) Industry Overview

In the first half of 2025, the non-ferrous metal industry performed well overall, demonstrating strong resilience. Key indicators outperformed the industrial average, while the pace of transformation and upgrading accelerated. In terms of capacity utilization, mineral resource development and safeguard, as well as industries closely related to non-ferrous metals, the situation has remained stable with steady progress and continued improvement. Copper and aluminum prices and production continue to lead the non-ferrous metals industry, with copper prices remaining high and aluminum prices remaining firm. Corporate performance showed structural differentiation. Industrial metals and precious metals benefited from stable prices and optimized production capacity, which assisted them achieve earnings flexibility. Strategic resource companies benefited from policy guidance and the growth of high-end demands, which boosted their profit margins. However, the energy metals sector continued to face pressure as supply and demand rebalanced. In the second half of the year, supported by the Ministry of Industry and Information Technology's policies to stabilize growth and the global economic recovery, the industry is expected to maintain its growth momentum, but differentiation among product types will continue. The main line of the industry will be deepened around "breakthroughs at the high-end, green and low-carbon transformation, and intelligent penetration", and it is expected to achieve a leap from "structural growth" to "comprehensive recovery" throughout the year.

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

☐Applicable ✓Not applicable

II. OPERATING RESULTS DISCUSSION AND ANALYSIS

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

In the first half of 2025, Chalieco focused on the overall work requirements set up at the beginning of the year, with the conclusion of the 14th Five-Year Plan as a key milestone, and achieved significant results in multiple key areas such as production and operations, scientific and technological innovation, and deepening reforms. Its core competitiveness continued to enhance, and operational efficiency and quality steadily improved. The Company was listed in the 2025 "Top 225 International Design Firms", "Top 150 Global Design Firms", "Top 225 International Contractors" and the "Top 250 Global Contractors" rankings, among them, its ranking in the "Top 225 International Design Firms" improved by 14 places compared with the previous year, its ranking in the "Top 250 Global Contractors" improved by 4 places compared with the previous year.

1. Focusing on principal businesses and continuously optimizing operations to enhance business performance in an all-round manner

First, we achieved dual improvements of both the "quality" and "quantity" of marketing efforts. The business structure was further optimized, with a significant period-on-period increase in newly signed contracts, and the proportion of contracts in the non-ferrous metals and advantageous industrial sectors reached a new high. In the first half of the year, newly signed contracts amounted to RMB16.401 billion, representing a period-on-period increase of 26%. Maintaining a focus on principal businesses, newly signed industrial project contracts amounted to RMB15.633 billion, accounting for 95% of the amount of newly signed contracts, representing a period-on-period increase of 38%. We insist on taking design companies as the pioneer and continuously strengthen the driving role of engineering design and technical services. Newly signed EPC general contracting and construction contracts amounted to RMB13.981 billion, representing a period-on-period increase of 26%. GAMI, in collaboration with Sixth Metallurgical Company and other units, successfully won the bid for the Guangxi Qiangqiang Carbon 600,000-ton carbon-based new materials EPC project, with a contract value of RMB1.526 billion; SAMI successively won major influential projects in the industry, such as the EPC project for the desulfurization renovation of the electrolysis and carbon systems at Huanghe Xinye, and the digital delivery project for the 600kA electrolysis facility at Chalco Qinghai Branch; CINF won the contract for the mineral processing engineering project of the 1.45 million tons per year mining and beneficiation project at Angou Molybdenum Polymetallic Mine, with a contract value of RMB434 million.

SECTION 4 MANAGEMENT DISCUSSION AND ANALYSIS

Second, the effectiveness of project delivery was further highlighted. We have thoroughly implemented the three-tier project management system of "Company-Subsidiaries-Project Department", carried out work tasks such as enhancing on-site management of projects and lean management of project costs, strengthened the management of "two merchants" and "two systems", publicly solicited high-quality "two merchants", with the proportion of newly added "two merchants" reaching 36.5%. We have enhanced project performance quality in a unified manner, with significant progresses made with key projects. The Qinghai Aluminum project achieved power supply, the Yuntong Zinc project successfully commissioned production in one go, and the slope road above 1,410 meters of Hongnipo Project of Liangshan Mining was completed nine days ahead of schedule.

Third, overseas business grew rapidly. We strengthened efforts to promote overseas technological achievements and construction capabilities, take technology as the lead, we successfully signed a number of high-quality overseas orders such as the mining, operation and maintenance project in Simandou, Guinea, further enhancing Chalieco's brand influence in the international mining engineering sector. In the first half of the year, the Company entered into a total of 116 new overseas contracts, with a contract value of RMB3.189 billion, accounting for 19% of the amount of newly signed contracts, representing an increase of 284% over the corresponding period last year.

2. **Strengthen the empowerment of technological innovation to build a comprehensive competitive advantage**

First, we have coordinated efforts to formulate a cohesive force for scientific and technological innovation. We have implemented the "1+2" planning framework, promoting the practical implementation of the "Science and Technology Planning, Scientific Research Plan and Results Promotion Plan"; coordinated R&D investments and key projects, laid out breakthroughs in 12 major special projects; coordinated the application of scientific and technological achievements, promoting the conversion and application of 99 core technologies such as ultra-fine droplet technology; coordinated science and technology marketing, organizing technical exchange meetings to facilitate connection and cooperation between entities; and we coordinated the development of science and technology teams, strived to establish 24 core teams.

Second, we have continuously enhanced the influence of scientific and technological innovation. The mandatory national standard “Norm of energy consumption per unit production of graphite and fluorite”, which Chalieco took the lead for formulation, has been approved for publication. The standard will become the sole national standard for energy consumption limits in the graphite and fluorite industry. Two technological achievements, including “Key Technologies and Applications for Intelligent Production Operations in Aluminum Sheet and Strip Processing”, have passed industry association evaluations, with overall technology reaching international leading levels. SAMI’s “Energy-saving and Long-life Aluminum Electrolysis Cell Cathode Manufacturing Technology” was successfully included in the “National Key Low-carbon Technology Promotion Catalog (Fifth Batch)”, providing Chalieco solution for promoting carbon reduction in the aluminum industry; our innovative research and development of ultra-fine droplet wet desulfurization technology and PSA carbon capture technology, among other proprietary technologies, have accelerated the upgrading of environmental protection technologies in the aluminum industry. The “Wide Aluminum Strip Single-stand Cold Rolling Mill” of CNPT has successfully passed the qualification review for the Ministry of Industry and Information Technology’s first-of-a – kind major technical equipment insurance compensation project. During the first half of the year, the Company’s newly applied invention patents increased by 39% period-on-period, and newly authorized invention patents increased by 27% period-on-period.

Third, we are fully committed to building digital driving forces. We are accelerating the construction of an integrated business management platform and coordinating the design and development of a collaborative control platform, a digital delivery platform, and a smart construction site platform. We are launching artificial intelligence scenario projects and developing digital products. We are actively participating in the planning and construction of smart factories, smart production lines and digital workshops, carry out the application of digital and intelligent technologies to empower industrial development and facilitate contract signing. By combining traditional process technologies with digital and intelligent technologies, we actively expanded our service value chain in areas such as digital delivery, automation upgrades, online monitoring, intelligent inspection, and smart warehousing and logistics. Cooperation has been achieved in intelligent transformation projects at Qinghai Aluminum, Inner Mongolia Huayun, Diqing Nonferrous Metals, Jinding Zinc Industry, and Northeast Light Alloy. During the first half of the year, Chalieco has entered into digital and intelligent contracts of RMB366 million for the construction of smart factories and smart production lines.

3. Deepening reforms to unleash potential and accelerate management improvements

First, we have continued to advance comprehensive reforms. Focusing on restructuring the core capabilities of design and construction enterprises, we have deepened market-oriented reforms, enhancing the internal driving force and vitality of enterprises. We have established a "unified ledger" management system for key tasks such as the reform deepening and upgrading action ledger plan, the 2025 N key tasks and management reforms, ensuring that "progress is tracked, issues are identified, and measures are defined". In the 2024 special assessment of "Science and Technology Reform Action" of central state-owned enterprises organized by the State-owned Assets Supervision and Administration Commission, the six science and technology reform enterprises under the Company achieved excellent results of "1 benchmark, 3 excellent and 2 good". Among them, CNPT achieved a three-step leap, advancing from "good" in 2022 to "excellent" in 2023 and then to "benchmark" in 2024. SAMI and GAMI advanced from "good" in 2023 to "excellent" in 2024. The "Deepening Reform, Adhering to Technology+ Synergy Driven, and Expanding Overseas Business" of SAMI was selected as a typical micro-case study for reform by the State-owned Assets Supervision and Administration Commission.

Second, we will focus on promoting management system reform. Centering on building systematic organizational capabilities, we have focused our efforts on carrying out continuous adjustments and optimizations of six major business systems and processes, including marketing, project performance, human resources, integrated finance, legal compliance, and safety management and control, so as to establish a unified and competitive middle and back platform, enhance organizational capabilities and the ability to respond to market uncertainties, thereby strengthening organizational resilience and promoting the continuous improvement of the business management system.

4. **Strengthen risk prevention and control, and solidify the foundation for safety in an all-round manner**

First, we spared no effort to promote lawful and compliant business operation. We have conducted four specialized training programs targeting key personnel, including risk prevention and control in legal practice. We have prudently carried out four 100% legal and compliance audits and established a safeguard mechanism for contract management and control. We have thoroughly implemented the principle of "three must-audits for engineering projects", prioritizing both risk management and cost reduction while striving for efficiency gains, and we carried out 84 project audits during the first half of the year.

Second, we strictly enforced and carefully managed safety and environmental protection measures. Strictly implement the "three controls and three musts" and "one position, dual responsibilities" work requirements, strengthen the dissemination and training of safety production laws and regulations, so as to enhance safety awareness. We resolutely promoted the construction of SOP safety standardization, populated the pointing and calling safety confirmation method, focused on strengthening the safety foundation at the basic level, strengthened integrated safety production management capabilities, and strived to improve the level of intrinsic safety.

Third, we have integrated efforts to prevent operational risks. We have optimized fund management, strengthened the closed-loop management and control of project settlement and collection, both accounts receivable and accounts payable have achieved a significant decrease. We have accelerated the spin-off of non-principal business subsidiaries and low-efficiency and ineffective assets, so as to improve operational efficiency.

(II) Outlook of the second half of the year

In the second half of the year, the Company will adhere to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, resolutely implement management evolutions, and strengthen the effective improvement of quality and reasonable growth of quantity of management work.

1. Continue to refine and strengthen operational development

First, deepen market development and establish an efficient marketing structure. Focus on core responsibilities and principal businesses, keep a close eye on the industry's incremental market, deeply tap into the existing market, and continue to increase the proportion of industrial contracts. We insist on taking design as the pioneer, capability enhancement as the path, and digitalization as the key driver to strengthen the establishment of EPC business capabilities, and continuously expand the market share of EPC projects. Focus on key markets such as Southeast Asia, Africa and Central Asia, and spare no effort to push overseas business to a new level.

Second, strengthen project management and control, and improve operational management efficiency. Continue to promote direct management and control of projects, strengthen the construction of project execution teams, and strengthen the support of back-office resources during the project execution process. Deepen cost control and procurement reforms, strengthen the management of "two merchants", and comprehensively improve project management levels and extreme operational capabilities.

2. Continue to build momentum and strengthen scientific and technological breakthroughs

First, focus on core areas and tackle difficulties in major scientific and technological projects. Lay out the scientific and technological development for the "15th Five-Year Plan", systematically plan a batch of major scientific and technological projects that will lead the development of the industry, and support the Company's principal responsibilities and businesses. Continue to strengthen scientific and technological innovation and research and development of core technologies, complete major projects on schedule, and promote new breakthroughs in leading-edge technologies. To establish a strong talent team, focus on the training and introduction of high-end talents, and provide strong talent support for scientific and technological breakthroughs.

Second, promote the transformation of scientific and technological achievements and deepen the coordinated innovation of industry-university-research. Accelerate the industrialization process of scientific and technological achievements. Continue to promote technological exchanges and cooperation, strengthen in-depth connections with manufacturing enterprises, universities and industry associations, and promote breakthroughs in key core technologies through industry-university-research joint research and development to continuously enhance the Company's core competitiveness.

3. **Continue reform and innovation, enhance strategic effectiveness**

First, strengthen the leading role of planning and strictly enforce and implement plans. Fully and accurately implement the new development philosophy, coordinate the Company's reform and business development, adhere to the "Science and Technology + International" strategy, and compile a high-quality "15th Five-Year" development plan. Do a good job in breaking down planning tasks to ensure the enforcement and implementation of the plan.

Second, focus on goals and accelerate the momentum of reform and enhancement. Adhere to issue-oriented, goal-oriented and results-oriented approaches, and push forward the implementation of all reform tasks. To optimize organizational performance and remuneration distribution mechanisms, fully stimulate the internal driving force of the enterprise; to improve the scientific and technological innovation mechanism, increase incentives for scientific and technological achievements and contributions, and effectively enhance the sense of gain and accomplishment of scientific and technological personnel; to reduce management levels, and promote the three-level management and control of "headquarters-affiliated enterprises-project departments"; to implement the "penetrating management, supporting safeguard" model, strengthen the front end of production and operation, refine the middle and back platform support, significantly improve management efficiency.

4. **Continuously stabilize and control risks, and strengthen safety defenses**

First, to lay a solid foundation by compliance and ensure steady progress. Continuously improve compliance construction, strengthen optimization of contract management and control, improve contract management systems, and enhance the standardization and scientific nature of contract management; to carry out in-depth construction of establishments and processes, establish standardized work manuals and databases, and optimize resource allocation; to strengthen the establishment of overseas compliance systems and teams, and promote the safe and stable development of overseas businesses.

Second, to comprehensively deepen safety control. Intensify the promotion, training and implementation of establishments, systems and relevant laws and regulations, and enhance the safety and compliance awareness of all personnel; strengthen the basic capacity of safety and environmental protection, carry out the implementation of safety production responsibilities, the effective operation of the CARMS system and the promotion and application of Standard Operating Procedures (SOPs); intensify the enforcement of safety and environmental protection supervision and inspection and penalties, consolidate the primary responsibilities and deter violations.

(III) Contracts

From January to June 2025, the Company entered into 2,481 contracts in total, the total amount of which was RMB16.401 billion; as of 30 June 2025, the total amount of the Company's uncompleted contracts amounted to RMB45.838 billion. Details are as follows:

Type of Contracts	Newly signed contracts from January to June 2025			
	Number (Item)	Amount (RMB 100 million)	The corresponding period of last year (RMB 100 million)	Period-on-period increase or decrease (%)
I. By sector				
1. Industrial	**1,908**	**156.33**	113.55	37.68
2. Non-industrial	**573**	**7.68**	16.37	–53.08
Total	**2,481**	**164.01**	129.92	26.24
II. By business				
1. Design consultancy	**1,049**	**12.02**	8.12	48.03
2. EPC general contracting and engineering	**1,115**	**139.81**	111.01	25.94
3. Equipment manufacturing	**317**	**12.18**	10.79	12.88
Total	**2,481**	**164.01**	129.92	26.24
III. By region				
1. Domestic	**2,365**	**132.12**	121.62	8.63
2. Overseas	**116**	**31.89**	8.30	284.22
Total	**2,481**	**164.01**	129.92	26.24

Type of Contracts	Cumulative number of existing contracts as of 30 June 2025 Amount (RMB 100 million)	The corresponding period of last year (RMB 100 million)	Period-on-period increase or decrease (%)
I. By sector			
1. Industrial	**323.41**	244.09	32.50
2. Non-industrial	**134.97**	231.77	–41.77
Total	**458.38**	475.86	–3.67
II. By business			
1. Design consultancy	**44.62**	40.90	9.10
2. EPC general contracting and engineering	**348.54**	384.25	–9.30
3. Equipment manufacturing	**65.22**	50.71	28.62
Total	**458.38**	475.86	–3.68
III. By region			
1. Domestic	**346.28**	405.97	–14.70
2. Overseas	**112.10**	69.89	60.39
Total	**458.38**	475.86	–3.67

(IV) Operation results and discussion

The Group achieved operating revenue of RMB9.698 billion in the first half of 2025, representing a decrease of 9.45% from RMB10.710 billion in the corresponding period last year; net profit attributable to shareholders of the listed company was RMB103 million, representing a decrease of RMB53 million from RMB156 million in the corresponding period last year. The Group's results for the first half of the year are principally analyzed as follows:

Operating revenue

The Group achieved operating revenue of RMB9.698 billion in the first half of 2025, representing a decrease of RMB1.012 billion, or 9.45%, over the corresponding period last year. The Company is committed to driving business transformation through technological innovation and continues to advance the upgrading and transformation of its business operations. During the Reporting Period, the Company focused on its three core market segments, continued to deepen its innovative business model of "technology + equipment, products, and services," and drove revenue growth in its design consulting and equipment manufacturing businesses with core competitive advantages; we continued to withdraw from non-industrial businesses such as municipal and civil construction, and our operating revenue decreased period-on-period for the Current Reporting Period.

Operating cost

The Group's operating costs for the first half of 2025 were RMB8.647 billion, representing a period-on-period decrease of RMB1.038 billion, or 10.72%. This was primarily due to a decrease in costs in line with the decrease in revenue.

Tax and surcharge

The Group's tax and surcharge for the first half of 2025 were RMB51 million, remaining flat period-on-period, with no significant changes.

Sales expense

The Group's sales expenses for the first half of 2025 were RMB51 million, representing period-on-period decrease of RMB9 million, with no significant changes.

Administrative expense

The Group's administrative expenses for the first half of 2025 were RMB420 million, representing a period-on-period decrease of RMB51 million, primarily due to the Company's efforts to deepen its labor efficiency reform, cost reduction effects have become apparent, resulting in a period-on-period decrease in administrative expenses.

R&D expense

The Group's R&D expenses for the first half of 2025 were RMB284 million, representing a slight decrease period-on-period, with no significant changes.

Financial expense

The Group's financial expenses for the first half of 2025 were RMB137 million, representing a period-on-period increase of RMB32 million. The principal reason is that the Company reduced its financing scale during the Reporting Period, with financing costs falling by 35 BPs over the corresponding period last year, and interest expenses decreasing by RMB24 million period-on-period; at the same time, affected by the fluctuation of the US dollar exchange rate, the Company's exchange gains decreased by RMB62 million period-on-period.

Credit impairment loss

The Group's reversal of credit impairment losses in the first half of 2025 increased profits by RMB118 million, representing a period-on-period decrease of RMB40 million. This was primarily due to a significant reversal of bad debt provisions over the corresponding period last year.

Asset impairment loss

The Group recorded an asset impairment loss of RMB27 million in the first half of 2025, resulting in a profit reduction of RMB52 million as compared to a reversal of RMB25 million in the corresponding period last year, primarily due to the impact of impairment provisions for contract assets.

(V) Principal business by sectors and regions

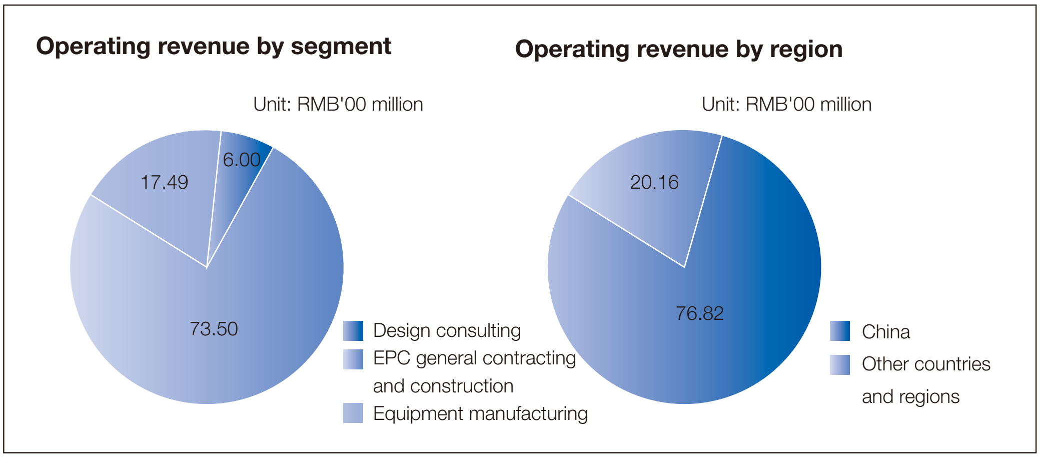
Unit:'000 Currency: RMB

Principal business by sector

Sector	Operating revenue	Operating cost	Gross margin (%)	Increase or decrease in operating revenue compared to the corresponding period last year (%)	Increase or decrease in operating cost compared to the corresponding period last year (%)	Increase or decrease in gross margin compared to the corresponding period last year (%)
Design consulting	600,070	396,898	33.86%	0.37%	–0.90%	Increased by 0.85 percentage point
EPC project general contracting	7,349,618	6,748,146	8.18%	–17.57%	–18.27%	Increased by 0.79 percentage point
Equipment manufacturing	1,748,662	1,502,149	14.10%	46.20%	46.20%	Remains flat
Total	9,698,350	8,647,193	10.84%	–9.45%	–10.72%	Increased by 1.26 percentage points

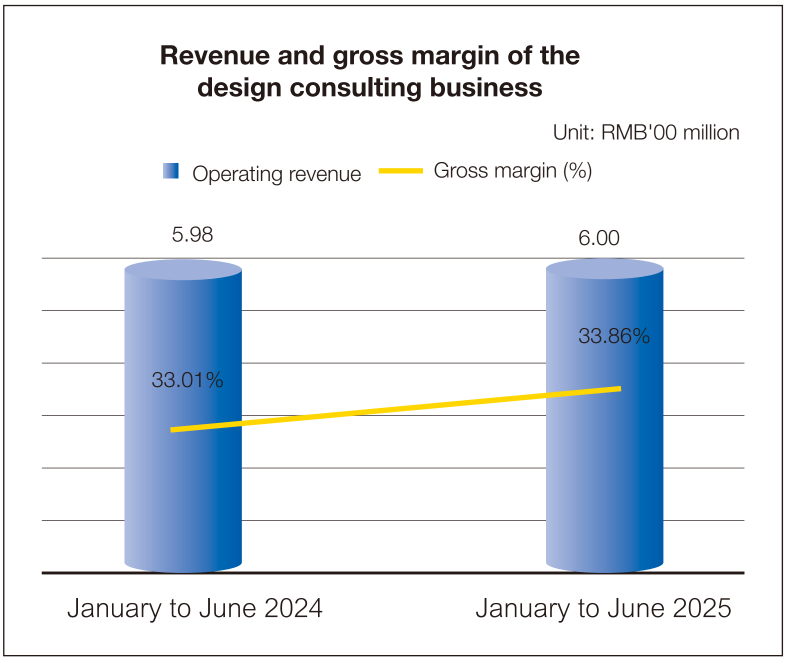
Principal business by region

Sector	Operating revenue	Operating cost	Gross margin (%)	Increase or decrease in operating revenue compared to the corresponding period last year (%)	Increase or decrease in operating cost compared to the corresponding period last year (%)	Increase or decrease in gross margin compared to the corresponding period last year (%)
PRC	7,682,027	6,915,269	9.98%	–12.94%	–14.13%	Increased by 1.24 percentage points
Other countries and regions	2,016,323	1,731,925	14.10%	6.89%	6.14%	Increased by 0.61 percentage point
Total	9,698,350	8,647,193	10.84%	–9.45%	–10.72%	Increased by 1.26 percentage points



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

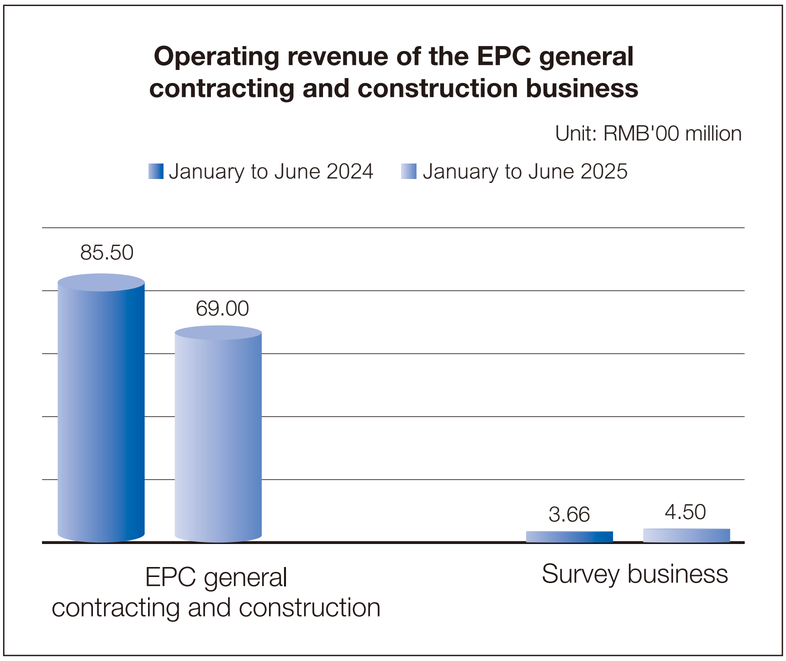
① Design consulting sector



During the Reporting Period, the Company's design consulting business achieved revenue of RMB600 million, representing a period-on-period increase of 0.37%. During the Reporting Period, survey and design companies strengthened the driving role of engineering design and technical services, maintaining steady growth in design consulting business. Both new contract value and existing contract value increased period-on-period, resulting in steady growth in revenue scale. The gross margin for this business segment was 33.86%, representing an increase of 0.85 percentage points period-on-period.

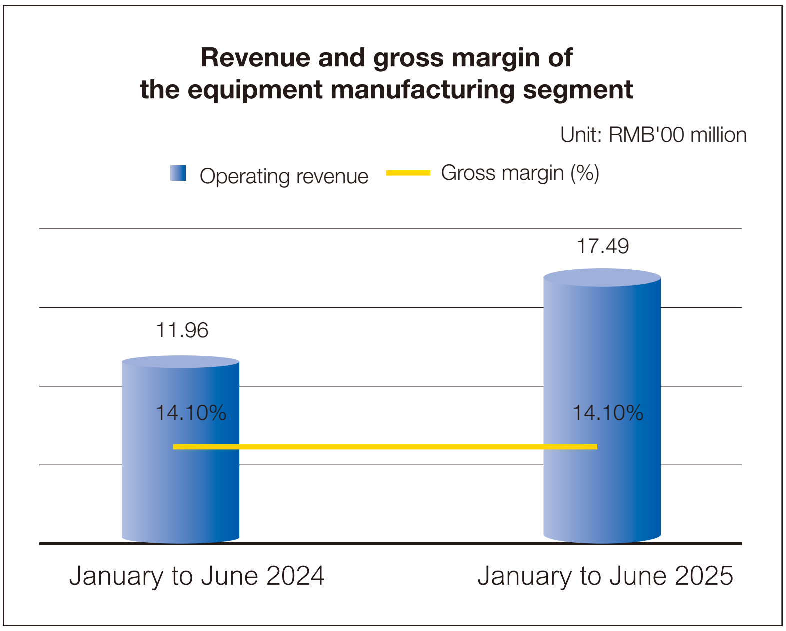
Taking technology as the propeller, the Company is committed to providing customers with high-quality comprehensive solutions. Leveraging its independently developed ultrafine droplet horizontal desulfurization technology, SAMI secured an EPC contract in 2025 for the desulfurization revamp of Huanghe Xinye's electrolysis and carbon system, achieving ultra-low emissions and reducing energy consumption by over 35%. Continuously exporting carbon-based technologies, GAMI secured a contract for a carbon-based new materials project with Anlun Chemical in Indonesia, which will formulate an annual production capacity of 150,000 tons of electrode paste and 100,000 sets of crucible, with significant importance for the development of Indonesia's new energy industry; CINF won a bid for a molybdenum mine exploration and design project in Inner Mongolia, contributing to the development of a world-class green mine and providing innovative practical solutions for the State's "dual carbon" strategy and the security of strategic mineral resources. Kunming Survey and Design Institute won a bid for a spoil dump relevant project of Yunnan Zinc, which is expected to provide ecological restoration solutions. These projects have achieved respective results, contributing to both industrial development and ecological protection.

② EPC general contracting and construction business



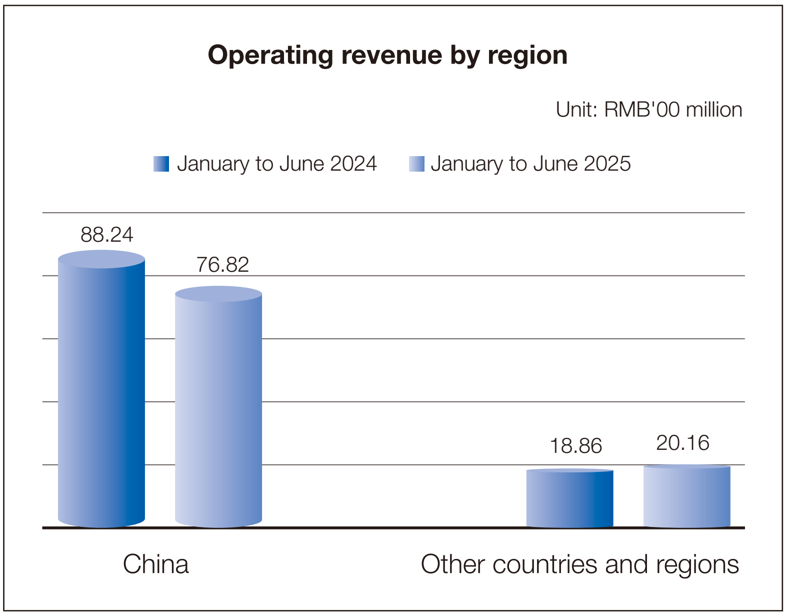
The Company's EPC general contracting and construction business achieved revenue of RMB7.35 billion during the Current Reporting Period, representing a period-on-period decrease of 17.57%. The primary reason was the Company has continuously advanced business transformation, optimized its business structure, and withdrawn from high-risk, low-efficiency non-principal businesses, and reduced municipal and civil construction engineering construction businesses. Newly signed EPC engineering general contracting and construction business contracts are still in the early stages of construction, resulting in uneven revenue and a period-on-period decrease in operating revenue during the Reporting Period; leveraging "two systems" of projects, the Company implements project performance management, plan and control projects from the source, undertake high-quality projects, and in the process of project implementation, take responsibility cost as the red line, strengthen the management of human resources, materials and machinery as well as subcontractors, conduct regular cost analysis and timely warning and correction to ensure that the project achieves its target profit. The gross margin for this business segment was 8.18%, representing a period-on-period increase of 0.79 percentage points.

③ Equipment manufacturing business



The equipment manufacturing business of the Company achieved revenue of RMB1.749 billion in the Reporting Period, representing a period-on-period increase of 46.20%. This was mainly due to the Company continued to strengthen scientific and technological innovation and key technology research and development, focusing on innovation around the "technology + equipment, products, and services" model. The industrialization of scientific and technological achievements has been remarkable, with projects such as the Turkish aluminum hot rolling mill and North Kalimantan cathode projects progressing steadily in the first half of the year, resulting in an increase in revenue scale.

2. Explanation of the distribution of principal business by sector



The Company's overseas business achieved revenue of RMB2.016 billion during the Current Reporting Period, representing a period-on-period increase of 6.89%. During the Reporting Period, the Company focused on countries along the Belt and Road and emerging markets, continuously enhancing its efforts to expand overseas business markets, strengthening the promotion of technological achievements and construction capabilities, and actively promoted the implementation of key overseas projects such as Simandou of Guinea and North Kalimantan of Indonesia, resulting in a period-on-period increase in overseas revenue.

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

☐Applicable ✓Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS FOR THE REPORTING PERIOD

✓Applicable ☐Not applicable

(I) Technical and talents advantages

The Company has strong capabilities of scientific research and technology transfer, with 5 grade A design research institutes, 2 grade A survey and design research institutes and 3 large comprehensive construction and installation enterprises. Currently, the Company has 1 "National Engineering Research Center for Aluminum and Magnesium Electrolysis Equipment", 1 "State-Local Joint Engineering Research Center for Energy-Saving and Environmental Protection Technologies in Aluminum Industry", 7 "National Enterprise Technology Centers", 1 "National Industrial Design Center", 4 "Postdoctoral Research Workstations", as well as 3 "National Model Enterprises for Intellectual Property Rights", 1 "National Technology Innovation Demonstration Enterprise" and 2 "State-level New, Distinctive, Specialised and Sophisticated 'Little Giant' Enterprises". In the first half of 2025, Kunming Survey and Design Institute, a subsidiary, was successfully included in the sixth batch of industrial technology infrastructure public service platform lists by the Ministry of Industry and Information Technology. We also won one Principal-level Prize and one First Prize from the China Gold Association Science and Technology Awards, one Second Prize from the Yunnan Society of Geotechnical Mechanics and Engineering Science and Technology Progress Awards, and one First Prize from the Yunnan Province Science and Technology Progress Awards. Three technological achievements, including "Key Technologies and Applications for Intelligent Production Operations in Aluminum Sheet and Strip Processing", were evaluated as internationally leading; 24 technological achievements, including "Construction Technology for Ultra-Large Diameter High-Depth Cone Thickening Tanks", were evaluated as industry-leading, and three technological achievements were evaluated as domestically advanced. Five products, including "Reversible Hot Rolling Mill for Rare and Refractory Metal Sheets", were included in the 2024 Patent-Intensive Product List of the State. The mandatory national standard "Norm of energy consumption per unit production of graphite and fluorite", which SAMI, a subsidiary, took the lead for formulation, has been approved for publication. The standard will take effect on 1 April 2026, and will become the sole national standard for energy consumption limits in the graphite and fluorite industry.

The Company has an experienced professional and technical team, including 41 national and industrial level survey and design masters, 20 personnel enjoying special allowances from the State Council or provincial governments, and 5,943 professional and technical personnel of various types, including 462 full senior titles and 1,376 associate senior titles.

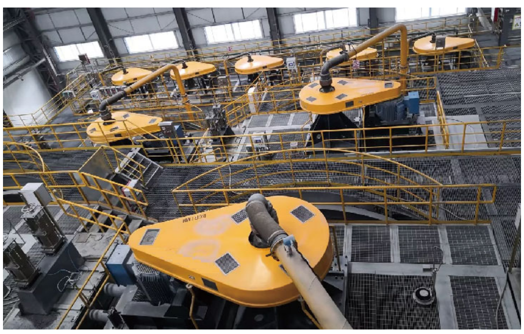
The Company focuses on the entire industrial chain including exploration and detection, mining, aluminum oxide, electrolytic aluminum and carbon for aluminum, heavy non-ferrous and rare metal smelting, non-ferrous metal processing, construction and strategic emerging industries, etc., as well as the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

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

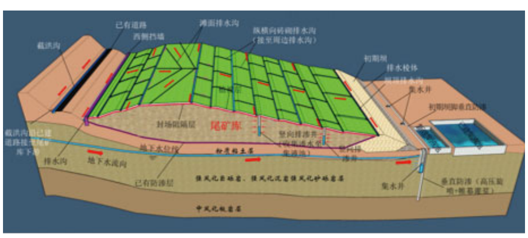
Field	Name of technology	Brief introduction of technology
Mining	Comprehensive mineral resources exploration technology	For different types of mineral deposits, a set of exploration methods and technologies has been formulated, mainly including large-scale geological mapping, airborne frequency-domain electromagnetic, earth-space transient electromagnetic, ground-based MT geomagnetic, three-component magnetic surveys in boreholes, pit transient electromagnetic, etc., which are three-dimensional, multi-dimensional and multi-means, and are coupled with geophysical exploration, geochemical measurements of rock and soil, three-dimensional modelling and three-dimensional digital mineral prospecting prediction, deep drilling engineering validation, among others. Relying on a variety of geophysical exploration methods and technologies such as gravity, magnetic method, electric method, etc., which we have mastered, and in combination with the research and development and manufacture of indigenous equipment, we have realised the three-dimensional, multi-dimensional and high-precision coupled detection by multiple geophysical exploration methods of metal and nonmetal deposits by means of "air-earth wells" and "heavy magnetic and electric power", so as to carry out in-depth dissection of deep ore bodies and geological structures, and has broken through the detection depth of less than 2,000 metres, with the detection accuracy reaching the leading level in the industry. We have formulated a set of mature and advanced high-difficulty drilling and construction technologies, such as large depth vertical holes, large depth and large angle inclined holes, forward horizontal prospecting, and large calibre and high vertical filling holes, meeting the needs of deep-earth resource exploration and development.
	Large geotechnical digital intelligent system	By utilising digital achievement gene storage technology, a deep mining and analysis system for regional geotechnical engineering has been formulated. Through the dynamic AI intelligent optimization technology of tailings pond stability, realtime dynamic stability analysis and early warning of tailings ponds have been realised.

Field	Name of technology	Brief introduction of technology
	Integrated smart mine management platform	This system seamlessly integrates digital engineering deliverables, enabling 3D visualisation of mine resources and environmental data down to individual workfaces and equipment components. It consolidates all information into one single platform, providing real-time monitoring of rock stress-strain, hydrogeological conditions, atmospheric data, and other critical parameters, with early warning and forecasting capabilities. It has been promoted and applied in the 3D visualization integrated management and control platform of Maochang Mine of Chalco Guizhou Branch and the information integration platform of Huize Mining Branch.
	Online SAR ground-based engineering hazard intelligent monitoring radar system	This self-developed and fully proprietary submillimetre-accurate intelligent ground-based synthetic aperture radar (GB-SAR) is designed for continuous online monitoring of mine safety risks, including high steep slopes in open pits, slopes of spoil dumps, tailings dams and geological landslides. It also supports real-time early warning and emergency monitoring, providing scientific basis for the mitigation of safety hazards.
	Separation technology for low-grade and complex difficult-to-sort ores	Our lithium pyroxene low-temperature sorting technology and pharmaceutical activation technology, through which effective sorting of lithium pyroxene at 5-10℃ can be achieved, reducing the energy consumption of heating through floating processing. Our lithium mica high no desliming sorting technology could improve the grade of lithium mica concentrate by increasing the dispersion of the ore slurry, and at the same time obtain high-grade lithium mica concentrate through the agent with high selectivity, reduce the cost of lithium extraction from the mica. Our low-grade bauxite washing technology could achieve efficient sorting of fine-grained bauxite through the new washing process and equipment, improving the recovery rate of bauxite.
	Copper smelting slag copper and copper-containing minerals processing and recovery technology	To address the challenges of uneven distribution and fine particle size of copper in copper smelting slag and copper-bearing minerals, we has adopted a staged grinding and staged separation process to produce copper concentrate and iron concentrate. This process features a simple structure, low construction costs, low production costs and high reliability. The process of returning intermediate ore to the ball mill for re-grinding aligns with the fine particle size distribution of the slag, enhancing copper recovery rates while reducing tailings grades. This process is able to effectively treat slag, recovering valuable metals, and improving the economic benefits and resource utilization efficiency of the enterprises.

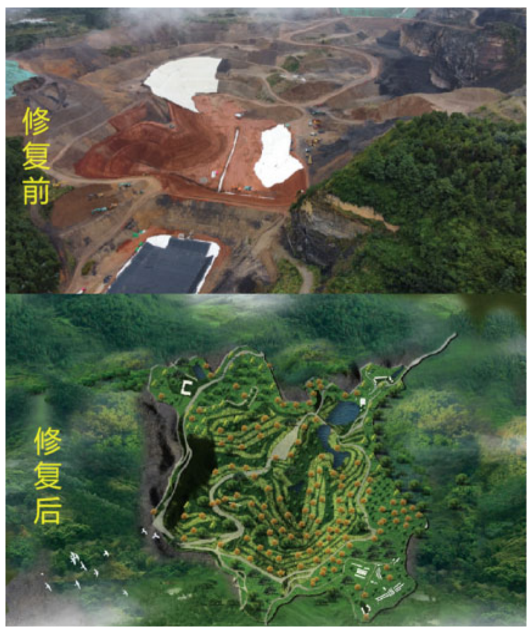
Field	Name of technology	Brief introduction of technology
	Key technology of management and remediation of contaminated sites	We have developed the theory of spatial and temporal evolution of compound heavy metal pollutants in copper resource utilisation sites, and with the guidance of this theory, the scope of the polluted sites can be defined with the assistance of means of exploration; in view of the diversity and complexity of heavy metal pollutants in the polluted sites, a combination system of heavy metal remediation technologies under various influencing factors is created, and different combinations of solidification and stabilisation remediation technologies and phytoremediation technologies are used to carry out joint remediation, enhancing the remediation effect and long-term stability of heavy metal polluted sites.
	Complex terrain tailings storage system technology	For the high pile dam for fine viscous grain tailings, an innovative multi-point centralised grid release – waste rock joint dam construction process was proposed for the first time; the tailings deposition principle and consolidation mechanism under different dam construction methods and different concentrations were clarified; the issues of poorer physico-mechanical indexes of fine-grained tailings, poorer water permeability, longer consolidation time and unfavourable to the stability of dams, among other issues were solved; and the overall technology has reached the international leading level.



Separation technology for low-grade and complex difficult-to-sort ores



Complex terrain tailings storage system technology



Key technology of management and remediation of contaminated sites

2. **We possess world-leading metallurgical technologies. In terms of aluminum electrolysis,** a series of electrolytic technologies of 180kA, 280kA, 320kA, 350kA, 400kA, 500kA and 600kA have been successively developed, promoting the Chinese technology of large-scale aluminum electrolysis cells in China to go global; the first ultra-fine droplet horizontal desulfurization equipment in the industry could reduce power consumption per ton of aluminum by 30% compared to traditional desulfurization devices. It has been promoted and applied in a number of electrolytic aluminum enterprises, with leading international technical indicators; our energy-saving, long-life aluminum electrolysis cell cathode manufacturing technology has been successfully included in the "National Key Promotion List of Low-Carbon Technologies (Fifth Batch)"; The low-carbon, long-life composite cathode technology and equipment for aluminum electrolysis cells have been listed among the "Top 20" advanced and applicable low-carbon technologies in the raw materials industry for 2024. **in terms of aluminum oxide**, we have developed a complete set of technologies for a 1.4 million tonne/year ultra-large high-temperature Bayer process aluminum oxide production line; we have developed key technologies for improving the quality and reducing the consumption of alumina produced from gibbsite minerals, so as to create a complete industrial chain for the magnetized roasting of high ferrous bauxite minerals; we have developed organic matter removal technologies suitable for different aluminum oxide plants, forming a series of supporting technologies for organic matter removal processes; we have pioneered the domestic technology of converting red mud disposal sites from semi-dry, dry, or wet methods to dry methods. **In terms of copper, lead and zinc smelting**, we have designed China's first single-set 400,000-ton melting pool copper smelting project, we have designed China's first lead-zinc combined smelting project with flash-speed lead smelting in conjunction with wet zinc smelting by boiling and roasting, and the world's first 300,000-ton zinc smelting project by oxygen pressure leaching; we have formulated advanced technologies for the treatment and protection of "three wastes" in the copper, lead and zinc industries, and achieved the reduction and harmless disposal of lead and zinc smelting slag. **In terms of titanium smelting**, the multi-polar magnesium electrolysis cell technology we have developed based on the titanium-magnesium combined production process has reached the international leading level. **In terms of carbon**, technological achievements have been developed such as the whole process of high-efficiency adsorption and purification technology for kneading and forming asphalt smoke, high-efficiency incineration technology for G-ETO asphalt smoke, and automatic online spraying equipment for anode anti-oxidation coatings. Based on technologies such as machine vision and machine learning, an inspection system for the surface quality of anode components has been developed to replace manual labor, to carry out online automatic detection of the surface quality of anode components and connect with the chain system, so as to realize automatic classification and diversion of anode component maintenance treatment.

Field	Name of technology	Brief introduction of technology
Smelting	Horizontal desulphurisation of flue gas by ultrafine droplet electrolysis technology	Changing the traditional vertical desulphurisation tower into horizontal desulphurisation equipment, changing the internal flow field to achieve ultra-fine liquid droplets; inventing collision ejection and droplet refinement technology to significantly improve the efficiency of wet desulphurisation and reduce energy consumption; developing a new technology of filtration purification – flue evaporation wastewater recycling, which achieves high efficiency of dust removal and mist elimination, as well as water recycling; and modular structure and corrosion-resistant material are applied to the horizontal complete set of equipment, realising fast and safe construction. The degree of technological innovation is high, and the overall technology has reached the international leading level.
	Energy-saving and long-life aluminium electrolytic cathode manufacturing technology and equipment	We developed nonlinear heating and pig iron casting process matching different cathode structures and materials, which enhances the structural safety of cathode group and improves the operating life of electrolytic cell; we developed multi-temperature band synergistic strengthening and precise control technology, which solves the issue of uneven distribution of cathode carbon preheating temperature, and effectively reduces the operating energy consumption of electrolytic cell; we developed wide cathode synchronous mobile gas preheating equipment with a wide range of applicability, safety and reliability, and convenience in transportation, the overall technology has reached the international leading level.
	Intelligent sample delivery equipment & control system	This equipment and system automates sample transportation, provides real-time workshop data, and delivers instant updates via a dedicated app. It effectively resolves issues in aluminium electrolysis production such as low sampling efficiency, delayed data transmission, high labour intensity, and occupational safety risks. The system enables realtime transmission of test data, with automated sample delivery speeds of ≥20 m/s.

Field	Name of technology	Brief introduction of technology
	Controllable shunt-based aluminium electrolytic cell baking & safe start-up system	This system ensures uniform current distribution across cell columns during the electrolytic cell's start-up and baking process, stable and controllable cell voltage, and improved baking efficiency and quality. It achieves grade 4 or higher zonal current balancing, limits start-up surge voltage to ≤5 volts, and extends shunt plate service life to ≥500 cycles.
	Key technology for quality improvement and consumption reduction of aluminum oxide production from Gibbsite ore	Aiming at the issues of two-stage decomposition of aluminum oxide, salt discharge of evaporation mother liquor and heat energy utilisation of the whole process, we have developed the two-stage decomposition technology of front purification type, the technology of simultaneous recovery of valuable metals by removing oxalate by sidestream crystallisation of evaporation mother liquor, and the technology of high-efficiency comprehensive utilisation of multistage energy in terms of fluid heat and potential energy. Such technologies could obviously reduce the heat energy consumption, power consumption and water consumption of aluminum oxide production, improve product quality, and improve the efficiency of ore resource utilisation. It covers aluminum oxide production process simulation, purification and crystallisation, energy gradient matching technology group, could effectively recover the valuable metal in bauxite mine resources and realise the gradient utilisation of resources, reaching the international leading level.
	Multi-parameter balance big data intelligent control technology for aluminum electrolysis cells	On the basis of establishing the optimal relationship between "static balance" and "current efficiency" of the aluminum electrolysis cells, the "dynamic balance", "furnace type", "aluminum oxide concentration", "superheat level" and "noise level" of aluminum electrolysis cells can be monitored and controlled at real time by using the data generated from offline, online and cloud computing as control feedback. At the same time, it makes use of big data analysis technology to intelligently identify the type of furnace chamber of the electrolysis cell, realizing closed-loop control of aluminium electrolysis production through the combination of three dimensions of "standardization, intelligence and informatization", which elevates the level of management and control of production of aluminium electrolysis cells to a new height, and effectively improves the current efficiency and reduces power consumption, reaching the international leading level.

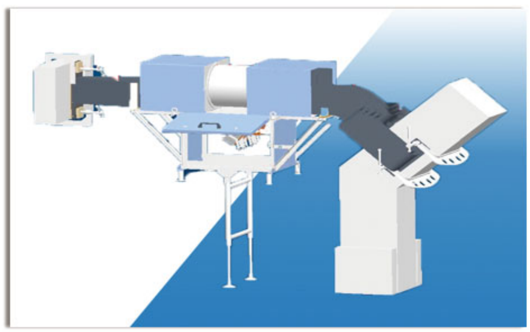
Field	Name of technology	Brief introduction of technology
	Integrated technology for consolidated digital delivery and operation and maintenance of aluminium smelting	By applying technologies such as 3D digital design, digital assisted construction and digital delivery, a virtual digital factory based on a 3D model is realized. Through data exchange between the 3D model and intelligent perception, PCS, MES and other equipment and systems, integrated factory construction and operation and maintenance are achieved, providing high-quality data assets for the operation of smart factories.
	Complete set technology of ultra-large side top blowing continuous copper smelting	Applicable to part of the electrolysis process in copper smelting, utilizing an advanced large-plate stainless steel cathode electrolysis process and multiple intelligent systems, including unmanned intelligent electrolysis cranes, fully automatic anode shaping machines, automatic cathode peeling machines, and intelligent transportation and storage systems for cathode copper, significantly reducing labor intensity and manpower requirements. Additionally, the technology is equipped with an online shortcircuit detection system for electrolysis cells, as well as an online monitoring and management system for cell voltage and temperature. These systems enable real-time monitoring of the electrolysis production process and proactive fault detection, significantly enhancing production stability. The overall process technology, comprehensive energy consumption, and level of automation are all at the forefront of the industry.
	Zinc smelting numerical simulation & control optimisation technology	This technology performs numerical simulations of temperature, concentration, and velocity fields in key smelting equipment, including flash furnaces, waste heat boilers, oxygen-enriched side-blown furnaces, and gas-liquid two-phase flow fields in high-pressure autoclaves (e.g., oxygen pressure leaching). Combined with process flow simulations, it enables optimised production for higher efficiency and product quality. Applied in 100 kt/a Zinc Oxygen Pressure Leaching Project, it resolved challenges such as “direct zinc leaching with synchronous iron removal” and “energy-controlled cooling and depressurisation of high-temperature slurry in high-altitude regions”.

SECTION 4 MANAGEMENT DISCUSSION AND ANALYSIS

Field	Name of technology	Brief introduction of technology
	Intelligent copper-lead-zinc smelting equipment	Addressing low productivity, harsh (high-temperature) environments, poor automation, labour-intensive operations, safety risks, and maintenance difficulties in electrolysis, casting, and warehousing for Cu-Pb-Zn smelting, we integrated robotics, image recognition, AI, and data processing to develop a suite of intelligent smelting equipment. Deployed successfully at Hulunbuir, this technology has since expanded from lead/zinc to tin, bismuth, indium, and heavy-metal solid waste recycling, pioneering new circular economy pathways for resource utilisation.
	Aluminum smelting smart factory technology based on the 5G industrial Internet	Through the overall architectural design of a one-stop smart factory and based on the concept of intelligent and green development, this technology relies on a 5G industrial private network and integrates technologies such as BIM, digital twins, expert knowledge bases and big data mining and analysis to make data from all aspects of production and management visible, manageable and controllable. This creates a green, energy-saving, and intelligent production system that allows users to save manual labour, money and worry. A "5G+BIM+smart factory+dual carbon" template applicable to the aluminum industry has been created and is being actively replicated and promoted within the industry. It responds to national energy-saving policies, assists enterprises achieve dual-carbon targets, and promotes the green and high-quality development of the aluminum industry.

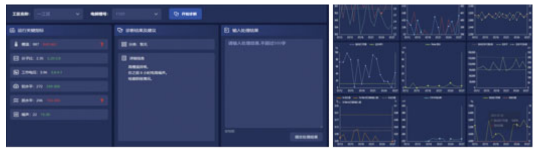
Horizontal desulphurisation of flue gas by ultrafine droplet electrolysis technology

Intelligent sample delivery equipment & control system



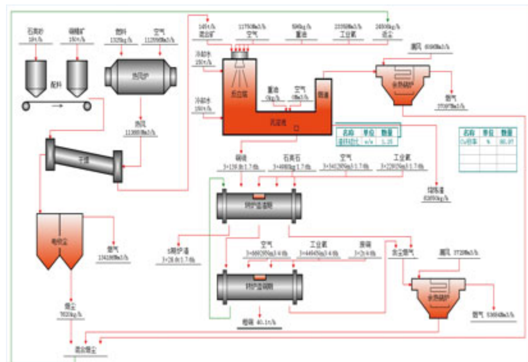
Controllable shunt-based aluminium electrolytic cell baking & safe start-up system

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

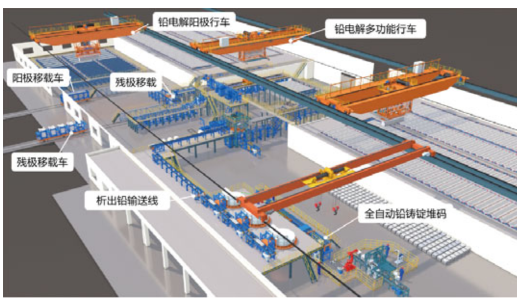


Multi-parameter balance big data intelligent control technology for aluminum electrolysis cells

Integrated technology for consolidated digital delivery and operation and maintenance of aluminium smelting



Zinc smelting numerical simulation & control optimisation technology



Intelligent copper-lead-zinc smelting equipment

Aluminum smelting smart factory technology based on the 5G industrial Internet

3. **We own the one and only non-ferrous metal processing design and research institute in China, and we are a comprehensive enterprise integrating various aspects in relation to to non-ferrous metal, including industry planning, engineering design, equipment development, technology research and development, industrialization of results and general contracting, etc.** Our "AI-based online inspection system for non-ferrous metal surface defects" was named as an innovative artificial intelligence product in Henan Province, and our "integrated solution and application scenarios for non-ferrous metal processing digital factories based on the industrial Internet platform" were successfully selected into the first batch of Henan Province's list of typical artificial intelligence application scenarios. We have developed the six-roller aluminum strip cold rolling mill equipment of 2,800 mm and 2,300 mm, high-speed trimming technology for aluminum alloy strips, and energy-saving and environmentally friendly full oil recovery technology for aluminum rolling mills, and made dozens of breakthroughs in key core technologies, which filled the gaps in domestic technologies and equipment. Our indigenous developed technologies and equipment are exported to some 20 countries and regions in Asia, Europe, Americas and Africa.

Field	Name of technology	Brief introduction of technology
Processing	Non-ferrous metal processing and finishing technology and equipment	Covering bending and straightening unit, high-speed cutting unit, surface alkali washing unit, among others, of which the self-developed bending and straightening unit is a mature product with unique technical solution and high degree of automation, the production process and emissions will not cause harm or pollution to the environment. At the same time, the production operation has low labor intensity, is safe and reliable, and has reached the international advanced level, meeting the current demand for high-quality product surface quality and large production capacity after the substantial expansion of aluminum processing capacity.
	Aluminium strip and foil rolling technology and equipment	In response to the increasing demand for aluminum plates, strips and foils and the current situation of high prices and continued monopoly of foreign high-end equipment, we have developed a variety of series of cold rolling and hot rolling mills, including 2,800mm six-roller aluminum strip cold rolling mill, 3,300+2,800 hot rolling mill, etc., with breakthroughs in many core technologies. The comprehensive performance has reached the international advanced level, and the comprehensive competitive advantage is obvious.

Field	Name of technology	Brief introduction of technology
	Hot & cold rolling technology and equipment for copper sheet and strip	Our self-developed two-roll copper strip reversible hot rolling unit realises the maximum cast weight of hot rolling billet of 9,700kg, maximum width of strip billet of 650mm, maximum rolling speed of 240m/min, and maximum coiling speed of 120m/min with large under-pressure, fast, high-efficiency and controllable rolling, and ensures that strips are rolled and quenched in quenching and solidification before the target final rolling temperature through 7 or 9 passes of high-speed and fully-automatic rolling, thus solving technical difficulties such as fast temperature drop of strip and strip cracking, and realised the localization of key equipment for copper alloy strip rolling.
	Aluminium/copper strip surface defect grading & optimisation system	This system utilises machine vision, deep learning algorithms and AI modelling to automatically perform online detection, localisation, classification and alerting of surface defects on metal strips. Capable of completing defect identification, positioning and feature-matching classification in just 0.1 seconds, the system achieves detection speeds exceeding 400 metres per minute, with defect detection and resolution rates reaching 95% and 90%, respectively. The system effectively addresses challenges such as low inspection efficiency, inconsistent quality, difficult defect classification and delayed feedback, enabling practical application of AI models in production. It enhances quality management for both target equipment and upstream processes while improving product yield rates.
	Industrial nonferrous metals processing internet platform	Built on industrial internet architecture, this highly integrated, stable and agile production line integration system delivers comprehensive digital awareness across production, quality, equipment, energy, logistics and safety functions for non-ferrous metals processors. The platform supports various specialised applications including equipment manufacturing production control, quality management, energy efficiency optimization, safety production and supply chain coordination.

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

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

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

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

Field	Name of technology	Brief introduction of technology
New industries and new fields	New technology for clean recycling of valuable components of waste power batteries	The technology was included in the National Green Technology Promotion Catalogue and won the first prize of the China Non-ferrous Metals Industry Science and Technology Award in 2023. The high-efficiency and clean recovery of valuable components in waste power batteries has been achieved, with a black powder recovery rate of more than 97%, and the recovery rate for nickel, cobalt, manganese, and lithium of more than 98.5%, 98%, 98%, and 90%, respectively. Compared with traditional nickel, cobalt, and manganese mineral metallurgical extraction technology, it could significantly reduce carbon emissions and has significant economic and social benefits.
	Salt lake lithium extraction technology	The most suitable process route is selected according to the different properties of the salt lake, and the investment, cost and operation can be optimised from the perspective of the whole process, reduce the consumption of auxiliary materials and improve the thermal efficiency. A series of specialised equipments have been developed for high-efficiency lithium extraction, resulting in patents. We possess the ability to supply complete sets of equipment integrated with the process and ancillary equipment.
	Distributed intelligent energy application technology and equipment	Horizontally, it realises the "multi-source complementarity" of electricity, gas, heat and renewable energy, and vertically, it realises an energy system with the characteristics of highly coordinated links of "source-network-load-storage", two-way interaction between production and consumption, and a combination of centralisation and distribution. The energy-saving and carbon-reducing benefits of the system are obvious, and in the context of carbon peaking and carbon neutrality, there is enormous market space for application of this technology in the construction or renovation of industrial parks and large factories and mines and integrating energy systems.

Simandou Mining Project Commencement Ceremony

(II) "Triple Full" advantages

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

(III) Qualification advantages

The Company has various qualifications, 398 in total. Among them, there are 1 Class A comprehensive engineering design qualification, 1 Class A engineering design industry qualification, 11 Class A engineering design professional qualifications, 2 Class A comprehensive survey qualifications, 2 super-grade general contracting qualifications, 1 super-grade general contracting qualification for metallurgical engineering, 4 Class A engineering supervision qualifications, and 7 Grade A credit ratings for engineering consulting units.

(IV) Domestic market advantages

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

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

(V) Overseas markets advantages

The Company implements the “technology + international” strategy in an all-round manner, fully relies on the “triple full” advantages and manages all levels of overseas business in accordance with the organizational implementation model of “headquarters + affiliated enterprises + overseas institutions”, and with “high quality, sustainability, and localization” as the core concept, we focused on countries along the “Belt and Road” and emerging markets, relying on technological advantages and industrial chain integration capabilities to deepen international production capacity cooperation. We achieved integrated management of the entire life cycle from project development to project implementation, and has exported technology and equipment to dozens of countries and regions such as Brazil, Vietnam, Indonesia, Italy, Saudi Arabia, Kazakhstan, Guinea, etc. It has also contracted and implemented large-scale EPC general contracting projects for major customers such as Simfer Company in Guinea, Inalum and PT Antam Tbk, etc.; In the Indonesian market, the Company continues to deeply engage large customers such as Inalum and PT Antam Tbk, etc., undertaking and implementing several EPC general contracting projects for aluminum oxide and electrolytic aluminum transformation. The Company has 100% share in the Indonesian market for electrolytic aluminum design, ranks first in the market for aluminum oxide bank-level feasibility studies and EPC general contracting, and has a strong competitive advantage in aluminum smelting and nickel smelting construction. The Company successfully entered into a mining operation and maintenance contract for the Simandou Mining Project in Guinea, achieving a new breakthrough in the operation and maintenance of overseas heavy non-ferrous mines and further extending the overseas industrial chain. Globally, it has established cooperative relationships with enterprises, scientific research institutes, and universities of more than 40 countries and regions; and it has participated in a number of overseas special forums, international mining forums and international production capacity cooperation conferences, etc.

IV. OPERATING OVERVIEW FOR THE REPORTING PERIOD

(I) Analysis of principal business

1. Analysis of changes in relevant items on financial statements

Unit: '000 Currency: RMB

Item	Current Period	Amount for the corresponding period of last year	Change (%)
Operating revenue	**9,698,350**	10,710,476	–9.45
Operating cost	**8,647,193**	9,684,950	–10.72
Sales expenses	**50,931**	60,095	–15.25
Administrative expenses	**419,689**	470,888	–10.87
Finance expenses	**137,420**	104,985	30.89
R&D expenses	**284,058**	315,561	–9.98
Net cash flows from operating activities	**-199,300**	–2,034,849	N/A
Net cash flows from investing activities	**–65,860**	702,903	–109.37
Net cash flow from financing activities	**-387,865**	1,269,801	-130.55

Explanation of reasons for changes in operating revenue: During the Reporting Period, the Company is committed to using technological innovation to guide business transformation and is deeply advancing business transformation and upgrading. The Company focused on three core market areas and continued to deepen its innovative business model of "technology + equipment, products, and services" to drive revenue growth in its core competitive design consulting and equipment manufacturing businesses. We continued to withdraw from non-industrial businesses such as municipal and civil construction, and our operating revenue decreased period-on-period for the Reporting Period.

Explanation of reasons for changes in operating cost: Costs decreased as revenue decreased.

Explanation of reasons for changes in sales expense: No significant changes.

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

Explanation of reasons for changes in finance expense: During the Reporting Period, the Company reduced its financing scale, with financing costs decreased by 35BPs over the corresponding period last year, and interest expenses decreased by RMB24 million period-on-period. At the same time, due to the fluctuation of US dollar exchange rate, the Company's foreign exchange income decreased by RMB62 million period-on-period.

Explanation of reasons for changes in R&D expense: No significant changes.

Explanation of reasons for changes in net cash flow from operating activities: The Company further strengthened its receivables collection management, and certain long-aged key projects have achieved collection, resulting in less operating cash outflow period-on-period.

Explanation of reasons for changes in net cash flow from investing activities: The Company recovered matured structured deposits in the corresponding period last year, but there was no such business in the current period.

Explanation of reasons for changes in net cash flow from financing activities: Mainly due to the Company strengthened centralized fund management, controlled financing scale, and repaid certain borrowings from financial institutions during the current Reporting Period.

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

☐Applicable ✓Not applicable

(II) Explanation of Material Changes in Profit Caused by Non-principal Business

☐Applicable ✓Not applicable

(III) Analysis of Assets and Liabilities

✓Applicable ☐Not applicable

1. Assets and liabilities

Unit: ’000

Item	Amount at the end of the current period	Percentage of closing balance of the current period in total assets (%)	Amount at the end of the corresponding period of last year	Amount at the end of the corresponding period of last year over total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year (%)	Description
Notes receivable	243,024	0.60	360,418	0.88	–32.57	Primarily affected by bill endorsements and matured collections.
Receivables financing	127,275	0.31	321,003	0.78	–60.35	
Lease liabilities	12,814	0.03	28,078	0.07	–54.36	Description Primarily affected by the timely payment of rental income from the leasing business.

Other explanation

None

2. Circumstance of overseas assets

✓Applicable ☐Not applicable

(1). Asset size

Including: Overseas assets : 4,243,896 (Unit: ’000 Currency: RMB), percent of total assets: 10.47%

(2). Explanation on the high proportion of overseas assets

☐Applicable ✓Not applicable

Other explanation

None

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

✓Applicable ☐Not applicable

Unit: ’000 Currency: RMB

Item	Book value as of 30 June 2025	Reason for restriction
Monetary funds	634,151	Frozen and pledged
Accounts receivable	305	Pledged
Total	634,456	

4. Other explanation

✓Applicable ☐Not applicable

(1) Liquidity and capital resources

As of 30 June 2025, the Group held RMB3.162 billion in bank deposits and cash, representing a decrease of RMB786 million from December 31, 2024. This was primarily due to a decrease in monetary funds due to project payments and loan repayments during the current period.

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

As of 30 June 2025, the Group's current assets, excluding bank deposits and cash, amounted to RMB28.786 billion, including: accounts receivable and notes receivable of RMB16.42 billion, contract assets of RMB6.79 billion, prepayments and other receivables of RMB1.701 billion, and inventory of RMB2.554 billion.

As of 30 June 2025, the Group's current liabilities amounted to RMB24.26 billion, including accounts payable and notes payable of RMB13.233 billion. As of 30 June 2025, the Group's net current assets (i.e., the difference between total current assets and current liabilities) amounted to RMB7.688 billion, representing an increase of RMB54 million compared to the net current assets as of 31 December 2024.

As of 30 June 2025, the Group had outstanding borrowings of RMB9.56 billion, of which short-term borrowings and long-term borrowings due within one year amounted to RMB3.007 billion, and long-term borrowings amounted to RMB6.553 billion. The total borrowings decreased by RMB0.229 billion compared to 31 December 2024.

(2) Cash flows

Net cash flow from operating activities. For the six months ended 30 June 2025, net cash outflow from operating activities amounted to RMB199 million, representing a period-on-period decrease of outflow of RMB1.836 billion, primarily due to the Company strengthened the collection of “two funds”, closely monitoring sales collections for the current period, strictly controlling budget execution, and implementing categorized management of accounts payable, resulting in a period-on-period increase in net cash flow from operating activities.

Net cash flow from investing activities. For the six months ended 30 June 2025, net cash outflow from investing activities amounted to RMB66 million, representing a period-on-period increase of outflow of RMB769 million, primarily due to the recovery of matured structured deposits in the corresponding period last year, with no such transactions in the current period.

Net cash flow from financing activities. For the six months ended 30 June 2025, net cash flow from financing activities was a net outflow of RMB388 million, representing a period-on-period increase of outflow of RMB1.658 billion, primarily due to the Company strengthening its centralized cash management, controlling financing scale, and repaying part of loans from financial institutions during the Reporting Period.

(3) Pledge of assets

The Group pledged receivables of RMB305,000 to obtain short-term loans of RMB305,000 respectively.

(4) Gearing ratio

The Company monitors its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total borrowings and other liabilities (including short-term borrowings, long-term borrowings, trade and other payables, contract liabilities and dividends payable shown in the consolidated balance sheet) minus restricted cash, time deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt minus non-controlling interests. The Group's gearing ratios were approximately 44.03% and 42.82% as at 30 June 2025 and 31 December 2024, respectively. The gearing ratio as of 30 June 2025 increased slightly compared to that as of 31 December 2024.

(5) Contingent liabilities

As of 30 June 2025, the Group did not have any material contingent liabilities.

(IV) Investment Analysis

Overall analysis of external equity investments

✓Applicable ☐Not applicable

As of 30 June 2025, the Company's long-term equity investment balance (original value) was RMB742.043 million, representing an increase of RMB1.715 million, or 0.23%, from the beginning of the year. Among them, the impairment provision for long-term equity investment was RMB36.216 million, which is the same as at the beginning of the year.

(1). Major equity investments

☐Applicable ✓Not applicable

(2). Significant non-equity investments

☐Applicable ✓Not applicable

(3). Financial assets measured at fair value

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Category of Asset	Amount as at the beginning of the period	Amount as at the end of the period
Receivables financing	**321,003**	**127,275**
Investment in other equity instruments	**43,160**	**43,067**
Total	**364,163**	**170,342**

Investment in securities

☐Applicable ✓Not applicable

Explanation on Securities Investment

☐Applicable ✓Not applicable

Private Equity Investment

☐Applicable ✓Not applicable

Derivatives investment

☐Applicable ✓Not applicable

(V) Disposal of significant assets and equities

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Company name	Business scope	Total assets	Net assets	Operating revenue	Net profit
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	2,687,060	1,355,652	735,981	61,675
Guiyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	1,921,339	545,920	689,987	73,602
Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy	Engineering survey and design	4,673,184	2,393,013	1,061,137	73,952
China Non-ferrous Metals Processing Technology Co., Ltd.	Engineering design and equipment manufacturing	2,015,634	616,620	578,615	37,712
Kunming Survey and Design Institute Co., Ltd. Of China Non-ferrous Metals Industry	Engineering survey and design	1,938,405	1,070,751	762,637	32,526
Kunming Non-ferrous Metallurgical Design and Research Institute Corporation	Engineering survey and design	630,284	269,877	218,212	47,517
Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	Building and construction	11,977,362	2,367,184	2,682,399	14,350
Ninth Metallurgical Construction Co., Ltd.	Building and construction	9,301,525	1,779,861	1,331,898	–8,544
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Building and construction	4,420,730	767,941	1,230,005	–50,442
CHALIECO (Tianjin) Construction Co., Ltd.	Building and construction	1,427,002	511,578	235,581	21,386

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

☐Applicable ✓Not applicable

Acquisition and disposal of subsidiaries during the Reporting Period

☐Applicable ✓Not applicable

Other explanation

☐Applicable ✓Not applicable

(VII) Particulars of structured entities controlled by the Company

☐Applicable ✓Not applicable

V. OTHER DISCLOSURES

(I) Potential risks

✓Applicable ☐Not applicable

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

1. Safety and environmental risks

Present issues:

During the first half of 2025, safety and environmental protection work mainly faces the following risks: First, in terms of subcontractor safety management, the primary responsibility of subcontractors was not effectively enforced, which may result in subcontractor safety risks not being fully controlled; second, there is insufficient awareness of safety and environmental protection concepts, which may lead to varying levels of professional competence among safety and environmental protection management personnel and inadequate fulfillment of safety and environmental protection responsibilities; third, the safety production responsibilities of personnel were not clearly defined, which may result in the safety production responsibility system, where those responsible for production must also be responsible for safety, those responsible for business must also be responsible for safety, and those responsible for industries must also be responsible for safety, being unable to be effectively enforced.

Countermeasures:

The first is to strictly adhere to the requirements of the "Basic Specifications for Safety Risk Management Standardization System of Aluminum Corporation of China (0/C)" and the "Sub-contractor Safety Management Regulations of China Aluminum International Engineering Corporation Limited", thoroughly implement the "seven-step method" and "eight nos", prioritize both source control and process oversight, conduct rigorous reviews of contractors' safety management capabilities, and comprehensively standardize management of contractors through risk disclosure, safety training, on-site supervision, and violation assessments. Strictly enforce penalties for violations to reinforce safety responsibilities and enhance control over contractors; the second is to comprehensively sort out and develop the "Compendium of safety Laws, Regulations and Systems", the "Safety and Environmental Protection Management Handbook" and the SOP standardized operating procedures, organize and publicize the training and examination at all levels to effectively guide and standardize the safety behavior of front-line workers; the third is, in strict accordance with the work safety working principle of "three controls and three musts", further improve the work safety responsibility system, refine and implement the various levels, in accordance with the "one post, two responsibilities" list for various professional management position, and carry out evaluation and assessment of duty performance in a regular manner.

2. **Cash flow risk**

Present issues:

In the increasingly intense competition within the construction industry, settlement and payment cycles are prolonged, and the collection of outstanding receivables from existing municipal and residential construction projects is challenging.

Countermeasures:

Adhere to the principle that "cash collection is the lifeline of the enterprise", utilize the "sales collection rate" and "contract timely collection rate" models, and implement the principle of "annual control of months, monthly control of days, and daily management and control" to ensure timely collection of receivables from ongoing projects, ensuring full coverage and full-cycle control of the budget; establish a list of outstanding "two funds", and clarify the responsible person for collection. Based on the amount, collection difficulty, aging, cause, and risk level of each outstanding "two funds" item, implement tailored strategies, set clear targets, identify the source of funds from clients, and vigorously pursue collection; continuously improve the company's cash flow management capabilities.

3. Engineering project management risks

Present issues:

In the first half of 2025, certain projects encountered issues such as inadequate construction technical management, deviations in contract fulfillment management, incomplete implementation of the "two systems" management, non-compliance with safety, environmental, and health management standards, weak capacity for tapping the secondary and tertiary potential of projects, and lack of in-depth implementation, insufficient understanding, and incomplete implementation of the Company's project management system.

Countermeasures:

First, accelerate the optimization and reform of the project management system, streamline project management levels, strengthen the "three major centers", ensure that corporate management penetrates to the project grassroots level, and extend the benefits of reform to the front lines of projects. Second, strengthen guidance and supervision, strictly enforce the management requirements of the Company, and implement penetrative management for key projects. Third, conduct regular business evaluations, promptly feedback issues to the enterprises, and accelerate the pace of reform. Fourth, fully implement the project guarantee and sponsorship system of company leadership, reasonably plan work arrangements, and fully leverage the effectiveness of the guarantee and sponsorship work.

4. Reform and business transformation risk

Present issues:

In the first half of 2025, the Company focused on the overall requirements for the high-quality completion of the annual reform and upgrading action plan for state-owned enterprises, comprehensively sorted out various issues for reform for the year, establish a "single account" management system, implement dynamic management, and steadily advance various reform tasks. The "Science and Technology Reform Action" was deeply advanced, and in the State-owned Assets Supervision and Administration Commission's special assessment of science and technology reform, the six science and technology reform enterprises under the Company achieved excellent results of "1 benchmark, 3 excellent and 2 good". In the process of reform and business transformation, the Company still faces challenges such as uncertainties in the market and external environment, certain key reform tasks not being implemented as expected, and certain employees lacking a deep understanding and support for reform tasks in the short term.

Countermeasures:

First, we will gain insight into the external environment and respond flexibly. We will continue to conduct in-depth market monitoring, closely follow changes in policies and regulations, and strengthen communication and collaboration with customers, suppliers, and partners. Second, we will strengthen supervision and guidance and push forward with determination. We will hold regular reform work meetings and use a "red and green light" system to report on the completion of tasks by various units. Third, we will focus on key issues and make breakthroughs in key areas. Focus on key and difficult reform tasks, establish a list of tasks to be supervised, break down and implement work plans, deeply analyze existing issues, clarify the direction of efforts, refine specific work measures, and mobilize forces from various aspects to overcome difficulties. Fourth, strengthen the dissemination of reform policies and plans, increase the summary and refinement of reform experience, strengthen publicity work, and create a favorable atmosphere for reform.

5. Market changes and market competition risks

Present issues:

Providing engineering and technical services is the core business of Chalieco. Since the beginning of 2024, due to market factors such as overcapacity in negative electrode materials and a decline in alumina prices, investment in the non-ferrous metals industry has decreased; the scale of the real estate and municipal civil engineering markets has significantly contracted; industry concentration has further increased, with the "Matthew effect" trends becoming more pronounced, and competition among the top eight state-owned construction enterprises has intensified. These factors have all presented new challenges for Chalieco.

Countermeasures:

First, establish a "wolf-like" marketing system to build strong marketing capabilities and implement a three-tier marketing structure of "headquarters-enterprise-region (customer base)". Second, implement marketing incentive mechanisms and strengthen incentive measures. Third, in line with the requirements of deepening the "Three Major Markets" and launching the "market quality and quantity improvement campaign", prioritize the management of key customer resources and the tracking of key projects as core initiatives. Through optimizing the customer segmentation mechanism, strengthening the dynamic tracking system, and enhancing resource integration capabilities to steadily advance the maintenance and management of key customers and the implementation of key projects across subsidiaries. Fourth, vigorously expand EPC and operations and maintenance services, and comprehensively enhance EPC project performance capabilities and specialized capabilities.

(II) OTHER DISCLOSURES

✓Applicable ☐Not applicable

1. Progress on the Company's 2025 "Quality Improvement, Efficiency Enhancement, and Return Optimization" action plan

In order to thoroughly implement the spirit of the 20th National Congress of the Communist Party of China, the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and that of the Central Financial Work Conference, implement the State Council's Opinions on Further Improving the Quality of Listed Companies, and actively respond to the Shanghai Stock Exchange's Initiative on Conducting a Special Action for Listed Companies on Shanghai Stock Exchange to Improve Quality, Efficiency, and Return, and continuously improve the quality of listed company and enhance investors' returns and sense of gain, the Company has formulated the 2025 "Quality Improvement, Efficiency Improvement and Focus on Returns" action plan based on industry development and its own development strategy. The implementation of the Company's "Quality Improvement, Efficiency Enhancement and Return Optimization" action plan in the first half of the year is as follows:

1. Focus on core responsibilities and principal businesses, take the road of high-quality development

   First, the business structure has been continuously optimized. In the first half of 2025, focusing on effectively improving quality and achieving reasonable growth, our business structure was further optimized, with significant growth in EPC and advantageous industrial projects. New contracts signed increased by 26% period-on-period, of which, industrial contracts increased by 38% period-on-period, and EPC general contracting and engineering contracts increased by 26% period-on-period.

   Second, overseas business grew rapidly. In the first half of the year, the total value of newly signed overseas projects amounted to RMB3.189 billion, representing an increase of 284% period-on-period. The Company successfully won the bid and signed the mining, maintenance project in Simandou, Guinea, with a contract value of US$267 million. This marks the Company's breakthrough in the single-model overseas business development pattern and represents another milestone breakthrough in the African market.

   Third, the quality of project performance has significantly improved. To carry out work tasks such as reform of the project management system, enhancement of on-site project management, and lean cost management for projects, among other measures. The contract performance quality of major projects was recognized by clients and awarded multiple honors. The Qinghai Aluminum project achieved power supply; the Yuntong Zinc relocation project successfully commissioned production in one go; and the slope road above 1,410 meters of Hongnipo Project of Liangshan Mining was completed nine days ahead of schedule. The "120,000-ton aluminum oxide pipeline upgrading and renovation project (Phase II)" surveyed by CINF and the "Jiangxi JCC Copper East China Copper Foil Shangrao Lithium-ion Copper Foil 50,000 tons/year construction project" surveyed by the Kunming Survey and Design Institute have been awarded the Non-Ferrous Metals Industry Quality Engineering Award.

(2) Strengthening scientific and technological innovation to cultivate new quality production force

First, accelerate the research and development of core technologies. Chalieco led the formulation of energy consumption limits for the graphite and fluorite industries, which are the only current national standards; the “Energy-saving and Long-life Aluminum Electrolysis Cell Cathode Manufacturing Technology” provides a Chalieco solution for promoting carbon reduction in the aluminum industry; our innovative research and development of ultra-fine droplet wet desulfurization technology and PSA carbon capture technology, among other proprietary technologies, have accelerated the upgrading of environmental protection technologies in the aluminum industry.

Second, improve R&D investment and output efficiency. In the first half of the year, the Company’s R&D investment intensity reached 3.12%, the Company won three new internationally leading achievements and won four provincial and ministerial-level science and technology prizes; the number of new invention patent applications increased by 39% period-on-period; and the number of newly authorized invention patents increased by 27% period-on-period. The promotion and application of 99 core technological achievements achieved a profit of 423 million yuan. The “Core Scientific Research Team Construction Work Plan” was issued and implemented, focusing on the Company’s key development areas to cultivate and establish 24 core scientific research teams, accelerating the cultivation of a group of technical talent teams with industry influence.

Third, we are fully committed to building digital driving forces. The establishment of the smart construction site platform has been basically completed and has entered the stage of promotion and application. Our AI scenario projects have completed project establishment for all eight items. In the first half of the year, Chalieco has entered into digital and intelligent contracts of RMB366 million for the construction of smart factories and smart production lines.

(3) Adhering to standardized operations and optimizing governance efficiency

First, improve the modern governance system. In the first half of the year, the Company revised 11 systems, including the Articles of Association, in accordance with the latest regulatory policies and in combination with governance practices, so as to ensure that the Company's governance systems are consistent with the latest regulatory laws and regulations, providing a guarantee for corporate governance and standardized operations.

Second, establish a diversified board of directors. In the first half of the year, the Company completed the rotation of its board of directors, forming a diversified team with extensive experience in enterprise management, mining and metallurgy, law, finance, and other fields. Our three independent directors have diverse backgrounds, and one female director has been introduced, ensuring complementary personnel and gender structures, and laying a solid foundation for efficient and standardized operations and enhances decision-making efficiency and quality. We organized our directors to participate in specialized training sessions organized by the State-owned Assets Supervision and Administration Commission, the Securities Regulatory Administration, and industry associations to continuously enhance their professional capabilities.

Third, fully leverages the functions of specialized committees. In the first half of the year, the Company abolished the board of supervisors in accordance with regulatory requirements, with its duties and powers transferred to the Audit Committee. Five specialized committees were matched and updated on the basis of professional expertise of directors, fully leveraging the role of independent directors to deepen professional support in key areas, providing more professional advice for decision-making of the board of directors.

(4) Strengthening investor communication and enhancing corporate transparency

First, to conduct high-quality information disclosure. The Company strictly controls the "entry point of compliance governance and the exit point of information disclosure", establishes a working mechanism with "comprehensive coverage, highlighted key points, level-by-level review and timely discover of issues", strengthens communication and coordination with controlling shareholders, regulatory authorities and subsidiaries on major information and important matters, and promotes all parties to support the Company in doing a good job of high-quality information disclosure.

Second, to engage investors in an orderly manner. Chalieco has established a multi-level investor communication mechanism, conducts "broad coverage" and "high-quality" exchanges through multiple channels such as general meetings, investor receptions, and SSE e-interaction, actively conveys the Company's values. In the first half of the year, the Company held one performance briefing meeting; participated in a closed-door exchange meeting for listed companies organized by GF Securities; held multiple exchanges with investors such as the Social Security Fund, Hongchou Investment and PICC Asset Management; and organized four institutional investor exchange activities.

(5) Focus on investor returns and share the fruits of corporate development

In the first half of the year, the Company has formulated the "Market Value Management System of China Aluminum International Engineering Corporation Limited" and the "2025 Market Value Management Work Plan of China Aluminum International Engineering Corporation Limited". Focusing on six aspects, namely governance optimization, core responsibilities and principal businesses, technological innovation, deepening reform, investor communication and capital operations, comprehensively enhance the Company's capability to create, convey, and realize value.

(6) Strengthen the responsibility of "critical few" to stimulate corporate vitality and dynamism

First, stimulate internal organizational vitality. In the first half of this year, the Company launched the reserved grant plan of the restricted shares, and granted 2 million restricted shares to 21 Participants. This further enabled key employees to share risks and benefits with the Company, fully stimulating their enthusiasm, initiative and creativity.

Second, we have made solid progress in the use of outstanding officers. To further optimize the age structure of the leadership teams of our subsidiaries; to formulate the "Implementation Plan for the 2025 Annual Internship, Exchange, and Assignment Program for Outstanding Young Officers", increasing the intensity of "horizontal and vertical" exchange and training between the headquarters of Chalieco and its subsidiaries.

2. Contract of significance

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

3. Business in connection with sanctioned countries

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

4. Interim dividend

The Board has not made any recommendation on the payment of an interim dividend for the six months ended 30 June 2025.

5. Purchase, redemption or sale of listed securities

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the six months ended 30 June 2025.

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

The Board shall fulfill its duty to prepare the Company's financial statements as of 30 June 2025 so as to give a true and fair view of production and operational condition of the Company and of the business performance and cash flow of the Company. The management of the Company has provided the Board with the necessary explanation and data to facilitate the review of the Company's financial statements by the Board. The Directors are not aware of any significant uncertainties, that is, events or incidents that may cast significant doubt on the Company's ability to continue as a going concern.

7. Accounting policies

The accounting policies adopted by the Group to prepare the unaudited condensed consolidated financial statements as of 30 June 2025 are consistent with the principal accounting policies for the preparation of the audited consolidated financial statements for the year ended 31 December 2024.

8. Events After the Balance Sheet Date

There was no other significant subsequent event after 30 June 2025.

9. Changes in Directors and their Particulars

Save as disclosed in this interim report, pursuant to Rule 13.51B(1) of the Listing Rules of the Stock Exchange, the changes in the directors and supervisors of the Company subsequent to the publication of the 2024 annual report of the Company and up to the date of disclosure of this interim report as required by paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules of the Stock Exchange are set out below:

(1) LIU Dongjun, an executive director, ceased to serve as the Company's executive director from August 2025.

(2) HU Weixi, a non-executive director, was transferred to the position of director, deputy Party secretary and deputy general manager of Chinalco Finance Company Limited from June 2025, at the same time, she also ceased to serve as the deputy general manager (deputy director) of the Finance and Property Rights Department (Fund Management Center) of Chinalco, manager of the Fund Management Office, Director and Deputy General Manager of Aluminum Corporation of China Overseas Holdings Limited, director of Chinalco Investment Holdings Co., Ltd., director of Beijing Guolyu Investment Management Co., Ltd., and a member of the investment decision-making committee of Beijing Yinlyu Rongfa Fund Partnership (Limited Partnership).

(3) SIU Chi Hung, an independent non-executive director, ceased to serve as an independent non-executive director of Dongjiang Environmental Company Limited from June 2025 and served as an independent non-executive director of Intsig Information Co., Ltd. from June 2025.

(4) TONG Pengfang, an independent non-executive director, ceased to serve as an independent non-executive director of China Rare Earth Holdings Limited from August 2025.

Save as disclosed in this interim report and above, the directors of the Company have no other information that needs to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of the Stock Exchange.

SECTION 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL

I. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

✓Applicable ☐Not applicable

Name	Position	Change	Reason for change
ZHAO Hongmei	Executive Director	Retired	Retired following election
ZHANG Decheng	Non-executive Director	Retired	Retired following election
YANG Xu	Non-executive Director	Retired	Retired following election
TAO Fulun	Executive Director	Elected	Newly elected following election
LIU Changkui	Non-executive Director	Elected	Newly elected following election
HU Weixi	Non-executive Director	Elected	Newly elected following election

Descriptions of changes in Directors and senior management of the Company

✓Applicable ☐Not applicable

1. In view of the expiration of the term of office of the Company's fourth session of the board of directors, the Company held its 26th and 28th meetings of the fourth session of the board of directors on 28 March 2025 and 26 May 2025 respectively, and its 2024 annual general meeting on 30 June 2025, and elected the directors of the Company's fifth session of the board of directors. Details are as follows: The members of the fifth session of the board of directors of the Company are as follows: 4 executive directors: Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun and Mr. TAO Fulun; 2 non-executive directors: Mr. LIU Changkui and Ms. HU Weixi; 3 independent non-executive directors, namely Mr. ZHANG Ting'an, Mr. SIU Chi Hung and Mr. TONG Pengfang. Among them, the directors being re-elected include Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun, Mr. ZHANG Ting'an, Mr. SIU Chi Hung and Mr. TONG Pengfang. The newly elected directors are Mr. TAO Fulun, Mr. LIU Changkui and Ms. HU Weixi. For details regarding the re-election of the board of directors, please refer to the Company's announcements titled "Announcement on the Resolutions Made by the 26th Meeting of the Fourth Session of the Board of Directors of China Aluminum International Engineering Corporation Limited" (Announcement No.: Temp 2025-004) disclosed on 29 March, 2025, and the "Announcement on the Resolutions Made by the 26th Meeting of the Fourth Session of the Board of Directors of China Aluminum International Engineering Corporation Limited" (Announcement No.: Temp 2025-006) disclosed on 27 May 2025, as well as the "Announcement on the Resolution of the 2025 Annual General Meeting of China Aluminum International Engineering Corporation Limited" (Announcement No.: 2025-029) and the "Announcement of China Aluminum International Engineering Corporation Limited on the Completion of the General Election of the Board of Director, the Election of Chairman and Appointment of Senior Management Personnel" (Announcement No.: Temp 2025-030) disclosed on 1 July 2025.

2. At the 28th meeting of the 4th Session of the Board of Directors held on 26 May 2025, and at the 2024 Annual General Meeting held on 30 June 2025, the "Resolution in Relation to Amendments to the Articles of Association of China Aluminum International Engineering Corporation Limited and Abolishing the Board of Supervisors" was considered and approved. Following this, the Company will no longer have a board of supervisors or appoint supervisors. The power of the Board of Supervisors will be exercised by the Audit Committee of the board of directors. For details regarding the Company's abolishing of the Board of Supervisors, please refer to the Company's "Announcement on the Resolutions of the 28th Meeting of the 4th Session of the Board of Directors of China Aluminum International Engineering Corporation Limited" dated 27 May 2025 (Announcement Number: Temp 2025-016), and the "Announcement on the Resolutions of the 2025 Annual General Meeting of China Aluminum International Engineering Corporation Limited" (Announcement Number: 2025-029) dated 1 July 2025 respectively.

3. Due to work needs, Mr. LIU Dongjun tendered his resignation to the Company's board of directors on 18 August 2025, and resigned from his position as an executive director of the company.

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

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

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

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

None

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

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

✓Applicable ☐Not applicable

Overview of the matter	Query index
The Company disclosed the Announcement on the Summary of the 2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited (《中鋁國際工程股份有限公司2023年限制性股票激勵計劃(草案)摘要公告》) and Appraisal Management Measures for the Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》on 9 December 2023, in which it proposed to grant restricted shares to the middle and senior management and core backbone personnel of the Company. The total number of restricted shares proposed to be granted by the Company shall not exceed 29,506,100 shares, representing approximately 0.997% of the total share capital of the Company as at the date of announcement of draft scheme, with no more than 242 participants for the initial grant, representing 93.22% of the total grant entitlement, and 2,000,000 shares reserved for grant, representing 6.78% of the total grant entitlement. The source of restricted shares under the Incentive Scheme is the A-share ordinary shares of Chalieco issued by the Company to the participants, and the grant price of the Restricted Shares is RMB2.37 per Share. The Incentive Scheme is subject to the approval of the State-owned Assets Supervision and Administration Commission of the State Council, and can only be implemented after being considered and approved at the general meeting, the A Share class meeting, and the H Share class meeting of the Company respectively.	Temp 2023-068
The Company disclosed the "Announcement on Receipt of Reply from the SASAC on the 2023 Restricted Share Incentive Scheme" on 3 April 2024, the Company received the Reply on the Implementation of the Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (《關於中鋁國際工程股份有限公司實施限制性股票激勵計劃的批覆》) (Guo Zi Kao Fen (2024) No. 108) of the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC") forwarded by Aluminum Corporation of China (中國鋁業集團有限公司), the controlling shareholder of the Company, in which the SASAC granted in-principle approval for the Company to implement the 2023 Restricted Share Incentive Scheme.	Temp 2024-015

Overview of the matter	Query index
The Company disclosed the "Verification Opinions of the Board of Supervisors of China Aluminum International Engineering Corporation Limited on the Participants of the Company's 2023 Restricted Share Incentive Scheme" on 12 June 2024. The Company's Board of Supervisors believes that the participants under the Incentive Scheme are in compliance with relevant laws, regulations and prescriptive documents, and meet the conditions for participants stipulated in the "China Aluminum International Engineering Corporation Limited 2023 Restricted Share Incentive Scheme (Draft)", and they are legal and valid as a participant under the Incentive Scheme.	Temp 2024-025
The Company disclosed the "Announcement on the Poll Results of the 2023 Annual General Meeting, the First A Share Class Meeting of 2024 and the First H Share Class Meeting of 2024" on 19 June 2024. The meetings considered and approved the "2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (Revised Draft)" and its summary, the "Administrative Measures for the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited", the "Administrative Measures for the Implementation and Evaluation of the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited", and the "Relevant Matters in Relation to the Submission of a Proposal to the General Meeting and Class Meetings to Authorize the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Scheme", among other resolutions.	Temp 2024-026
The Company disclosed the "Self-Investigation Report of China Aluminum International Engineering Corporation Limited on the Trading of the Company's Shares by Informants of Insider Information and Participants under the 2023 Restricted Share Incentive Scheme" on 19 June 2024, and, after self-inspection, there was no case of using the insider information of the Incentive Scheme for trading to obtain benefits.	Temp 2024-028
The Company disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on the Initial Grant of Restricted Shares to the Participants of the Company's 2023 Restricted Share Incentive Scheme" on 19 June 2024, the initial grant date of the Company's restricted shares shall be 18 June 2024, and 27,158,300 restricted shares will be initially granted to 240 participants who meet the grant conditions at a grant price of RMB2.37 per share.	Temp 2024-030

Overview of the matter	Query index
On 30 July 2024, the Company disclosed the "Announcement on Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme", during the process of payment and verification of capital after the initial grant, one participant voluntarily gave up part of the awarded restricted shares, and three participants were adjusted to positions that did not meet the grant conditions and were no longer being granted. As a result, the actual number of participants under the initial grant was 237, and the actual number of restricted shares granted was 26,769,600 shares.	Temp 2024-040
The Company disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on the Grant of Reserved Restricted Shares to Participants under the 2023 Restricted Share Incentive Scheme" on 27 May 2025, and on 26 May 2025, the Company convened the 28th meeting of the 4th session of the board of directors and the 22nd meeting of the 4th session of the board of supervisors, respectively, and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Shares Incentive Scheme". The board of directors is of the opinion that the conditions for the reserved grant under the Incentive Scheme have been met, and agrees that the grant date for the restricted shares shall be 26 May 2025, with 2 million restricted shares to be granted to 21 eligible Participants at a grant price of RMB2.28 per share.	Temp 2025-020
The Company disclosed the "Verification Opinions of the Board of Supervisors of China Aluminum International Engineering Corporation Limited on the Participants of the Reserved Grant of the Company's 2023 Restricted Share Incentive Scheme" on 7 June 2025. The Company's Board of Supervisors believes that the participants under the Incentive Scheme are in compliance with relevant laws, regulations and prescriptive documents, and meet the conditions for participants stipulated in the "China Aluminum International Engineering Corporation Limited 2023 Restricted Share Incentive Scheme", and they are legal and valid as a participant under the Incentive Scheme.	Temp 2025-026
The Company disclosed the "Announcement on Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme" on 17 June 2025. The 2,000,000 Restricted Shares under the grant of the Company have been registered with the Shanghai Branch of the CSDCC on 13 June 2025, and the Certificate of Change in Registration of Securities issued by the Shanghai Branch of the CSDCC have been obtained. Upon completion of the change, the Company's total share capital changed from 2,985,836,300 shares to 2,987,836,300 shares.	Temp 2025-027

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

Particulars of share option incentives

☐Applicable ✓Not applicable

Other explanation

✓Applicable ☐Not applicable

The summary information and other details of the Company's 2023 Restricted Share Incentive Scheme (the "Incentive Scheme") are set forth below:

1. Purpose of the Incentive Scheme

In order to further refine the corporate governance structure of the Company, improve the soundness of mid-and-long term incentive and restraint mechanism of the Company, realize the incentive and restraint on senior and middle management and core backbone personnel of the Company to integrate their interests more closely with the long-term development of the Company, achieve mutual risk-taking and interest-sharing, fully mobilize their enthusiasm and creativity to form a long-term behavior of decision-makers and business operators, and improve the internal motivation force of the growth of the Company as well as cohesion and competitiveness of the Company to promote the sustainable and high quality development of the Company and realize the maximization of the value of the Company and the Shareholders, the Incentive Scheme is formulated on the basis of adequately safeguarding Shareholders' interests, in accordance with the principle of equalization of benefits and contributions and in accordance with the provisions of the relevant laws, regulations and prescriptive documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Equity Incentives for Listed Companies, the Trial Measures for the Implementation of Equity Incentives for State-controlled Listed Companies (Domestic) (Guozi Fa Fenzi [2006] No. 175), the Notice on Issues Concerning the Standardization of the Implementation of the Equity Incentive System for State-controlled Listed Companies (Guozi Fa Fenzi [2008] No. 171), the Notice on Further Improving Equity Incentive Work for Central Enterprises Holding Listed Companies (Guozi Fa Kao Fen Gui [2019] No. 102), the Guidelines for the Implementation of Equity Incentives for Central Enterprises Holding Listed Companies (Guozi Kao Fen [2020] No. 178), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the Articles of Association of China Aluminum International Engineering Corporation Limited, the Company has implemented the 2023 Restricted Share Incentive Scheme.

2. Participants of the Incentive Scheme

Participants of the 2023 Restricted Share Incentive Scheme shall be directors, senior management personnel, other management personnel and core technical (business) backbone personnel of the Company (including branches and controlled subsidiaries).

3. Total number of shares available for issuance and percentage ratio

The Company disclosed the announcement in relation to the "Proposed Adoption of the 2023 Restricted Share Incentive Scheme" on the website of the Stock Exchange on 8 December 2023, and disclosed the "Announcement of the Summary of the 2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited" on the website of the Shanghai Stock Exchange on 9 December 2023. The total number of restricted shares to be granted under the Incentive Scheme shall not exceed 29,506,100 shares, representing approximately 0.997% of the Company's total issued share capital of 2,959,066,700 shares as of the date of the announcement of the draft Incentive Scheme, of which: 27,506,100 shares for the initial grant, representing 93.22% of the total restricted share interests granted under the Incentive Scheme, and representing approximately 0.93% of the Company's total issued share capital of 2,959,066,700 shares as of the date of the announcement of the draft Incentive Scheme; 2,000,000 shares for the reserved grant, representing 6.78% of the total restricted share interests granted under the Incentive Scheme, and representing approximately 0.07% of the Company's total issued share capital of 2,959,066,700 shares as of the date of the announcement of the draft Incentive Scheme.

Within 2024, the Company disclosed the "Announcement on Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme" on the website of the Stock Exchange on 29 July 2024, and disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme of the Company" on the website of the Shanghai Stock Exchange on 30 July 2024. The actual number of Participants under the initial grant was 237, and the actual number of restricted shares granted was 26,769,600 shares, representing approximately 0.90% of the Company's total issued share capital of 2,959,066,700 shares prior to the grant. The 26,769,600 Restricted Shares under the initial grant of the Company have been registered with the Shanghai Branch of the CSDCC on 26 July 2024, and the Certificate of Change in Registration of Securities issued by the Shanghai Branch of the CSDCC have been obtained. Upon completion of the initial grant by the Company, the Company's total share capital changed from 2,959,066,700 shares to 2,985,836,300 shares. As at the date of the Company's 2024 annual report (i.e. 28 March 2025), the total number of restricted shares available for issue under the Incentive Scheme was the reserved grant of 2,000,000 A shares, accounting for approximately 0.077% of the total A share capital and 0.067% of the total issued shares (excluding treasury shares) of the Company at relevant time.

The number of shares issued as a result of options and incentives granted under all schemes of the Company during the year ended 31 December 2024, divided by the weighted average number of shares of the relevant class (excluding treasury shares) issued during the year, is 1.13%.

Within the first six months of 2025, the Company disclosed the "Announcement on Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme" on the website of the Stock Exchange on 16 June 2025, and disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme of the Company" on the website of the Shanghai Stock Exchange on 17 June 2025. The Company granted 2,000,000 restricted shares to 21 eligible participants, representing approximately 0.07% of the Company's total issued share capital of 2,985,836,300 shares prior to the grant. The 2 million restricted shares granted have been registered with the Shanghai Branch of the CSDCC on 13 June 2025, and the Certificate of Change in Registration of Securities issued by the Shanghai Branch of the CSDCC have been obtained. Upon completion of the change, the Company's total share capital changed from 2,985,836,300 shares to 2,987,836,300 shares.

The number of shares issued as a result of options and incentives granted under all schemes of the Company during the six months ended 30 June 2025, divided by the weighted average number of shares of the relevant class (excluding treasury shares) issued during the period, is 0.08%.

As of 30 June 2025, there were no shares available for issuance under the 2023 Restricted Share Incentive Scheme.

4. Maximum Interests may be Granted to an Individual Participant Under the Incentive Scheme

The total number of underlying shares involved in all of the Company's equity incentive schemes within the validity period does not exceed 10% of the Company's total share capital. Under the Incentive Scheme, the cumulative number of restricted shares granted to any incentive recipient through all equity incentive plans in effect during the term of the plan shall not exceed 1% of the Company's total share capital and shall not exceed 1% of the total number of A-share common shares.

5. The Period During Which Participants may Exercise Options Under the Incentive Scheme

The Incentive Scheme does not involve the grant of any exercisable options.

6. Vesting Period and Lock-Up Period for Restricted Shares Granted Under the Incentive Scheme

Since restricted shares are vested in full to participants at the time of grant, the restricted shares granted under the Incentive Scheme have no vesting period. Restricted shares are subject to lock-up periods. The restricted shares granted under the Incentive Scheme will be unlocked in three batches, with lock-up periods of 24 months, 36 months, and 48 months, respectively, starting from the date of completion of registration of the reserved grant. During the lock-up period, the restricted shares granted to the Participants under the Incentive Scheme are subject to sale restrictions and shall not be transferred or used as collateral or to repay debts. The shares obtained by the Participants from the restricted shares granted but not yet unlocked due to capitalization issue, bonus issue, share sub-division and rights issue, etc., shall be subject to the same lock-up arrangements in accordance with the Incentive Scheme. After the lock-up period expires, the Company shall process with the unlocking of restricted shares for Participants who meet the unlocking conditions, and the restricted shares held by Participants who do not meet the unlocking conditions shall be repurchased by the Company.

The schedule for unlocking the restricted shares of the initial grant and reserved grant under the Incentive Scheme is as follows:

Unlocking arrangement	Unlocking schedule	Proportion of the Restricted Shares to be unlocked of total number of the Restricted Shares granted
First Unlocking Period of the first grant and the reserved grant	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration of the grant to the last trading day upon the expiry of 36 months from the date of completion of registration of the grant	40%
Second Unlocking Period of the first grant and the reserved grant	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration of the grant to the last trading day upon the expiry of 48 months from the date of completion of registration of the grant	30%

Unlocking arrangement	Unlocking schedule	Proportion of the Restricted Shares to be unlocked of total number of the Restricted Shares granted
Third Unlocking Period of the first grant and the reserved grant	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration of the grant to the last trading day upon the expiry of 60 months from the date of completion of registration of the grant	30%

7. **Amount (if any) payable on acceptance of restricted shares and the period within which payments or calls must be made**

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

8. **Performance Appraisal Targets for the Unlocking of Restricted Shares Granted under the Scheme**

Unlocking Period	Performance appraisal targets
First unlocking period	(1) Cash return on net assets (EOE) for 2024 shall not be less than 13.76% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2024 shall not be less than 24.72% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2024 shall be greater than 0.

Unlocking Period	Performance appraisal targets
Second Unlocking Period	(1) Cash return on net assets (EOE) for 2025 shall not be less than 14.52% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2025 shall not be less than 26.18% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2025 shall be greater than 0.
Third Unlocking Period	(1) Cash return on net assets (EOE) for 2026 shall not be less than 15.18% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2026 shall not be less than 26.27% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2026 shall be greater than 0.

Notes:

(1) EOE = EBITDA/average net assets, where EBITDA is earnings before interest, taxes, depreciation, and amortization; average net assets is the arithmetic average of the sum of the Company's owners' equity at the beginning and end of the period.

(2) If the major asset restructuring as determined by a superior authority or such strategic measures as debt-to-equity, increase in capital and shares, rights issue, issuance of preferred shares and perpetual bonds implemented by the Company in response to the call of national policies related to deleveraging and debt reduction may affect the relevant performance indicators and force majeure events encountered by the Company have significant influence on operating results, resulting in incomparability of relevant performance indicators, the Board is authorized to restore the actual value of the relevant performance indicators.

9. Disclosure on Accounting Standards and Policies

The Company's share-based payments are classified as equity-settled share-based payments. Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. The Company determines the fair value of equity instruments such as options granted for which an active market exists based on quoted prices in an active market. For equity instruments such as options granted for which no active market exists, the fair value is determined by using option pricing models and other methods. The option pricing model selected takes into account the following factors: A. the exercise price of the option; B. the life of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividends on the shares; and F. the risk-free interest rate during the life of the option. For equity instruments that are immediately exercisable upon grant, the fair value is recognized as an expense or gain on the grant date, with a corresponding increase in capital reserves. If exercising is conditional upon completion of services in the lock-up period or fulfillment of performance conditions, on each balance sheet date during the lock-up period, based on the best estimate of the number of exercisable equity instruments, the services received for the period are recognized as the costs or expenses and capital reserves at the fair value of the equity instruments on the date of grant. After the date when the equity instruments are exercisable, costs or expenses and total shareholders' equity which have been recognized will not be adjusted.

The Company grants restricted shares to Participants, who shall subscribe for the shares in the first place. If the unlocking conditions specified in the Incentive Scheme are not met subsequently, the Company would repurchase the shares at the price agreed in advance. For restricted shares issued to employees that have completed the registration and other capital increase procedures in accordance with relevant regulations, on the date of grant, the Company recognizes the paid-in capital and capital surplus (share premium) based on the subscription payments received from employees; simultaneously, it recognizes treasury shares and other payables for the repurchase obligation.

10. Basis of Determination of the Grant Price and Fair Value

(1) Method for determining the grant price of the initial restricted shares and the fair value as at the grant date

The pricing benchmark date for the initial grant of restricted shares is the date of publication of the draft Incentive Scheme (i.e., 8 December 2023). The grant price shall not be lower than the par value of the shares and shall not be lower than the higher of the following prices:

① 50% of the average trading price of the Company's shares on the trading day prior to the announcement of the Incentive Scheme (i.e., 7 December 2023) (i.e., RMB4.70), namely RMB2.35 per share;

② 50% of the average trading price of the Company's shares during the 20 trading days prior to the announcement of the Incentive Scheme (i.e., from 12 November 2023 to 7 December 2023) (i.e., RMB4.74), namely RMB2.37 per share.

In 2024, on 18 June 2024, the board of directors of the Company is of the opinion that the conditions for the initial grant under the Incentive Scheme are met, and approved the initial grant date for the restricted shares as 18 June 2024, granting 26,769,600 restricted shares at a grant price of RMB2.37 per share to 237 eligible Participants who met the grant conditions. The closing price of the Company's A shares immediately preceding the date of initial grant (i.e. 17 June 2024) was RMB4.32 per share.

The fair value of the restricted shares as at the date of initial grant (i.e. 18 June 2024) was RMB2, which was calculated by deducting the grant price of RMB2.37 from RMB4.37, the closing price of the Company's A shares as at the initial grant date.

(2) Method for determining the grant price of reserved restricted shares and the fair value as at the grant date

Prior to each grant of reserved restricted shares, the Board of Directors must convene a meeting to approve the relevant resolution and disclose the grant details. The grant price of the reserved restricted shares shall not be lower than the par value of the shares and shall not be lower than the higher of the following prices:

① 50% of the average trading price of the Company's shares on the trading day prior to the announcement of the board resolution granting the reserved restricted shares (i.e., 23 May 2025) (i.e., RMB4.42), namely RMB2.21 per share;

② 50% of the average trading price of the Company's shares (i.e. RMB4.56/4.72/4.66) during the 20 trading days (i.e. 24 April 2025 to 23 May 2025), 60 trading days (i.e. 26 February 2025 to 23 May 2025) or 120 trading days (i.e. 27 November 2024 to 23 May 2025) prior to the announcement of the board resolution in relation to the grant of the reserved restricted shares, being RMB2.28/2.36/2.33 per share.

During the period from January to June 2025, on 26 May 2025, the Company convened the 28th meeting of the 4th session of the board of directors and the 22nd meeting of the 4th session of the board of supervisors, respectively, and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Shares Incentive Scheme". The board of directors is of the opinion that the conditions for the reserved grant under the Incentive Scheme have been met, and agrees that the grant date for the restricted shares shall be 26 May 2025, with 2 million restricted shares to be granted to 21 eligible Participants at a grant price of RMB2.28 per share. The closing price of the Company's A shares immediately preceding the date of reserved grant (i.e. 23 May 2025) was RMB4.36 per share.

The fair value of the restricted shares as at the date of reserved grant (i.e. 26 May 2025) was RMB2.12, which was calculated by deducting the grant price of RMB2.28 from RMB4.40, the closing price of the Company's A shares as at the reserved grant date.

11. Grant of the Restricted Shares

(1) Other details regarding the restricted shares granted by the Company under the Incentive Scheme during 2024 are set forth below:

① Date of the initial grant: 18 June 2024

② Quantity of the initial grant: 26,769,600 shares

③ Number of Participants under the initial grant: 237 persons

④ Initial grant price: RMB2.37 per share

⑤ Source of underlying shares: A-share ordinary shares of the Company, issued by the Company to the participants on a directed basis

⑥ Participants and quantity of the initial grant: The Company granted 26,769,600 restricted shares in this initial grant, representing 0.90% of the Company's total issued share capital prior to the initial grant. The specific allocation is as follows:

No.	Name	Position	Number of restricted shares granted in 2024 (0'000 shares)	Proportion of the total restricted shares granted in 2024	Proportion of the total issued share capital as of 31 December 2024 and as of the date of the Company's 2024 annual report
1	LI Yihua	Chairman, Executive Director	26.74	0.93%	0.01%
2	LIU Jing	Executive Director, General Manager	26.74	0.93%	0.01%
3	LIU Dongjun	Executive Director for the time being	20.06	0.70%	0.01%
4	ZHAO Hongmei	Executive director and chief financial officer for the time being	20.06	0.70%	0.01%
5	Other management personnel and core technical (business) backbones (not exceeding 233 persons)		2,583.36	89.79%	0.87%
Total of the initial grant part			2,676.96	93.05%	0.90%
The reserved grant part			200	6.95%	0.07%
Total			**2,876.96**	**100.00%**	**0.96%**

Notes:

① Any discrepancy between the above total and the sum of the detailed figures is due to rounding.

② As of 1 January 2024, the Company had not yet convened a shareholders' meeting to formally approve the adoption of the Incentive Scheme, and therefore no restricted shares were available for grant and vesting.

③ As of 31 December 2024, the Company had 2,000,000 restricted shares still available for granting and vesting under the Incentive Scheme.

④ Number of restricted shares granted in 2024 were 26,769,600 shares.

⑤ The restricted shares granted under the Incentive Scheme during 2024 remains in the lock-up period. As disclosed in the Company's announcement dated 18 June 2024 on the First Grant of Restricted Shares to Participants under the 2023 Restricted Share Incentive Scheme, and the announcement dated 29 July 2024 on Completion of Registration of the Grant under the 2023 Restricted Share Incentive Scheme, two Participants were no longer included in the scope of Participants due to job adjustments, voluntary waiver of subscription, among other reasons. totaling 347,800 shares, and the grant of such restricted shares was cancelled. One Participant voluntarily waived part of the restricted shares granted, and three Participants were no longer granted restricted shares due to job adjustments that rendered them ineligible for the grant. Other than the above, as of the end of 2024, no other restricted shares were canceled or lapsed. On 26 July 2024, the Company completed the registration for the initial grant of part of the restricted shares under the 'Incentive Scheme at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

⑥ During 2024, the weighted average closing price of the restricted shares granted immediately prior to the vesting date is RMB4.32 (the closing price of the Company's A shares on June 17, 2024).

(2) Other details regarding the restricted shares granted by the Company under the Incentive Scheme during the first six months of 2025 are set forth below:

① Date of reserved grant: 26 May 2025

② Number of restricted shares under the reserved grant: 2 million shares

③ Number of Participants under the reserved grant: 21 persons (none of whom are directors, chief executive, or substantial shareholders of the listed company or their respective associates)

④ Reserved grant price: RMB2.28 per share

⑤ Source of underlying shares: A share ordinary shares of the Company, issued by the Company to the participants on a directed basis

⑥ The allocation of the reserved restricted shares among the Participants is as follows:

No.	Name	Position	Number of restricted shares granted in the first six months of 2025 (0'000 shares)	Proportion of the total restricted shares granted in the first six months of 2025	Proportion of the total issued share capital as of 30 June 2025 and as of the date of the Company's 2025 interim report
1	Management personnel and core technical (business) backbones of the Company (21 persons)		200	100%	0.07%
Total of the reserved grant part			**200**	**100%**	**0.07%**

Notes:

① The above Participants of the Incentive Scheme have not participated in two or more equity incentive schemes of listed companies within the first six months of 2025, and there are no major shareholders or de facto controllers holding more than 5% of the Company's equity interests and their spouses, parents and children among the Participants.

② As of 1 January 2025, the Company had 2,000,000 restricted shares still available for granting and vesting under the Incentive Scheme.

③ As of 30 June 2025, the Company had no restricted shares remaining under the Incentive Scheme that may be granted.

④ During the first six months of 2025, no restricted shares were canceled or lapsed.

⑤ During the first six months of 2025, the weighted average closing price of the restricted shares granted was RMB4.36 (the closing price of the Company's A shares on 23 May 2025).

12. The remaining life of the Incentive Scheme

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

Particulars of employee stock option plan

☐Applicable ✓Not applicable

Other incentive measures

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

Other explanation

☐Applicable ✓Not applicable

SECTION 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL

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

✓Applicable ☐Not applicable

Since 2025, the Party committee of Chalieco has resolutely implemented the Central Committee’s strategic deployment on rural revitalization, fully implemented the work requirements of the State-owned Assets Supervision and Administration Commission of the State Council and Chinalco, strengthened organizational leadership and publicity guidance, and promoted affiliated enterprises to leverage their professional advantages to steadily advance targeted poverty alleviation efforts. This has yielded phased results in consolidating poverty alleviation achievements, cultivating characteristic industries, and improving people’s livelihoods. In the first half of the year, a total of RMB1,999,300 was invested, including RMB1,950,300 for purchasing poverty alleviation products, RMB29,000 for visits and consolations, and RMB20,000 of special funds was invested.

First, a solid foundation has been laid to prevent people from falling back into poverty. GAMI rigorously conduct dynamic monitoring to prevent relapse into poverty, complete visits and investigations to key households, and implement “one household, one policy” approach for each household under monitoring. CINF conducted comprehensive follow-up visits to all 1,087 households in Tianmashan Village, with no new cases of people falling back into poverty in the first half of the year. CNPT continued to visit 75 key households in Gaozhuang Village on a monthly basis, dynamically updating the monitoring system; all work teams have accurately implemented policies such as the “Rainbow Plan” and employment subsidies, while simultaneously conducting Spring Festival visits and caring activities.

Second, we have focused on precise industrial development. GAMI focused on the 200-mu ecological rice industry chain in Jinqing Village, promoting branding and deep processing, enabling Jinqing Village to achieve collective economic dividends for three consecutive years; CINF assisted Tianmashan Village to achieve collective economic income of RMB150,000 and developed an e-commerce marketing plan for Taiping Village; CNPT led eight households to participate in sheep farming projects, with each household increasing annual income by RMB30,000 on average, constructing planting greenhouses, and creating employment opportunities for the mass, with an expected annual increase in income of RMB200,000.

Third, organizational development and livelihood improvements were strengthened simultaneously. GAMI invested RMB20,000 to complete the drinking water renovation project in Jinqing Village and mediated 12 disputes; CINF continued to advance road, water conservancy and high-standard farmland construction in Tianmashan Village; and CNPT assisted Gaozhuang Village in standardizing the “three meetings and one class” and “one agreement and five meetings” systems.

VI. CORPORATE GOVERNANCE CODE

(I) Compliance with Corporate Governance Code

The Company has always been committed to improving the level of corporate governance and regards corporate governance as an indispensable part of creating value for shareholders. With reference to the code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules of the Stock Exchange, the Company has established a modern corporate governance structure composed of the shareholders' meeting, the Board and the senior management that can effectively balance each other's powers and operate independently. The Company has also adopted the Corporate Governance Code as its corporate governance practices. As a company listed on the Stock Exchange, the Company has been committed to maintaining a high standard of corporate governance practices. For the six months ended 30 June 2025, the Company complied with all the code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules of the Stock Exchange.

(II) Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers for securities transactions by Directors and relevant employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules of the Stock Exchange as the code of conduct and rules governing dealings by all of our Directors in the securities of the Company. Having made specific enquiries with the Directors, all Directors have confirmed that they have strictly complied with the standards stipulated in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules of the Stock Exchange) in the Company's securities, which are on no less exacting terms than the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees. The Board will examine the corporate governance practices and operations of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules of the Stock Exchange and to protect Shareholders' interests.

(III) Independent Non-Executive Directors

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules of the Stock Exchange. The Company has appointed a total of three independent non-executive Directors, being Mr. ZHANG Ting'an (formerly known as ZHANG Enting), Mr. SIU Chi Hung and Mr. TONG Pengfang.

(IV) Audit Committee

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

The Audit Committee consists of three directors: Mr. SIU Chi Hung, an Independent Non-Executive Director; Mr. LIU Changkui, a Non-executive Director; and Mr. TONG Pengfang, an Independent Non-Executive Director. Mr. SIU Chi Hung serves as the Chairman of the Audit Committee.

(V) Review of interim results

On 25 August 2025, the Audit Committee reviewed and confirmed the Company's unaudited interim results for the six months ended 30 June 2025, and was of the view that the unaudited interim results for the six months ended 30 June 2025 are in compliance with applicable accounting standards and legal requirements, and that appropriate disclosure was made.

SECTION 6 KEY MATTERS

I. PERFORMANCE OF COMMITMENTS

(I) Commitments of the Company and its effective controller, shareholders, related parties, acquirers that were made in or continued into the Reporting Period

✓Applicable ☐Not applicable

Background of commitment	Type of commitment	The party making commitment	Content of commitment	Time of commitment	Whether there is a validity for performance	Period of commitment	Strictly performed in a timely manner or not	Specify the reason for failure to perform in time	Specify the next step plan in case of failure to perform in time
Commitments related to major asset restructuring	Other	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Maintaining the independence of the listed company	2022	No	/	Yes	N/A	N/A
	Resolving related party transactions	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Reducing and regulating related transactions	2022	No	/	Yes	N/A	N/A
	Resolving competition among peers	Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Avoiding the competition of peers	2022	No	/	Yes	N/A	N/A
	Other	Directors and senior management of the Company, Chinalco and its parties acting in concert, Luoyang Institute and Yunnan Aluminum International	Measures to make up for diluted return for the current period	2022	No	/	Yes	N/A	N/A
Commitments related to IPO	Other	the Company, our directors and senior management personnel	Making up for diluted return for the current period	2016, 2017	No	/	Yes	N/A	N/A
	Resolving competition among peers	Chinalco	Peer competition	2012, 2016 and 2017	No	/	Yes	N/A	N/A
	Resolving related party transactions	Chinalco	Related party transactions	2016	No	/	Yes	N/A	N/A
	Other	Chinalco	Defect in title of land	2017	No	/	Yes	N/A	N/A
	Other	The Company	Real estate related business	2017	No	/	Yes	N/A	N/A

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

☐Applicable ✓Not applicable

III. GUARANTEES IN VIOLATION OF REQUIRED PROCEDURES

☐Applicable ✓Not applicable

IV. AUDIT OF INTERIM REPORT

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

VI. BANKRUPTCY AND REORGANIZATION RELATED ISSUES

☐Applicable ✓Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION

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

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

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

☐Applicable ✓Not applicable

SECTION 6 KEY MATTERS

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

✓Applicable ☐Not applicable

Unit: 0'000 Currency: RMB

Within the Reporting Period:

Party who brought the law suit (applicant)	Respondent (Appellee) party	Party who bear joint and several liability	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) has created an estimated liability and the amount thereof	Progress of litigation (arbitration)	Outcome of litigation (arbitration) and its implications	Enforcement of litigation judgment (arbitration award)
Kunming Hao Kun Concrete Manufacturing Co., Ltd.	Sixth Metallurgical Company, Yunnan Branch of Sixth Metallurgical Company	None	Litigation	Sales Contract Dispute	6,262.79	–	Case closed	Fully performed	Case closed after performance completed.
Duyun Development Zone Tongda Construction Co., Ltd.	Duyun Industrial Agglomeration Zone Capital Operation Co., Ltd., Duyun Economic Development Zone Management Committee, Qiannan Prefecture Investment Co., Ltd., Qiannan Buyei and Miao Autonomous Prefecture People's Government, Qiannan Buyei and Miao Autonomous Prefecture Finance Bureau, Duyun Economic Development Zone Finance and Financial Bureau	None	Litigation	Construction Engineering Contract Dispute	9,929.75	–	Case closed	Fully performed	Case closed after performance completed.
Zhong Ai Cultural Communication (Tianjin) Co., Ltd.	Chalieco (Tianjin) Construction Co., Ltd.	Tianjin Xin Tong Real Estate Co., Ltd.	Litigation	Contract Dispute	5,106.15	–	Case closed	Fully performed	Case closed after performance completed.
Chalieco Engineering Equipment Co., Ltd.	Shandong Jia Lun Tire Co., Ltd., SHANDONG HOMERUN TIRES CO., LTD, GUAN Zheng, Shandong Ke Mai Rubber Group Co., Ltd., Qingdao Fu Mai Chi Tire Co., Ltd., Qingdao Zhong Hao Xuan International Trading Co., Ltd.	None	Arbitration	Sales Contract Dispute	34,868.06	–	Case closed	Case closed by final ruling	The court issued a final ruling.
Sixth Metallurgical Company	Inner Mongolia Heng Da Real Estate Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	5,208.36	–	Case closed	Fully performed	Case closed after performance completed.
China Non-ferrous Metals Changsha Investigation and Design Research Institute Co., Ltd.	Changsha Evergrande Children's World Tourism Development Co., Ltd., Evergrande Children's World Group Co., Ltd., Shenzhen Kun Xing No. 6 Investment Partnership	None	Litigation	Construction Engineering Contract Dispute	12,334.72	–	Case closed	Case Dismissed	The court issued a final ruling.
Ninth Metallurgical Construction Co., Ltd.	Shaanxi Wei Da Real Estate Development Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	26,113.6	–	Case closed	Judgment concluded	Settled by debt settlement with property.
Baoji Hui Feng Construction Engineering Co., Ltd.	Ninth Metallurgical Company, Ninth Metallurgical Fifth Engineering Company, and Baoji Municipal Disabled Persons' Federation	None	Litigation	Construction Engineering Contract Dispute	13,797.59	–	Case closed	Dismissal of the plaintiff's claims	The People's Court dismissed the litigation requests of the plaintiff Baoji Hui Feng Construction Engineering Co., Ltd.

Within the Reporting Period:

Party who brought the law suit (applicant)	Respondent (Appellee) party	Party who bear joint and several liability	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) has created an estimated liability and the amount thereof	Progress of litigation (arbitration)	Outcome of litigation (arbitration) and its implications	Enforcement of litigation judgment (arbitration award)
Twelfth Metallurgical Company	Luohe Municipal Sheng Xu Real Estate Development Co., Ltd., Henan Rong He Real Estate Development Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	6,474.67	–	In the process of first Instance	Pending	–
Twelfth Metallurgical Company	Xiangcheng City Guo Tou Resource Development and Investment Management Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	12,484.16	–	In the process of first Instance	Pending	–
Twelfth Metallurgical Company	Guiyang Yun Cheng Real Estate Co., Ltd.	None	Arbitration	Construction Engineering Contract Dispute	5,887.03	–	Arbitration in progress	Pending	–
Wenzhou Hai Bin New Rural Construction Investment Co., Ltd.	Sixth Metallurgical Company, etc.	Wenzhou Tong Hui Construction Co., Ltd.	Litigation	Contract Dispute	8,749.23	–	In the process of first Instance	Pending	–
Ninth Metallurgical Company	Zhengzhou Erqi District Housing and Urban-Rural Development Bureau	None	Litigation	Construction Engineering Contract Dispute	10,771	–	In the process of first Instance	Pending	–
Ninth Metallurgical Company	Han He Real Estate Development Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	2,549.65	–	In the process of first Instance	Pending	–
Twelfth Metallurgical Company	Gui'an New Area University Town Zhi Yin Project Development Co., Ltd.	None	Litigation	Construction Subcontracting Contract Dispute	2,468.1	–	In the process of first Instance	Pending	–
Sixth Metallurgical Company	Luohe Municipal Zi Guang Real Estate Development Co., Ltd.	None	Litigation	Construction Engineering Contract Dispute	2,607.45	–	In the process of first Instance	Pending	–
Shougang Jing Tang Steel Union Co., Ltd.	Sixth Metallurgical Company	Zhao Shiyè, Liaoning Jindi First Construction Engineering Co., Ltd.	Litigation	Debtors' Subrogation Rights Dispute	4,499.22	–	In the process of first Instance	Pending	–
Zhong Tian Construction Group Co., Ltd.	Shenyang Shengjing Energy Development Group Co., Ltd. Heating Branch Company	SAMI	Litigation	Construction Engineering Contract Dispute	4,265.43	–	In the process of first Instance	Pending	–

(III) Other explanation

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

X. MATERIAL RELATED-PARTY TRANSACTIONS

(I) Related-party transactions in relation to daily operations

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

☐ Applicable ✓Not applicable

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

✓Applicable ☐ Not applicable

Unit: '000 Currency: RMB

Related party (connected person)	Type of related party (connected) transactions	Events of related party (connected) transactions	Pricing rules for related party (connected) transactions	Amount of related party (connected) transactions	Whether the authorized quota is exceeded
Chinalco and its subsidiaries	Procurement of commodities	Procurement of primary and secondary materials	Market rates	249,228	No
Chinalco and its subsidiaries	Acceptance of services	Engineering, construction and supervision services	Market rates	25,020	No
Affiliates of the Company	Procurement of commodities	Procurement of primary and secondary materials	Market rates	10,040	No
Chinalco and its subsidiaries	Acceptance of services	Logistics services and other business	Market rates	6,423	No
Chinalco and its subsidiaries	Provision of services	EPC project general contracting and construction	Market rates	1,966,759	No
Affiliates of the Company	Provision of services	EPC project general contracting and construction	Market rates	500,198	No
Chinalco and its subsidiaries	Sales of commodities	Equipment manufacturing	Market rates	234,854	No
Chinalco and its subsidiaries	Provision of services	Design and consulting	Market rates	120,208	No
Joint ventures of Chinalco	Provision of services	EPC project general contracting and construction	Market rates	80,421	No
Chinalco and its subsidiaries	Provision of services	Logistics services and other business	Market rates	9,594	No
Joint ventures of Chinalco	Sales of commodities	Equipment manufacturing	Market rates	7,524	No
Affiliates of Chinalco	Provision of services	EPC project general contracting and construction	Market rates	3,656	No
Affiliates of Chinalco	Provision of services	Design and consulting	Market rates	1,749	No
Joint ventures of Chinalco	Provision of services	Design and consulting	Market rates	962	No
Affiliates of Chinalco	Sales of commodities	Equipment manufacturing	Market rates	121	No
Chinalco and its subsidiaries	Lease-in and lease-out	Renting out land and buildings	Agreed-upon price	3,989	No
Chinalco and its subsidiaries	Lease-in and lease-out	Lease of land and buildings	Agreed-upon price	6,699	No

3. Events not disclosed in provisional announcements

☐ Applicable ✓Not applicable

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

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

☐ Applicable ✓Not applicable

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

☐ Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

☐ Applicable ✓Not applicable

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

☐ Applicable ✓Not applicable

(III) Significant related party transactions in joint external investments

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

☐ Applicable ✓Not applicable

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

☐ Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

☐ Applicable ✓Not applicable

(IV) Amounts due to or from related parties

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

☐ Applicable ✓Not applicable

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

☐ Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

✓Applicable ☐ Not applicable

Unit:'000 Currency: RMB

Related party	Related relationship	Provide funds to related parties			Provide funds to listed companies by related parties		
		Opening Balance	Amount incurred	Closing balance	Opening Balance	Amount incurred	Closing balance
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company				4,727,200	–837.000	3,890,200
Total					4,727,200	–837,000	3,890,200

Reasons for the formation of related creditor's rights and debts	Related party funds provided by related parties to listed companies are borrowings from finance companies
Impact of such claims and liabilities between related parties on the Company's operating result and financial position	No impact

(V) Financial business between the Company and the connected financial company, between the holding financial company and the related party

✓Applicable ☐ Not applicable

1. Deposit business

✓Applicable ☐ Not applicable

Unit:'000 Currency: RMB

Related party	Related relationship	Daily maximum deposit limit	Range of deposit interest rate	Opening Balance	Incurred during the period Closing balance	Total deposit amount for the period	Total withdrawal amount for the period
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	6,000,000	0.325% –0.7%	1,466,513		659,823	806,690
Total	/	/	/	1,466,513	659,823	806,690	806,690

2. Loan business

✓Applicable ☐ Not applicable

Unit:'000 Currency: RMB

Related party	Related relationship	Loan facility	Range of deposit interest rate	Opening Balance	Incurred during the period Closing balance	Total amount deposited during the period	Total amount withdrawn during the period
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	8,000,000	2.05% –3.15%	4,727,200		837,000	3,890,200
Total	/	/	/	4,727,200	837,000	3,890,200	3,890,200

3. Credit business or other financial business

✓Applicable ☐ Not applicable

Unit:'000 Currency: RMB

Related party	Related relationship	Business type	Total	Actual amount incurred
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	Factoring business	2,000,000	0
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company	Other financial services	3,300	0
Chinalco Capital Holdings Limited	Controlled subsidiary of the parent	Factoring, financial leasing	300,000	0

4. Other explanation

☐ Applicable ✓Not applicable

(VI) Other significant related-party transactions

☐ Applicable ✓Not applicable

(VII) Others

☐ Applicable ✓Not applicable

XI. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracting and leasing matters

☐ Applicable ✓Not applicable

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

✓Applicable ☐ Not applicable

Unit: '000 Currency: RMB

External guarantees (other than to subsidiaries)															
The guarantor	Relation of the guarantor to the listed company	The guaranteed	Guaranteed amount	Date of guarantee (agreement signing date)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Circumstance of principal debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Circumstance of counter guarantee	Related party guarantee or not	Related party relationship
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	983,315	2021/9/17	2019/10/31	2047/10/31	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	1,390,914	2022/3/31	2022/3/31	2047/3/21	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	214,300	2021/3/18	2021/3/18	2046/3/18	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	299,582	2021/12/28	2021/12/28	2046/12/28	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	342,880	2022/5/25	2022/5/28	2047/5/28	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	214,085	2021/3/18	2021/4/20	2049/4/20	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	191,584	2021/12/28	2022/1/6	2049/1/6	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Ningyong Expressway Company	21,430	2024/1/29	2024/1/29	2052/1/29	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	590,214	2021/9/17	2019/10/31	2047/10/31	Guarantee with joint and several liability		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	41,711	2020/9/28	2020/9/28	2048/9/28	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	237,876	2020/11/26	2021/1/4	2048/1/4	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	208,074	2022/1/18	2022/1/25	2048/1/25	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	85,077	2020/9/28	2020/10/20	2048/10/20	General guarantee		None	No	No	0	None	No	

SECTION 6 KEY MATTERS

External guarantees (other than to subsidiaries)

The guarantor	Relation of the guarantor to the listed company	The guaranteed	Guaranteed amount	Date of guarantee (agreement signing date)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Circumstance of principal debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Circumstance of counter guarantee	Related party guarantee or not	Related party relationship
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	212,693	2021/12/20	2021/12/20	2048/12/20	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	42,324	2020/9/28	2020/9/28	2043/9/28	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	171,011	2020/12/21	2020/12/21	2043/12/22	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	418,313	2020/12/29	2021/5/28	2046/5/28	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	425,171	2021/12/1	2021/12/17	2046/12/17	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	304,948	2024/11/11	2024/11/28	2047/12/25	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linyun Expressway Company	21,430	2021/2/10	2021/2/10	2048/12/31	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	673,503	2021/12/24	2021/12/24	2046/12/24	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	42,843	2020/10/12	2020/11/4	2043/1/4	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	214,214	2020/12/22	2021/7/24	2044/10/24	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	21,400	2022/1/25	2021/3/11	2044/3/11	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	421,742	2020/12/30	2021/4/15	2046/4/15	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	210,871	2021/12/1	2021/12/30	2046/12/30	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	210,871	2021/12/24	2021/12/30	2046/12/30	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	21,430	2023/12/29	2023/12/29	2046/12/31	General guarantee		None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited	Headquarters	Linshuang Expressway Company	81,000	2023/12/29	2023/12/29	2046/12/31	General guarantee		None	No	No	0	None	No	
Hanzhong Ninth Metallurgical Construction Co., Ltd.	Controlled subsidiary	Mian County Urban and Rural Infrastructure Construction Co., Ltd.	7,516	2015/10/20	2015/10/20	2027/10/19	General guarantee		None	No	No	0	None	No	

External guarantees (other than to subsidiaries)

The guarantor	Relation of the guarantor to the listed company	The guaranteed	Guaranteed amount	Date of guarantee (agreement signing date)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Circumstance of principal debt	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Circumstance of counter guarantee	Related party guarantee or not	Related party relationship
Cumulative amount of guarantees provided during the Reporting Period (excluding those for subsidiaries)															-42,116
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)															8,322,322
Guarantees provided by the Company to subsidiaries															
Cumulative amount of guarantees provided for subsidiaries during the Reporting Period															0
Total balance of guarantees to subsidiaries at the end of the Reporting Period (B)															401,124
The total amount of guarantees provided by the company (including guarantees to subsidiaries)															
Total amount of guarantees (A+B)															8,723,446
Ratio of total amount of guarantees to net assets of the Company (%)															97.58%
Of which:															
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)															0
Amount of guarantees provided directly or indirectly to secure debts of the guaranteed with a assets-liabilities ratio over 70% (D)															6,818,056
The amount of the total guarantee exceeding 50% of the net assets (E)															4,253,669
Sum of above 3 guarantee amounts (C+D+E)															11,071,725
Explanation on the potential joint liability arising from the immature guarantees															None
Description of guarantees															None

(III) Other material contracts

☐Applicable ✓Not applicable

XII. DESCRIPTION OF THE PROGRESS OF THE USE OF PROCEEDS

☐Applicable ✓Not applicable

XIII. EXPLANATIONS OF OTHER MATERIAL MATTERS

☐Applicable ✓Not applicable

SECTION 7 CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. CHANGES IN ORDINARY SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: Share

	Before the current change		Increase/decrease in the current change (+, –)					After the current change	
	Number (shares)	Percentage (%)	Issuance of new shares	Gifting of shares	Conversion of provident fund into shares	Other	Sub total	Number (shares)	Percentage (%)
I. Shares with sales restrictions	26,769,600	0.90	2,000,000	/	/	/	2,000,000	28,769,600	0.96
1. Held by the State	/	/	/	/	/	/	/	/	/
2. Held by State-owned legal person	/	/	/	/	/	/	/	/	/
3. Held by other domestic capital	26,769,600	0.90	2,000,000	/	/	/	2,000,000	28,769,600	0.96
Including: Held by domestic non-State-owned legal person	/	/	/	/	/	/	/	/	/
Held by domestic natural person	26,769,600	0.90	2,000,000	/	/	/	2,000,000	28,769,600	0.96
4. Held by overseas capital	/	/	/	/	/	/	/	/	/
Including: Held by overseas legal person	/	/	/	/	/	/	/	/	/
Held by overseas natural person	/	/	/	/	/	/	/	/	/
II. Outstanding shares not subject to selling restrictions	2,959,066,667	99.10	/	/	/	/	/	2,959,066,667	99.04
1. Renminbi ordinary shares	2,559,590,667	85.72	/	/	/	/	/	2,559,590,667	85.67
2. Domestic listed foreign shares	/	/	/	/	/	/	/	/	/
3. Overseas listed foreign shares	399,476,000	13.38	/	/	/	/	/	399,476,000	13.37
4. Other	/	/	/	/	/	/	/	/	/
III. Total number of shares	2,985,836,267	100.00	2,000,000	/	/	/	2,000,000	2,987,836,267	100.00

2. Explanation of changes in shares

✓Applicable ☐Not applicable

Grant of Reserved Restricted Shares

On 26 May 2025, the Company convened the 28th meeting of the 4th session of the board of directors and the 22nd meeting of the 4th session of the board of supervisors, and considered and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Shares Incentive Scheme", the grant date for the restricted shares was determined as 26 May 2025, with 2 million restricted shares to be granted to 21 eligible Participants at a grant price of RMB2.28 per share. On 13 June 2025, Shanghai Branch of China Securities Depository and Clearing Corporation Limited completed the registration of the grant of restricted shares under the current incentive scheme, and issued the Certificate of Change in Registration of Securities to the Company, the total share capital of the Company changed from 2,985,836,267 shares to 2,987,836,267 shares. For details, please refer to the Announcement of China Aluminum International Engineering Corporation Limited Regarding the Completion of Registration of the Reserved Grant under the 2023 Restricted Share Incentive Scheme disclosed by the Company on the website of the SSE (www.sse.com.cn) and the designated media on 17 June 2025 (Announcement No.: Temp 2025-027).

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

✓Applicable ☐Not applicable

The changes in the Company's shares during the current year had a negligible impact on financial indicators such as earnings per share and net asset value per share for the latest year and the latest period.

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

☐Applicable ✓Not applicable

(II) Particulars of changes in restricted shares

✓Applicable ☐Not applicable

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of shares released from restricted sale during the Reporting Period	Increase in the number of restricted shares during the Reporting Period	Number of restricted shares at the end of the Reporting Period	Reason for disposal restriction	Release date
Participants of the reserved grant of the 2023 restricted share incentive scheme of the Company	26,769,600	0	2,000,000	28,769,600	As required by the lock-up period of the restricted share incentive scheme	Note
Total	26,769,600	0	2,000,000	28,769,600	/	/

Note: These restricted shares will be unlocked in three batches, starting on the first trading day of 24, 36, and 48 months after the date of registration of the grant, with the unlocking percentages for each batch being 40%, 30%, and 30%, respectively. The actual circumstance for unlocking will be linked to the performance evaluation results of the corresponding appraisal year.

II. PARTICULARS OF SHAREHOLDERS

(I) The issuance and listing of the shares

The Company is a subsidiary of Chinalco and listed on the Main Board of the Stock Exchange (Stock Code: 2068) on 6 July 2012 with an offering price of HK$3.93 per H Share. The Company is listed on the SSE (Stock Code: 601068) on 31 August 2018 with an offering price of RMB3.45 per A Share and 295,906,667 A Shares were issued. As at 30 June 2025, the total number of Shares in issuance of the Company is 2,987,836,267 shares, which is comprised of 399,476,000 H Shares, representing 13.37% of the issued share capital, and 2,588,360,267 A Shares, representing 86.63% of the issued share capital.

As of 30 June 2025, the Company's share capital structure was as follows:

	As of 30 June 2025	
Share class	**Number of shares held (shares)**	**Percentage of issued share capital (%)**
A Shares	2,588,360,267	86.63
Including: Outstanding shares not subject to selling restrictions	2,559,590,667	85.67
Shares with sales restrictions	28,769,600	0.96
H Shares	399,476,000	13.37
Total	2,987,836,267	100.00

Based on the publicly available information available to the Company and to the best knowledge of the directors of the Company, as of 30 June 2025, the Company maintains sufficient public float in its share capital structure and complies with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules of the Stock Exchange").

(II) Total number of shareholders:

Total number of ordinary shareholders by the end of Reporting Period	41,233
Total number of shareholders of preferred shares with voting right reinstated by the end of Reporting Period	N/A

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

Unit: Share

Shareholding of top 10 shareholders(excluding the lending of shares through refinancing facilities)							
Name of shareholder (full name)	Increase or reduction during this Reporting Period	Number of shares held at end of the year	Percentage (%)	Number of restricted shares held	Pledged, marked or frozen shares: Status of shares	Pledged, marked or frozen shares: Number (shares)	Nature of shareholder
Aluminum Corporation of China (中國鋁業集團有限公司)	–	2,176,758,534	72.85	–	None	–	State-owned legal person
HKSCC Nominees Limited	–	399,476,000	13.37	–	Unknown	/	Overseas legal person
Luoyang Engineering & Research Institute for Nonferrous Metals Processing	–	86,925,466	2.91	–	None	–	State-owned legal person
Aladdin Legendary Technology Group Co., Ltd.	–	5,600,000	0.19	–	None	–	Other
Hong Kong Securities Clearing Company Limited	4,992,720	5,481,889	0.18	–	None	–	Other
XU Biao	–	4,417,000	0.15	–	None	–	Domestic natural person
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Fund	237,900	2,847,000	0.10	–	None	–	Other
GU Jing	–	2,773,100	0.09	–	None	–	Domestic natural person
LIN Shenghuan	2,300,100	2,300,100	0.08	–	None	–	Domestic natural person
LIN Ling	–	2,033,600	0.07	–	None	–	Domestic natural person

Shareholding of the top 10 holders of shares not subject to selling restrictions (excluding the lending of shares through refinancing facilities)

Name of shareholder	Number of outstanding shares held not subject to selling restrictions	Class and number of shares: Class	Class and number of shares: Number (shares)
Aluminum Corporation of China (中國鋁業集團有限公司)	2,176,758,534	Renminbi ordinary shares	2,176,758,534
HKSCC Nominees Limited	399,476,000	Overseas listed foreign shares	399,476,000
Luoyang Engineering & Research Institute for Nonferrous Metals Processing	86,925,466	Renminbi ordinary shares	86,925,466
Aladdin Legendary Technology Group Co., Ltd.	5,600,000	Renminbi ordinary shares	5,600,000
Hong Kong Securities Clearing Company Limited	5,481,889	Renminbi ordinary shares	5,481,889
XU Biao	4,417,000	Renminbi ordinary shares	4,417,000
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Fund	2,847,000	Renminbi ordinary shares	2,847,000
GU Jing	2,773,100	Renminbi ordinary shares	2,773,100
LIN Shenghuan	2,300,100	Renminbi ordinary shares	2,300,100
LIN Ling	2,033,600	Renminbi ordinary shares	2,033,600
Description of special account for repurchase of the top ten shareholders	Not applicable		
Explanations on the entrusting voting right, entrusted voting right and abstention of voting right of the above shareholders	Not applicable		
Explanation of related party relationship or acting in concert in respect of the above shareholders	Note 1: The number of shares held by Aluminum Corporation of China did not include A shares of the Company indirectly held through its subsidiary Luoyang Engineering & Research Institute for Nonferrous Metals Processing and H shares of the Company indirectly held through its subsidiary YAIC. Chinalco and its subsidiaries held a total of 2,283,179,000 shares of the Company, including 2,263,684,000 A shares and 19,495,000 H shares, accounting for 76.42% of the total share capital of the Company. Note 2: The 399,476,000 H shares of the Company held by Hong Kong Securities Clearing Company Nominees Limited includes the 19,495,000 H shares held by Chinalco through its subsidiary YAIC. Note 3: Except the above, the Company is not aware that the above shareholders have any related relationship or are acting in concert among each other.		
Explanation of shareholders of preferred shares with reinstated voting rights and the number of shares held	Not applicable		

Shareholders holding more than 5% of shares, top ten shareholders and top ten holders of outstanding shares not subject to sales restriction and outstanding participating in the lending of shares in the refinancing business

☐Applicable ✓Not applicable

Changes in top ten shareholders and top ten holders of outstanding shares not subject to sales restriction compared with the previous period due to lending/returning of refinancing loans

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: Share

No.	Name of restricted shareholders	Number of restricted shares held	Availability of limited shares for listing and trading: Time of available for trading	Availability of limited shares for listing and trading: Number of new shares available for listing and trading	Selling restrictions
1	LI Yihua	267,400	See Note 1	See Note 1	See Note 1
2	LIU Jing	267,400			
3	LIU Ruiping	227,300			
4	LIU Dongjun	200,600			
5	BI Xiaoge	200,600			
6	ZHAO Hongmei (Note 2)	200,600			
7	SI Jianhong	200,600			
8	ZHOU Dongfang	200,600			
9	Other incentive Participants (totaling 14 persons)	2,599,800			
Explanation of related party relationship or acting in concert in respect of the above shareholders		Ms. ZHAO Hongmei will no longer serve as a director of the Company from June 30, 2025. She is currently a full-time director of Chinalco Capital and Chinalco Assets, subsidiaries of the Company's controlling shareholder. In addition, the above-mentioned persons all hold positions in the Company or its subsidiaries.			

Note: These restricted shares will be unlocked in three batches, starting on the first trading day of 24, 36, and 48 months after the date of registration of the grant, with the unlocking percentages for each batch being 40%, 30%, and 30%, respectively. The actual circumstance for unlocking will be linked to the performance evaluation results of the corresponding appraisal year.

(IV) Strategic investors or general legal persons who become top 10 shareholders due to rights issue

☐Applicable ✓Not applicable

(V) Interests and short positions of substantial shareholders in shares and underlying shares

As at 30 June 2025, so far as known to the directors of the Company, the following persons (other than the directors or chief executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept pursuant to Section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholders	Class of shares	Capacity/ nature of interest	Number of shares held (share)	Approximate percentage of shareholding in relevant class of Shares (%) *(Note 1)*	Approximate percentage of shareholding in total share capital (%) *(Note 1)*
Chinalco *(Note 2)*	A Shares	Beneficial owner	2,176,758,534 (Long position)	84.10	72.85
		Interest of controlled corporation	86,925,466 (Long position)	3.36	2.91
	H Shares	Interest of controlled corporation	19,495,000 (Long position)	4.88	0.65
Guizhou Construction Investment Group Co., Ltd. *(Note 3)*	H Shares	Beneficial owner	69,096,000 (Long position)	17.30	2.31
CNMC Trade Company Limited	H Shares	Beneficial owner	59,225,000 (Long position)	14.83	1.98
Peaktrade Investments Ltd.	H Shares	Beneficial owner	59,210,000 (Long position)	14.82	1.98
Leading Gain Investments Limited *(Note 4)*	H Shares	Nominee of another person (other than passive trustee)	29,612,000 (Long position)	7.41	0.99
China XD Group Co., Ltd.	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	0.99
Yunnan Tin (Hong Kong) Resources Company Limited *(Note 5)*	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	0.99

Note 1: The percentage is calculated by dividing number of relevant class of Shares in issue of the Company as at 30 June 2025 by total number of Shares.

Note 2: Chinalco is interested in 2,263,684,000 A shares, representing approximately 75.76% of the total share capital of the Company, among them, Chinalco directly holds 2,176,758,534 A shares, representing approximately 72.85% of the Company's total share capital, Luoyang Institute is a wholly-owned subsidiary of Chinalco and directly holds 86,925,466 A Shares, representing approximately 2.91% of the total share capital of the Company. YAIC is a wholly-owned subsidiary of Chinalco and directly holds 19,495,000 H Shares, representing approximately 0.65% of the total share capital of the Company. Chinalco is therefore also deemed to be interested in the A Shares held by Luoyang Institute and the H Shares held by YAIC under the SFO.

Note 3: Upon enquiry, The Seventh Metallurgical Construction Group Co., Ltd was renamed Guizhou Construction Investment Group Co., Ltd. on 26 July 2023.

Note 4: Leading Gain Investments Limited is the nominee holder of Beijing Jundao Technology Development Co., Ltd.

Note 5: According to the Company's understanding, the shares of Chalieco held by Hong Kong Yuanxing Company were transferred to Yunnan Tin (Hong Kong) Resources Co., Ltd., and currently these shares are held by Yunnan Tin (Hong Kong) Resources Co., Ltd.

III. DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY

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

☐Applicable ✓Not applicable

Explanation of other situation

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(III) Other explanation

✓Applicable ☐Not applicable

1. Employees and remuneration policy

As of 30 June 2025, the Company had 10,613 employees in service, among which male employees accounted for 8,527 and female employees accounted for 2,615, representing 76.53% and 23.47% respectively.

The following table shows a breakdown of the employees in service by business segment as of 30 June 2025:

	Number of employees in service	Percentage in the total number
Operation and management personnel	3,219	30.33%
Engineering technicians	5,912	55.71%
Production and operation personnel	1,223	11.52%
Service and other personnel	259	2.44%
Total	10,613	100.00%

The following table shows a breakdown of the employees in service by level of education as of 30 June 2025:

	Number of employees in service	Percentage in the total number
Postgraduate degree and above	1,219	11.49%
Undergraduate degree	5,946	56.03%
Diploma degree	1,407	13.26%
TAFE (Technical And Further Education) and below	2,041	19.22%
Total	10,613	100.00%

SECTION 7 CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

In accordance with regulations applicable to enterprises and the relevant requirements of all levels of local governments in areas in which the Company operates, the Company established the pension insurance, medical insurance, unemployment insurance, maternity insurance and workers' injury compensation insurance for employees. In addition, the Company and some of its subsidiaries have also set up a corporate annuity system for providing retired employees with further pension protection. In accordance with applicable laws and regulations, the aforesaid social insurance premiums are contributed as strictly required by the state, provincial, autonomous region and municipal requirements. The Company also established an employee housing fund in accordance with applicable regulations.

For the first half of 2025, the Company's actual payment of employee salaries amounted to RMB1,044 million.

Pursuant to the Labor Contract Law of the People's Republic of China, the Company signs written employment contracts with its employees, which stipulates the terms of the probationary period and penalties for non-compliance, termination of the employment contract, payment of salary and financial compensation, as well as social insurance premiums. The Company has taken a variety of measures to improve employment relationship management and fulfill its statutory obligations in a practical manner. The Company provides training for employees according to corporate business development strategies, operation objectives and job responsibilities and keeps exploring innovative training models.

The Company has established a labor union to protect employees' rights and encouraged employees to participate in the management of the Company. The Company has not experienced any strikes or other labor disputes which have interfered with its management and operations during the Reporting Period.

The Company endeavors to provide training for its staff. The scope of its induction and ongoing training programs covers management skills and techniques training, overseas exchange programs and other courses.

2. Interests held by Directors and chief executives

As of 30 June 2025, the interests held by directors, supervisors and chief executives of the Company's are as follow:

Name	Position	Nature of Interest	Number of A shares held in the Company	% of total share capital as of 30 June 2025
LI Yihua	Chairman, Executive Director	Beneficial owner	267,400 shares	0.01%
LIU Jing	Executive Director, General Manager	Beneficial owner	267,400 shares	0.01%
LIU Dongjun	Executive Director	Beneficial owner	200,600 shares	0.01%
TAO Fulun	Executive Director	Beneficial owner	183,900 shares	0.01%

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

Except as otherwise disclosed above, as at 30 June 2025, none of the Directors, Supervisors and senior management of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, Supervisor, and senior management was taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the HKEX.

IV. CHANGES IN CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

☐Applicable ✓Not applicable

V. PARTICULARS OF PREFERRED SHARES

☐Applicable ✓Not applicable

SECTION 8 INFORMATION ON BONDS

I. DEBENTURES, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

✓Applicable ☐Not applicable

(I) Corporate bonds (including enterprise bonds)

☐Applicable ✓Not applicable

(II) Particulars of proceeds of corporate bonds

☐ Corporate bonds are involved in the use of proceeds or rectification during the Reporting Period

✓ None of the Company's corporate bonds involved the use of proceeds or rectification during the Reporting Period

(III) Other matters that should be disclosed for special variety bonds

☐Applicable ✓Not applicable

(IV) Important matters in relation to corporate bonds during the Reporting Period

☐Applicable ✓Not applicable

(V) Non-financial corporate debt financing instruments in the interbank bond market

✓Applicable ☐Not applicable

1. Basic information on debt financing instruments for non-financial enterprises

Unit: '000 Currency: RMB

Bond name	Abbreviation	Code	Date of issuance	Value date	Maturity date	Balance of bonds	Rate (%)	Repayment terms	Trading place	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of de-listing
China Aluminum International 2023 First Tranche of Sustainable MTN	23 Zhong Lv Guo Gong MTN001	102382877	2023/10/27	2023/10/27	Enter first redemption period on 2025/10/27	1,500,000	4.17%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	None
China Aluminum International 2023 Second Tranche of Sustainable MTN	23 Zhong Lv Guo Gong MTN002	102383165	2023/11/24	2023/11/24	Enter first redemption period on 2025/11/24	1,300,000	3.77%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	None

Note: On 4 August 2025, the Company issued a RMB 2 billion perpetual medium-term note with the code 102583191 in the interbank market, with a term of 3+N and an interest rate of 2.25%.

Company's mitigation measures to the risk of termination of listing and trading of bonds

☐Applicable ✓Not applicable

Overdue bonds

☐Applicable ✓Not applicable

Explanation of overdue debts

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

3. Adjustments to credit rating results

☐Applicable ✓Not applicable

Other explanation

None

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

☐Applicable ✓Not applicable

Other explanation

None

5. Description of other non-financial corporate debt financing instruments

☐Applicable ✓Not applicable

(VI) The loss in the scope of the consolidated financial statements of the Company during the Reporting Period exceeded 10% of the net assets at the end of the previous year

☐Applicable ✓Not applicable

(VII) Key accounting figures and financial indicators

✓Applicable ☐Not applicable

Unit: '000 Currency: RMB

Key indicators	As at the end of the Reporting Period	As at the end of the previous year	Changes for this Reporting Period as compared with the end of the previous year (%)
Current ratio	1.32	1.30	0.02
Quick ratio	1.21	1.21	0.00
Asset-liability ratio (%)	77.89	78.52	-0.63

	The current Reporting Period (From January to June)	Corresponding period of last year	Changes for this Reporting Period as compared with the corresponding period of last year (%)
Net profit after deduction of non-recurring gain or loss	55,926	66,325	-15.68
EBITDA/all debts ratio	0.02	0.01	100.00
Interest coverage multiple	2.77	2.71	2.21
Cash interest coverage multiple	–0.48	–12.95	N/A
EBITDA interest coverage multiple	3.69	3.15	17.14
Loan repayment rate (%)	100%	100%	0.00
Interest coverage ratio (%)	100%	100%	0.00

II. CONVERTIBLE CORPORATE BONDS

☐Applicable ✓Not applicable

SECTION 9 FINANCIAL REPORT

GrantThornton
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(English Translation for Reference Only)

REVIEW REPORT

GTCNSZ (2025) NO.110A034139

To the Shareholders of China Aluminum International Engineering Corporation Limited:

We have reviewed the accompanying financial statements of China Aluminum International Engineering Corporation Limited (hereinafter “the Company”), which comprise the consolidated and company statement of financial position as at 30 June 2025, consolidated and company income statements for the six-month period ended 30 June 2025, consolidated and company cash flow statements for the six-month period ended 30 June 2025, consolidated and company statements of changes in equity for the six-month period ended 30 June 2025 and notes to the financial statements. Management of the Company is responsible for the preparation of these financial statements. Our responsibility is to issue a review report on these financial statements based on our review.

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

Based on our review, we are not aware of any matter to cause us believe that the consolidated and company financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and do not present fairly, in all material respects, the consolidated and company financial position as at 30 June 2025, and operating performance and cash flows for the period ended 30 June 2025.

Grant Thornton Zhitong Certified Public Accountants LLP	PRC Certified Public Accountant (engagement partner)	Huang Zhibin
	PRC Certified Public Accountant (engagement partner)	Li Yang
China • Beijing	28 August 2025	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Current assets			
Cash and bank balances	5.1	**3,161,890**	3,948,297
Held-for-trading financial assets			
Bills receivable	5.2	**243,024**	360,418
Accounts receivable	5.3	**16,176,880**	16,914,802
Financing receivables	5.4	**127,275**	321,003
Prepayments	5.5	**517,500**	414,725
Other receivables	5.6	**1,183,449**	1,105,697
Including: Interests receivable	5.6	**6,440**	6,440
Dividends receivable	5.6	**4,429**	4,429
Inventories	5.7	**2,553,834**	2,329,202
Contract assets	5.8	**6,790,329**	5,934,895
Non-current assets due within one year	5.9	**340,421**	347,179
Other current assets	5.10	**853,222**	796,743
Total current assets		**31,947,824**	32,472,961
Non-current assets			
Long-term receivables	5.11	**1,388,777**	1,450,630
Long-term equity investments	5.12	**742,043**	740,328
Other equity instrument investments	5.13	**43,067**	43,160
Investment properties	5.14	**987,958**	995,846
Fixed assets	5.15	**2,333,687**	2,398,697
Construction in progress	5.16	**51,741**	49,873
Right-of-use assets	5.17	**32,773**	39,087
Intangible assets	5.18	**1,283,617**	1,327,693
Development costs	5.19	**1,600**	4,661
Goodwill	5.20	**875**	875
Long-term deferred expenses	5.21	**79,614**	44,560
Deferred tax assets	5.22	**1,198,805**	1,213,795
Other non-current assets	5.23	**333,431**	374,361
Total non-current assets		**8,477,988**	8,683,566
Total assets		**40,425,812**	41,156,527

SECTION 9 FINANCIAL REPORT

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Current liabilities			
Short-term loans	5.24	**1,221,997**	984,379
Bills payable	5.25	**2,773,509**	3,343,445
Accounts payable	5.26	**10,459,414**	10,324,240
Receipts in advance	5.27	**2,996**	3,651
Contract liabilities	5.28	**4,415,334**	4,558,531
Employee compensation payables	5.29	**112,910**	135,985
Taxes payable	5.30	**136,659**	224,883
Other payables	5.31	**1,757,384**	1,530,756
Including: Interests payable			
Dividends payable	5.31	**136,531**	24,095
Non-current liabilities due within one year	5.32	**1,798,567**	2,016,841
Other current liabilities	5.33	**1,581,225**	1,715,960
Total current liabilities		**24,259,995**	24,838,671
Non-current liabilities			
Long-term loans	5.34	**6,552,624**	6,794,324
Lease liabilities	5.35	**12,814**	28,078
Long-term payables			
Long-term employee compensation payables	5.36	**522,920**	517,251
Deferred income	5.37	**67,312**	62,482
Deferred tax liabilities	5.22	**70,593**	70,656
Total non-current liabilities		**7,226,263**	7,472,791
Total liabilities		**31,486,258**	32,311,462

SECTION 9 FINANCIAL REPORT

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Shareholders' equity			
Share capital	5.38	**2,987,836**	2,985,836
Other equity instruments	5.39	**3,764,520**	3,764,520
Including: Perpetual bonds	5.39	**3,764,520**	3,764,520
Capital reserves	5.40	**1,436,104**	1,424,263
Less: treasury shares	5.41	**68,003**	63,443
Other comprehensive income	5.42	**88,727**	102,452
Special reserve	5.43	**327,043**	267,716
Surplus reserve	5.44	**229,735**	229,735
Including: Statutory surplus reserve	5.44	**229,735**	229,735
Retained Earnings	5.45	**–2,101,738**	–2,128,670
Equity attributable to owners of the parent		**6,664,224**	6,582,409
Non-controlling interests		**2,275,330**	2,262,656
Total shareholders' equity		**8,939,554**	8,845,065
Total liabilities and shareholders' equity		**40,425,812**	41,156,527

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

SECTION 9 FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION OF THE PARENT

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

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Current assets			
Cash and bank balances		**1,269,613**	1,936,581
Held-for-trading financial assets			
Bills receivable			2,650
Accounts receivable	15.1	**1,144,948**	1,346,959
Financing receivables		**3,982**	26,769
Prepayments		**128,979**	164,486
Other receivables	15.2	**6,992,238**	7,246,160
Including: Interests receivable	15.2	**356,888**	356,888
Dividends receivable	15.2	**591,483**	502,313
Inventories		**38,302**	15,394
Contract assets		**212,685**	129,486
Non-current assets due within one year		**164,304**	184,672
Other current assets		**294,550**	156,938
Total current assets		**10,249,601**	11,210,095
Non-current assets			
Long-term receivables		**2,233,939**	2,130,143
Long-term equity investments	15.3	**8,946,988**	8,976,244
Other equity instrument investments			
Investment properties		**10,783**	10,611
Fixed assets		**123,432**	126,953
Construction in progress			
Intangible assets		**117,239**	116,700
Development costs			3,823
Long-term deferred expenses			
Deferred tax assets		**118,242**	116,171
Other non-current assets			
Total non-current assets		**11,550,623**	11,480,645
Total assets		**21,800,224**	22,690,740

SECTION 9 FINANCIAL REPORT

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Current liabilities			
Short-term loans		**900,000**	860,000
Bills payable		**151,395**	472,858
Accounts payable		**1,411,000**	1,399,740
Contract liabilities		**934,840**	950,457
Employee compensation payables		**3,655**	3,424
Taxes payable		**16,571**	26,649
Other payables		**5,948,685**	6,257,596
Including: Dividends payable		**76,931**	21,686
Held-for-sale liabilities			
Non-current liabilities due within one year		**496,000**	1,232,429
Other current liabilities		**6,645**	2,445
Total current liabilities		**9,868,791**	11,205,598
Non-current liabilities			
Long-term loans		**4,224,500**	3,785,000
Long-term employee compensation payables		**3,709**	3,638
Deferred income		**600**	
Total non-current liabilities		**4,228,809**	3,788,638
Total liabilities		**14,097,600**	14,994,236

Item	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Share capital		**2,987,836**	2,985,836
Other equity instruments		**3,764,520**	3,764,520
Including: Perpetual bonds		**3,764,520**	3,764,520
Capital reserves		**1,170,478**	1,158,387
Less: treasury shares		**68,003**	63,443
Other comprehensive income		**12,346**	12,368
Special reserve		**119**	45
Surplus reserve		**229,735**	229,735
Including: Statutory surplus reserve		**229,735**	229,735
Retained Earnings		**–394,407**	–390,944
Total shareholders' equity		**7,702,624**	7,696,504
Total liabilities and shareholders' equity		**21,800,224**	22,690,740

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

SECTION 9 FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

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

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
I. Operating revenue	5.46	**9,698,350**	10,710,476
Less: Operating costs	5.46	**8,647,193**	9,684,950
Taxes and surcharges	5.47	**50,896**	50,758
Selling and distribution expenses	5.48	**50,931**	60,095
General and administrative expenses	5.49	**419,689**	470,888
Research and development expenses	5.50	**284,058**	315,561
Finance expenses	5.51	**137,420**	104,985
Including: Interest expenses	5.51	**132,767**	157,163
Interest income	5.51	**14,073**	29,603
Add: Other income	5.52	**2,276**	8,642
Investment income	5.53	**1,608**	30,872
Gains from changes in fair value ("–" for losses)	5.54		4,844
Impairment of credit losses	5.55	**118,185**	158,579
Impairment losses/(reversals) on assets	5.56	**–27,128**	24,663
Gains from assets disposal	5.57	**28,468**	164
II. Operating profit/(losses)		**231,572**	251,003
Add: Non-operating income	5.58	**13,023**	44,851
Less: Non-operating expenses	5.59	**9,278**	26,522
III. Profit/(losses) before income tax		**235,317**	269,332
Less: Income tax expenses	5.60	**60,977**	70,238
IV. Net profit/(losses) for the year		**174,340**	199,094
(1) Classification according to operation continuity			
Including: Net profit/(losses) from continuing operations		**174,340**	199,094
Net profit/(losses) from discontinued operations			
(2) Classification according to ownership			
Including: Shareholders of the company		**102,589**	155,989
Non-controlling interests		**71,751**	43,105

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
V. Other comprehensive income, net of tax		**–20,703**	–2,258
Other comprehensive income (net of tax) attributable to shareholders of the company	5.42	**–13,725**	–2,397
(1) Other comprehensive income that will not be reclassified to profit or loss		**–15,215**	396
a. Remeasurement gains or losses of a defined benefit plan		**–15,130**	74
b. Changes in fair value of other equity instrument investments		**–85**	322
(2) Other comprehensive income to be reclassified to profit or loss		**1,490**	–2,793
a. Translation differences arising from translation of foreign currency financial statements		**1,490**	–2,793
Other comprehensive income (net of tax) attributable to non-controlling interests		**–6,978**	139
VI. Total comprehensive income		**153,637**	196,836
Attributable to: Total comprehensive income attributable to owners of the parent		**88,864**	153,592
Total comprehensive income attributable to non-controlling interests		**64,773**	43,244
VII. Earnings per share			
(1) Basic earnings per share	16.2	**0.0090**	0.0231
(2) Diluted earnings per share	16.2	**0.0090**	0.0231

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

SECTION 9 FINANCIAL REPORT

INCOME STATEMENT OF THE PARENT

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

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
I. Operating revenue	15.4	**443,448**	747,316
Less: Operating costs	15.4	**376,286**	662,496
Taxes and surcharges		**1,889**	2,277
Selling and distribution expenses		**14,309**	15,596
General and administrative expenses		**72,627**	60,859
Research and development expenses		**21,137**	16,156
Finance expenses		**108,504**	102,014
Including: Interest expenses		**106,414**	135,364
Interest income		**6,908**	1,726
Add: Other income		**160**	121
Investment income	15.5	**226,223**	92,447
Including: Income from investment in associates and joint ventures	15.5	**12,694**	4,557
Gains from changes in fair value ("–" for losses)			4,844
Impairment of credit losses		**–6,170**	12,285
Impairment losses/(reversals) on assets		**–4,579**	6,832
Gains from assets disposal			38
II. Operating profit/(losses)		**64,330**	4,485
Add: Non-operating income		**5,848**	1,187
Less: Non-operating expenses		**51**	207
III. Profit/(losses) before income tax		**70,127**	5,465
Less: Income tax expenses		**–2,067**	3,019

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
IV. Net profit/(losses) for the year		**72,194**	2,446
(1) Net profit/(losses) from continuing operations		**72,194**	2,446
(2) Net profit/(losses) from discontinued operations			
V. Other comprehensive income, net of tax		**–22**	58
(1) Other comprehensive income that will not be reclassified to profit or loss		**–22**	58
a. Remeasurement gains or losses of a defined benefit plan		**–22**	58
b. Changes in fair value of other equity instrument investments			
(2) Other comprehensive income to be reclassified to profit or loss			
a. Translation differences arising from translation of foreign currency financial statements			
VI. Total comprehensive income		**72,172**	2,504

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

CONSOLIDATED STATEMENT OF CASH FLOW

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

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		**9,882,010**	8,948,152
Refund of taxes		**10,833**	177,368
Proceeds from other operating activities	5.61	**193,652**	100,525
Sub-total of cash inflows		**10,086,495**	9,226,045
Payment for goods and services		**8,769,511**	9,507,792
Payment to and for employees		**1,065,659**	1,096,215
Payments of various taxes		**271,464**	192,718
Payment for other operating activities	5.61	**179,161**	464,169
Sub-total of cash outflows		**10,285,795**	11,260,894
Net cash flows from operating activities	5.62	**–199,300**	–2,034,849
II. Cash flows from investing activities			
Proceeds from disposal of investments			701,302
Investment income received			43,876
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		**7,889**	2,950
Net proceeds from disposal of subsidiaries and other business units		**3,624**	
Proceeds from other investing activities	5.61		
Sub-total of cash inflows		**11,513**	748,128
Payment for acquisition of fixed assets, intangible assets and other long-term assets		**77,373**	45,225
Payment for acquisition of investments			
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities			
Sub-total of cash outflows		**77,373**	45,225
Net cash flows from investing activities		**–65,860**	702,903

Item	Notes	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
III. Cash flows from financing activities			
Proceeds from investors		4,560	
Including: Proceeds from non-controlling shareholders of subsidiaries			
Proceeds from borrowings		2,119,290	3,315,745
Proceeds from other financing activities	5.61		
Sub-total of cash inflows		2,123,850	3,315,745
Repayments of borrowings		2,352,229	842,805
Payment for dividends, profit distributions or interest		149,832	202,747
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries			493
Repayments for perpetual bonds			1,000,000
Payment for other financing activities	5.61	9,654	392
Sub-total of cash outflows		2,511,715	2,046,437
Net cash flows from financing activities		–387,865	1,269,308
IV. Effect of foreign exchange rate changes on cash and cash equivalents		13,816	18,079
V. Net increase/(decrease) in cash and cash equivalents	5.62	–639,209	–44,066
Add: Cash and cash equivalents at the beginning of the year	5.62	3,166,948	3,339,604
VI. Cash and cash equivalent at the end of the period	5.62	2,527,739	3,295,538

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

STATEMENT OF CASH FLOW OF THE PARENT

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

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
I. Cash flows from operating activities		
Proceeds from sales of goods or rendering of services	555,245	796,558
Refund of taxes	1,773	945
Proceeds from other operating activities	280,793	193,520
Sub-total of cash inflows	837,811	991,023
Payment for goods and services	632,187	575,570
Payment to and for employees	134,388	152,028
Payments of various taxes	20,641	15,793
Payment for other operating activities	233,016	147,515
Sub-total of cash outflows	1,020,232	890,906
Net cash flows from operating activities	–182,421	100,117
II. Cash flows from investing activities		
Proceeds from disposal of investments	888,919	1,463,521
Investment income received	98,572	98,209
Proceeds from other investing activities	371,026	127,907
Sub-total of cash inflows	1,358,517	1,689,637
Payment for acquisition of fixed assets, intangible assets and other long-term assets	12	137
Payment for acquisition of investments	826,370	1,267,800
Net payment for acquisition of subsidiaries and other business units	72	
Payment for other investing activities	186,972	234,900
Sub-total of cash outflows	1,013,426	1,502,837
Net cash flows from investing activities	345,091	186,800

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
III. Cash flows from financing activities		
Proceeds from investors	**4,560**	
Proceeds from borrowings	**1,860,000**	1,700,000
Proceeds from other financing activities	**10,661,177**	13,023,272
Sub-total of cash inflows	**12,525,737**	14,723,272
Repayments of borrowings	**2,112,929**	431,000
Payment for dividends, profit distributions or interest	**107,120**	144,588
Repayments for perpetual bonds		
Payment for other financing activities	**11,134,947**	14,219,036
Sub-total of cash outflows	**13,354,996**	14,794,624
Net cash flows from financing activities	**–829,259**	–71,352
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**5,075**	11,304
V. Net increase/(decrease) in cash and cash equivalents	**–661,514**	226,869
Add: Cash and cash equivalents at the beginning of the year	**1,923,180**	1,995,314
VI. Cash and cash equivalent at the end of the period	**1,261,666**	2,222,183

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

For the six months ended 30 June 2025 (Unaudited)

Item	Equity attributable to owners of the parent												
		Other equity instruments											
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Sub-total	Non-controlling interests	Total shareholders' equity
I. Balance at the end of previous year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	6,582,409	2,262,656	8,845,065
Add: Changes in accounting policies													
Correction of prior period errors													
Business combination under common control													
Others													
II. Balance at the beginning of the year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	6,582,409	2,262,656	8,845,065
III. Changes in equity during the period ("–" for decrease)	2,000				11,841	4,560	-13,725	59,327		26,932	81,815	12,674	94,489
(I) Total comprehensive income							-13,725			102,589	88,864	64,773	153,637
(II) Shareholders' contributions and decrease of capital	2,000				11,841	4,560					9,281	-135	9,146
1. Contribution by ordinary shareholders	2,000				2,560						4,560		4,560
2. Contribution by other equity instrument investors													
3. Amounts of share-based payments recognized in equity					9,531						9,531		9,531
4. Others					-250	4,560					-4,810	-135	-4,945
(III) Profit distribution										-75,657	-75,657	-57,191	-132,848
1. Appropriation to surplus reserves													
2. Appropriation to general reserve													
3. Distribution to shareholders												-57,191	-57,191
4. Others										-75,657	-75,657		-75,657
(IV)Transfer within equity													
1. Capital reserves converted to share capital													
2. Surplus reserves converted to share capital													
3. Loss made up by surplus reserves													
4. Changes in the defined benefit plan transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special Reserve								59,327			59,327	5,227	64,554
1. Appropriation during the period								146,084			146,084	20,837	166,921
2. Utilisation during the period								-86,757			-86,757	-15,610	-102,367
(VI)Others													
IV. Balance at the end of the period	2,987,836		3,764,520		1,436,104	68,003	88,727	327,043	229,735	-2,101,738	6,664,224	2,275,330	8,939,554

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

For the six months ended 30 June 2024 (Unaudited)

Item	Equity attributable to owners of the parent												
		Other equity instruments											
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Sub-total	Non-controlling interests	Total shareholders' equity
I. Balance at the end of previous year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	–2,184,850	7,016,541	237,959	7,254,500
Add: Changes in accounting policies													
Correction of prior period errors													
Business combination under common control													
Others													
II. Balance at the beginning of the year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	–2,184,850	7,016,541	237,959	7,254,500
III. Changes in equity during the period ("–" for decrease)			–977,400		–22,670		–2,397	61,895		68,340	–872,232	46,637	–825,595
(I) Total comprehensive income							–2,397			155,989	153,592	43,244	196,836
(II) Shareholders' contributions and decrease of capital			–977,400		–22,670						–1,000,070		–1,000,070
1. Contribution by ordinary shareholders													
2. Contribution by other equity instrument investors			–1,000,000								–1,000,000		–1,000,000
3. Amounts of share-based payments recognized in equity													
4. Others			22,600		–22,670						–70		–70
(III) Profit distribution										–87,649	–87,649	–493	–88,142
1. Appropriation to surplus reserves													
2. Appropriation to general reserve													
3. Distribution to shareholders												–493	–493
4. Others										–87,649	–87,649		–87,649
(IV)Transfer within equity													
1. Capital reserves converted to share capital													
2. Surplus reserves converted to share capital													
3. Loss made up by surplus reserves													
4. Changes in the defined benefit plan transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special Reserve								61,895			61,895	3,886	65,781
1. Appropriation during the period								171,889			171,889	13,414	185,303
2. Utilisation during the period								–109,994			–109,994	–9,528	–119,522
(VI)Others													
IV. Balance at the end of the period	2,959,067		3,764,520		876,119		150,503	280,875	229,735	–2,116,510	6,144,309	284,596	6,428,905

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	For the six months ended 30 June 2025 (Unaudited)										
		Other equity instruments									
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of previous year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	-390,944	7,696,504
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	-390,944	7,696,504
III. Changes in equity during the period ("–" for decrease)	2,000				12,091	4,560	-22	74		-3,463	6,120
(I) Total comprehensive income							-22			72,194	72,172
(II) Shareholders' contributions and decrease of capital	2,000				12,091	4,560					9,531
1. Contribution by ordinary shareholders	2,000				2,560						4,560
2. Contribution by other equity instrument investors											
3. Amounts of share-based payments recognized in equity					9,531						9,531
4. Others						4,560					-4,560
(III) Profit distribution										-75,657	-75,657
1. Appropriation to surplus reserves											
2. Appropriation to general reserve											
3. Distribution to shareholders											
4. Others										-75,657	-75,657
(IV) Transfer within equity											
1. Capital reserves converted to share capital											
2. Surplus reserves converted to share capital											
3. Loss made up by surplus reserves											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special Reserve								74			74
1. Appropriation during the period								133			133
2. Utilisation during the period								-59			-59
(VI) Others											
IV. Balance at the end of the period	2,987,836		3,764,520		1,170,478	68,003	12,346	119	229,735	-394,407	7,702,624

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

Item	For the six months ended 30 June 2024 (Unaudited)									
		Other equity instruments								
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the end of previous year	2,959,067		4,741,920		1,133,916	12,328	4	229,735	–231,950	8,845,020
Add: Changes in accounting policies										
Correction of prior period errors										
Others										
II. Balance at the beginning of the year	2,959,067		4,741,920		1,133,916	12,328	4	229,735	–231,950	8,845,020
III. Changes in equity during the period ("–" for decrease)			–977,400		–22,600	58	33		–85,203	–1,085,112
(I) Total comprehensive income						58			2,446	2,504
(II) Shareholders' contributions and decrease of capital			–1,000,000						–87,649	–1,087,649
1. Contribution by ordinary shareholders										
2. Contribution by other equity instrument investors										
3. Amounts of share-based payments recognized in equity			–1,000,000							–1,000,000
4. Others									–87,649	–87,649
(III) Profit distribution										
1. Appropriation to surplus reserves										
2. Appropriation to general reserve										
3. Distribution to shareholders										
4. Others										
(IV) Transfer within equity			22,600		–22,600					
1. Capital reserves converted to share capital										
2. Surplus reserves converted to share capital										
3. Loss made up by surplus reserves										
4. Changes in the defined benefit plan transferred to retained earnings										
5. Other comprehensive income transferred to retained earnings										
6. Others			22,600		–22,600					
(V) Special Reserve							33			33
1. Appropriation during the period							167			167
2. Utilisation during the period							–134			–134
(VI) Others										
IV. Balance at the end of the period	2,959,067		3,764,520		1,111,316	12,386	37	229,735	–317,153	7,759,908

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Aluminum International Engineering Corporation Limited (hereinafter referred to as "Chalieco" or "the Company"), formerly known as China Aluminum International Engineering Co., Ltd., was established on 16 December 2003 with a capital contribution of RMB200,000,000 from Aluminum Corporation of China (hereinafter referred to as "China Aluminum Group") and China Aluminum International Trade Co., Ltd. (hereinafter referred to as "China Aluminum International Trade"), with China Aluminum Group and China Aluminum International Trade holding 95% and 5% equity in Chalieco respectively.

In December 2010, China Aluminum International Trade transferred its 5% equity in the Company to China Aluminum Group, whereupon Chalieco became a wholly-owned subsidiary of China Aluminum Group.

Chalieco was reorganized in 2011 and was incorporated as a joint stock company in Beijing in June 2011 with a registered capital of RMB2,300,000,000.

In July 2012, Chalieco offered 363,160,000 shares (H shares) to overseas investors on the main board of the Stock Exchange. The stock abbreviation is "Chalieco" and the stock code is "2068". In H share offering, under relevant approval, China Aluminum Group and Luoyang Institute converted their 36,316,000 state-owned domestic shares, equivalent to 10% of the number of H shares under public offering, into H shares on a 1:1 basis and transferred them to the National Council of Social Security Funds on the day of listing. Upon consummation of the above offering, the total share capital increased to RMB2,663,160,000.

As approved by the Approval in Relation to the Initial Public Offering of Shares by China Aluminum International Engineering Corporation Limited (Zheng Jian Xu Ke [2018] No. 934) issued by the China Securities Regulatory Commission, the stock abbreviation is 'Chalieco' and the stock code is '601068'. On 27 August 2018, the Company issued 295,906,667 ordinary shares in Renminbi to the public (at a face value of RMB1 per share), increasing its registered capital by RMB295,906,667. The enlarged registered capital is RMB2,959,066,667.

1. GENERAL INFORMATION (Continued)

After approval by the Company's shareholders' meeting and authorized by relevant departments of the State Council, Chalieco completed the registration procedures for the new shares of the 2023 Restricted Share Incentive Plan in July 2024. Following this issuance, the Company's shareholding structure is as follows: China Aluminum Group holds 2,176,758,534 shares, accounting for 72.90%; Luoyang Institute holds 86,925,466 shares, accounting for 2.91%; H-share shareholders listed overseas hold 399,476,000 shares, accounting for 13.38%; Domestic A-shareholders with unrestricted sale conditions(excluding China Aluminum Group and Luoyang Institute) hold 295,906,667 shares, accounting for 9.91%; Domestic A-shareholders with restricted sale conditions (excluding China Aluminum Group and Luoyang Institute) hold 26,769,600 shares, accounting for 0.90%. After the completion of the share issuance, the Company's registered capital was updated to RMB2,985,836,267. Chalieco completed the registration procedures for the reserved shares of the 2023 Restricted Share Incentive Plan in June 2025. After the completion of this reserved restricted share issuance, the Company's shareholding structure is as follows: China Aluminum Group holds 2,176,758,534 shares, accounting for 72.85%; Luoyang Institute holds 86,925,466 shares, accounting for 2.91%; H-share shareholders listed overseas hold 399,476,000 shares, accounting for 13.37%; Domestic A-shareholders with unrestricted sale conditions(excluding China Aluminum Group and Luoyang Institute) hold 295,906,667 shares, accounting for 9.90%; Domestic A-shareholders with restricted sale conditions (excluding China Aluminum Group and Luoyang Institute) hold 28,769,600 shares, accounting for 0.97%. After the completion of the share issuance, the Company's registered capital was updated to RMB2,987,836,267.

Chalieco's registered address is Building C, No. 99 Xingshikou Road, Haidian District, Beijing, PRC, with a unified social credit code of 911100007109323200.

The Company and its subsidiaries are principally engaged in construction business. Chalieco's business scope includes engineering technology and design consulting, engineering construction and installation, and equipment manufacturing.

The ultimate controller of Chalieco is Aluminum Corporation of China.

The Company's and consolidated financial statements and the notes to financial statements have been approved by the 5th Board of Directors in the 2nd board meeting on 28 August 2025.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "ASBEs"). In addition, the Company discloses relevant financial information in accordance with 'Compilation Rules for Information Disclosure of Companies that Offer Securities to the Public No. 15 – General Provisions on Financial Reporting' (revised in 2023) issued by China Securities Regulatory Commission.

The financial statements of the Company have been prepared on going concern basis.

The Company adopts the accrual basis of accounting. Except for certain financial instruments, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Company's (and consolidated) financial position as at 30 June 2025 and the Company's (and consolidated) operating results and cash flows for the period from January to June 2025.

3.2 Accounting Period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

The reporting period for the financial statements is from 1 January 2025 to 30 June 2025.

3.3 Operating cycle

The Company takes a 12-month year as a usual operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.4 Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. Offshore subsidiaries determine their functional currency according to the primary economic environment where they operate. The financial statements of the Company have been prepared in RMB.

3.5 Methodology for determining materiality criteria and basis for selection

Item	Materiality criteria
Material receivables with impairment of credit losses on an individual basis	Impairment of credit losses exceeding 1% of net assets
Material receivables written-off in the current period	More than 10 million RMB
Material impairment of credit losses recovered or reversed	More than 20 million RMB
Material prepayments with aging more than 1 year	More than 10 million RMB
Material construction in progress	More than 10 million RMB
Material associates	More than 50 million RMB
Material subsidiaries	The subsidiary's total assets account for the group's total assets by over 5%
Material contract liabilities with aging more than 1 year	More than 10 million RMB
Material other receivables with aging more than 1 year	More than 10 million RMB
Material litigation	More than 50 million RMB

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

3.6.1 Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Business combinations under the same control are achieved through multiple transactions

In the consolidated financial statements, the assets and liabilities of the acquiree obtained by the acquirer during the combination are measured at their carrying amounts in the ultimately controlling party's consolidated financial statements on the acquisition date. The difference between the sum of the carrying amount of the investment held before the combination and the carrying amount of the newly paid consideration on the acquisition date and the carrying amount of the net assets obtained in the combination shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, retained earnings shall be adjusted. For the long-term equity investment held by the acquirer before obtaining the control right of the acquiree, the relevant profits and losses, other comprehensive income and other changes in owner's equity that have been recognized from the later date between the date of obtaining the original equity and the date when the acquirer and the acquiree are under the same party's ultimately control to the acquisition date, shall be offset against the opening retained earnings or current profits and losses during the comparative statement period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Continued)

3.6.2 Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

Business combinations not under the same control are achieved through multiple transactions

In the consolidated financial statements, the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity held before the acquisition date on the acquisition date shall be recognized as the acquisition cost. For the equity of the acquiree already held, it shall be remeasured at its fair value on the acquisition date, and the difference between the fair value and its carrying amount shall be included in the current investment income. The equity of the acquiree already held before the acquisition date involves other comprehensive income and changes in other owner's equity, which are converted into current income on the acquisition date, except for other comprehensive income generated by changes in net liabilities or net assets caused by the acquiree's remeasurement of the defined benefit plan.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.6 Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control (Continued)

3.6.3 Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

3.7 Judgment criteria for control and consolidated financial statements

3.7.1 Judgment criteria for control

The scope of consolidated financial statements is based on control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. The Company will reassess when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

In determining whether to include a structured entity in the scope of consolidation, the Company evaluates whether to control the structured entity on the basis of a combination of all the facts and circumstances, including an assessment of the purpose and design for which the structured entity was established, the identification of the types of variable returns, and whether it assumes some or all of the variability of the returns through its participation in its related activities.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.7 Judgment criteria for control and consolidated financial statements (Continued)

3.7.2 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-company balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises not under common control, the operating results and cash flows from the acquisition date to the end of the reporting period are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented separately in the consolidated income statement below the "net profit" line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.7 Judgment criteria for control and consolidated financial statements (Continued)

3.7.3 Purchase of subsidiaries' non-controlling interests

The difference between the cost of long-term equity investment newly acquired due to the purchase of non-controlling interest and the share of net assets of the subsidiary continuously calculated from the purchase date or merger date according to the newly increased shareholding ratio, and the difference between the disposal price obtained as a result of partial disposal of the equity investment in the subsidiary without loss of control and the share of net assets continuously calculated since the purchase date or the merger date corresponding to the disposal of the long-term equity investment of the subsidiary, should be adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

3.7.4 Disposal of subsidiaries

When the Company loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognised in the current period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of net assets in proportion to previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the equity investment of the former subsidiary shall be accounted for on the same basis as the direct disposal of the relevant assets or liabilities of the former subsidiary at the time of loss of control, and other changes in owner's equity related to the former subsidiary under the equity method of accounting shall be transferred to current profit or loss at the time of loss of control.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.8 Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

3.8.1 Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

A. Its solely-held assets, and its share of any assets held jointly;

B. Its solely-assumed liabilities, and its share of any liabilities assumed jointly;

C. Its revenue from the sale of its share of the output arising from the joint operation;

D. Its share of the revenue from the sale of the output by the joint operation;

E. Its solely-incurred expenses, and its share of any expenses incurred jointly.

3.8.2 Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

3.9 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.10 Foreign currency transactions and translation financial statements in foreign currency

3.10.1 Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates on the dates of the transactions.

On the balance sheet date, foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate upon initial recognition or the last balance sheet date will be recognised in profit or loss for the period. The foreign currency non-monetary items measured at historical cost shall still be measured by the functional currency translated at the spot exchange rate on the date of the transaction. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be recognised in profit or loss or other comprehensive income for the period based on the nature of the non-monetary items.

3.10.2 Translation of financial statements denominated in foreign currency

When translating the financial statements denominated in foreign currency of overseas subsidiaries, assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; equity items except for "retained profit" are translated at the spot exchange rates at the dates on which such items arose.

Income and expenses items in the income statement are translated at the prevailing spot exchange rate on the transaction date.

All items in the cash flow statements shall be translated at the prevailing spot exchange rate on the date that the cash flow transaction occurred. Effects arising from changes of exchange rate on cash shall be presented separately as the "effect of foreign exchange rate changes on cash and cash equivalents" item in the cash flow statements.

The differences arising from translation of financial statements shall be included in the "other comprehensive income in shareholders' equity in the balance sheet.

When a foreign operation is disposed of and control is lost, all or a proportionate share of the foreign-currency translation differences related to the foreign operation, as shown under shareholders' equity in the balance sheet, are transferred to profit or loss for the period in which the foreign operation is disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

3.11.1 Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Company becomes one of the parties under a financial instrument contract.

Financial asset that satisfied any of the following criteria shall be derecognised:

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

② The financial asset has been transferred and meets the derecognition criteria for the transfer of financial asset as described below in "Transfer of financial assets".

A financial liability (or a part thereof) is derecognised only when the present obligation is discharged in full or in part. If an agreement is entered between the Company (debtor) and a creditor to replace the existing financial liabilities with new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognised and the new financial liabilities shall be recognised.

Conventionally traded financial assets shall be recognised and derecognised at the trading date.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets

Upon initial recognition, the Company classifies financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value through profit or loss, the related transaction costs are directly recorded in current profit or loss; for other types of financial assets, related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or the provision of services that do not contain or take into account significant financing components, the amount of consideration that the Company is expected to be entitled to collect shall be the initial recognition amount.

Financial assets measured at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- The Company's business model of managing the financial assets aims at collecting contractual cash flows;

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the financial assets are derecognised, amortized according to the effective interest method or impaired.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to the initial recognition, such financial assets are subsequently measured at fair value. The interest, impairment of credit losses or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognised, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the profit or loss for the current period.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Company are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contracts do not belong to financial liabilities measured at fair value through profit or loss. They are measured at fair value at initial recognition and are subsequently measured at the higher of the amount of the impairment of credit losses determined in accordance with the expected credit loss model and the amount initially recognized less the cumulative amortisation.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities (Continued)

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

① A contractual obligation to pay in cash or other financial assets to other parties.

② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.

③ A non-derivative contract that has to be settled with or can be settled with the entity's own equity instruments in the future, under which the entity will deliver a variable number of its own equity instruments.

④ A derivative contract that has to be settled with or can be settled with the entity's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an entity's assets after all liabilities have been deducted.

If the Company cannot unconditionally avoid fulfilling a contractual obligation by paying cash or delivering other financial assets, such contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company; for the latter, it is the Company's own equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.4 Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note 3.12.

3.11.5 Impairment of financial assets

On the basis of expected credit losses, the Company conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 – Revenue;
- Lease receivables;
- Financial guarantee contracts (except for financial assets measured at fair value through profit or loss, transfer of financial assets that do not meet the conditions for derecognition or those caused by continuing involvement in transferred financial assets).

Measurement of expected credit losses

The term "expected credit losses"(ECLs) refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows in accordance with the contract and all the cash flows expected to receive, discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Company takes into account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default, so as to estimate the ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Measurement of expected credit losses (Continued)

The Company measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Company makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Company makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that the credit risk has not increased significantly upon initial recognition, and makes provision for impairment based on the ECLs within the next 12 months.

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date, and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.

The Company calculates interest income on the basis of the Gross carrying amount before impairment provisions and the effective interest rate for financial instruments at the first and second stages and with low credit risk. For financial instruments at the third stage, the interest income is calculated on the basis of the amortized cost of the Gross carrying amount less the impairment provision and the effective interest rate.

For bills receivable, accounts receivable, financing receivables, other receivables, contract assets, etc., if the credit risk characteristics of a customer are significantly different from those of other customers in the group, or the credit risk characteristics of such customer are significantly changed, the Company shall assess for impairment individually for such receivables. In addition to the receivables assessed for impairment individually, the Company divides the receivables into groups according to the credit risk characteristics and calculates the loss allowance on the basis of the group.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Accounts receivable and contract assets

For bills receivable, accounts receivable and contract assets, regardless of whether there is a material financing component, the Company always measures its loss allowance at an amount equal to lifetime expected credit losses.

When an individual financial asset or contract asset cannot assess the information of expected credit loss at a reasonable cost, the Company divides the bills receivable, accounts receivable and contract assets into groups according to the credit risk characteristics, calculates the expected credit losses based on the groups which are determined as follows:

A. Bills receivable

- Bills receivable group 1: banker's acceptance
- Bills receivable group 2: commercial acceptance bills

B. Accounts receivable

- Accounts receivables group: aging group

C. Contract assets

- Contract assets group: aging group

For the bills receivable and contract assets divided into groups, the Company calculates the expected credit loss through default risk exposure and the lifetime expected credit loss rate by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the accounts receivable divided into groups, the Company refers to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the aging of receivables/overdue days and the lifetime expected credit loss rate and to calculate the expected credit loss.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Other receivables

The Company divides other receivables into several groups according to the credit risk characteristics, and calculates the expected credit losses on the basis of the groups which are determined as follows:

- Other receivables group: aging group

For other receivables divided into groups, the Company calculates the expected credit losses by default risk exposure and the expected credit losses rate over the next 12 months or the entire duration. In the aging group, the aging is calculated from the date of recognition.

Long-term receivables

The Company's long-term receivables include amounts such as receivables of engineering and receivables of Quality guarantee deposit.

According to the credit risk characteristics, the Company divides long term receivables into several groups. The expected credit loss is calculated on the basis of the groups which are determined as follows:

- Long-term receivables group: aging group

For receivables of engineering and receivables of Quality guarantee deposit, the Company refers to historic credit losses experience, combined with the current situation and forecast for the future economic situation, to calculate the expected credit losses by default risk exposure and the lifetime expected credit loss rate.

For other receivables beside mentioned above that are divided into groups, the expected credit losses are calculated by default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Debt investment and other debt investment

For debt investment and other debt investment, the Company calculates the ECLs based on the default risk exposure and the ECLs rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

An assessment of a significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Company considers reasonable and supportable information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Company includes:

- The debtor fails to pay the principal and interest as due under the contract;
- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected to occur;
- A serious deterioration of the debtor's business results occurred or is expected to occur;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Company.

According to the nature of financial instruments, the Company evaluates whether credit risk increases significantly on the basis of individual financial instruments or a group of financial instruments. When assessing on the basis of a group of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has increased significantly.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Credit-impaired financial assets

On the balance sheet date, the Company evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When one or more events which have an adverse effect on the expected future cash flows of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Company, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Presentation of ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment are deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-off

The Gross carrying amount of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is subsequently recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.11 Financial instruments (Continued)

3.11.6 Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognised.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if the Company does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised accordingly.

3.11.7 Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the relevant asset and liability at fair value, based on the presumption that the orderly transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for relevant the asset or liability. The principal or the most advantageous market must be a trading market accessible by the Company at the measurement date. The Company adopts the presumption that market participants would use when pricing the asset or liability in their best economic interest.

If there exists an active market for a financial asset or financial liability, the Company uses the quotation on the active market as its fair value. If the market for a financial instrument is inactive, the Company uses valuation technique to recognise its fair value.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities obtainable at the measurement date. Level 2: observable inputs for the relevant asset or liability, either directly or indirectly, except for Level 1 input. Level 3: unobservable inputs for the relevant assets or liability.

At each balance sheet date, the Company reassesses assets and liabilities measured at fair value that are recognized in the financial statements on a recurring basis to determine whether transfers have occurred between fair value measurement hierarchy levels.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.13 Inventories

3.13.1 Classification of inventories

Inventories include raw materials, work in progress, stock goods, revolving materials, and spare parts, which are measured at the lower of cost and net realizable value. Revolving materials include low-value consumables and packaging materials.

3.13.2 Measurement method of cost of inventories

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

3.13.3 Recognition of net realisable value of inventories and provision for inventory impairment

At the balance sheet date, inventories shall be measured at the lower of cost and net realisable value and provision for inventory impairment is made when the cost is higher than the net realisable value.

Net realisable value of inventories refers to the amount of the estimated price of inventories less the estimated cost incurred upon completion, estimated sales expenses and taxes and levies. The realisable value of inventories shall be determined on the basis of definite evidence, purpose of holding the inventories and effect of after-balance-sheet-date events.

The Company usually make provision for inventory impairment based on categories of inventories. Provision for inventory impairment is made in accordance with the category of inventories for inventories with large quantities and low unit prices.

At the balance sheet date, in case the factors causing inventory impairment no longer exists, the original provision for inventory impairment shall be reversed.

3.13.4 Inventory stock taking system

The Company maintains a perpetual inventory system as its inventory stock taking system.

3.13.5 Amortization methods of low-value consumables and packaging materials

Low-value consumables are charged to profit or loss when they are used.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.14 Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. Associates of the Company are those investees that the Company imposes significant influence over.

3.14.1 Determination of initial investment cost

Long-term equity investments acquired through business combinations: for a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of the owners' equity under the consolidated financial statements of the ultimate controlling party on the date of combination. For a long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost of the long-term equity investment shall be the cost of combination.

Long-term equity investments acquired through other means: for a long-term equity investment acquired by cash payment, the initial investment cost shall be the purchase cost actually paid; for a long-term equity investment acquired by issuing equity securities, the initial investment cost shall be the fair value of equity securities issued.

3.14.2 Subsequent measurement and recognition of profit or loss

Investments in subsidiaries shall be accounted for using the cost method. Except for the investments which meet the conditions of holding for sale, investments in associates and joint ventures shall be accounted for using the equity method.

For a long-term equity investment accounted for using the cost method, the cash dividends or profits declared by the investees for distribution shall be recognised as investment gains and included in profit or loss for the current period, except the case of receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration.

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the investment cost of the long-term equity investment. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, adjustment shall be made to the carrying amount of the long-term equity investment, and the difference shall be charged to profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.14 Long-term equity investments (Continued)

3.14.2 Subsequent measurement and recognition of profit or loss (Continued)

Under the equity method, investment gain and other comprehensive income shall be recognised based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying amount of long-term equity investment shall be adjusted and included in the capital reserves (other capital reserves). The Group shall recognise its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto according to the accounting policies and accounting periods of the Company.

For additional equity investment made in order to obtain significant influence or common control over investee without resulted in control, the initial investment cost under the equity method shall be the aggregate of fair value of previously held equity investment and additional investment cost on the date of transfer. For investments in non-trading equity instruments that were previously classified as at fair value through other comprehensive income, the cumulative fair value changes associated with them that were previously included in other comprehensive income are transferred to retained earnings upon the change to the equity method of accounting.

In the event of loss of common control or significant influence over investee due to partial disposal of equity investment, the remaining equity interest after disposal shall be accounted for according to the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount shall be included in profit or loss for the current period. In respect of other comprehensive income recognised under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Movement of other owners' equity related to the previous equity investment shall be transferred to profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.14 Long-term equity investments (Continued)

3.14.2 Subsequent measurement and recognition of profit or loss (Continued)

In the event of loss of control over investee due to partial disposal of equity investment, the remaining equity interest which can apply common control or impose significant influence over the investee after disposal shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For the remaining equity interest which cannot apply common control or impose significant influence over the investee after disposal, it shall be accounted for using the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in profit or loss for the current period.

If the shareholding ratio of the Company is reduced due to the capital increase of other investors, and as a result, the Company loses the control of but still can apply common control or impose significant influence over the investee, the net asset increase due to the capital increase of the investee attributable to the Company shall be recognised according to the new shareholding ratio, and the difference with the original carrying amount of the long-term equity investment corresponding to the shareholding ratio reduction part that should be carried forward shall be recorded in the profit or loss for the current period; and then it shall be adjusted according to the new shareholding ratio as if equity method is used for accounting when acquiring the investment.

In respect of the transactions between the Company and its associates and joint ventures, the share of unrealised gain or loss arising from internal transactions shall be eliminated by the portion attributable to the Company. Investment gain or loss shall be recognised accordingly. However, any unrealised loss arising from internal transactions between the Company and an investee is not eliminated to the extent that the loss is impairment loss of the transferred assets.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.14 Long-term equity investments (Continued)

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

Common control is the contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. When determining if there is any common control, it should first be identified if the arrangement is controlled by all the participants or the group consisting of the participants, and then determined if the decision on the arranged activity can be made only with the unanimous consent of the participants sharing the control. If all the participants or a group of participants can only decide the relevant activities of certain arrangement through concerted action, it can be considered that all the participants or a group of participants share common control on the arrangement. If there are two or more participant groups that can collectively control certain arrangement, it does not constitute common control. When determining if there is any common control, the relevant protection rights will not be taken into account.

Significant influence is the power of the investor to participate in the financial and operating policy decisions of an investee, but to fail to control or joint control the formulation of such policies together with other parties. When determining if there is any significant influence on the investee, the influence of the voting shares of the investee held by the investor directly and indirectly and the potential voting rights held by the investor and other parties which are exercisable in the current period and converted to the equity of the investee, including the warrants, stock options and convertible bonds that are issued by the investee and can be converted in the current period, shall be taken into account.

When the Company holds directly or indirectly through the subsidiary 20% (inclusive) to 50% of the voting shares of the investee, it is generally considered to have significant influence on the investee, unless there is concrete evidence to prove that it cannot participate in the production and operation decision-making of the investee and cannot pose significant influence in this situation. When the Company owns less than 20% of the voting shares of the investee, it is generally considered that it has not significantly influenced on the investee, unless there is concrete evidence to prove that it can participate in the production and operation decision-making of the investee and can impose significant influence in this situation.

3.14.4 Method of impairment testing and impairment provision

For the method for making impairment provision for the investment in subsidiaries, associates and joint ventures, please refer to Note 3. 21.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.15 Investment property

Investment property refers to real estate held to earn rentals or for capital appreciation, or both. The investment property of the Company includes leased land use rights, land use rights held for sale after appreciation, and leased buildings and construction.

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note 3. 21.

Gains or losses arising from the sale, transfer, retirement or disposal of an item of investment property are determined as the difference among the net disposal proceeds, the carrying amount of the item, related taxes and surcharges, and are recognised in profit or loss for current period.

3.16 Fixed assets

3.16.1 Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are recognised only when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The cost of routine repairs of fixed assets that do not qualify as capitalised subsequent expenditure is charged to current profit or loss or included in the cost of the related assets in accordance with the beneficiary object when incurred. The carrying amount of the replaced part is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.16 Fixed assets (Continued)

3.16.2 Depreciation of fixed assets

The Company adopts the straight-line method for depreciation. Provision for depreciation will be started when the fixed asset reaches its expected usable state, and stopped when the fixed asset is derecognised or classified as a non-current asset held for sale. Without regard to the depreciation provision, the Company determines the annual depreciation rate by category, estimated useful lives and estimated residual value of the fixed assets as below:

Type	Estimated useful life of depreciation (years)	Estimated residual value rate %	Annual depreciation rate %
Plant and buildings	8-45	5.00	12.13-2.11
Machinery and equipment	8-20	5.00	12.13-4.75
Motor vehicles	5-14	5.00	19.40-6.79
Office equipment and others	4-10	5.00	24.25-9.50

Where, for the fixed assets for which impairment provision is made, to determine the depreciation rate, the accumulated amount of the fixed asset impairment provision that has been made shall be deducted.

3.16.3 The impairment test method and impairment provision method of the fixed assets are set out in Note 3. 21.

3.16.4 The Company will review the useful lives, estimated net residual value and depreciation method of the fixed assets at the end of each year.

When there is any difference between the useful lives estimate and the originally estimated value, the useful lives of the fixed asset shall be adjusted. When there is any difference between the estimated net residual value estimate and the originally estimated value, the estimated net residual value shall be adjusted.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.16 Fixed assets (Continued)

3.16.5 Disposal of fixed assets

A fixed asset is derecognised on disposal or when it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognised in profit or loss for the current period.

3.17 Construction in progress

Construction in progress, divided into two types of self-construction and outsourcing construction, is recognised based on the actual construction cost, including all necessary expenditures incurred for construction projects, capitalised borrowing costs for the construction in progress before it has reached the working condition for its intended use, and other related expenses during the construction period.

A construction in progress is reclassified to fixed assets when it has reached the working condition for its intended use.

The method for impairment provision of construction in progress is set out in Note 3. 21.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.18 Borrowing costs

3.18.1 Recognition principle for the capitalisation of the borrowing costs

The borrowing costs incurred by the Company directly attributable to the acquisition, construction or production of a qualifying asset will be capitalised and included in the cost of relevant asset. Other borrowing costs will be recognised as expenses when incurred according to the incurred amount, and included in the profit or loss for the current period. When the borrowing costs meet all the following conditions, capitalisation shall be started:

① The capital expenditure has been incurred, which includes the expenditure incurred by paying cash, transferring non-cash assets or undertaking interest-bearing liabilities for acquiring, constructing or producing the qualifying assets;

② Borrowing costs have been incurred;

③ The acquisition, construction or production activity necessary for the asset to be ready for its intended use or sale has been started.

3.18.2 Capitalisation period of borrowing costs

When a qualifying asset acquired, constructed or produced by the Company is ready for its intended use or sale, the capitalisation of the borrowing costs shall discontinue. The borrowing costs incurred after a qualifying asset is ready for its intended use or sale shall be recognised as expenses when incurred according to the incurred amount, and included in the profit or loss for the current period.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months. The capitalisation of the borrowing costs shall be continued in the normal interruption period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.18 Borrowing costs (Continued)

3.18.3 Calculation methods for capitalisation rate and capitalised amount of the borrowing costs

Where funds are borrowed for a specific purpose, the amount of interest to be capitalised shall be the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. Where funds are borrowed for general purpose, the Company shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalisation rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalisation period, exchange differences on a specific purpose borrowing denominated in foreign currency shall be capitalised. Exchange differences related to general-purpose borrowings denominated in foreign currency shall be included in profit or loss for the current period.

3.19 Intangible assets

3.19.1 Measure of intangible assets

Intangible assets of the Company include software, land use rights, patent rights, copyrights, franchise rights, etc.

The intangible asset is initially measured at cost, and its useful life is determined upon acquisition. If the useful life is finite, the intangible asset will be amortised over the estimated useful life using the amortisation method that can reflect the estimated realisation of the economic benefits related to the asset, starting from the time when it is available for use. If it is unable to reliably determine the estimated realisation, straight-line method shall be adopted for amortisation. The intangible assets with uncertain useful life will not be amortised.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.19 Intangible assets (Continued)

3.19.1 Measure of intangible assets (Continued)

The amortization method for intangible assets with finite useful lives is as follows:

Item	Useful life (Year)	Basis for determining useful life	Amortization method	Notes
Land use rights	50	Duration of title registration	Straight-line	–
Patent rights	6-8	Expected years of economic benefits	Straight-line	–
Software	10	Expected years of economic benefits	Straight-line	–
Copyrights	10-47	Expected years of economic benefits	Straight-line	–

The Company reviews the useful life and amortisation method of the intangible assets with finite useful life at the end of each year. If it is different from the previous estimates, the original estimates will be adjusted, and will be treated as a change in accounting estimate.

If it is estimated on the balance sheet date that certain intangible asset can no longer bring future economic benefit to the company, the carrying amount of the intangible asset will be entirely transferred into the profit or loss for the current period.

The impairment method for the intangible assets is set out in Note 3. 21.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.19 Intangible assets (Continued)

3.19.2 Basis for determining an indefinite service life

If the period over which an intangible asset will bring economic benefits to the Company is not foreseeable, or the service life is indefinite for an intangible asset, the Company determines that the intangible asset has an indefinite service life. Basis for determining an indefinite service life: the intangible asset comes from contractual rights or other legitimate rights, but there is no definite service life stipulated in the contract or the law; It is still impossible to determine the time period over which the intangible assets can bring economic benefits to the Company based on peer conditions or relevant expert opinions.

At the end of each year, the service life of intangible assets with an indefinite service life is reviewed mainly on a bottom-up basis, with the department using the intangible asset to perform basic review for any change in the basis for determining its indefinite service life.

3.20 Research and development expenditure

The Company's research and development expenses are expenses directly related to the Company's research and development activities, including research and development personnel's salaries, direct costs, depreciation and long-term deferred expenses, design costs, equipment commissioning costs, amortization of intangible assets, outsourced R&D expenses, and other expenses. Among them, the salaries of research and development personnel are included in research and development expenses in accordance with the allocation of project labor hour. Equipment, production lines and sites shared by R&D activities and other production and operation activities are allocated to R&D expenses according to the proportion of labor hour and area.

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalised when all of the following conditions are met: the product or process is technically and commercially feasible; the Company intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure does not meet the above conditions is recognised as an expense in the period in which it is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.20 Research and development expenditure (Continued)

Research and development projects of the Company will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalised expenditure on the development phase is presented as “development costs” in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

Capitalisation conditions of specific R&D projects are:

(1) It is feasible technically to prepare the intangible asset for use or sale;

(2) Management has the intention to finish the intangible asset for use or sale;

(3) The intangible asset can bring economic benefits into the flow;

(4) The Company has sufficient technical, financial and other resources to complete development of the intangible asset and has the ability to use or sell the intangible asset;

(5) Development stage costs attributable to the intangible asset can be reliably measured.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.21 Impairment of assets

Impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, goodwill and others (Excluding inventories, deferred tax assets and financial assets) subsequently measured at cost is determined as follows:

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill arising from business combinations, intangible assets with an indefinite useful life and intangible assets not ready for use will be tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction amount is charged to profit or loss and an impairment provision is made accordingly.

For the purpose of impairment test of goodwill, the carrying amount of goodwill acquired in a business combination is allocated to the relevant asset groups on a reasonable basis from the acquisition date; where it is difficult to allocate to the related asset groups, it is allocated to the combination of related asset groups. The related asset groups or combination of asset groups are those which can benefit from the synergies of the business combination and are not larger than the reportable segments identified by the Company.

In the impairment test, if there is any indication that an asset group or a combination of asset groups related to goodwill may be impaired, the Company first tests the asset group or set of asset groups excluding goodwill for impairment, calculates the recoverable amount and recognises the corresponding impairment loss. An impairment test is then carried out on the asset group or combination of asset groups containing goodwill by comparing its carrying amount with its recoverable amount. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised for goodwill.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.22 Long-term deferred expenses

The long-term prepaid expenses incurred by the Company shall be recognised based on the actual cost, and evenly amortised over the estimated benefit period. For the long-term prepaid expense that cannot benefit the subsequent accounting periods, its value after amortisation shall be entirely included in the profit or loss for the current period.

3.23 Employee benefits

3.23.1 Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

Employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" in the balance sheet, respectively, according to liquidity.

3.23.2 Short-term staff remuneration

In the period of employee services, employee wages or salaries actually incurred, bonuses, and social insurance contributions such as medical insurance, work injury insurance, maternity insurance, and housing fund, contributed at the applicable benchmarks and rates, are recognised as a liability as the employees provide services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

3.23.3 Post-employment benefits

Post-employment benefit plans include defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and the Company has no future obligations for payment. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.23 Employee benefits (Continued)

3.23.3 Post-employment benefits (Continued)

Defined contribution plans

Defined contribution plans include basic pension insurance, and unemployment insurance, etc.

During the accounting period in which an employee provides service, the amount payable calculated according to the defined contribution plan is recognised as a liability and included in the profit or loss for the current period or the cost of relevant assets.

Defined benefit plans

For defined benefit plans, the actuarial valuation is conducted by an independent actuary on the annual balance sheet date, and the cost of providing benefits is determined using the expected cumulative benefit unit method. The employee benefits cost arising from the Company's defined benefit plan includes the following components:

① Service cost, including current service cost, past service cost, and any gain or loss on settlement. In particular, the current service cost refers to the increase in the present value of obligations of defined benefit plans arising from the service provided by staff in the current period; the past service cost refers to the increase or decrease in the present value of obligations of defined benefit plans related to the service of the staff in the previous period arising from the revision of defined benefit plans.

② Net interest on net liabilities or net assets of defined benefit plans, including interest income from the assets under the plans, interest expense arising from the obligations of defined benefit plans, and interest affected by asset caps.

③ Change in remeasurements of the net liabilities or net assets of defined benefit plans.

Unless other accounting standards require or allow employee benefit costs to be included in asset costs, the above item ① and ② will be recognized in the current profit and loss. Item ③ will be recognized in other comprehensive income and will not be transferred back to profit or loss in the subsequent accounting period. When the original defined benefit plan is terminated, all the part originally recognized in other comprehensive income will be transferred to retained profit within the scope of equity.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.23 Employee benefits (Continued)

3.23.4 Termination benefits

When the Company provides termination benefits to employees, employee benefits liabilities arising from termination benefits are recognised in profit or loss for the current period at the earlier of the following dates: when the Company cannot revoke unilaterally compensation for dismissal due to the cancellation of labour relationship plans and employee redundant proposals; the Company recognises cost and expenses related to payment of compensation for dismissal and restructuring.

For the early retirement plans, economic compensations before the actual retirement date were classified as termination benefits. During the period from the date of cease of render of services to the actual retirement date, relevant wages and contribution to social insurance for the employees proposed to be paid are recognized in profit or loss on a one-off basis. Economic compensation after the official retirement date, such as normal pension, is accounted for as post-employment benefits.

3.23.5 Other long-term employee benefits

Other long-term employee benefits provided by the Company to employees that meet the conditions for defined contribution plans are accounted for in accordance with the relevant provisions relating to defined contribution plans as stated above. If the conditions for defined benefit plans are met, the benefits shall be accounted for in accordance with the relevant provisions relating to defined benefit plans, but the “changes arising from the remeasurement of net liabilities or net assets of defined benefit plans” in the relevant employee benefits shall be included in the current profit and loss or the relevant costs of assets.

3.24 Provisions

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

(1) the obligation is a current obligation borne by the Company;

(2) It is likely that an outflow of economic benefits from the Company will be resulted from the performance of the obligation; and

(3) the amount of the obligation can be reliably measured.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.24 Provisions (Continued)

The provisions shall be initially measured based on the best estimate for the expenditure required for the performance of the current obligation, after taking into account relevant risks, uncertainties, time value of money and other factors pertinent to the contingencies. If the time value of money has significant influence, the best estimates shall be determined after discounting the relevant future cash outflow. The Company reviews the carrying amount of the provisions on the balance sheet date and adjust the carrying amount to reflect the current best estimates.

If all or some expenses incurred for settlement of recognised provisions are expected to be borne by the third party, the compensation amount shall, on a recoverable basis, be recognised as asset separately, and compensation amount recognised shall not be more than the carrying amount of provisions.

3.25 Share-based payment and equity instruments

3.25.1 Classification of share-based payment

Share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

3.25.2 Determination of fair value of equity instruments

The Company determines the fair value of equity instruments such as options granted for which an active market exists based on quoted prices in an active market. For equity instruments such as options granted for which no active market exists, the fair value is determined by using option pricing models and other methods. The option pricing model selected takes into account the following factors: A. the exercise price of the option; B. the life of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividends on the shares; and F. the risk-free interest rate during the life of the option.

3.25.3 Basis for recognizing the best estimate of a viable equity instrument

At each balance sheet date during the vesting period, the Company revises the number of equity instruments expected to be exercisable based on the best estimate of the latest available subsequent information, such as changes in the number of employees with exercisable rights. On the date of vesting, the final estimated number of exercisable equity instruments shall be the same as the actual number of exercisable equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.25 Share-based payment and equity instruments (Continued)

3.25.4 Accounting treatment related to the implementation, modification and termination of share-based payment plans

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. If the options are exercisable immediately after the grant, the related costs or expenses are recognized at the grant date based on the fair value of the equity instruments, with a corresponding increase in capital reserve. If the option is not exercisable until the completion of services within the vesting period or the fulfillment of specified performance conditions, at each balance sheet date during the vesting period, the services acquired during the period are recognized in the relevant cost or expense and capital reserve at the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments that will be exercisable. No further adjustments are made to the related costs or expenses recognized and to total owners' equity after the vesting date.

Cash-settled share-based payments are measured at the fair value of the Company's assumption of liabilities determined by calculations based on shares or other equity instruments. Where options are exercisable immediately after grant, the fair value of the liability assumed by the Company is recognized at the grant date in the relevant cost or expense, with a corresponding increase in the liability. For cash-settled share-based payments that become exercisable after the completion of services within the vesting period or the fulfillment of specified performance conditions, the services acquired during the period are recognized as a cost or expense and a corresponding liability at the amount of the fair value of the liability assumed by the Company at each balance sheet date during the vesting period, based on the best estimate of the circumstances under which the rights will become exercisable. At each balance sheet date prior to settlement of the related liability and at the date of settlement, the fair value of the liability is remeasured, and the change is recognized in profit or loss for the period.

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, an increase in services acquired is recognized accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the increase in the fair value of the equity instruments is recognized accordingly as an increase in services acquired. The increase in the fair value of equity instruments is the difference between the fair value of the equity instruments before and after the modification at the date of modification. If the modification reduces the total fair value of the share-based payment or otherwise modifies the terms and conditions of the share-based payment plan in a manner that is not favorable to the employee, the acquired services continue to be accounted for as if the change had never occurred, unless the Company cancels some or all of the equity instruments granted.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.25 Share-based payment and equity instruments (Continued)

3.25.4 Accounting treatment related to the implementation, modification and termination of share-based payment plans (Continued)

If the granted equity instruments are cancelled during the vesting period (except for those cancelled due to non-market performance conditions that are not met by the conditions for exercisability), the Company treats the cancellation of the granted equity instruments as an acceleration of the exercise of the options, and the amount to be recognized during the remaining vesting period is immediately recognized in profit or loss and capital reserve is recognized. If the employees or other parties can choose to satisfy the non-option conditions but fail to do so during the vesting period, the Company treats the cancellation as a cancellation of the equity instruments granted.

3.25.5 Restricted shares

Under the Share Incentive Scheme, the Company grants restricted shares to the incentive recipients, who subscribe for the shares first, and if the unlocking conditions stipulated in the Share Incentive Scheme are not subsequently met, the Company repurchases the shares at a pre-agreed price. If the restricted shares issued to employees have fulfilled the registration and other capital increase procedures in accordance with the relevant regulations, on the date of grant, the Company recognizes share capital and capital reserve (share premium) based on the subscription monies received from employees; and also recognizes treasury stock and other payables in respect of the repurchase obligation.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.26 Perpetual bonds and other financial instruments

3.26.1 Classification of financial liabilities and equity instruments

Financial instruments issued by the Company are classified as financial assets, financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial asset, financial liability and equity instruments on initial recognition.

3.26.2 Accounting treatment of perpetual bonds

Financial instruments issued by the Company are initially recognised and measured in accordance with the financial instrument standards; thereafter, interest or dividends are accrued on each balance sheet date and accounted for in accordance with relevant specific ASBEs, i.e. to determine the accounting treatment for interest expenditure or dividend distribution of the instrument based on the classification of the financial instrument issued. For financial instruments classified as equity instruments, their interest expenses or dividend distributions are treated as profit distribution of the Company, and their repurchases and cancellations are treated as changes in equity; for financial instruments classified as financial liabilities, their interest expenses or dividend distribution are in principle accounted for with reference to borrowing costs, and the gains or losses arising from their repurchases or redemption are included in the profit or loss for the current period.

For the transaction costs such as fees and commissions incurred by the Company for issuing financial instruments, if such financial instruments are classified as debt instruments and measured at amortised cost, they are included in the initial measured amount of the instruments issued; if such financial instruments are classified as equity instruments, they are deducted from equity.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.27 Revenue

3.27.1 General principles

The Company recognizes revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point in time:

① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract;

② when the customer is able to control the goods in progress in the course of performance by the Company under the contract;

③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Company recognises revenue by measuring the progress towards complete of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.27 Revenue (Continued)

3.27.1 General principles (Continued)

For performance obligations performed at a point in time, the Company recognizes revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

① The Company has the present right to receive payment for the goods or service, which is when the customer has the present payment obligations for the goods or service.

② The Company has transferred the legal title of the good to the customer, which is when the client possesses the legal title of the goods.

③ The Company has transferred physical possession of the goods to the customer, which is when the customer has physical possession of the goods.

④ The Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtains all of the substantial risks and rewards of ownership of the goods to the customer.

⑤ The customer has accepted the good or service.

⑥ Other information indicates that the customer has obtained control of the goods.

The Company's right to consideration in exchange for goods or services that the Company has transferred to customers (and such right depends on factors other than passage of time) is accounted for as contract assets, and contract assets are subject to impairment based on ECLs. The Company's unconditional right to receive consideration from customers (only depends on passage of time) is accounted for as accounts receivable. The Company's obligation to transfer goods or services to customers for which the Company has received or should receive consideration from customers is accounted for as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net basis. Where the net amount has a debit balance, it is presented in "contract assets" or "other non-current assets" according to its liquidity. Where the net amount has a credit balance, it is presented in "contract liabilities" or "other non-current liabilities" according to its liquidity.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.27 Revenue (Continued)

3.27.2 Specific methods

The specific methods for Revenue recognition of the Company's main business are as follows:

Construction contract

The Company provides construction services for engineering projects. As the customer controls the construction work-in-progress, the Company recognizes revenue based on the progress towards complete satisfaction of the performance obligation. The progress is measured by the Company's expenditures or inputs incurred to satisfy the performance obligation, calculated as the proportion of costs incurred to date relative to the estimated total budgeted costs as of the balance sheet date for each contract.

The Company does not expect any project contracts where the period between performance and final customer payment exceeds one year. Consequently, the Company does not adjust the transaction price for the time value of money.

Pursuant to contract terms, customers may adjust the contractually agreed amount based on final acceptance results. The Company determines the transaction price after making adjustments to the contract amount based on historical experience.

Service providing contract

The Company provides design services to external parties. For design contracts with non-substitutable purposes where the Company has an enforceable right to payment for performance completed to date throughout the contract period, revenue is recognized over time based on the progress towards complete satisfaction of the performance obligation. The progress is calculated as the proportion of costs incurred to date relative to the estimated total costs. At each balance sheet date, the Company reassesses the progress of completed services to ensure it reflects changes in performance status.

For other design contracts, the Company recognizes revenue upon completion of design services, submission of design proposals to customers, and formal customer acceptance.

For contracts containing two or more distinct performance obligations, the Company allocates the transaction price to each obligation at contract inception based on the relative stand-alone selling prices of each service. Stand-alone selling prices are determined based on the Company's pricing for individually sold services.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.27 Revenue (Continued)

3.27.2 Specific methods (Continued)

Equipment manufacturing business

For the equipment manufacturing business of the company, the construction contract was regarded as a performance obligation to be performed within a certain period of time after evaluation and the revenue was recognized according to the performance progress within that period. On the balance sheet date, the contract performance progress shall be determined according to the proportion of the accumulative contract cost incurred to the total estimated contract cost, and the accumulative revenue to be recognized shall be calculated according to the estimated total contract revenue multiplied by the corresponding performance progress. The amount after deducting the accumulative recognized revenue in previous periods shall be recognized as the contract income of the current period. At the same time, the accumulative contract cost incurred after deducting the accumulative recognized cost in previous accounting periods shall be recognized as the contract cost of the current period. Other equipment manufacturing contracts that do not regarded as a performance obligation to be performed within a certain period of time after evaluation by the company shall be recognized as revenue when the completion is delivered to the customer.

3.28 Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. sales commission. The Company recognises the incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.28 Contract costs (Continued)

If the costs incurred in fulfilling a contract are not within the scope of inventories or other ASBEs, the Company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

① the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;

② the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;

③ the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the "assets related to contract costs") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Company recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

① remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;

② the cost estimated to be happened for the transfer of related goods or services.

The costs of contract performance recognised as assets, if the amortisation period is less than one year or a normal operating cycle upon the initial recognition, are presented as "Inventories" item, and if the amortisation period is more than one year or a normal operating cycle upon the initial recognition, are presented as "other non-current assets" item.

The contract obtaining costs recognised as assets, if the amortisation period is less than one year or a normal operating cycle upon the initial recognition, are presented as "other current assets" item, and if the amortization period is more than one year or a normal operating cycle upon the initial recognition, are presented as "other non-current assets" item.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.29 Government grants

A government grant is recognised when the grant will be received and that the Company will comply with the conditions attaching to the grant.

If a government grant is in the form of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of non-monetary asset, it is measured at fair value; if the fair value cannot be obtained in a reliable way, it is measured at the nominal amount of RMB1.

Government grants obtained for acquisition or construction of long-term assets or other forms of long-term asset formation are classified as government grants related to assets, while the remaining government grants are classified as government grants related to income.

Regarding the government grant not clearly defined in the official documents and can form long-term assets, the part of government grant which can be referred to the value of the assets is classified as government grant related to assets and the remaining part is government grant related to income. For the government grant that is difficult to distinguish, the entire government grant is classified as government grant related to income.

A government grant related to an asset is offset against the carrying amount of the related asset. A government grant related to an income that compensates the Company for expenses or losses already incurred is recognised as deferred income and offset against related expenses during the period of recognition of related expenses. If the grant is a compensation for related costs, expenses or losses to be incurred in subsequent periods, the grant shall be recognised as deferred income, and offset against related expenses over the periods in which the related costs, expenses or losses are recognised. A government grant measured at nominal amount is directly included in profit or loss for the current period. The Company adopts a consistent approach to the same or similar government grants.

A government grant related to daily activities is recognised in other gains or used to offset related costs relying on the essence of economic business; otherwise, recognised in non-operating income or to offset non-operating expenses.

For the repayment of a government grant already recognised, if the carrying amount of relevant assets was written off at initial recognition, the carrying amount of the assets shall be adjusted; if there is any related deferred income, the repayment shall be offset against the carrying amount of the deferred income, and any excess shall be recognised in profit or loss for the current period; otherwise, the repayment shall be recognised immediately in profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.30 Deferred tax assets and deferred tax liabilities

Income tax comprises current income tax expense and deferred income tax expense, which are included in profit or loss for the current period as income tax expenses, except for deferred tax related to transactions or events that are directly recognised in owners' equity which are recognised in owners' equity, and deferred tax arising from a business combination, which is adjusted against the carrying amount of goodwill.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base at the balance sheet date of the Company shall be recognised as deferred income tax using the balance sheet liability method.

All the taxable temporary differences are recognised as deferred income tax liabilities except for those incurred in the following transactions:

(1) The initial recognition of goodwill, and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (except for individual transactions where the initial recognition of assets and liabilities result in equal taxable and deductible temporary differences);

(2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred income tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

(1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;

(2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred income tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future, against which the temporary difference can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.30 Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their tax effect is reflected accordingly.

At the balance sheet date, the Company reviews the carrying amount of a deferred income tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilised, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net amounts after offsetting when both of the following criteria are met:

(1) The taxpayer of the Company has the legal right to net settlement of current tax assets and current tax liabilities;

(2) Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax collection authority on the same taxpayer within the Company.

3.31 Leases

3.31.1 Identification of leases

On the beginning date of the contract, the Company (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Company identifies such contract is, or contains, a lease.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

3.31.2 The Company as lessee

On the beginning date of the lease, the Company recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note 3.32.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are recognised in profit or loss for the period in which they actually arise.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

Leases of low value assets

A low-value asset lease is a lease that the value of a single leased asset is below RMB40 thousand when it is a new asset.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

For a low-value asset lease, the Company chooses the above simplified approach based on the specific circumstances of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If a lease modification that is not accounted for as a separate lease, on the day of the lease modification, the Company re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in decrease in the lease scope or the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss of current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use asset.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

3.31.3 The Company as lessor

When the Company is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Finance leases

Under finance leases, the Company accounts for finance lease receivables at the beginning of the lease term at the net lease investment, which is the sum of the unsecured residual value and the present value of the lease receipts outstanding at the commencement date of the lease, discounted at the interest rate implicit in the lease. The Company as lessor calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company as lessor that are not included in the net measurement of lease investments are included in profit or loss for the period when they are actually incurred.

Derecognition and impairment of finance lease receivables are accounted for in accordance with the requirements under the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets.

Operating leases

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.31 Leases (Continued)

3.31.3 The Company as lessor (Continued)

Lease modifications

If an operating lease is modified, the Company will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Company will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Company will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments" concerning the modification or renegotiation of the contract.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.32 Right-of-use assets

3.32.1 Recognition conditions of right-of-use assets

The right-of-use assets are defined as the right to use the underlying assets in the lease term for the Company as a lessee.

On the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes: the amount of the initial measurement of the lease liability; the lease payment made on or before the commencement date of the lease term, less any lease incentive received if any; the initial direct costs incurred by the lessee; whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Company as a lessee recognises and measures the costs of demolition and restoration according to “Accounting Standards for Business Enterprises No.13 – Contingencies”, and subsequently adjusts for any remeasurement of lease liability.

3.32.2 Depreciation method of the right-of-use assets

The Company calculates depreciation on a straight-line basis. Right-of-use assets in which the Company as a lessee is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and its remaining useful life.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.33 Production safety expense

The Company makes appropriation to production safety fee according to provisions of the Notice on Printing and Issuing the Measures for Management of Appropriation to and Use of Production Safety Fund of Enterprises issued by the Ministry of Finance and the State Administration of Work Safety.

Provisions for production safety expenses are included in the cost of related products or profit or loss of the current period and included in "special reserves" correspondingly.

When the provisions for production safety expenses and maintenance costs are utilised within the prescribed scope, if such production safety expenses are applied and related to expenditures, specific reserve is directly offset. When fixed assets are incurred, they are included in the "construction in progress" item and transferred to fixed assets when the status of the assets is ready for intended use. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are no longer depreciated in subsequent periods.

3.34 Debt reorganization

3.34.1 The Company as debtor

Debt is derecognised when the present obligation of the debt is discharged, specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of executing the debt restructuring agreement is eliminated.

If a debt restructuring is carried out by settling the debt with an asset, the Company derecognizes the debt when the related asset and the debt settled meet the conditions for derecognition, and the difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognized in profit or loss for the current period.

For debt restructuring by converting debt to equity instruments, the Company derecognizes the debt when the debt settled meets the conditions for derecognition. The Company initially recognizes an equity instrument at the fair value of the equity instrument. If the fair value of the equity instrument cannot be reliably measured, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized for the equity instrument is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.34 Debt reorganization (Continued)

3.34.1 The Company as debtor (Continued)

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the provisions of ASBE No. 22, "Recognition and Measurement of Financial Instruments" and ASBE No. 37, "Presentation of Financial Instruments".

If debt restructuring is carried out by using multiple assets to settle debts or by combining them, the Company recognizes and measures equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the carrying value of the debts settled and the sum of the carrying value of the transferred assets and the recognized amounts of equity instruments and restructured debts is recognized in profit or loss for the current period.

3.34.2 The Company as creditor

Claims are derecognised when the contractual right to receive cash flows from the claims is terminated. Specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of debt restructuring agreements is eliminated.

For debt restructuring by means of settlement of debts by assets, the Company initially recognizes assets other than transferred financial assets at cost, of which the cost of inventories, including the fair value of the abandoned claims and other costs directly attributable to bringing the assets to their current location and condition, such as taxes, transportation, handling and insurance, etc., are measured at cost. The cost of an investment in an associate or joint venture includes the fair value of the relinquished claim and other costs such as taxes directly attributable to the asset. The cost of investment property, including the fair value of the relinquished claims and other costs such as taxes directly attributable to the asset. The cost of property, plant and equipment includes the fair value of the relinquished claim and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional services, incurred before the asset is brought to its intended usable condition. The cost of an intangible asset consists of the fair value of the relinquished claim and other costs directly attributable to taxes incurred to bring the asset to its intended use. The difference between the fair value and the carrying amount of the relinquished claims is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.34 Debt reorganization (Continued)

3.34.2 The Company as creditor (Continued)

If a debt restructuring by way of conversion of debt to equity instruments results in the Company converting the debt to an equity investment in an associate or joint venture, the Company measures the initial investment cost of the debt at the fair value of the abandoned claim and other costs directly attributable to the asset, such as taxes. The difference between the fair value of the relinquished claim and the carrying amount is recognized in profit or loss.

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured claims in accordance with the provisions of ASBE No. 22, “Recognition and Measurement of Financial Instruments”.

For debt restructuring using multiple assets to settle debts or a combination of them, the Company first recognizes and measures the transferred financial assets and restructuring claims in accordance with the provisions of ASBE No. 22, “Recognition and Measurement of Financial Instruments”, and then, in proportion to the fair value of each of the assets other than the transferred financial assets, the fair value of the waived claim The fair value of each asset other than the transferred financial assets is then allocated to the net amount after deducting the recognized amounts of the transferred financial assets and restructuring claims, and the cost of each asset is determined separately on this basis in accordance with the aforementioned method. The difference between the fair value and the carrying amount of the abandoned claims is recognized in profit or loss.

3.35 Non-monetary asset exchange

Non-monetary asset exchange shall be measured on the basis of fair value if the exchange has commercial substance, and the fair value of incoming assets or outgoing assets can be measured reliably. The difference between the consideration obtained upon derecognition of the outgoing asset and it carrying amount is recorded in profit of loss.

Non-monetary asset exchange not satisfying conditions for measurement on the basis of fair value are measured at carrying amount. Incoming assets are initially measured at the carrying amount of outgoing assets plus relevant taxes payable. No gain or loss is recognized on derecognition of outgoing assets.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.36 Segment

The Company determines operating segments based on internal organizational structure, management requirements, and internal reporting systems, and determines reporting segments and discloses segment information based on operating segments.

Operating segments refer to the components of the Company that meet all of the following conditions:

(1) This component can generate income and incur expenses in daily activities;

(2) Management can regularly evaluate operating results of this component, so as to decide to allocate resources to it and evaluate its performance;

(3) Financial conditions, operating results, cash flows and other relevant accounting information of the component are available.

If two or more operating segments share similar economic characteristics and meet certain conditions, they are combined into one operating segment.

3.37 Significant accounting policies and estimates

The Company conducts an ongoing evaluation of the significant accounting estimates and key assumptions used in the light of historical experience and other factors, including reasonable expectations of future events. Significant accounting estimates and key assumptions that are likely to result in the risk of a material adjustment in the carrying amount of assets and liabilities during the next fiscal year are set out below:

(1) Revenue recognition on engineering construction contract

The Company provides construction services for engineering projects. As the customer controls the construction work-in-progress, the Company recognizes revenue based on the progress towards complete satisfaction of the performance obligation. The progress is measured by the Company's expenditures or inputs incurred to satisfy the performance obligation, calculated as the proportion of costs incurred to date relative to the estimated total budgeted costs as of the balance sheet date for each contract.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.37 Significant accounting policies and estimates (Continued)

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

The Company does not expect any project contracts where the period between performance and final customer payment exceeds one year. Consequently, the Company does not adjust the transaction price for the time value of money.

Pursuant to contract terms, customers may adjust the contractually agreed amount based on final acceptance results. The Company determines the transaction price after making adjustments to the contract amount based on historical experience.

(2) Receivable and contract asset impairment provision

The Company accounts for impairment of and makes impairment of credit losses for receivables and contract assets based on expected credit risks. When they are assessed for impairment loss on a collective basis, the amount of provision is determined based on historical loss pattern of assets with similar credit risk characteristics, observable data reflecting current conditions and reasonable prediction of the future. The Company regularly reviews the methods and assumptions used to estimate the amount and timing of future cash flows of related assets and continuously revises the estimation of expected credit risks. If there are unexpected material changes in credit status of important debtors or customers, it may have a significant impact on operating performance for the relevant period in the future.

(3) Income tax

The Company's determination of income tax involves judgment on future tax treatment of certain transactions. In view of the fact that the Company pays corporate income tax in many regions, the Company will prudently assess the tax impact of various transactions and make provision for income tax. The Company regularly reevaluates the tax impact of these transactions in accordance with updated tax regulations. The recognition of deferred tax assets requires the Company to judge the possibility of obtaining future taxable income. The Company continuously reviews its judgment on deferred tax, and recognizes deferred tax assets on deductible temporary differences and deductible tax losses only if it expects that it is likely to obtain utilisable taxable income in future. Nevertheless, there remains the risk of significant differences between the ultimate tax impact and management's judgment.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.37 Significant accounting policies and estimates (Continued)

(4) Retirement and internal retirement benefits liabilities

Retirement and retirement benefit plans recognized by the Company as liabilities are measured based on various assumptions, including expected life, discount rate, wage growth rate post early retirement, medical expense growth rate and other factors. Management continuously maintains the rationality of these assumptions by engaging professional actuarial institutions and other methods, but it is still possible to make significant adjustments to these assumptions as external economic situation changes, thus affecting the balance of liabilities, profits and other comprehensive income for the relevant period.

3.38 Changes in significant accounting policies and accounting estimates

3.38.1 Significant changes in accounting policies

There are no significant changes in accounting policies of our company in this period.

3.38.2 Changes in significant accounting estimates

There are no significant changes in accounting estimates of our company in this period.

4. TAXATION

4.1 Major types of taxes and respective tax rates

Tax type	Tax basis	Tax rate%
Value added tax (VAT)	Taxable value-added amount (the taxable amount is calculated based on the balance of taxable sales multiplied by the applicable tax rate after deducting the allowable input tax for the current period)	3, 5, 6, 9, 13
City maintenance and construction tax	The sum of VAT actually paid	1, 5, 7
Educational surcharge	The sum of VAT actually paid	2, 3
Corporate income tax	Taxable income	25 (except overseas subsidiaries, preferential treatments as set out in Note 4. 2)

Taxpayers of the Company subject to the preferential corporate income tax rate and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate %
China Aluminum International Engineering Corporation Limited	15.00
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	15.00
Shenyang Boyu Technology Co., Ltd.	15.00
Shenyang Aluminum-Magnesium Technology Co., Ltd.	15.00
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	15.00
Guiyang Zhenxing Al-Mg Science & Technology Industry Development Corp.,Ltd	15.00
Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Company Ltd.	15.00
Guizhou Shunan Electro-mechanical Equipment Co., Ltd.	15.00
CINF Engineering Co., Ltd.	15.00
Huachu Intelligent Technology (Hunan) Co., Ltd.	15.00
China Non-ferrous Metals Processing Technology Co., Ltd.	15.00
Luoyang Foyang Decoration Engineering Co., Ltd.	15.00
China Non-ferrous Metal Changsha Survey and Design Institute Co., Ltd.	15.00
Shenzhen Changkan Reconnaissance Design Co., Ltd.	15.00
China Sixth Metallurgical Construction Co., Ltd.	15.00
LiuYe (Zhengzhou) Technology Heavy Industry Co., Ltd.	15.00

4. TAXATION (Continued)

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

Name of taxpayer	Income tax rate %
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	15.00
China Aluminum International (Tianjin) Construction Co., Ltd.	15.00
Jiuye Construction Co., Ltd.	15.00
Jiuye Steel Structure Co., Ltd.	15.00
Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd.	15.00
China Aluminum Shandong Engineering Technology Corporation Limited	15.00
Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	15.00
Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	15.00
Hunan Changye Construction Drawing Examination Co., Ltd.	15.00
Hunan Huachu Project Management Co., Ltd.	15.00
Beijing Autosky Science & Technology Co., Ltd.	15.00
Xinjiang Jiuye Construction Co., Ltd.	15.00
Shenyang Shengxin Construction Engineering Project Management Co., Ltd.	20.00
Luoyang Jincheng Construction Supervision Co., Ltd.	20.00
Kunming Prospecting Institute Technology Development Company	20.00
Kunming Kehui Electric Co., Ltd.	20.00
Yunnan Jinji'an Construction Consulting Supervision Co., Ltd.	20.00
Ruzhou Haobo Ruci Cultural Industry Development Co., Ltd.	20.00
China Aluminum Southwest Construction Investment Co., Ltd.	20.00
Guiyang Xinyu Construction Supervision Company	20.00

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

Name of taxpayer	Income tax rate %
China Non-ferrous Metals Industry's 12th Metallurgical (Indonesia) Co., Ltd.	2.65
China Aluminum International Engineering (India) Private Limited	30.00
Chalieco Hong Kong Corporation Limited	16.50
Chalieco Malaysia Sdn. Bhd.	24.00
China Non-ferrous Metals Kunming Prospecting Design Institute African Congo (Kinshasa) Company	30.00
China Aluminum International Guinea Co., Ltd.	15.00
China Aluminum International Guinea Development Co., Ltd.	25.00

4. TAXATION (Continued)

4.2 Tax preferential treatments

4.2.1 Tax preferences applicable to high-tech companies

1) China Aluminum International Engineering Corporation Limited received the High-tech Enterprise Certificate on 18 October 2022 (Certificate number: GR202211000726, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

2) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321001685, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

3) Shenyang Boyu Technology Co., Ltd. received the High-tech Enterprise Certificate on 27 November 2024 (Certificate number: GR202421001715, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4) Shenyang Aluminum-Magnesium Technology Co., Ltd. received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321002023, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

5) Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 19 December 2022 (Certificate number: GR202252000612, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

6) Guiyang Zhenxing Al-Mg Science & Technology Industry Development Corp.,Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202452000266, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

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

7) Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Company Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 9 December 2024 (Certificate number: GR202452000237, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

8) Guizhou Shunan Electro-mechanical Equipment Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202452000352, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

9) CINF Engineering Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 1 November 2024 (Certificate number: GR202443001869, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

10) Huachu Intelligent Technology (Hunan) Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002540, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

11) China Nonferrous Metals Processing Technology Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341004338, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

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

12) Luoyang Foyang Decoration Engineering Co., Ltd. received the High-tech Enterprise Certificate on 22 November 2023 (Certificate number: GR202341001075, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

13) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd. received the High-tech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002875, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

14) Shenzhen Changkan Reconnaissance Design Co., Ltd. received the High-tech Enterprise Certificate on 15 November 2023 (Certificate number: GR202344203700, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

15) China Sixth Metallurgical Construction Co., Ltd. of China Nonferrous Metals Industry received the High-tech Enterprise Certificate on 1 December 2022 (Certificate number: GR202241001733, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

16) LiuYe (Zhengzhou) Technology Heavy Industry Co., Ltd. received the High-tech Enterprise Certificate on 21 November 2024 (Certificate number: GR202441002868, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

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

17) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. received the High-tech Enterprise Certificate on 12 December 2022 (Certificate number: GR202214001133, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

18) China Aluminum International (Tianjin) Construction Co., Ltd. received the High-tech Enterprise Certificate on 19 December 2022 (Certificate number: GR202212002914, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

19) Jiuye Construction Co., Ltd. received the High-tech Enterprise Certificate on 12 October 2022 (Certificate number: GR202261000437, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

20) Jiuye Steel Structure Co., Ltd. received the High-tech Enterprise Certificate on 14 December 2022 (Certificate number: GR202261005406, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

21) Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd. received the Hightech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341003889, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

22) China Aluminum Shandong Engineering Technology Corporation Limited received the Hightech Enterprise Certificate on 7 December 2024 (Certificate number: GR202437002719, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

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

23) Kunming Prospecting Design Institute of China Non-ferrous Metals Industry Co., Ltd received the Hightech Enterprise Certificate on 1 November 2024 (Certificate number: GR202453000043, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

24) Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. received the High-tech Enterprise Certificate on 18 November 2022 (Certificate number: GR202253001003, valid for three years). The qualification review for the year 2025 has been initiated, and the corporate income tax will temporarily be 15% for the half-year of 2025.

25) Hunan Changye Construction Drawing Examination Co., Ltd. received the Hightech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002057, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

26) Hunan Huachu Project Management Co., Ltd. received the Hightech Enterprise Certificate on 16 October 2023 (Certificate number: GR202343003566, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

27) Beijing Autosky Science & Technology Co., Ltd. received the High-tech Enterprise Certificate on 1 December 2022 (Certificate number: GR202211004572, valid for three years). Due to the qualification review for the year 2025 has been initiated, the corporate income tax will temporarily be 15% for the half-year of 2025.

28) Xinjiang Jiuye Construction Co., Ltd. received the Hightech Enterprise Certificate on 16 October 2023 (Certificate number: GR202365000029, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.2 Tax preferences for small and micro enterprises

1) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Entrepreneurs (Cai Shui (2023) No. 12): small and micro-profit enterprises are credited with 25% of their taxable income per annum and are subject to enterprise income tax at a tax rate of 20%.

2) The Company's subsidiaries, Shenyang Shengxin Construction Engineering Project Management Co., Ltd., Luoyang Jincheng Construction Supervision Co., Ltd., Kunming Prospecting Institute Technology Development Company, Kunming Kehui Electric Co., Ltd., Yunnan Jinji'an Construction Consulting Supervision Co., Ltd., Ruzhou Haobo Ruci Cultural Industry Development Co., Ltd., China Aluminum Southwest Construction Investment Co., Ltd., and Guiyang Xinyu Construction Supervision Company are applicable to the aforesaid documents and will pay their taxable income at a preferential rate for FY2025.

4.2.3 VAT

1) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Project of Changing Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Aluminum International Engineering Corporation Limited is exempted from value-added tax.

2) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Program for the Conversion of Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Nonferrous Metals Processing Technology Co., Ltd. is exempted from value-added tax.

3) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guiyang Zhenxing Al-Mg Science&Technology Industry Development Co., Ltd. is entitled to the preferential tax policy of immediate refund of value-added tax for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.

4. TAXATION (Continued)

4.2 Tax preferential treatments (Continued)

4.2.3 VAT (Continued)

4) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Co., Ltd. is entitled to the preferential tax policy of value-added tax on an immediate basis for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.

5) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of the general taxpayer's simplified method of levy determination on May 1, 2016, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Pilot Project of Comprehensively Pushing Forward the Change of Business Tax to Value-added Tax (Cai Shui [2016] No. 36), it enjoyed the preferential policies of providing construction services for the A-supply project, providing construction and engineering services for the old project, and sales from May 1, 2016 onwards. real estate acquired before April 30, 2016, can choose the preferential policy of calculating according to the simplified tax method.

6) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of tax exemption for cross-border taxable acts of general taxpayers in May 2017, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Comprehensively Launching of the Pilot Project of Changing Business Tax to Value-added Tax (Caixian [2016] No. 36), the provision of construction services outside of China by domestic units and individuals may be exempted from the levy of value-added tax temporarily.

4.3 Other tax preferential treatments

In December 2021, the Organization for Economic Co-operation and Development ("OECD") issued the "Tax Challenges Arising from the Digitalisation of the Economy Global Anti-Base Erosion Model Rules (Pillar Two)" (referred to as the "Pillar Two Model Rules"). This rule is a new global minimum tax reform applicable to large multinational enterprises. Based on the regulations, the Company is within the scope of the Pillar Two Model Rules issued by the OECD and obligated to pay a top-up tax for the difference between the effective tax rate under the global anti-base erosion rules and the minimum tax rate of 15% in each jurisdiction. After assessment, the Pillar Two Model Rules has no significant impact on the financial conditions and operating results of the Company for the six months ended 30 June 2025.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Cash and bank balances

Item	30 June 2025 (Unaudited)	31 December 2024
Cash on hand	**603**	1,514
Cash at banks	**1,720,446**	1,698,921
Deposits in Chalco Finance	**806,690**	1,466,513
Other monetary funds	**634,151**	781,349
Total	**3,161,890**	3,948,297
Including: Total overseas deposits	**536,160**	329,639

Note:

As at 30 June 2025, cash and bank balances included restricted cash of RMB634,151 thousand, including deposits at banks secured for bank guarantees and acceptance bills and frozen deposits.

As at 30 June 2025, the Company held deposits totaling RMB806,690 thousand with Chalco Finance Company Limited (hereinafter referred to as "Chalco Finance"), a related non-bank financial institution under the common control of China Aluminum Group.

Details of restricted cash are set out below:

Item	30 June 2025 (Unaudited)	31 December 2024
Frozen Deposits	**319,809**	419,591
Bank's Acceptance Bill Deposit	**221,921**	269,995
Letter of Guarantee Deposit	**79,613**	75,871
Letter of Credit Deposit	**1,572**	1,727
Other Deposit	**11,236**	14,165
Total	**634,151**	781,349

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.2 Bills receivable

Item	30 June 2025 (Unaudited)			31 December 2024		
	Gross carrying amount	Impairment of credit losses	Carrying amount	Gross carrying amount	Impairment of credit losses	Carrying amount
Bank acceptance bill	243,024	–	243,024	360,418	–	360,418

(1) Outstanding endorsed or discounted bills that have not matured as at 30 June 2025

Item	Amount not-derecognised as at 30 June 2025
Bank acceptance bills	178,629

5.3 Accounts receivable

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

Item	30 June 2025 (Unaudited)	31 December 2024
Within 1 year	8,897,434	9,297,945
1 to 2 years	2,974,321	3,011,945
2 to 3 years	2,305,796	2,314,637
3 to 4 years	2,015,284	2,294,132
4 to 5 years	1,984,118	2,011,756
More than 5 years	1,860,627	1,962,842
Subtotal	20,037,580	20,893,257
Less: Impairment of credit losses	3,860,700	3,978,455
Total	16,176,880	16,914,802

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

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

	30 June 2025 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	**Amount**	**Percentage (%)**	**Amount**	**Expected credit loss rate (%)**	
Impairment of credit losses on an individual basis	**3,046,823**	**15.21**	**1,390,343**	**45.63**	**1,656,480**
Impairment of credit losses on group basis	**16,990,757**	**84.79**	**2,470,357**	**14.54**	**14,520,400**
Including: Aging group	**16,990,757**	**84.79**	**2,470,357**	**14.54**	**14,520,400**
Total	**20,037,580**	**100.00**	**3,860,700**	**19.27**	**16,176,880**

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Impairment of credit losses on an individual basis	3,279,685	15.70	1,425,397	43.46	1,854,288
Impairment of credit losses on group basis	17,613,572	84.30	2,553,058	14.49	15,060,514
Including: Aging group	17,613,572	84.30	2,553,058	14.49	15,060,514
Total	20,893,257	100.00	3,978,455	19.04	16,914,802

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(3) Accounts receivable whose impairment of credit losses were assessed individually are listed as follows:

	30 June 2025 (Unaudited)			
Entity	**Gross carrying amount**	**Impairment of credit losses**	**Expected credit loss rate (%)**	**Reasons**
Company 1	**491,556**	**28,559**	**5.81**	**Note**
Company 2	**485,921**	**291,553**	**60.00**	**Note**
Company 3	**286,115**	**22,155**	**7.74**	**Note**
Company 4	**250,656**	**50,131**	**20.00**	**Note**
Company 5	**143,862**	**28,255**	**19.64**	**Note**
Others	**1,388,713**	**969,690**	**69.83**	**Note**
Total	**3,046,823**	**1,390,343**	**45.63**	**–**

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

	31 December 2024			
Entity	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 1	607,026	35,272	5.81	Note
Company 2	489,062	293,437	60.00	Note
Company 3	286,115	22,155	7.74	Note
Company 4	267,361	53,472	20.00	Note
Company 5	144,624	28,255	19.54	Note
Others	1,485,497	992,806	66.83	Note
Total	3,279,685	1,425,397	43.46	–

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(4) Accounts receivable whose impairment of credit losses were assessed on aging group basis are listed as follows:

	30 June 2025 (Unaudited)		
	Gross carrying amount		
Item	**Amount**	**Impairment of credit losses**	**Expected credit loss rate (%)**
Within 1 year	**8,675,165**	**43,376**	**0.50**
1 to 2 years	**2,620,490**	**262,049**	**10.00**
2 to 3 years	**1,968,997**	**393,799**	**20.00**
3 to 4 years	**1,593,735**	**478,121**	**30.00**
4 to 5 years	**1,269,532**	**507,813**	**40.00**
More than 5 years	**862,838**	**785,199**	**91.00**
Total	**16,990,757**	**2,470,357**	**14.54**

	31 December 2024		
	Gross carrying amount		
Item	Amount	Impairment of credit losses	Expected credit loss rate (%)
Within 1 year	9,095,443	45,483	0.50
1 to 2 years	2,553,916	255,392	10.00
2 to 3 years	2,059,968	411,994	20.00
3 to 4 years	1,716,712	515,014	30.00
4 to 5 years	1,252,787	501,115	40.00
More than 5 years	934,746	824,060	88.16
Total	17,613,572	2,553,058	14.49

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

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

Item	1 January 2025	Movement: Accrued	Movement: Recover/ reverse (Decrease)	Movement: Written off (Decrease)	Movement: Others	30 June 2025 (Unaudited)
Individual basis	1,425,397	3,547	31,056	7,545	–	1,390,343
Group:						
Aging group	2,553,058	–80,849	–	1,985	133	2,470,357
Total	3,978,455	–77,302	31,056	9,530	133	3,860,700

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

Entity	Reason for reversal	Recovery method	Original basis for determining impairment of credit losses	Amount received or recovered
Company 1	The debt was recovered; Payment from owner to supplier	Bank transfer; Payment from owner to supplier	Individual basis	6,713
Company 4	The debt was recovered; Payment from owner to supplier	Bank transfer; Payment from owner to supplier	Individual basis	3,341
Company 6	Chain debt offsetting	Chain debt offsetting	Individual basis	6,497
Company 7	The debt was recovered	Bank transfer	Individual basis	4,397
Company 8	The debt was recovered	Endorsement of the bill	Individual basis	2,412
Total	–	–	–	23,360

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.3 Accounts receivable (Continued)

(7) Actual accounts receivable written off during the current period

Item	Amount
Actual accounts receivable written off	9,530

Significant accounts receivables written off

Entity	Nature	Amount	Reason	Procedure	Whether arise from connected transactions or not?
Company 9	Materials	7,546	Unrecoverable	Internal approval	No
Company 10	Equipment Manufacturing	704	Unrecoverable	Internal approval	No
Company 11	Equipment Manufacturing	347	Unrecoverable	Internal approval	No
Total	–	8,597	–	–	–

(8) As at 30 June 2025, accounts receivable from the five largest customers are listed as follows:

Entity	Gross carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 2	530,509	2.65	291,776
Company 12	512,821	2.56	2,564
Company 1	491,556	2.45	28,559
Company 13	410,696	2.05	2,053
Company 14	366,854	1.83	149,687
Total	2,312,436	11.54	474,639

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.4 Financing receivables

Item	30 June 2025 (Unaudited)	31 December 2024
Bills receivable	**127,275**	321,003

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

Item	Amount derecognised as at 30 June 2025	Amount not derecognised as at 30 June 2025
Bank acceptance bills	900,846	–

5.5 Prepayments

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

Item	30 June 2025 (Unaudited)		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	**472,277**	**91.26**	345,672	83.35
1 to 2 years	**32,872**	**6.35**	58,805	14.18
2 to 3 years	**4,598**	**0.89**	8,771	2.11
More than 3 years	**7,753**	**1.50**	1,477	0.36
Total	**517,500**	**100.00**	414,725	100.00

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.5 Prepayments (Continued)

(2) Significant prepayments aged over 1 year are as follows:

Entity	Gross carrying amount	Percentage of total prepayments (%)	Impairment of credit losses
Company 1	5,876	1.14	–
Company 2	4,440	0.86	–
Company 3	3,202	0.62	–
Company 4	3,133	0.61	–
Total	16,651	3.23	–

(3) As at 30 June 2025, prepayments to the five largest suppliers are listed as follows:

Entity	Gross carrying amount as at 30 June 2025 (Unaudited)	Percentage of total prepayments (%)
Company 5	59,404	11.48
Company 6	19,658	3.80
Company 7	15,617	3.02
Company 8	14,994	2.90
Company 9	14,952	2.89
Total	124,625	24.09

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables

Item	30 June 2025 (Unaudited)	31 December 2024
Interests receivable	**6,440**	6,440
Dividends receivable	**4,429**	4,429
Other receivables	**2,460,445**	2,385,762
Less: impairment of credit losses	**1,287,865**	1,290,934
Total	**1,183,449**	1,105,697

(1) Interests receivable

Item	30 June 2025 (Unaudited)	31 December 2024
Interests receivable	**6,440**	6,440
Less: Impairment of credit losses	**–**	–
Total	**6,440**	6,440

(2) Dividends receivable

Item	30 June 2025 (Unaudited)	31 December 2024
Sichuan Chuannan Subway Operating Ltd.	**3,752**	3,752
Chinalco Intelligent (Hangzhou) Security Science Research Institute Ltd.	**189**	189
Chinalco Eco-friendly Technology (Hunan) Ltd.	**488**	488
Subtotal:	**4,429**	4,429
Less: Impairment of credit losses	**–**	–
Total	**4,429**	4,429

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables

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

Item	30 June 2025 (Unaudited)	31 December 2024
Within 1 year	**621,360**	531,831
1 to 2 years	**205,215**	175,871
2 to 3 years	**211,204**	269,152
3 to 4 years	**299,307**	531,696
4 to 5 years	**376,475**	307,374
More than 5 years	**746,884**	569,838
Subtotal	**2,460,445**	2,385,762
Less: Impairment of credit losses	**1,287,865**	1,290,934
Total	**1,172,580**	1,094,828

② As at 30 June 2025 and 31 December 2024, gross carrying amount of other receivables categorized by nature is listed as follows:

Item	30 June 2025 (Unaudited) Gross carrying amount	Impairment of credit losses	Carrying amount
Advance	**1,157,179**	**734,983**	**422,196**
Retention funds or deposits	**1,000,745**	**415,860**	**584,885**
Financing provided to Party A and its related parties	**137,730**	**99,522**	**38,208**
Land and building disposal fund	**67,769**	**339**	**67,430**
Equity transfer payment	**19,500**	**6,068**	**13,432**
Reserve fund	**13,936**	**1,668**	**12,268**
Others	**63,586**	**29,425**	**34,161**
Total	**2,460,445**	**1,287,865**	**1,172,580**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

② As at 30 June 2025 and 31 December 2024, gross carrying amount of other receivables categorized by nature is listed as follows: (Continued)

	31 December 2024		
Item	Gross carrying amount	Impairment of credit losses	Carrying amount
Advance	1,119,632	734,140	385,492
Retention funds or deposits	1,028,912	419,155	609,757
Financing provided to Party A and its related parties	146,710	99,520	47,190
Equity transfer payment	23,124	6,086	17,038
Reserve fund	6,432	1,852	4,580
Others	60,952	30,181	30,771
Total	2,385,762	1,290,934	1,094,828

③ Impairment of credit losses

Impairment of credit losses in the first stage as at 30 June 2025

Item	**Gross carrying amount**	**Expected credit loss rate over the next 12 months (%)**	**Impairment of credit losses**	**Carrying amount**
Impairment of credit losses on an individual basis	**–**	**–**	**–**	**–**
Impairment of credit losses on group basis	**614,147**	**0.50**	**3,071**	**611,076**
Aging group	**614,147**	**0.50**	**3,071**	**611,076**
Total	**614,147**	**0.50**	**3,071**	**611,076**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the second stage as at 30 June 2025

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	360,207	15.44	55,600	304,607
Aging group	360,207	15.44	55,600	304,607
Total	360,207	15.44	55,600	304,607

Impairment of credit losses in the third stage as at 30 June 2025

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	914,540	89.43	817,913	96,627
Company 1	207,864	100.00	207,864	–
Company 2	207,229	100.00	207,229	–
Company 3	130,627	70.76	92,437	38,190
Company 4	55,065	100.00	55,065	–
Company 5	36,669	21.42	7,855	28,814
Others	277,086	89.31	247,463	29,623
Impairment of credit losses on group basis	571,551	71.96	411,281	160,270
Aging group	571,551	71.96	411,281	160,270
Total	1,486,091	82.71	1,229,194	256,897

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	524,618	0.50	2,622	521,996
Aging group	524,618	0.50	2,622	521,996
Total	524,618	0.50	2,622	521,996

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	352,680	15.54	54,815	297,865
Aging group	352,680	15.54	54,815	297,865
Total	352,680	15.54	54,815	297,865

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	924,353	88.57	818,727	105,626
Company 1	207,964	100.00	207,964	–
Company 2	207,229	100.00	207,229	–
Company 3	139,627	66.20	92,437	47,190
Company 4	55,065	100.00	55,065	–
Company 5	36,669	21.42	7,855	28,814
Others	277,799	89.34	248,177	29,622
Impairment of credit losses on group basis	584,111	71.01	414,770	169,341
Aging group	584,111	71.01	414,770	169,341
Total	1,508,464	81.77	1,233,497	274,967

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

④ Movements in the impairment of credit losses of other receivables are listed as follows:

Item	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at 1 January 2025	2,622	54,815	1,233,497	1,290,934
Balance as at 1 January 2025 in the current period	–822	–2,574	3,396	–
–Transfer to Stage II	–822	822	–	–
–Transfer to Stage III	–	–3,396	3,396	–
Additions	1,271	3,359	–6,885	–2,255
Recoveries or reversals	–	–	814	814
Balance as at 30 June 2025 (Unaudited)	3,071	55,600	1,229,194	1,287,865

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

Entity	Recovery method	Amount reversed or recovered
Company 6	Monetary recovery	364
Company 7	Monetary recovery	350
Company 1	Monetary recovery	100
Total	–	814

⑤ Other receivables written off in the current period

None.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

⑥ As at 30 June 2025, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Percentage in total other receivable (%)	Closing balance of impairment of credit losses
Company 1	Advance	207,864	3 to 4 years 4 to 5 years	8.45	207,864
Company 2	Advance	207,229	3 to 4 years More than 5 years	8.42	207,229
Company 8	Retention funds or deposits	139,771	More than 5 years	5.68	139,771
Company 3	Financing provided to Party A and its related parties	130,627	More than 5 years	5.31	92,437
Company 9	Retention funds or deposits	77,542	Within 1 year 1 to 4 year	3.15	19,502
Total	–	763,033	–	31.01	666,803

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.7 Inventories

(1) Classification of inventories

Item	Gross carrying amount	30 June 2025 (Unaudited) Impairment for provision of inventories	Carrying amount
Raw materials	**567,569**	**9,502**	**558,067**
Work in progress	**1,074,464**	**210,155**	**864,309**
Stock goods	**1,770,115**	**648,569**	**1,121,546**
Revolving materials and spare parts	**9,912**	**–**	**9,912**
Properties under development	**–**	**–**	**–**
Total	**3,422,060**	**868,226**	**2,553,834**

Item	Gross carrying amount	31 December 2024 Impairment for provision of inventories	Carrying amount
Raw materials	322,105	9,480	312,625
Work in progress	1,103,680	210,155	893,525
Stock goods	1,762,213	650,125	1,112,088
Revolving materials and spare parts	10,124	–	10,124
Properties under development	840	–	840
Total	3,198,962	869,760	2,329,202

Note: As at 30 June 2025, the amount of property in inventories in the process of applying for and handling registration or transfer of the title certificates is RMB1,354,732 thousand.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.7 Inventories (Continued)

(2) Movements in the provision of inventories in current period are listed as follows:

Item	1 January 2025	Additions Provision	Additions Others	Decreases Reversed	Decreases Written-off	Decreases Others	30 June 2025 (Unaudited)
Raw materials	9,480	22	–	–	–	–	9,502
Work in progress	210,155	–	–	–	–	–	210,155
Stock goods	650,125	–	–	504	1,052	–	648,569
Total	869,760	22	–	504	1,052	–	868,226

5.8 Contract assets

Item	30 June 2025 (Unaudited) Gross carrying amount	Impairment of credit losses	Carrying amount
Contract assets	8,177,931	1,387,602	6,790,329
Total	8,177,931	1,387,602	6,790,329

Item	31 December 2024 Gross carrying amount	Impairment of credit losses	Carrying amount
Contract assets	7,294,889	1,359,994	5,934,895
Total	7,294,889	1,359,994	5,934,895

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment of credit losses

	30 June 2025 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	
Impairment of credit losses on an individual basis	**1,156,579**	**14.14**	**461,709**	**39.92**	**694,870**
Impairment of credit losses on a group basis	**7,021,352**	**85.86**	**925,893**	**13.19**	**6,095,459**
Including: Aging group	**7,021,352**	**85.86**	**925,893**	**13.19**	**6,095,459**
Total	**8,177,931**	**100.00**	**1,387,602**	**16.97**	**6,790,329**

	As at 31 December 2024				
	Gross carrying amount		Impairment of credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	
Impairment of credit losses on an individual basis	1,146,929	15.72	456,684	39.82	690,245
Impairment of credit losses on a group basis	6,147,960	84.28	903,310	14.69	5,244,650
Including: Aging group	6,147,960	84.28	903,310	14.69	5,244,650
Total	7,294,889	100.00	1,359,994	18.64	5,934,895

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

Impairment of credit losses on an individual basis

	30 June 2025 (Unaudited)			
Item	**Gross carrying amount**	**Impairment of credit losses**	**Expected credit losses rate (%)**	**Reason**
Project 1	**168,772**	**151,895**	**90.00**	**Note**
Project 2	**160,268**	**160,268**	**100.00**	**Note**
Project 3	**44,470**	**357**	**0.80**	**Note**
Project 4	**30,610**	**30,208**	**98.69**	**Note**
Project 5	**29,660**	**29,660**	**100.00**	**Note**
Others	**722,799**	**89,321**	**12.36**	**Note**
Total	**1,156,579**	**461,709**	**39.92**	**–**

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

	As at 31 December 2024			
Item	Gross carrying amount	Impairment of credit losses	Expected credit losses rate (%)	Reason
Project 1	168,772	151,895	90.00	Note
Project 2	160,268	160,268	100.00	Note
Project 3	36,472	357	0.98	Note
Project 4	30,610	30,208	98.69	Note
Project 5	29,660	29,660	100.00	Note
Others	721,147	84,296	11.69	Note
Total	1,146,929	456,684	39.82	–

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

Impairment of credit losses on a group basis

Item: Aging group

	30 June 2025 (Unaudited)		
Aging	**Contract assets**	**Impairment of credit losses**	**Expected credit losses rate (%)**
Within 1 year	**3,608,739**	**18,043**	**0.50**
1 to 2 years	**1,730,060**	**173,006**	**10.00**
2 to 3 years	**669,979**	**133,996**	**20.00**
3 to 4 years	**389,273**	**116,782**	**30.00**
4 to 5 years	**198,607**	**79,443**	**40.00**
More than 5 years	**424,694**	**404,623**	**95.27**
Total	**7,021,352**	**925,893**	**13.19**

	As at 31 December 2024		
Aging	Contract assets	Impairment of credit losses	Expected credit losses rate (%)
Within 1 year	2,911,550	14,604	0.50
1 to 2 years	1,508,302	150,774	10.00
2 to 3 years	696,166	139,233	20.00
3 to 4 years	430,008	129,002	30.00
4 to 5 years	169,506	67,803	40.00
More than 5 years	432,428	401,894	92.94
Total	6,147,960	903,310	14.69

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.8 Contract assets (Continued)

(2) Movements in impairment of credit losses for contract assets are listed as follows:

Item	1 January 2025	Movement				30 June 2025 (Unaudited)
		Accrued	Reverse	Written-off	Others (Decrease)	
Contract assets	1,359,994	27,608	–	–	–	1,387,602

5.9 Non-current assets due within one year

(1) Details of non-current assets due within one year:

Item	30 June 2025 (Unaudited)	31 December 2024
Long-term receivables due within 1 year	**495,833**	502,620
Less: Allowance for Bad Debt	**155,412**	155,441
Total	**340,421**	347,179

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

Item	Amount of bad debt allowance
Amount as 1 January 2025	155,441
Provision during the Period	–29
Amount as 30 June 2025 (Unaudited)	155,412

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.10 Other current assets

Item	30 June 2025 (Unaudited)	31 December 2024
Deductible VAT input	**513,386**	572,679
Prepaid tax	**255,244**	182,104
Others	**84,592**	41,960
Total	**853,222**	796,743

5.11 Long-term receivables

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

	30 June 2025 (Unaudited)			
Item	Gross carrying amount	Impairment of credit losses	Carrying amount	Discount rate range
Long-term receivables from customers	2,654,160	924,962	1,729,198	Note
Subtotal	2,654,160	924,962	1,729,198	-
Less: Current portion of long-term receivables due within one year	495,833	155,412	340,421	Note
Total	2,158,327	769,550	1,388,777	-

Note: Discount in accordance with contractual interest rate.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.11 Long-term receivables (Continued)

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

	31 December 2024			
Item	Gross carrying amount	Impairment of credit losses	Carrying amount	Discount rate range
Long-term receivables from customers	2,729,529	931,720	1,797,809	Note
Subtotal	2,729,529	931,720	1,797,809	–
Less: Current portion of long-term receivables due within one year	502,620	155,441	347,179	Note
Total	2,226,909	776,279	1,450,630	–

Note: Discount in accordance with contractual interest rate.

(2) Movements in the impairment of credit losses of long-term receivables for the current period are as follows:

Item	Impairment of credit losses
Amount as at 1 January 2025	776,279
Additions	–6,729
Amount as at 30 June 2025 (Unaudited)	769,550

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.12 Long-term equity investments

(1) Classification of long-term equity investment

Item	1 January 2025	Additions for the period	Reductions for the period	30 June 2025 (Unaudited)
Investment in joint ventures	67,988	106	214	67,880
Investment in associates	708,556	1,994	171	710,379
Subtotal	776,544	2,100	385	778,259
Less: Impairment provision	36,216	–	–	36,216
Total	740,328	2,100	385	742,043

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.12 Long-term equity investments (Continued)

(2) Long-term equity investments breakdown

Investee	Investment cost	Opening balance	Movements during this period: Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others	Closing Balance (Unaudited)	Closing balance of provision for impairment
① **Joint ventures**	79,200	67,988	–	–	106	–	–214	–	–	–	67,880	–
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,777	–	–	–36	–	–	–	–	–	8,741	–
Zhongji Sunward Technology Co., Ltd.	39,200	59,211	–	–	142	–	–214	–	–	–	59,139	–
② **Associates**	727,451	708,556	–	–	1,994	–	–171	–	–	–	710,379	36,216
Zhuzhou Tianqiao Crane Co., Ltd.	171,836	175,095	–	–	867	–	–	–	–	–	175,962	–
Taikang Haowen construction Co., Ltd.	108,640	108,640	–	–	–	–	–	–	–	–	108,640	–
Loudi Haochuang development construction Co., Ltd.	100,000	100,000	–	–	–	–	–	–	–	–	100,000	–
Others	346,975	324,821	–	–	1,127	–	–171	–	–	–	325,777	36,216
Total	803,651	776,544	–	–	2,100	–	–385	–	–	–	778,259	36,216

Notes

A. The name of Shanghai Fengtong Investment Management Partnership (Limited Partnership) was changed to Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership).

B. In 2015, the Company and Shanhe Intelligent Equipment Co., Ltd ("Shanhe Equipment") jointly established Zhongji Sunward Technology Co., Ltd. ("Zhongji Shanhe"), in which the Company holds 49% equity interest. Pursuant to the Articles of Association of Zhongji Shanhe, neither Shanhe Equipment nor the Company can decide the major business activities of Zhongji Shanhe alone, i.e., both parties need to unanimously agree in order to make such decisions, and thus the Company and Shanhe Equipment jointly control Zhongji Shanhe.

C. Taikang Haowen construction Co.,Ltd. and Loudi Haochuang development construction Co.,Ltd. are still in the construction phase.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.13 Other equity instrument investments

(1) Details of other equity instrument investments

Item	30 June 2025 (Unaudited)	31 December 2024
Yunnan Huineng Power Sales Co., Ltd.	**21,555**	20,830
Guizhou Aerospace Wujiang Electro-mechanical Equipment Co., Ltd.	**8,612**	8,612
Yunnan Zhonghui Energy Co., Ltd	**4,555**	4,668
Others	**8,345**	9,050
Total	**43,067**	43,160

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

Item	Gains/losses in current period	Accumulated gains/losses as of 30 June 2025	Income from dividends recognized in the current period	Amount transferred from other comprehensive income to retained earnings	Reason for transfer in
Guizhou Aerospace Wujiang Electro-mechanical Equipment Co., Ltd.	–	–1,360	–	–	–
Yunnan Huineng Power Sales Co., Ltd.	725	6,555	–	–	–
Yunnan Zhonghui Energy Co., Ltd	–113	262	–	–	–
Others	–705	–65,223	–	–	–
Total	–93	–59,766	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.14 Investment properties

Item		1 January 2025	Increase Procurement	Increase Transfer from own-occupied real estate or inventory	Increase Others	Decrease Disposal	Decrease Transfer to own-occupied real estate	30 June 2025 (Unaudited)
I.	Original Cost	1,228,940	–	5,318	2,454	–	–	1,236,712
	1. Plant and buildings	1,046,589	–	5,318	2,454	–	–	1,054,361
	2. Land use rights	182,351	–	–	–	–	–	182,351
II.	Accumulated depreciation and amortization	226,148	15,660	–	–	–	–	241,808
	1. Plant and buildings	177,599	13,240	–	–	–	–	190,839
	2. Land use rights	48,549	2,420	–	–	–	–	50,969
III.	Gross carrying amount	1,002,792	–	–	–	–	–	994,904
	1. Plant and buildings	868,990	–	–	–	–	–	863,522
	2. Land use rights	133,802	–	–	–	–	–	131,382
IV.	Provision for impairment	6,946	–	–	–	–	–	6,946
	1. Plant and buildings	6,946	–	–	–	–	–	6,946
	2. Land use rights	–	–	–	–	–	–	–
V.	Carrying amount	995,846	–	–	–	–	–	987,958
	1. Plant and buildings	862,044	–	–	–	–	–	856,576
	2. Land use rights	133,802	–	–	–	–	–	131,382

Note: As at 30 June 2025, the amount of investment properties pending certificates of ownership is RMB190,765 thousand.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 Fixed assets

Item	30 June 2025 (Unaudited)	31 December 2024
Fixed assets	**2,333,687**	2,398,697
Fixed assets to be disposed of	**–**	–
Total	**2,333,687**	2,398,697

(1) Fixed assets

① Fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Original Cost					
1. 1 January 2025	3,022,658	835,344	255,830	448,146	4,561,978
2. Increase	445	7,949	2,772	3,530	14,696
(1) Additions	445	7,949	2,772	2,748	13,914
(2) Transferred in from construction in progress	–	–	–	782	782
(3) Others	–	–	–	–	–
3. Decrease	13,285	7,870	3,629	255	25,039
(1) Disposals	7,967	7,870	3,629	255	19,721
(2) Others	5,318	–	–	–	5,318
4. 30 June 2025	3,009,818	835,423	254,973	451,421	4,551,635
II. Accumulated depreciation:					
1. 1 January 2025	938,879	654,055	208,263	358,084	2,159,281
2. Increase	41,737	13,568	4,865	11,606	71,776
(1) Provision	41,737	13,568	4,865	11,606	71,776
(2) Others	–	–	–	–	–
3. Decrease	5,977	7,430	3,459	243	17,109
(1) Disposals	5,977	7,430	3,459	243	17,109
(2) Others	–	–	–	–	–
4. 30 June 2025	974,639	660,193	209,669	369,447	2,213,948

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 Fixed assets (Continued)

(1) Fixed assets (Continued)

① Fixed assets (Continued)

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
III. Provision for impairment					
1. 1 January 2025	3,347	9	128	516	4,000
2. Increase	–	–	–	–	–
(1) Provision	–	–	–	–	–
3. Decrease	–	–	–	–	–
(1) Disposals	–	–	–	–	–
4. 30 June 2025	3,347	9	128	516	4,000
IV. Carrying amount					
1. 30 June 2025 (Unaudited)	2,031,832	175,221	45,176	81,458	2,333,687
2. 1 January 2025	2,080,432	181,280	47,439	89,546	2,398,697

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.15 Fixed assets (Continued)

(1) Fixed assets (Continued)

② Fixed assets in the process of applying for and handling registration or transfer of the title certificates

Item	Carrying amount	Reasons for failure to get certificate of ownership
Plant and Buildings	130,750	Processing

5.16 Construction in progress

Item	30 June 2025 (Unaudited)	31 December 2024
Construction in progress	**51,741**	49,873
Construction materials	**–**	–
Total	**51,741**	49,873

(1) Construction in progress

① Details of construction in progress

Item	30 June 2025 (Unaudited) Gross carrying amount	Provision for impairment	Carrying amount	31 December 2024 Gross carrying amount	Provision for impairment	Carrying amount
Yue Liang Wan health project	**46,801**	**-**	**46,801**	44,174	–	44,174
Others	**5,819**	**879**	**4,940**	6,578	879	5,699
Total	**52,620**	**879**	**51,741**	50,752	879	49,873

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.16 Construction in progress (Continued)

(1) Construction in progress (Continued)

② Movements of material construction in progress

Project	1 January 2025	Additions	Transferred out to fixed assets	Other decreases	Accumulated capitalized interest	Including: interest capitalized in the current period	30 June 2025 (Unaudited)
Yue Liang Wan health project	44,174	2,627	–	–	26,023	–	46,801
Others	6,578	455	782	432	–	–	5,819
Total	50,752	3,082	782	432	26,023	–	52,620

Project	Budget	Proportion of investment to budget %	Project progress	Sources of funding	Current interest capitalization rate %
Yue Liang Wan health project	498,000	88.83	88.83	Self-funding/loan	–
Others	–	–	–	–	–
Total	498,000	–	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.17 Right-of-use assets

Item	Plant and buildings
I. Original Cost:	
1. 1 January 2025	57,961
2. Increase	626
(1) Additions	626
3. Decrease	–
(1) Others	–
4. 30 June 2025	58,587
II. Accumulated depreciation	
1. 1 January 2025	18,874
2. Increase	6,940
(1) Provision	6,940
3. Decrease	–
(1) Others	–
4. 30 June 2025	25,814
III. Provision for impairment	
1. 1 January 2025	–
2. Increase	–
3. Decrease	–
4. 30 June 2025	–
IV. Carrying amount	
1. 30 June 2025 (Unaudited)	32,773
2. 1 January 2025	39,087

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.18 Intangible assets

(1) Intangible assets

Item	Land use right	Patent right	Software	Franchise right	Others	Total
I. Original Cost						
1. 1 January 2025	834,031	258,126	201,114	712,510	1,544	2,007,325
2. Increase	–	–	6,807	8,129	–	14,936
(1) Additions	–	–	2,984	–	–	2,984
(2) Others	–	–	3,823	8,129	–	11,952
3. Decrease	65,380	–	–	–	–	65,380
(1) Disposal	65,380	–	–	–	–	65,380
4. 30 June 2025	768,651	258,126	207,921	720,639	1,544	1,956,881
II. Accumulated amortization						
1. 1 January 2025	271,133	257,092	150,977	–	430	679,632
2. Increase	9,194	56	5,011	–	17	14,278
(1) Provision	9,194	56	5,011	–	17	14,278
3. Decrease	20,646	–	–	–	–	20,646
(1) Disposal	20,646	–	–	–	–	20,646
4. 30 June 2025	259,681	257,148	155,988	–	447	673,264
III. Provision for impairment						
1. 1 January 2025	–	–	–	–	–	–
2. Increase	–	–	–	–	–	–
(1) Provision	–	–	–	–	–	–
3. Decrease	–	–	–	–	–	–
(1) Disposal	–	–	–	–	–	–
4. 30 June 2025	–	–	–	–	–	–
IV. Carrying amount						
1. 30 June 2025 (Unaudited)	508,970	978	51,933	720,639	1,097	1,283,617
2. 1 January 2025	562,898	1,034	50,137	712,510	1,114	1,327,693

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.19 Development costs

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Integrated management and control platform	3,823	–	3,823	–
Geotechnical data intelligence system development	110	628	–	738
Others	728	4,646	4,512	862
Total	4,661	5,274	8,335	1,600

5.20 Goodwill

(1) Original Cost

The name of the investee or matters that form goodwill	1 January 2025	Additions		Reductions		30 June 2025 (Unaudited)
		Arising from business combination	Others	Disposal	Others	
China Nonferrous Metals Industry Huakun Engineering Construction Co., Ltd.	579	–	–	–	–	579
Kunming Kehui Electric Co., Ltd.	296	–	–	–	–	296
Total	875	–	–	–	–	875

5.21 Long-term deferred expenses

Item	1 January 2025	Increase	Decrease		30 June 2025 (Unaudited)
			Amortization	Others	
Rental cost of aluminum formworks	27,347	48,348	11,624	–	64,071
Rental cost of the underground garage of 12th Metallurgical Company	8,487	--	128	–	8,359
Fuping Steel Structure Factory	5,596	--	899	–	4,697
Site renovation costs	1,910	--	186	–	1,724
Others	1,220	154	611	–	763
Total	44,560	48,502	13,448	–	79,614

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.22 Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities without taking into consideration the offsetting of balances:

Item	30 June 2025 (Unaudited) Deductible/taxable temporary differences	30 June 2025 (Unaudited) Deferred tax assets/liabilities	31 December 2024 Deductible/taxable temporary differences	31 December 2024 Deferred tax assets/liabilities
Deferred tax assets:				
Provision for impairment of credit losses and assets	6,297,472	1,039,029	6,417,609	1,050,054
Deductible tax losses	623,374	99,263	664,429	105,281
Retirement and termination benefits	374,385	71,736	367,614	69,546
Changes in fair value of other equity instrument investments	30,396	4,891	30,311	4,891
Lease impact	1,947	292	2,289	377
Others	96,705	14,506	95,620	14,587
Subtotal	7,424,279	1,229,717	7,577,872	1,244,736
Deferred tax liabilities:				
Appreciation on asset				
From appraisal for business combinations involving entities not under common control	251,995	51,360	257,755	51,416
Lease impact	3,136	470	3,468	505
Others	496,754	49,675	496,754	49,676
Subtotal	751,885	101,505	757,977	101,597

(2) Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

Item	Offset amount of deferred tax assets and liabilities at the end of the period	Deferred tax assets or liabilities after offset at the end of the period	Offset amount of deferred tax assets and liabilities at the end of last year	Deferred tax assets or liabilities after offset at the end of last year
Deferred tax assets	30,912	1,198,805	30,941	1,213,795
Deferred tax liabilities	30,912	70,593	30,941	70,656

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.22 Deferred tax assets and deferred tax liabilities (Continued)

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

Item	30 June 2025 (Unaudited)	31 December 2024
Deductible temporary differences	2,323,241	2,313,910
Including: Provision for impairment of credit losses and assets	2,092,111	2,082,037
Changes in fair value of other equity instrument investment	29,370	29,362
Retirement and termination benefits	201,760	202,511
Deductible losses	3,066,180	3,356,438
Total	5,389,421	5,670,348

(4) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years:

Year	30 June 2025 (Unaudited)	31 December 2024
2025	–	379,857
2026	303,520	350,689
2027	263,274	263,274
2028	346,873	358,171
2029	274,396	274,396
2030	569,143	542,573
2031	52,091	77,634
2032	307,395	307,395
2033	486,965	486,965
2034	315,484	315,484
2035	147,039	–
Total	3,066,180	3,356,438

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.23 Other non-current assets

Item	30 June 2025 (Unaudited)	31 December 2024
Revolving materials (Aluminum form) for long-term rental	**200,435**	241,881
Long-term contract assets	**124,849**	124,503
Assets held for disposal	**28,339**	27,946
Others	**351**	572
Subtotal	**353,974**	394,902
Less: Provision for impairment	**20,543**	20,541
Total	**333,431**	374,361

(1) Movements in impairment of credit losses for other non-current assets are listed as follows:

Item	1 January 2025	Movement: Accrued	Movement: Reverse	Movement: Written off (Decrease)	Movement: Others	30 June 2025 (Unaudited)
Revolving materials (Aluminum form) for long-term rental	19,920	–	–	–	–	19,920
Long-term contract assets	621	2	–	–	–	623
Total	20,541	2	–	–	–	20,543

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.24 Short-term loans

(1) Short-term loans by category are listed as follows:

Item	30 June 2025 (Unaudited)	31 December 2024
Credit loans	**1,203,699**	984,074
Guaranteed loans	**17,993**	–
Pledged loans	**305**	305
Total	**1,221,997**	984,379

Note: As at 30 June 2025, the company obtained short-term loans amounting to RMB305 thousand by pledging accounts receivable with a carrying value of RMB305 thousand, as well as all the rights and interests and revenues under the contracts to which the accounts receivable belonged.

5.25 Bills payable

Item	30 June 2025 (Unaudited)	31 December 2024
Commercial acceptance bills	**–**	–
Bank acceptance bills	**2,773,509**	3,343,445
Total	**2,773,509**	3,343,445

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.26 Accounts payable

Item	30 June 2025 (Unaudited)	31 December 2024
Within 1 year	**7,974,550**	7,687,083
1 to 2 years	**1,215,406**	1,233,807
2 to 3 years	**424,980**	592,116
More than 3 year	**844,478**	811,234
Total	**10,459,414**	10,324,240

Including: material accounts payable aged over 1 year

Item	30 June 2025 (Unaudited)	Reasons for non-repayment or non-carryover
Company 1	**21,106**	Payment conditions not satisfied yet
Company 2	**20,888**	Payment conditions not satisfied yet
Company 3	**20,371**	Payment conditions not satisfied yet
Company 4	**20,216**	Payment conditions not satisfied yet
Company 5	**16,997**	Payment conditions not satisfied yet
Total	**99,578**	–

5.27 Receipts in advance

Item	30 June 2025 (Unaudited)	31 December 2024
Rental	**2,996**	3,615

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.28 Contract liabilities

Item	30 June 2025 (Unaudited)	31 December 2024
EPC project general contracting and construction	**2,707,212**	2,899,397
Equipment manufacturing	**722,299**	868,615
Design consulting	**985,823**	790,519
Total	**4,415,334**	4,558,531

Including: material contract liabilities aged over 1 year

Item	30 June 2025 (Unaudited)	Reasons for non-repayment or non-carryover
Company 1	**122,573**	Project not completed
Company 2	**92,339**	Project not completed
Company 3	**18,437**	Project not completed
Company 4	**13,433**	Project not completed
Company 5	**13,034**	Project not completed
Total	**259,816**	–

5.29 Employee compensation payables

Item	1 January 2025	Accrued	Paid	30 June 2025 (Unaudited)
Short-term employee benefits	68,350	871,403	891,465	48,288
Post-employment benefits – defined contribution plans	14,761	143,561	146,925	11,397
Termination benefits	52,874	27,620	27,269	53,225
Total	135,985	1,042,584	1,065,659	112,910

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.29 Employee compensation payables (Continued)

(1) Short-term employee compensation

Item	1 January 2025	Accrued	Paid	30 June 2025 (Unaudited)
Salaries, bonuses, and allowances	30,518	620,652	637,454	13,716
Employee welfare	–	46,326	46,260	66
Social insurance	3,124	75,862	75,904	3,082
Including: 1. Medical insurance and Maternity insurance	2,863	70,497	70,472	2,888
2. Work-related injury insurance	261	5,365	5,432	194
Housing fund	8,009	86,432	87,210	7,231
Union fund and employee education fund	26,699	20,972	23,478	24,193
Other short-term employee benefits	–	21,159	21,159	–
Total	68,350	871,403	891,465	48,288

(2) Defined contribution plans

Item	1 January 2025	Accrued	Paid	30 June 2025 (Unaudited)
Post-employment benefits	14,761	143,561	146,925	11,397
Including: 1. Basic pension insurance	9,168	112,075	115,495	5,748
2. Unemployment insurance	910	4,597	4,692	815
3. Annuity	4,683	26,889	26,738	4,834
Total	14,761	143,561	146,925	11,397

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.30 Taxes payable

Item	30 June 2025 (Unaudited)	31 December 2024
Value added tax	**64,637**	123,500
Corporate income tax	**52,832**	64,423
Individual income tax	**3,911**	20,142
Urban maintenance and construction tax	**3,551**	5,301
Educational surcharges (including local education surcharge)	**2,511**	3,678
House property tax	**3,283**	2,380
Land use tax	**2,050**	1,829
Others	**3,884**	3,630
Total	**136,659**	224,883

5.31 Other payables

Item	30 June 2025 (Unaudited)	31 December 2024
Dividends payable	**136,531**	24,095
Other payables	**1,620,853**	1,506,661
Total	**1,757,384**	1,530,756

(1) Dividends payable

Item	30 June 2025 (Unaudited)	31 December 2024
Ordinary share dividend	**59,600**	2,409
Dividends on perpetual bonds classified as equity instruments	**76,931**	21,686
Total	**136,531**	24,095

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.31 Other payables (Continued)

(2) Other payables

Item	30 June 2025 (Unaudited)	31 December 2024
Guarantees and deposits payable	**856,473**	835,058
Temporary receipts	**174,158**	193,426
Payables for advances	**156,664**	155,311
Others	**433,558**	322,866
Total	**1,620,853**	1,506,661

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

Entity	30 June 2025 (Unaudited)	Reasons for non-repayment or non-carryover
Company 1	**22,060**	Payment conditions not satisfied yet
Company 2	**8,932**	Payment conditions not satisfied yet
Company 3	**6,883**	Payment conditions not satisfied yet
Company 4	**6,336**	Payment conditions not satisfied yet
Company 5	**6,000**	Payment conditions not satisfied yet
Total	**50,211**	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.32 Non-current liabilities due within one year

Item	30 June 2025 (Unaudited)	31 December 2024
Long-term loans due within one year	**1,785,361**	2,010,871
Lease liabilities due within one year	**13,206**	5,970
Total	**1,798,567**	2,016,841

5.33 Other current liabilities

Item	30 June 2025 (Unaudited)	31 December 2024
Pending VAT output	**1,394,164**	1,522,370
Endorsed or discounted Bills receivable but not yet matured	**178,629**	184,793
Provisions	**8,432**	8,797
Total	**1,581,225**	1,715,960

5.34 Long-term loans

Item	30 June 2025 (Unaudited)	31 December 2024	Rate range
Credit loans	**8,013,361**	8,479,071	Note
Guaranteed loans	**324,624**	326,124	Note
Subtotal	**8,337,985**	8,805,195	–
Less: long-term loans due within one year	**1,785,361**	2,010,871	Note
Total	**6,552,624**	6,794,324	–

Note: As at 30 June 2025, the long-term loans rate range is 2.34% to 4.40%.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.35 Lease liabilities

Item	30 June 2025 (Unaudited)	31 December 2024
Lease liabilities	**27,537**	36,252
Less: unrecognized financing expenses	**1,517**	2,204
Less: lease liabilities due within one year	**13,206**	5,970
Total	**12,814**	28,078

5.36 Long-term employee compensation payables

Item	30 June 2025 (Unaudited)	31 December 2024
Post-employment benefits-net liabilities under defined benefit plan	**504,327**	494,271
Termination benefits	**71,818**	75,854
Subtotal	**576,145**	570,125
Less: Portion due within one year	**53,225**	52,874
Total	**522,920**	517,251

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.36 Long-term employee compensation payables (Continued)

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

Present value of obligations of defined benefit plan

Item	30 June 2025 (Unaudited)	31 December 2024
I. Opening balance	570,125	581,835
II. Defined benefit cost included in current profit and loss	7,261	3,190
1. Current service cost	1,270	2,986
2. Past service cost	–	–11,778
3. Net interest	5,991	11,982
III. Defined benefit costs included in other comprehensive income	26,028	52,491
1. Actuarial gain	26,028	52,491
IV. Other changes	–27,269	–67,391
1. Benefits paid	–27,269	–67,391
V. Closing balance	576,145	570,125

Net liabilities of defined benefit plan

Item	30 June 2025 (Unaudited)	31 December 2024
I. Opening balance	570,125	581,835
II. Defined benefit costs recognized in profit or loss for the period	7,261	3,190
III. Defined benefit costs recognized in other comprehensive income	26,028	52,491
IV. Benefits paid in the period	–27,269	–67,391
V. Closing balance	576,145	570,125

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.36 Long-term employee compensation payables (Continued)

(2) The key actuarial assumptions

Item	30 June 2025 (Unaudited)	31 December 2024
Discount rate	**1.75%**	1.75%
Mortality rate	**China Life Insurance Mortality Table (2010-2013)**	China Life Insurance Mortality Table (2010-2013)
Annual increase rate of medical benefits	**8.00%**	8.00%
Annual growth rate of pension benefits for beneficiaries	**4.50%**	4.50%

5.37 Deferred income

Item	1 January 2025	Additions	Reductions	30 June 2025 (Unaudited)
Government grants	62,482	9,306	4,476	67,312

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.38 Share capital (Unit: thousand share)

Item	1 January 2025	Increase/Decrease (+, –) New share issued	Bonus shares	Shares converted from provident fund	Others	Subtotal	30 June 2025 (Unaudited)
Aluminum Corporation of China	2,176,759	–	–	–	–	–	2,176,759
Luoyang Engineering & Research Institute for Nonferrous Metals Processing	86,925	–	–	–	–	–	86,925
National Council for Social Security Fund	36,316	–	–	–	–	–	36,316
Holders of overseas listed H shares	363,160	–	–	–	–	–	363,160
Public ordinary shareholders	322,676	–	–	–	2,000	2,000	324,676
Total	2,985,836	–	–	–	2,000	2,000	2,987,836

Note: A total of 2,000,000 Reserved Restricted Shares has been determined to be granted to 21 Participants who meet the grant conditions on 26 May 2025, resulting in an increase of RMB2,000 thousand in treasury shares.

5.39 Other equity instruments

Outstanding financial instruments	Date of issuance	Stock interest rate or interest rate	Issue price	Quantity	Amount	Expiration date or renewal status	Conversion conditions	Conversion
Industrial Bank Renewable Trust Loan	FY 2022	Determined through listing pricing and centralized allocation	100	10,000	969,000	3+N years	N/A	N/A
Postal Savings Bank of China-2023 First Medium Term Notes	FY 2023	Determined through listing pricing and centralized allocation	100	15,000	1,497,600	2+N years	N/A	N/A
Postal Savings Bank of China-2023 Second Medium Term Notes	FY 2023	Determined through listing pricing and centralized allocation	100	13,000	1,297,920	2+N years	N/A	N/A
Total	–	–	–	38,000	3,764,520	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.39 Other equity instruments (Continued)

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

	1 January 2025		Additions		Reductions		30 June 2025 (Unaudited)	
Outstanding financial instruments	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Industrial Bank Renewable Trust Loan	10,000	969,000	–	–	–	–	10,000	969,000
Postal Savings Bank of China-2023 First Medium Term Notes	15,000	1,497,600	–	–	–	–	15,000	1,497,600
Postal Savings Bank of China-2023 Second Medium Term Notes	13,000	1,297,920	–	–	–	–	13,000	1,297,920
Total	38,000	3,764,520	–	–	–	–	38,000	3,764,520

5.40 Capital reserves

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Equity premium	946,723	2,560	–	949,283
Other capital reserves	477,540	9,531	250	486,821
Total	1,424,263	12,091	250	1,436,104

Note: As a result of a total of 2,000,000 Reserved Restricted Shares has been determined to be granted to 21 Participants who meet the grant conditions at a price of RMB2.28 per A Share on 26 May 2025, the amount of RMB2,560 thousand as equity premium and RMB9,531 thousand as other capital reserves due to the grant and amortization of the restricted stock incentive plan this year are increased respectively. In addition, other changes in the shareholders' equity of the investee led to a reduction of RMB250 thousand in other capital reserves.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.41 Treasury share

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Treasury share	63,443	4,560	–	68,003

5.42 Other comprehensive income

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

Item	1 January 2025	Movements during the period: Net-of-tax amount attributable to the Company	Movements during the period: Less: previously recognized amount transferred to retained earnings	30 June 2025 (Unaudited)
I. Items that will not be reclassified to profit or loss	2,339	–15,215	–	–12,876
1. Remeasurement of net defined benefit plan	42,668	–15,130	–	27,538
2. Changes in fair value of other equity instrument investments	–40,329	–85	–	–40,414
II. Other comprehensive income reclassified into profit or loss	100,113	1,490	–	101,603
1. Translation differences arising from translation of foreign currency financial statements	100,113	1,490	–	101,603
Total other comprehensive income	102,452	–13,725	–	88,727

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.42 Other comprehensive income (Continued)

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

Item	Movements during the period				
	Before-tax amount	Less: previously recognized amount transferred to profit or loss	Less: income tax expense	Net-of-tax amount attributable to non-controlling interests	Net-of-tax amount attributable to the Company
I. Items that will not be reclassified to profit or loss	–26,037	–	–3,844	–6,978	–15,215
1. Remeasurement of net defined benefit plan	–26,028	–	–3,928	–6,970	–15,130
2. Changes in fair value of other equity instrument investments	–9	–	84	–8	–85
II. Other comprehensive income reclassified into profit or loss	1,490	–	–	–	1,490
1. Translation differences arising from translation of foreign currency financial statements	1,490	–	–	–	1,490
Total other comprehensive income	–24,547	–	–3,844	–6,978	–13,725

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.43 Special reserve

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Production safety fee	267,716	146,084	86,757	327,043

5.44 Surplus reserve

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Statutory surplus reserve	229,735	–	–	229,735

5.45 Retained earnings

Item	For the six months ended 30 June 2025 (Unaudited)	For the year ended 31 December 2024
Retained earnings as at 31 December 2024 (before adjustment)	**–2,128,670**	–2,184,850
Total adjustments for opening retained earnings ("+" for increase; "–" for decrease)	**–**	–
Retained earnings as at 1 January 2025 (after adjustment)	**–2,128,670**	–2,184,850
Increase during the period	**102,589**	221,177
Add: Net profits for the period attributable to shareholders of the Company	**102,589**	221,177
Decrease during the period	**75,657**	164,997
Less: Appropriation for statutory surplus reserve	**–**	–
Interest payable on perpetual bonds	**75,657**	164,997
Retained earnings as at 30 June 2025	**–2,101,738**	–2,128,670

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.46 Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	For the six months ended 30 June 2025 (Unaudited) Operating revenue	Operating Costs	For the six months ended 30 June 2024 (Unaudited) Operating revenue	Operating Costs
Revenue from principal activities	**9,616,233**	**8,577,650**	10,638,536	9,627,702
Other operating activities	**82,117**	**69,543**	71,940	57,248
Total	**9,698,350**	**8,647,193**	10,710,476	9,684,950

(2) Operating revenue and operating costs by major segments

Major segments	For the six months ended 30 June 2025 (Unaudited) Revenue	Costs	For the six months ended 30 June 2024 (Unaudited) Revenue	Costs
Principal activities:				
EPC project general contracting and construction	**7,279,754**	**6,687,131**	8,857,722	8,208,284
Design consulting	**600,070**	**396,898**	597,879	400,523
Equipment manufacturing	**1,736,409**	**1,493,621**	1,182,935	1,018,896
Subtotal	**9,616,233**	**8,577,650**	10,638,536	9,627,702
Other operating activities:				
Sales of materials	**12,507**	**12,147**	20,568	19,453
Lease revenue	**24,921**	**13,500**	30,777	16,418
Others	**44,689**	**43,896**	20,595	21,377
Subtotal	**82,117**	**69,543**	71,940	57,248
Total	**9,698,350**	**8,647,193**	10,710,476	9,684,950

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.46 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating income

① Operating revenue for the period by reporting segment

	For the six months ended 30 June 2025 (Unaudited)		
Segment	**Revenue from contracts with clients**	**Lease income**	**Total**
EPC project general contracting and construction	7,334,995	14,623	7,349,618
Design consulting	600,070	–	600,070
Equipment manufacturing	1,738,364	10,298	1,748,662
Total	9,673,429	24,921	9,698,350

② Operating revenue for the period by revenue recognition time

	For the six months ended 30 June 2025 (Unaudited)			
Revenue recognition time	**Engineering and construction contracting**	**Engineering survey, design and consultancy**	**Equipment manufacturing**	**Total**
Recognised at a point in time	–	–	1,506,419	1,506,419
Recognised over a period time	7,334,995	600,070	231,945	8,167,010
Total	7,334,995	600,070	1,738,364	9,673,429

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.46 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating income (Continued)

③ Details of operating revenue

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating revenue	9,698,350	10,710,476
Less: Revenue not related to principal activities	82,117	71,940
Operating revenue net of revenue not related to principal activities and revenue lacking commercial substance	9,616,233	10,638,536

5.47 Taxes and surcharges

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
House property tax	16,966	15,414
Urban maintenance and construction tax	10,191	10,667
Stamp tax	8,201	9,264
Land use tax	6,569	6,587
Educational surcharges	4,531	4,908
Local educational surcharges	3,238	3,309
Others	1,200	609
Total	50,896	50,758

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.48 Selling and distribution expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee compensation	36,543	43,810
Travel expenses	4,229	5,451
Business expense	2,213	2,283
Rental expense	597	328
Depreciation and amortization	564	491
Warehousing and logistics	275	901
Others	6,510	6,831
Total	50,931	60,095

5.49 General and administrative expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee compensation	264,503	301,583
Depreciation and amortization	49,582	52,090
Office expenses	18,771	21,936
Travel expenses	14,057	14,143
Intermediary expenses	11,214	8,146
Advisory expenses	10,233	10,944
Business expenses	7,831	7,462
Property management fee	7,337	4,990
Litigation expense	6,799	14,153
Postal and telecommunications expenses	3,124	2,323
Repair expense	2,771	5,791
Foreign affairs expenses	2,251	1,543
Technical service fee	2,108	2,886
Machine material consumption	358	1,253
Party construction expenses	49	136
Others	18,701	21,509
Total	419,689	470,888

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.50 Research and development expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee compensation	190,526	207,446
Raw materials and main materials	72,130	80,700
Outsourced R&D expenses	4,612	12,108
Auxiliary expense	3,284	401
Depreciation and amortization	1,265	1,171
Fuel and power	2	–
Other expenses	12,239	13,735
Total	284,058	315,561

5.51 Finance expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Total interest expense	132,767	157,163
Interest expenses – Actuarial expense	5,991	6,573
Less: interest income	14,073	29,603
Exchange gains or losses	1,331	–60,894
Handling charges	10,402	21,017
Others	1,002	10,729
Total	137,420	104,985

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.52 Other income

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Income related	**2,381**	8,389
Gain from Debt Restructuring	**–105**	253
Total	**2,276**	8,642

5.53 Investment income

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Gain on long-term equity investment accounted for under the equity method	**2,100**	9,388
Investment income from debt restructuring	**673**	21,877
Others	**–1,165**	–393
Total	**1,608**	30,872

5.54 Gains from change in fair value

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Held-for-trading financial assets	**–**	4,844

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.55 Impairment of credit losses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Impairment of credit losses on accounts receivable	108,358	145,539
Impairment of credit losses on other receivables	3,069	4,895
Impairment of credit losses on long-term receivables	6,758	8,145
Total	118,185	158,579

5.56 Impairment losses on assets

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Impairment losses on contract assets	–27,610	23,319
Impairment losses on inventories	482	1,344
Total	–27,128	24,663

5.57 Gains from assets disposal

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Gains from disposals of fixed assets ("–"for losses)	10,491	134
Gains from disposals of intangible assets	17,977	30
Total	28,468	164

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.58 Non-operating income

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)	Amount included in non-recurring gain or loss for the period
Income from liquidated damages	**3,842**	1,367	3,842
Approved unpayable balances	**2,073**	33,281	2,073
Insurance compensation	**–**	3,456	–
Income from penalty	**529**	1,607	529
Others	**6,579**	5,140	6,579
Total	**13,023**	44,851	13,023

5.59 Non-operating expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)	Amount included in non-recurring gain or loss for the period
Penalty expenses	**3,569**	12,287	3,569
Compensation expenses	**512**	11,109	512
Loss on destruction and retirement of non-current assets	**195**	17	195
Others	**5,002**	3,109	5,002
Total	**9,278**	26,522	9,278

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.60 Income tax expenses

(1) Details of income tax expenses

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Income tax expense for the year calculated according to the tax law and relevant regulations	42,181	29,301
Deferred income tax expense	18,796	40,937
Total	60,977	70,238

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

Item	For the six months ended 30 June 2025 (Unaudited)
Profits/losses before tax	235,317
Expected income tax expenses at applicable tax rate	35,298
Effect of different tax rates applied by subsidiaries	3,116
Adjustment to income tax of previous years	2,878
Effect of gains or losses from joint ventures and associates accounted for using the equity method	–315
Effect of non-deductible costs, expenses and losses	14,516
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in the previous period	–22,317
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this period	35,058
Effect of research and development expenses over-deduction	–13,075
Withholding Tax Discrepancies for Foreign Enterprise Owners	5,818
Income tax expenses	60,977

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.61 Notes on cash flow statement

(1) Proceeds from other operating activities

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Cash received for transaction	160,081	51,253
Interest on demand deposits received	14,073	28,533
Government grants received related to income	9,306	9,169
Others	10,192	11,570
Total	193,652	100,525

(2) Payment for other operating activities

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Production safety expenses paid	102,367	119,522
Office expense paid	18,771	30,971
Travel expense paid	18,286	19,594
Bank handling fees paid	10,402	21,017
Hospitality expense paid	10,044	9,745
Leasehold storage and logistics fees paid	6,280	1,229
R&D expense and intermediary fee paid	4,612	31,198
Litigation loss paid	512	11,109
Net repayment of provisional receipts	–	118,439
Net reserve fund and current account paid	–	24,308
Others	7,887	77,037
Total	179,161	464,169

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.61 Notes on cash flow statement (Continued)

(3) Payment for other financing activities

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Payment of principal and interest of lease obligation	**8,654**	392
Payment of non-controlling shares in the previous period	**1,000**	–
Total	**9,654**	392

(4) Changes in liabilities arising from financing activities

Item	1 January 2025	Change in Cash		Change in non-cash		30 June 2025 (Unaudited)
		Cash inflow	Cash outflow	Interest accrued	others	
Short-term loans	984,379	1,157,490	943,553	23,681	–	1,221,997
Long-term loans	6,794,324	961,800	52,000	4,000	−1,155,500	6,552,624
Long-term loans due within one year	2,010,871	–	1,486,096	105,086	1,155,500	1,785,361
Lease liability (Including Lease liabilities due within one year)	34,048	–	9,378	706	644	26,020
Total	9,823,622	2,119,290	2,491,027	133,473	644	9,586,002

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.62 Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	**174,340**	199,094
Add: Impairment on assets	**27,128**	–24,663
Impairment of credit losses	**–118,185**	–158,579
Depreciation of fixed assets, investment properties and right-of-use assets	**94,376**	92,349
Amortization of intangible assets	**14,278**	14,639
Amortization of long-term deferred expenses	**13,448**	14,194
Share-based payment expense	**9,531**	
Loss on disposal of fixed assets, intangible assets and other long-term assets/(gains)	**–28,468**	–147
Loss on scrapping of fixed assets (gains)	**195**	
Loss on change in fair value	**–**	–4,844
Finance expenses	**132,767**	139,084
Investment loss/(gains)	**–2,100**	–30,872
(Increase)/Decrease in deferred tax assets	**14,990**	41,311
Increase/(Decrease) in deferred tax liability	**–63**	361
Increase in inventories	**–223,098**	89,368
(Increase)/Decrease of operating receivables	**376,801**	–1,562,096
Increase/(Decrease) of operational payables	**–685,240**	–844,048
Net cash outflows from operating activities	**–199,300**	–2,034,849

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.62 Supplementary information on cash flow statement (Continued)

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

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
2. Material investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	–	–
Convertible bonds due within one year	–	–
New right-of-use assets in the current period	626	–
3. Net changes in cash and cash equivalents:		
Closing balance of cash	2,527,739	3,295,538
Less: Opening balance of cash	3,166,948	3,339,604
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase/decrease in cash and cash equivalents	–639,209	–44,066

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.62 Supplementary information on cash flow statement (Continued)

(2) Details of cash and cash equivalents

Item	30 June 2025 (Unaudited)	31 December 2024
1. Cash	**2,527,739**	3,166,948
Including: Cash in hand	**603**	1,514
Bank deposits available on demand	**2,527,136**	3,165,434
Other monetary funds available on demand	**–**	–
2. Cash equivalents	**–**	–
Including: Bond investments with a maturity of 3 months or less	**–**	–
3. Cash and cash equivalents as at 31 December 2023	**2,527,739**	3,166,948

5.63 Notes to statement of changes in shareholders' equity

(1) Shareholders' contributions and decrease of capital for the period – other decrease of RMB4,945 thousand, including:

① A total of 2,000,000 Reserved Restricted Shares has been determined to be granted to 21 Participants who meet the grant conditions on 26 May 2025, resulting in an increase of RMB4,560 thousand in treasury shares.

② Recognition of decrease in proportionate share of capital reserve of associates of RMB250 thousand, with the impact on the non-controlling interest in RMB –135 thousand.

(2) Retained earnings

Other decrease of RMB75,657 thousand in retained earnings for the period is the impact of interest payments on perpetual bonds.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.64 Foreign currency translation

(1) Items in foreign currency

Item	Closing balance in foreign currency	Exchange rate	Closing balance translated into RMB
Cash and bank balances	–	–	705,361
Including: USD	29,173	7.1586	208,835
IDR	899,772,500	0.0004	359,909
INR	77,172	0.0838	6,467
VND	31,523,333	0.0003	9,457
SAR	3,939	1.9105	7,526
HKD	341	0.9120	311
EUR	5	8.4024	39
SGD	6	5.6179	32
MYR	2,882	1.6950	4,885
GNF	22,916,596	0.0047	107,708
PEN	65	2.0168	132
GDF	4,800	0.0125	60
Accounts receivable	–	–	1,385,368
Including: USD	173,549	7.1586	1,242,368
IDR	217,207,500	0.0004	86,883
VND	140,910,000	0.0003	42,273
MYR	6,821	1.6950	11,562
INR	27,232	0.0838	2,282
Accounts payable	–	–	174,107
Including: USD	1,256	7.1586	8,991
IDR	392,050,000	0.0004	156,820
VND	26,306,667	0.0003	7,892
EUR	34	8.4024	286
INR	1,408	0.0838	118
Other accounts receivable	–	–	266,270
Including: USD	36,640	7.1586	262,291
MYR	417	1.6950	707
VND	106,667	0.0003	32
IDR	7,467,500	0.0004	2,987
GNF	53,830	0.0047	253
Other accounts payable	–	–	2,883
Including: VND	1,906,667	0.0003	572
IDR	525,000	0.0004	210
GNF	442,340	0.0047	2,079
INR	263	0.0838	22

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.64 Foreign currency translation (Continued)

(2) Foreign operations

Significant foreign entity	Principal place of business	Local reporting currency	Selection basis
Chalieco Hong Kong Corporation Limited	Hong Kong, China	USD	Business income
China Aluminum International Guinea Co., Ltd.	Guinea	USD	Business income
China Aluminum International Guinea Development Co., Ltd.	Guinea	USD	Business income

5.65 Assets with restricted ownership or use rights

Item	Closing carrying amount	Reason for restriction
Cash and bank balances	634,151	Frozen deposit, Letter of credit deposit, Letter of guarantee deposit, Bank's acceptance bill deposit
Accounts receivable	305	Pledged

5.66 Leases

(1) As the lessee

Item	For the six months ended 30 June 2025 (Unaudited)
Interest expense of lease liability	**706**
Total cash outflows related to lease	**15,382**
Total	**16,088**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.66 Leases (Continued)

(2) As the lessor

For operating lease

Subsequent to balance sheet date	30 June 2025 (Unaudited)
1st year	46,769
2nd year	44,096
3rd year	37,788
4th year	30,363
5th year	27,687
Total	186,703

6. INTEREST IN OTHER ENTITIES

6.1 Interests in subsidiaries

(1) Material composition of the Company

Name	Business Type	Principal place of business	Place of incorporation	Business nature	Shareholding% Direct	Shareholding% Indirect	Acquisition method
China Nonferrous Metals Processing Technology Co., Ltd.	1	Luoyang, Henan	High-tech Zone, Luoyang City	Technical development and equipment sales	92.35	–	2
China Sixth Metallurgical Construction Co., Ltd.	1	Zhengzhou, Henan	Huaihe Road, Zhengzhou City	Construction projects	100.00	–	2
CINF Engineering Co., Ltd.	1	Changsha, Hunan	Furong District, Changsha City	Survey and design	100.00	–	2
Jiuye Construction Co., Ltd.	1	Xianyang, Shanxi	Weicheng District, Xianyang City, Shaanxi Province	Engineering construction	73.17	–	3
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	1	Shenyang, Liaoning	Heping District, Shenyang City	Engineering survey and design	60.22	–	1
China Nonferrous Metals Industry's 12 th Metallurgical Construction Co., Ltd.	1	Taiyuan, Shanxi	Xinghualing District, Taiyuan City	Construction projects	100.00	–	2
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	1	Guiyang, Guizhou	Guanshanhu District, Guiyang City	Design consultancy	100.00	–	1
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	1	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	60.30	–	2
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	1	Kunming, Yunnan	Panlong District, Kuming City	Engineering survey and design	67.00	–	2

Notes:

1) Business type: 1. Domestic non-financial subsidiaries; 2. Domestic financial subsidiaries; 3. Overseas subsidiaries; 4 public institutions, and 5 infrastructure units.

2) Means of acquisition: 1. Incorporation; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.

6. INTEREST IN OTHER ENTITIES (Continued)

6.1 Interests in subsidiaries (Continued)

(2) Material non-wholly owned subsidiaries:

Name	Percentage of ownership interest held by non-controlling interests %	Profit or loss attributable to non-controlling shareholders during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests as at the end of the period
CINF Engineering Co., Ltd.	35.10	25,928	–26,555	836,987
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	39.78	24,224	–11,360	533,720
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	39.70	12,913	–19,276	424,292
Jiuye Construction Co., Ltd.	26.83	–936	–	221,413

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

	As at 30 June 2025 (Unaudited)					
Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,722,189	950,995	4,673,184	2,144,382	135,790	2,280,172
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	2,404,576	282,484	2,687,060	1,272,732	58,676	1,331,408
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	1,766,033	172,372	1,938,405	790,959	76,695	867,654
Jiuye Construction Co., Ltd.	8,062,420	1,239,105	9,301,525	6,652,918	868,746	7,521,664

6. INTEREST IN OTHER ENTITIES (Continued)

6.1 Interests in subsidiaries (Continued)

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

	As at 31 December 2024					
Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,616,173	970,745	4,586,918	2,056,849	137,613	2,194,462
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	1,993,640	288,235	2,281,875	905,349	55,140	960,489
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	1,729,392	172,693	1,902,085	742,965	72,503	815,468
Jiuye Construction Co., Ltd.	8,454,357	1,257,270	9,711,627	6,369,687	1,536,011	7,905,698

	For the six months ended 30 June 2025 (Unaudited)			
Name	**Operating revenue**	**Net profit**	**Total comprehensive income**	**Cash flows from operating activities**
CINF Engineering Co., Ltd.	**1,061,137**	**73,952**	**67,468**	**–24,186**
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	**735,981**	**61,675**	**58,925**	**99,082**
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	**762,637**	**32,526**	**28,967**	**29,631**
Jiuye Construction Co., Ltd.	**1,331,898**	**–8,544**	**–8,597**	**–454,231**

6. INTEREST IN OTHER ENTITIES (Continued)

6.1 Interests in subsidiaries (Continued)

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

	For the six months ended 30 June 2024 (Unaudited)			
Name	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CINF Engineering Co., Ltd.	660,458	46,559	46,559	53,647
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	537,459	27,632	27,639	–38,943
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd.	692,051	28,990	28,994	19,506
Jiuye Construction Co., Ltd.	2,153,470	4,408	4,408	–757,751

6.2 Changes in the scope of consolidation due to other reasons

Former subsidiaries no longer included in the scope of consolidation during the period

(1) Basic information of former subsidiaries

No.	Name	Place of incorporation	Business nature	Shareholding (%)	Voting rights (%)	Reason
1	Guangxi Tongrui Investment and Construction Co., Ltd.	Nanning, Guangxi	Construction	100.00	100.00	Deregister
2	Henan Liuye Trading Co., Ltd.	Zhengzhou, Henan	Trade services	100.00	100.00	Deregister

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates

(1) Material joint ventures or associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%) Direct	Shareholding (%) Indirect	Accounting treatment of investments in joint ventures or associates
① Joint ventures						
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	Shanghai	Shanghai	Investment company	40.00	–	Equity method
Zhongji Sunward Technology Co., Ltd.	Hunan	Hunan	Metallurgical equipment manufacturing	–	49.00	Equity method
② Associates						
Taikang Haowen construction Co., Ltd.	Henan	Henan	Building construction	–	47.50	Equity method
Loudi Haochuang development construction Co., Ltd.	Hunan	Hunan	Civil engineering construction	–	40.00	Equity method
Zhuzhou Tianqiao Crane Co., Ltd.	Hunan	Hunan	Manufacturing	3.80	–	Equity method

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures

Item	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership) As at 30 June 2025	As at 31 December 2024	Zhongji Sunward Technology Co., Ltd. As at 30 June 2025	As at 31 December 2024
Current assets	**69,516**	69,748	**290,052**	293,294
Non-current assets	**–**	–	**9,097**	17,805
Total assets	**69,516**	69,748	**299,149**	311,099
Current liabilities	**11,617**	11,608	**178,773**	190,577
Non-current liabilities	**–**	–	**–**	–
Total liabilities	**11,617**	11,608	**178,773**	190,577
Net assets	**57,899**	58,140	**120,376**	120,522
Adjustment:	**–**	–	**–155**	–155
Carrying amount of equity investment in joint ventures	**8,741**	8,778	**59,139**	59,211
Fair value of equity investments with publicly quoted prices	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures (Continued)

Item	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership) For the six months ended 30 June 2025	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership) For the six months ended 30 June 2024	Zhongji Sunward Technology Co., Ltd. For the six months ended 30 June 2025	Zhongji Sunward Technology Co., Ltd. For the six months ended 30 June 2024
Operating revenue	**–**	–	**126,693**	75,598
Finance expenses	**–1**	–1	**–432**	212
Income tax expenses	**–**	–	**4,648**	556
Net profit	**–241**	–274	**290**	5,472
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income	**–241**	–274	**290**	5,472
Dividends received from joint ventures during the year	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates (Continued)

(3) Key financial information of material associates

Item	Taikang Haowen construction Co., Ltd. As at 30 June 2025	Taikang Haowen construction Co., Ltd. As at 31 December 2024	Loudi Haochuang development construction Co., Ltd. As at 30 June 2025	Loudi Haochuang development construction Co., Ltd. As at 31 December 2024	Zhuzhou Tianqiao Crane Co., Ltd. As at 30 June 2025	Zhuzhou Tianqiao Crane Co., Ltd. As at 31 December 2024
Current assets	23,997	13,112	85,071	49,135	3,430,527	3,560,586
Non-current assets	838,314	858,213	565,386	635,836	1,166,634	1,134,173
Total assets	862,311	871,325	650,457	684,971	4,597,161	4,694,759
Current liabilities	58,131	37,145	657	18,171	1,993,300	2,141,672
Non-current liabilities	570,000	600,000	491,000	508,000	60,718	69,310
Total liabilities	628,131	637,145	491,657	526,171	2,054,018	2,210,982
Net assets	234,180	234,180	158,800	158,800	2,543,143	2,483,777
Company's share of net assets	108,640	108,640	100,000	100,000	175,961	175,095
Adjustments	-	–	-	–	-	–
Carrying amount of interests in associates	108,640	108,640	100,000	100,000	175,961	175,095
Fair value of investments in associates which have quoted market price	-	–	-	–	-	–

6. INTEREST IN OTHER ENTITIES (Continued)

6.3 Interests in joint ventures or associates (Continued)

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

	Taikang Haowen construction Co., Ltd.		Loudi Haochuang development construction Co., Ltd.		Zhuzhou Tianqiao Crane Co., Ltd.	
Item	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period
Operating revenue	-	–	-	–	795,486	689,187
Net profit	-	–	-	–	38,561	19,704
Other comprehensive income	-	–	-	–	17,663	–39,440
Total comprehensive income	-	–	-	–	56,223	–19,736
Dividends received from associates during this period	-	–	-	–	-	–

7. GOVERNMENT GRANTS

7.1 Government grants recognized in deferred revenue

Item	1 January 2025	Increase	Decrease	30 June 2025 (Unaudited)
Tongchuan New District Urban Roads + Underground Comprehensive Pipeline Corridor Overall Package PPP Project	51,900	–	–	51,900
Others	10,582	9,306	4,476	15,412
Total	62,482	9,306	4,476	67,312

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company's major financial instruments include various equity investments, debt investments, derivative financial instruments, long-term and short-term borrowings, receivables and payables. See relevant sections of this report for details on financial instruments. Risks associated with the above financial instruments and risk management policies adopted by the Company to reduce these risks are set out below. Management manages and monitors these risk exposures to ensure that the above risks are controlled within the prescribed range.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies

Main risks associated with the Company's financial instruments include credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and other price risks).

(1) Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligation, causing financial losses to the other party.

The Company's credit risk mainly involves receivables. Specific measures to control this risk are as follows:

The Company's accounts receivable are mainly generated from the engineering construction business. The Company's internal control system requires that the Company perform credit assessment on each client before submitting a bid and if the construction lasts over one year, reperform the credit assessment on a regular basis. Based on its contract review system, the project management department, the financial department, the legal department and other departments jointly review the contract to determine reasonable payment terms so as to minimize our advance risk. Operating cash flows linked performance indicators are in place to urge subsidiaries to speed up collection of receivables. The Company reviews the collection of receivables on an individual basis on the balance sheet date and requires additional guarantee in respect of key accounts associated with potential structural risks to ensure adequate impairment of credit losses for unrecoverable receivables. See Notes 3.11 above for expected credit loss policies.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk

Liquidity risk refers to the risk that the Company is short of funds when performing its settlement obligations by delivery of cash or other financial assets.

The financial department continuously monitors the Company's short-term and long-term fund requirements to maintain adequate cash reserve. The Company utilizes multiple financing means including notes, bank borrowings and entrusted loans to maintain the balance between sustainability and flexibility of financing. The Company has obtained credit lines from several commercial banks with higher credit ratings to meet its demand for working capital and capital expenditure. Management monitors the use of bank borrowings and ensures compliance with loan agreements.

(3) Market risk

Market risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate as market prices changes, including exchange rate risk, interest rate risk and other price risks.

a. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arise from both recognized interest-bearing financial instruments and unrecognized financial instruments (e.g. certain loan commitments).

The Company's interest rate risk arises mainly from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular reviews and monitoring.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.1 Risk management objectives and policies (Continued)

(3) Market risk (Continued)

a. Interest rate risk (Continued)

The Company closely monitors the impact of interest rate changes on the Company's interest rate risk. The Company does not currently have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate exposure when required. An increase in interest rates could increase the cost of new interest-bearing debt as well as interest expense on the Company's outstanding interest-bearing debt with floating interest rates and have a material adverse effect on the Company's financial results. Management will make timely adjustments based on the most recent market conditions, which may be in the form of interest rate swaps arranged to reduce interest rate risk.

For financial instruments held at the balance sheet date that expose the Company to fair value interest rate risk, the effect on net income and shareholders' equity in the sensitivity analysis above is the effect of re-measuring the above financial instruments at the new interest rate, assuming that the change in interest rates occurs at the balance sheet date. For floating rate non-derivative instruments held at the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the change in the above interest rates on interest expense or income estimated on an annualized basis. The analysis for the prior year was based on the same assumptions and methodology.

b. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in foreign exchange rates. The exchange rate risk mainly comes from financial instruments denominated in foreign currencies other than the functional currency.

Exchange rate risk mainly represents the exposure of the Company's financial position and cash flows to fluctuations in foreign exchange rates. Except for the subsidiary established in Hong Kong which holds assets denominated in Hong Kong dollars, there is only a small amount of Hong Kong market investment business, and the proportion of foreign currency assets and liabilities held by the Company to the overall assets and liabilities is insignificant. Therefore, the Company considers that the exposure to exchange rate risk is not material.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

8.2 Capital management

The capital management policies of the Company are made to ensure the continuous operation of the Company, in order to provide returns to shareholders and benefits to other stakeholders and to maintain the optimum capital structure for minimizing capital costs.

In order to maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debts.

The Company manages its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts are calculated as the total borrowings and other liabilities (including Short-term loans, Long-term loans due within one year and Bond payable due within one year, Long-term loans and Bonds payable) less cash and cash equivalents listed in Cash Flow Statement. Total capital includes shareholders' equity attributable to the parent company and non-controlling interest.

The Company monitors capital management by using the gearing ratio which is shown as follows:

Item	30 June 2025 (Unaudited)	31 December 2024
Short-term loans	**1,221,997**	984,379
Long-term loans due within one year	**1,785,361**	2,010,871
Long-term loans	**6,552,624**	6,794,324
Less: Cash and cash equivalents listed in Cash Flow Statement	**2,527,739**	3,166,948
Net debts	**7,032,243**	6,622,626
Total equity attributable to equity owners of the Company	**8,939,554**	8,845,065
Total capital	**15,971,797**	15,467,691
Gearing ratio	**44.03%**	42.82%

9. FAIR VALUE

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I.Recurring fair value measurement	–	–	170,342	170,342
Financing receivables	–	–	127,275	127,275
Financial assets classified as FVOCI	–	–	43,067	43,067

At the end of the reporting period, the Company's financial instruments measured at fair value were its subordinated shares in ABS and equity investments in small-scale entities, which do not have observable market quotations. The Company valuate such investments based on their future cash inflows. Under limited circumstances, if insufficient recent information is available to determine the fair value, or possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within the range of distribution, the cost may represent an appropriate estimate of the fair value within the distribution range.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

10.1 Information about the parent of the Company

Name	Registration place	Business nature	Registered capital (RMB0,000)	Shareholding percentage %	Percentage of voting rights %
Aluminum Corporation of China	PRC	Mineral resources (excluding oil and natural gas) development, nonferrous metal smelting and processing, related trading and engineering and technical services	2,520,000	72.85	72.85

The ultimate controlling party of the Company is Aluminum Corporation of China (which is owned and controlled by SASAC). On 30 June 2025, China Aluminum Group directly held 72.85% equity interest in the Company and indirectly held 2.91% equity interest in the Company through its subsidiary, Luoyang Institute. China Aluminum Group held in aggregate a 75.76% equity interest in the Company.

10.2 Information about the subsidiaries of the Company

For details about the material subsidiaries of the Company, refer to Note 6.1.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.3 Information about joint ventures and associates of the Company

For details about the material joint ventures and associates of the Company, refer to Note 6.3.

Other joint ventures or associates that had related-party transactions with the Company during the current period, or had balances resulting from related-party transactions with the Company in prior periods, are described below:

Name	Related party relationship
Yunnan Linshuang Expressway Co., Ltd.	An associate of the Company
Loudi Haochuang development construction Co., Ltd.	An associate of the Company
Yunnan Miyu Expressway Investment and Development Co.,Ltd.	An associate of the Company
Yunnan Ningyong Expressway Co., Ltd.	An associate of the Company
Taikang Haowen construction Co., Ltd.	An associate of the Company
Yunnan Linyun Expressway Co., Ltd	An associate of the Company
Sichuan Chuannan Rail Transit Operation Co., Ltd.	An associate of the Company
Tongchuan Zhaojin Cadre College Construction Operation Management Co., Ltd.	An associate of the Company
Guizhou Zhongcheng Education Construction Operation Management Co., Ltd.	An associate of the Company
Guizhou Tongye Construction Development Co., Ltd.	An associate of the Company
Luoyang Huazhong Aluminum Co., Ltd.	An associate of the Company
Chinalco Shituo Intelligent Technology Co., Ltd.	An associate of the Company
Jiangsu CNPT-Rabily Industrial Co., Ltd.	An associate of the Company
Qinghai Chinalco Industrial Services Co.,Ltd.	An associate of the Company
Zhongji Sunward Technology Co., Ltd.	A joint venture of the Company

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties

Name	Related party relationship
Zunyi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Zibo Dongshan Industrial Co., Ltd.	Ultimately controlled by the same parent
Zibo Dadi Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Chongqing Swa Construction Engineering Co. Ltd.	Ultimately controlled by the same parent
Chongqing Swa Mechanical & Electrical Equipment Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Guochuang Light Alloy Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi Chinalco Huarun Co., Ltd.	Ultimately controlled by the same parent
China Copper Tibet Mining Co., Ltd.	Ultimately controlled by the same parent
China Copper Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
China Copper Huazhong Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper Southeast Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper (Shanghai) Copper Industry Co., Ltd	Ultimately controlled by the same parent
Chinalco Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Asset Management Co., Ltd.	Ultimately controlled by the same parent
Chinalco Capital Holdings Limited	Ultimately controlled by the same parent
Chinalco Zhongzhou Advanced Materials Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Mining Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligence Copper Innovation Science & Technology (Yunnan) Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Digital Dimension (Hangzhou) Engineering Design & Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Technology Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Zhengzhou Nonferrous Metals Research Institute Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Information Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Southwest Aluminum Sheet & Strip Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Supply & Marketing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group (Chongqing) Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
The Middle International Inland Port of China Aluminum Logistics Group Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Southeast Asia International Land Port Co., Ltd.	Ultimately controlled by the same parent
Chinalco Investment Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Special Aluminum (Chongqing) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shenyang Nonferrous Metal Processing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Commercial Factoring Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chalco Shandong Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Chinalco Special Aluminum (Chongqing) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Lubrication Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Ruimin Co., Ltd.	Ultimately controlled by the same parent
Chalco Aluminum & Electric Co., Ltd.	Ultimately controlled by the same parent
Chalco Qingdao Light Metal Co., Ltd.	Ultimately controlled by the same parent
China Aluminum Ningxia Energy Group Co., Ltd.	Ultimately controlled by the same parent
Chalco Neimenggu Resources Development Co., Ltd.	Ultimately controlled by the same parent
Mineral China Ico Peru	Ultimately controlled by the same parent
Chinalco Luoyang Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Luoyang Copper Processing Co., Ltd.	Ultimately controlled by the same parent
Chalco Mining Co.,Ltd.	Ultimately controlled by the same parent
China Aluminum (Zhengzhou) Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Chinalco Science and Technology Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Group Shanxi Jiaokou Xinghua Science and Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Environmental Protection and Energy Saving Group Co., Ltd.	Ultimately controlled by the same parent
China Copper Huazhong Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Processing Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chalco International Trade Co., Ltd.	Ultimately controlled by the same parent
Chalco International Trade Group Co., Ltd.	Ultimately controlled by the same parent
Chinalco Guangxi Nonferrous Rare Earth Development Co., Ltd.	Ultimately controlled by the same parent
Chinalco Industrial Service Co., Ltd.	Ultimately controlled by the same parent
Chinalco Innovation Development Investment Co., Ltd.	Ultimately controlled by the same parent
Chinalco Materials Application Research Institute Co., Ltd.	Ultimately controlled by the same parent
China Aluminum Insurance Brokerage (Beijing) Co., Ltd	Ultimately controlled by the same parent
Chalco (Shanghai) Carbon Co., Ltd.	Ultimately controlled by the same parent
China Changcheng Aluminum Co., Ltd.	Ultimately controlled by the same parent
China Yunnan International Economic and Technical Cooperation Co., Ltd.	Ultimately controlled by the same parent
China Copper Industry Co., Ltd	Ultimately controlled by the same parent
Chalco Hong Kong Limited	Ultimately controlled by the same parent
Chalco Guinea Limited	Ultimately controlled by the same parent
Aluminum Corporation of China Limited	Ultimately controlled by the same parent
Zhengzhou Chinalco Construction and Development Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Yinjian Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Aluminum & Magnesium Technology Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Aluminum City Labor Service Company	Ultimately controlled by the same parent
Yunnan Copper Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Zhonghui Energy Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yuntong Zinc Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Zexin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Yongxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Logistik investment Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Runxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Lvyuan Huibang Engineering Technology Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Huixin Economic and Trade Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Haixin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yuanxin Carbon Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yongchang Lead & Zinc Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Yunnan Metallurgical Renda Information Technology Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Kunming Heavy Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Jinshui Property Management Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Co., Ltd.	Ultimately controlled by the same parent
Yunnan Wenshan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Mineral Resources Exploration and Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Technology Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Senior Technical School	Ultimately controlled by the same parent
Yunnan Copper Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper(Group) Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper (Group) Titanium Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Aluminium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Lancang Lead Mining Co., Ltd.	Ultimately controlled by the same parent
Yunnan Keli Environmental Protection Co., Ltd.	Ultimately controlled by the same parent
Yunnan Jinsha Mining Co., Ltd.	Ultimately controlled by the same parent
Yunnan Jinding Zinc Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Haoxin Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diging Nonferrous Metals Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Mining Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Defu Environmental Protection Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chuxiong Mining and Metallurgy Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Resource Comprehensive Utilization Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Zinc & Germanium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong International Germanium Co., Ltd.	Ultimately controlled by the same parent
Yuxi Yuntong Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Yuxi Mining Co, Ltd Dahongshan Copper mine	Ultimately controlled by the same parent
Yuxi Mining Co, Ltd	Ultimately controlled by the same parent
Yuxi Dahongshan Mining Co, Ltd	Ultimately controlled by the same parent
Yimen Copper Co., Ltd.	Ultimately controlled by the same parent
Yiliang Chihong Mining Co., Ltd.	Ultimately controlled by the same parent
Xinbaerhuyouqi Rongda Mining Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Southwest Aluminum (Group) Co., Ltd.	Ultimately controlled by the same parent
Xizang Xinhu Mining Co., Ltd.	Ultimately controlled by the same parent
Xizang Jinlong Mining Co., Ltd.	Ultimately controlled by the same parent
Northwest Aluminum Co., Ltd.	Ultimately controlled by the same parent
Suzhou New Changguang Thermal Energy Technology Co., Ltd.	Ultimately controlled by the same parent
Shanxi Chalco Industry Service Co., Ltd.	Ultimately controlled by the same parent
Shanxi Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi 12th Metallurgical Asset Management Co., Ltd.	Ultimately controlled by the same parent
Shanxi Longmen Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi Jinzheng Construction Project Management Co., Ltd.	Ultimately controlled by the same parent
Shanxi Huaze Aluminum & Electrical Co., Ltd.	Ultimately controlled by the same parent
Shanxi Huaxing Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shanxi Huasheng Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Shandong Yixing Carbon New Material Co.,Ltd.	Ultimately controlled by the same parent
Shandong Shanlv Environmental Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shandong Aluminum Industry Vocational College	Ultimately controlled by the same parent
Shandong Aluminum Industry Co., Ltd.	Ultimately controlled by the same parent
Shandong Huayu Alloy Materials Co., Ltd.	Ultimately controlled by the same parent
Qujing Yunlv Yuxin Aluminum Co., Ltd	Ultimately controlled by the same parent
Qujing Tuoyuan Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Qinghai Hongxin Mining Co., Ltd.	Ultimately controlled by the same parent
Qingdao Boxin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Pingguo Aluminum Co., Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Coal Industry Co., Ltd.	Ultimately controlled by the same parent
Ningxia Wangwa Coal Industry Co., Ltd.	Ultimately controlled by the same parent
Ningde Yuntong Real Estate Co., Ltd.	Ultimately controlled by the same parent
Neimengu Huayun Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd	Ultimately controlled by the same parent
Longxi Northwest Aluminum Foil Co., Ltd.	Ultimately controlled by the same parent
Liangshan Mining Co., Ltd.	Ultimately controlled by the same parent
Lao Mining Services Ltd.	Ultimately controlled by the same parent
Lanzhou Aluminum Co., Ltd	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Lanzhou Liancheng Aluminum Co., Ltd	Ultimately controlled by the same parent
Lasa Tianli Mining Co.,Ltd.	Ultimately controlled by the same parent
Kunming Zhengji Real Estate Co., Ltd.	Ultimately controlled by the same parent
Kunming Metallurgical Research Institute Co., Ltd.	Ultimately controlled by the same parent
Jinlv Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Hunan Changkan Business Management Co., Ltd.	Ultimately controlled by the same parent
Hunan Changkan Trade and Commercial Development Co., Ltd.	Ultimately controlled by the same parent
Hulunbeier Chihong Mining Co., Ltd.	Ultimately controlled by the same parent
Honghe Yuntong Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Heqing Yixin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Equipment Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Construction Engineering Co., Ltd.	Ultimately controlled by the same parent
Henan Changxing Industrial Co., Ltd.	Ultimately controlled by the same parent
Henan Changlv Industrial Service Co., Ltd	Ultimately controlled by the same parent
Henan Changcheng Zhongxin Industry Co., Ltd.	Ultimately controlled by the same parent
Henan Changcheng IT Co., Ltd.	Ultimately controlled by the same parent
Jiangxi Zhonglv Keyuan New Materials Co., Ltd.	Ultimately controlled by the same parent
Henan Jiuli Technology Co., Ltd.	Ultimately controlled by the same parent
Henan Huahui Nonferrous Engineering Design Co., Ltd.	Ultimately controlled by the same parent
Hangzhou Knight Valve Co., Ltd.	Ultimately controlled by the same parent
Harbin East Light Specialty Materials Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huaren Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huajin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Guiyang Aluminum & Magnesium Asset Management Co., Ltd.	Ultimately controlled by the same parent
Guangxi Chinalco Construction Supervision and Consulting Co., Ltd.	Ultimately controlled by the same parent
Guangxi Huasheng Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Gansu Hualu Aluminum Co., Ltd.	Ultimately controlled by the same parent
Fushun Aluminium Co., Ltd.	Ultimately controlled by the same parent
Northeast Light Alloy Co., Ltd.	Ultimately controlled by the same parent
Daxinganling Jinxin Mining Co., Ltd.	Ultimately controlled by the same parent
Chuxiong Dianzhong Nonferrous Metals Co., Ltd.	Ultimately controlled by the same parent
Chifeng Yuntong Non-Ferrous Metal Co., Ltd.	Ultimately controlled by the same parent
Chibi Changcheng Carbon Products Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Chihong Industrial Development (Shanghai) Co., Ltd.	Ultimately controlled by the same parent
Beijing Chalco United Property Management Co., Ltd.	Ultimately controlled by the same parent
Beijing Aluminum Energy Fresh Environmental Technology Co., Ltd.	Ultimately controlled by the same parent
Baotou Chinalco technology service development Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminium Co., Ltd.	Ultimately controlled by the same parent
Chinalco Mining Corporation International	Ultimately controlled by the same parent
Taiyuan China Nonferrous Metal Industry and 12th Metallurgical Real Estate Development Co., Ltd.	An associate of our parent
Yunnan Sotong Yunnan Aluminum Carbon Material Co., Ltd.	An associate of our parent
Sichuan Liwu Copper Mining Co., Ltd.	An associate of our parent
Yunnan Tianye Chemical Co., Ltd	An associate of our parent
Yunnan Simao Shanshui Copper Company Limited	An associate of our parent
Beida Medical Zibo Hospital Co., Ltd.	An associate of our parent
Baotou Sendu Carbon Co., Ltd.	An associate of our parent
Maguan Yunnan Copper and Zinc Industry Co., Ltd.	An associate of our parent
Yunnan Yunchuang Tender Co., Ltd.	An associate of our parent
Chalco Guizhou Industrial Service Co., Ltd.	An associate of our parent
Qinghai Haiyuan Aluminum Co., Ltd.	An associate of our parent
Henan Changcheng Logistics Co., Ltd.	An associate of our parent
China Rare Earth Group Co., Ltd.	An associate of our parent
Guangxi Hualei Advanced Materials Co., Ltd.	A joint venture of our parent
Chalco Zibo international trading Co., Ltd.	A joint venture of our parent
Chongqing Shangjiangchen Real Estate Co., Ltd.	A joint venture of our parent
Guangxi Huayin Aluminum Industry Co., Ltd.	A joint venture of our parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	For the six months ended 30 June 2025 (Unaudited) Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Procurement of main materials and auxiliary materials	**249,228**	**2.91**
Subsidiaries of China Aluminum Group	Provide engineering, construction and supervision services	**25,020**	**0.29**
Associates of the Company	Procurement of main materials and auxiliary materials	**10,040**	**0.12**
Subsidiaries of China Aluminum Group	Back-up service and other business	**6,423**	**9.24**

Related party	Nature of transaction	For the six months ended 30 June 2024 (Unaudited) Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Provide engineering, construction and supervision services	30,978	0.39
Associates of the Company	Procurement of main materials and auxiliary materials	28,439	2.79
Subsidiaries of China Aluminum Group	Procurement of main materials and auxiliary materials	8,919	0.88
Subsidiaries of China Aluminum Group	Back-up service and other business	3,059	14.31
Joint ventures of China Aluminum Group	Provide engineering, construction and supervision services	2,883	0.04
Joint ventures of the Company	Procurement of main materials and auxiliary materials	858	0.08
Associates of China Aluminum Group	Back-up service and other business	329	1.54
Joint ventures of China Aluminum Group	Procurement of main materials and auxiliary materials	245	0.02

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

② Sales of goods/rendering of services

Related party	Nature of transaction	For the six months ended 30 June 2025 (Unaudited) Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Provide engineering construction services	1,966,759	27.02
Associates of the Company	Provide engineering construction services	500,198	6.87
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	234,854	13.53
Subsidiaries of China Aluminum Group	Provide engineering design services	120,208	20.03
Joint ventures of China Aluminum Group	Provide engineering construction services	80,421	1.10
Subsidiaries of China Aluminum Group	Back-up service and other business	9,594	11.68
Joint ventures of China Aluminum Group	Provide equipment manufacturing and sales	7,524	0.43
Associates of China Aluminum Group	Provide engineering construction services	3,656	0.05
Associates of China Aluminum Group	Provide engineering design services	1,749	0.29
Joint ventures of China Aluminum Group	Provide engineering design services	962	0.16
Associates of China Aluminum Group	Provide equipment manufacturing and sales	121	0.01

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

② Sales of goods/rendering of services (Continued)

Related party	Nature of transaction	For the six months ended 30 June 2024 (Unaudited) Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Provide engineering construction services	1,947,164	23.16
Subsidiaries of China Aluminum Group	Provide engineering design services	375,897	33.78
Associates of the Company	Provide engineering construction services	242,437	2.88
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	107,624	9.05
Joint ventures of China Aluminum Group	Provide engineering construction services	47,685	0.57
Joint ventures of China Aluminum Group	Provide equipment manufacturing and sales	31,640	2.66
Subsidiaries of China Aluminum Group	Back-up service and other business	4,858	6.75
Subsidiaries of China Aluminum Group	Provide engineering construction services	4,406	0.05
Associates of China Aluminum Group	Provide equipment manufacturing and sales	1,703	0.14
Joint ventures of China Aluminum Group	Provide engineering design services	844	0.08

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(2) Leases

① As the lessor

Name of lessee	Name of lessor	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
China Aluminum International (Tianjin) Construction Co., Ltd.	China Aluminum Shared Services (Tianjin) Co., Ltd.	Buildings	2,066	–
China Aluminium GREAT Wall Construction Company Limited	Chalco Mining Co., Ltd.	Land	846	423
Jiuye Construction Co., Ltd.	Baotou Aluminium (GROUP) Co., Ltd.	Buildings	547	860
China Aluminum International Southern Engineering Co., Ltd.	China Aluminum Environmental Protection and Energy Conservation Technology (Hunan) Co., Ltd.	Buildings	320	–
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	Chinalco Tendering Co., Ltd.	Buildings	210	210

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(2) Leases (Continued)

② As the lessee

Name of lessor	Name of lessee	Type of assets leased	Lease expenses recognized in the current period	Lease expenses recognized in the previous period
Yunnan Metallurgical Group Co., Ltd.	Kunming Engineering & Research Institute of Non-ferrous Metallurgy Co., Ltd.	Buildings	4,615	4,719
Hunan Changkan Trade and Commercial Development Co., Ltd.	China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	Buildings	–	433
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd	China Nonferrous Metals Processing Technology Co., Ltd.	Buildings	–	1,461
Shandong Aluminum Industry Co., Ltd.	China Aluminum Shandong Engineering Technology Corporation Limited	Buildings	1,327	360
Shandong Aluminum Industry Co., Ltd.	China Aluminum Wancheng Shandong Construction Co., LTD	Buildings	619	613
Zhengzhou Chinalco Construction and Development Co., Ltd.	China Sixth Metallurgical Construction Co., Ltd.	Buildings	138	–

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.5 Transactions with related parties (Continued)

(3) Guarantee

① As the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Yunnan Ningyong Expressway Co., Ltd.	3,658,090	31 Oct 2019	29 Jan 2052	No
Yunnan Linyun Expressway Co.,Ltd.	2,758,842	31 Oct 2019	31 Dec 2048	No
Yunnan Linshuang Expressway Co., Ltd.	1,897,874	4 Nov 2020	31 Dec 2046	No
Mian Country Urban Rural Infrastructure Construction Co., Ltd.	7,516	20 Oct 2015	19 Oct 2027	No

(4) Funding from related party

Related party	Amount of funding/ deposit	Inception date	Maturity date	Interest rate	Interest expense/ interest income	Remarks
Funds received:						
Chalco Finance Company Limited	3,890,200	29 Jul 2022 to 27 Sep 2024	28 Jul 2025 to 22 Apr 2027	2.05%-3.15%	63,988	Credit loan
Provide deposit service:						
Chalco Finance Company Limited	806,690	–	–	0.325%-0.7%	3,906	Deposits at banks

(5) Remuneration of key management personnel

The Company has 11 key management personnel as of 30 June 2025, compared with 15 in the previous period. Details about remuneration is as follows:

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Remuneration of key management personnel	**2,468**	3,546

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.6 Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	As at 30 June 2025 (Unaudited) Gross carrying amount	As at 30 June 2025 (Unaudited) Impairment of credit losses	As at 31 December 2024 Gross carrying amount	As at 31 December 2024 Impairment of credit losses
Accounts receivable	Subsidiaries of China Aluminum Group	**1,927,126**	**211,023**	1,662,781	208,045
Accounts receivable	Joint ventures of China Aluminum Group	**86,407**	**1,998**	93,837	2,882
Accounts receivable	Associates of China Aluminum Group	**45,724**	**1,947**	25,096	3,557
Accounts receivable	Associates of the Company	**1,553,752**	**154,444**	1,449,312	62,105
Accounts receivable	Joint ventures of the Company	**255**	**1**	255	1
Other receivables	Subsidiaries of China Aluminum Group	**68,930**	**17,855**	85,458	17,570
Other receivables	Joint ventures of China Aluminum Group	**1,503**	**166**	1,007	255
Other receivables	Associates of China Aluminum Group	**21,845**	**5,921**	21,183	5,917
Other receivables	Associates of the Company	**59,808**	**1,931**	27,575	1,461
Other receivables	Joint ventures of the Company	**102**	**1**	8	–
Prepayments	Subsidiaries of China Aluminum Group	**7,112**	**–**	11,029	–
Prepayments	Joint ventures of the Company	**480**	**–**	480	–

(2) Payables to related parties

Item	Related party	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Accounts payable	Subsidiaries of China Aluminum Group	**247,776**	79,926
Accounts payable	Joint ventures of China Aluminum Group	**8,371**	29,225
Accounts payable	Associates of China Aluminum Group	**429**	646
Other payables	Subsidiaries of China Aluminum Group	**28,845**	33,116
Other payables	Joint ventures of China Aluminum Group	**81**	81
Other payables	Associates of China Aluminum Group	**1**	235
Other payables	Associates of the Company	**1,670**	1,483

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

10.7 Contract assets and contract liabilities of related parties (Continued)

(1) Contract assets

Related party	As at 30 June 2025 (Unaudited) Gross carrying amount	Impairment of credit losses	As at 31 December 2024 Gross carrying amount	Impairment of credit losses
Joint ventures of China Aluminum Group	**9,344**	**60**	17,144	321
Associates of China Aluminum Group	**4,750**	**1,731**	4,750	1,731
Associates of the Company	**1,627,788**	**91,952**	1,167,409	89,321
Subsidiaries of China Aluminum Group	**535,577**	**66,569**	666,671	79,988

(2) Contract liabilities

Related party	As at 30 June 2025 (Unaudited)	As at 31 December 2024
Subsidiaries of China Aluminum Group	**966,175**	953,931
Joint ventures of China Aluminum Group	**99,467**	115,723
Associates of the Company	**7,754**	7,368
Associates of China Aluminum Group	**695**	1,605
Joint ventures of the Company	**400**	–

11. SHARE-BASED PAYMENT

11.1 Overview of Share-based Payment

Categories of Grantees	Grants during the period		Exercises during the period		Vesting during the period		Lapses during the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management Personnel	2,000	4,560	–	–	–	–	–	–
Total	2,000	4,560	–	–	–	–	–	–

Restricted Share Incentive Plan

At the 21st meeting of the 4th Board of Directors and the 17th meeting of the 4th Supervisory Committee held on June 18, 2024, the Company reviewed and approved the Proposal on the Initial Grant of Restricted Shares to Grantees under the 2023 Restricted Share Incentive Plan (the "Incentive Plan"). The Company determined June 18, 2024 as the initial grant date and granted 27,158,300 restricted shares at a grant price of RMB2.37 per share to 240 grantees who met the grant conditions.

During the process of completing the payment and capital verification after the initial grant date, 1 grantee voluntarily forfeited a portion of the restricted shares granted, and 3 grantees no longer met the grant conditions due to job adjustments and were therefore excluded from the grant. As a result, the actual number of grantees was 237, and the actual number of restricted shares granted was 26,769,600. Except for the above adjustments, the actual grant under the Incentive Plan is consistent with the restricted share grant approved at the 21st meeting of the 4th Board of Directors held on June 18, 2024.

On July 26, 2024, the Company completed the registration of the initial grant of restricted shares under the 2023 Incentive Plan with the China Securities Depository and Clearing Corporation Limited Shanghai Branch. The Company granted 26,769,600 restricted shares in this initial grant, representing 93.05% of the total restricted shares granted and 0.90% of the Company's total share capital before the grant. Additionally, 2,000,000 restricted shares were reserved for future grants, representing 6.95% of the total restricted shares granted and 0.07% of the Company's total share capital before the grant.

11. SHARE-BASED PAYMENT (Continued)

11.1 Overview of Share-based Payment (Continued)

Restricted Share Incentive Plan (Continued)

At the 28th meeting of the 4th Board of Directors and the 22nd meeting of the 4th Supervisory Committee held on May 26, 2025, the Company reviewed and approved the Proposal on the Reserved Grant of Restricted Shares to Grantees under the 2023 Restricted Share Incentive Plan. The Board is pleased to announce that the grant conditions set out in the 2023 Restricted Share Incentive Scheme have been fulfilled and a grant of a total of 2,000,000 Reserved Restricted Shares has been determined to be granted to 21 Participants who meet the grant conditions on 26 May 2025, the reserved grant date, at a price of RMB2.28 per A Share.

The Company completed the registration of the reserved grant of part of Restricted Shares under the 2023 Restricted Share Incentive Scheme of the Company with the Shanghai Branch of the CSDCC on 13 June 2025. There are 2,000,000 Restricted Shares under the reserved grant of the Company, representing 6.95% of the total of Restricted Shares granted and 0.07% of the total share capital of the Company before the grant.

There are a total of 21 Participants under the Incentive Plan who are the management personnel and core technical (business) backbone employed by the Company (including its branches and subsidiaries) at the time of the plan announcement. The grantees exclude senior executives of central enterprises managed by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, as well as the Company’s independent directors, external directors, supervisors, and shareholders (or their spouses, parents, and children) who individually or collectively hold 5% or more of the Company’s shares or are actual controllers.

11. SHARE-BASED PAYMENT (Continued)

11.1 Overview of Share-based Payment (Continued)

Restricted Share Incentive Plan (Continued)

Subject to the achievement of relevant performance targets, the unlocking schedule arrangements of the Restricted Shares under the reserved grant of the 2023 Restricted Share Incentive Scheme are set out below:

Unlocking arrangement	Unlocking schedule	Proportion of the Restricted Shares to be unlocked of total number of the Restricted Shares granted
First Unlocking Period of the reserved grant	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration of the grant to the last trading day upon the expiry of 36 months from the date of completion of registration of the grant	40%
Second Unlocking Period of the reserved grant	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration of the grant to the last trading day upon the expiry of 48 months from the date of completion of registration of the grant	30%
Third Unlocking Period of the reserved grant	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration of the grant to the last trading day upon the expiry of 60 months from the date of completion of registration of the grant	30%

The Board of Supervisors agrees that the reserved grant date of the Restricted Shares is May 26, 2025, and that 2,000,000 Reserved Restricted Shares will be granted to 21 Participants who meet the grant conditions at a price of RMB2.28 per A Share.

11. SHARE-BASED PAYMENT (Continued)

11.2 Equity-settled Share-based Payments

Method for Determining the Fair Value of Equity Instruments on the Grant Date	The pricing reference date for the grant price of the initial restricted share grant is the announcement date of the draft 2023 Restricted Share Incentive Plan.
Key Inputs for Determining the Fair Value of Equity Instruments on the Grant Date	The grant price shall not be lower than the par value of the shares and shall not be lower than the higher of the following: ① 50% of the average trading price of the Company's shares on the 1 trading day prior to the announcement date of the plan, which is RMB2.21 per share; ② 50% of the average trading price of the Company's shares over the 20 trading days prior to the announcement date of the plan, which is RMB2.28 per share.
Basis for Determining the Number of Vested Equity Instruments	Determined based on the performance conditions and estimated attrition rate for each release period.
Reasons for significant differences between current and prior period estimates	Inapplicable
Cumulative amount of equity-settled share-based payments recognized in capital surplus	19,928

11.3 Share-based payment expense for the period

Categories of Grantees	Equity-settled share-based payment transactions	Cash-settled share-based payment transactions
Management Personnel	9,531	–
Total	9,531	–

12. COMMITMENTS AND CONTINGENCIES

12.1 Significant commitments

The Company and Yunnan Transportation Investment Construction Group Co., Ltd. ("Yunnan Transportation Investment") jointly formed a non-government equity investor to work together with the local governments to invest in and establish three project companies, namely Yunnan Ningyong Expressway Co., Ltd. ("Ningyong Expressway"), Yunnan Linyun Expressway Co., Ltd. ("Linyun Expressway") and Yunnan Linshuang Expressway Co., Ltd. ("Linshuang Expressway"), for the construction and operation of the said expressways under PPP mode. The shareholding of the Company, Yunnan Transportation Investment and the investment vehicle designated by the local governments in the three PPP project companies was 30%, 40% and 30% respectively.

The capital structure of each project company is as follow:

The investment vehicle designated by local government contributed 30% of total project investment (of which RMB30 million is the registered capital and the rest is capital reserve). The Company and Yunnan Transportation Investment respectively contributed RMB30 million and RMB40 million as paid-in registered capital.

Meanwhile, the Company and Yunnan Transportation Investment provide credit enhancement for the difference between the total investment and the capital contribution in proportion to their relative shareholding (3:4), and are liable for the financing for the operation period on a 42.86%:57.14% basis. Each shareholder is liable for the financing for the operation period of the project company according to their shareholding proportion.

According to the relevant agreements, the Company is required to provide credit enhancement up to RMB4.559 billion, RMB3.19 billion and RMB2.086 billion (up to RMB9.835 billion in total) for investment loans granted to Ningyong Expressway, Linyun Expressway and Linshuang Expressway respectively, and issue a letter of undertaking for deficiency. The letter of undertaking for deficiency should be signed up to the above amounts respectively after negotiation with relevant creditors.

As of balance sheet date, the Company has actually issued the letter of undertaking and provided credit enhancement as follows:

The amount of guarantee provided by the Company to Ningyong Expressway is RMB3.658 billion.

The amount of guarantee provided by the Company to Linyun Expressway is RMB2.759 billion.

The amount of guarantee provided by the Company to Linshuang Expressway is RMB1.898 billion.

12. COMMITMENTS AND CONTINGENCIES

12.2 Contingencies

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact

① The Company as the plaintiff

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
China Sixth Metallurgical Construction Co., Ltd.	Egyptian Celluloid Industries Group Ltd.	Construction project contract disputes	20,547.30	The case is currently under arbitration.
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Xiangcheng State Owned Investment Resources Development and Investment Management Co., Ltd.	Construction project contract disputes	12,484.16	The case is currently in the first instance.
Jiuye Construction Co., Ltd.	Zhengzhou Erqi District Housing and Urban-Rural Development Bureau	Construction project contract disputes	10,771.30	The case is currently in the first instance.
CINF Engineering Co., Ltd.	Guizhou Manganese Industry Group Co., Ltd., Southwest Energy Mining Group Co., Ltd.	Construction project contract disputes	10,540.22	The case is currently in the second instance.
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	Panjin Hetai real Estate Development Co., Ltd.	Construction project contract disputes	7,710.49	The case is currently in the second instance.
China Sixth Metallurgical Construction Co., Ltd.	Guizhou Hongcai Investment Group Co., Ltd., Guizhou Hongcai Real Estate Co., Ltd., Guizhou Hongcai Real Estate Development Co., Ltd.	Construction project contract disputes	7,361.68	The case is currently in the first instance.

12. COMMITMENTS AND CONTINGENCIES (Continued)

12.2 Contingencies (Continued)

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)

① The Company as the plaintiff (Continued)

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Luohe Shengxu Real Estate Development Co., Ltd., Henan Ronghe Real Estate Development Co., Ltd.	Construction project contract disputes	6,474.67	The case is currently in the first instance.
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Guiyang Yuncheng Real Estate Co., Ltd.	Construction project contract disputes	5,887.03	The case is currently under arbitration.

12. COMMITMENTS AND CONTINGENCIES (Continued)

12.2 Contingencies (Continued)

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)

② The Company as the defendant

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
Xincai County Development Investment Co., Ltd.	Zhengzhou Zhonglv Construction and Development Co., Ltd., China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,854.00	The case is currently pending.
Nuclear Industry East China Construction Engineering Group Co., Ltd.	China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,599.91	The case is currently pending.
Zhao Hongxiong, Zhu Wenli, and Lu Zhenyu	Hainan Captain Real Estate Development Co., Ltd., China Aluminium GREAT Wall Construction Company Limited, Hainan Weide Investment Co., Ltd., Li Liming	Construction project contract disputes	9,342.18	The case is currently pending.
Wenzhou Haibin New Rural Construction Investment Co., Ltd.	China Aluminum International Engineering Corporation Limited, China Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	8,749.23	The case is currently in the first instance.

12. COMMITMENTS AND CONTINGENCIES (Continued)

12.2 Contingencies (Continued)

(2) Effects

As at 30 June 2025, the Company provided guarantees for the following loans:

Name of the guaranteed entity	Guarantee	Amount	Period	Remarks
Yunnan Ningyong Expressway Co., Ltd.	Loan guarantee	3,658,090	29 Jan 2052	–
Yunnan Linyun Expressway Co., Ltd.	Loan guarantee	2,758,842	31 Dec 2048	–
Yunnan Linshuang Expressway Co., Ltd.	Loan guarantee	1,897,874	31 Dec 2046	–
Mian County Urban Rural Infrastructure Construction Co., Ltd.	Loan guarantee	7,516	19 Oct 2027	–
Total	–	8,322,322	–	–

13. POST BALANCE SHEET DATE EVENTS

The Company issued RMB2 billion of the 2025 First Medium Term Notes in the national interbank bond market on August 4, 2025, with a maturity of 3+N and an interest rate of 2.25%.

As at 28 August 2025 (the date on which the report is approved by the Board of Directors), the Company has no other events after the balance sheet date to be disclosed.

14. OTHER SIGNIFICANT MATTERS

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

(1) The construction services for EPC projects segment focuses on engineering survey, metallurgical industry, municipal utilities and steel structures;

(2) The Design services segment focuses on mining, mineral processing and engineering design for the energy, chemical and environmental protection industries;

(3) The Equipment Manufacturing segment focuses on customized core metallurgical and processing equipment, environmental protection equipment, mechanical and electronic equipment, industrial automation systems and mine safety monitoring and emergency response intelligent systems.

14.1 Segment reporting

	For the six months ended 30 June 2025 (Unaudited)			
Item	EPC project general contracting and construction	Design consulting	Equipment manufacturing	Total
Operating revenue	7,349,618	600,070	1,748,662	9,698,350
Operating cost	6,748,146	396,898	1,502,149	8,647,193
Impairment losses on assets	–28,855	–	1,727	–27,128
Impairment of credit losses	118,898	333	–1,046	118,185
Operating profits/(losses)	–53,267	198,093	86,746	231,572
Profit/(losses) before income tax	–47,489	198,081	84,725	235,317
Income tax expenses	35,933	–307	25,351	60,977
Net profit/(losses)	–83,422	198,388	59,374	174,340
Total assets	34,253,410	64,889	6,107,513	40,425,812
Total liabilities	27,947,966	17,675	3,520,617	31,486,258
Depreciation expense	57,226	300	36,850	94,376
Amortization expense	10,477	18	17,231	27,726

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

15.1 Accounts receivable

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

Aging	30 June 2025 (Unaudited) Gross Carrying amount	30 June 2025 (Unaudited) Impairment of credit losses	31 December 2024 Gross Carrying amount	31 December 2024 Impairment of credit losses
Within 1 year	**472,536**	**4,750**	674,228	7,679
1 to 2 years	**235,083**	**37,024**	281,812	41,697
2 to 3 years	**204,457**	**38,107**	151,608	27,538
More than 3 years	**735,105**	**422,352**	735,539	419,314
Total	**1,647,181**	**502,233**	1,843,187	496,228

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

	30 June 2025 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	758,031	46.02	420,216	55.44	337,815
Impairment of credit losses on group basis	889,150	53.98	82,017	9.22	807,133
Including:					
Aging group	494,854	30.04	82,017	16.57	412,837
Accounts receivable from subsidiaries	394,296	23.94	–	–	394,296
Total	1,647,181	100.00	502,233	30.49	1,144,948

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

15.1 Accounts receivable (Continued)

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

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	762,441	41.37	422,274	55.38	340,167
Impairment of credit losses on group basis	1,080,746	58.63	73,954	6.84	1,006,792
Including:					
Aging group	698,591	37.90	73,954	10.59	624,637
Accounts receivable from subsidiaries	382,155	20.73	–	–	382,155
Total	1,843,187	100.00	496,228	26.92	1,346,959

Impairment of credit losses on an individual basis:

	30 June 2025 (Unaudited)			
Name	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 1	485,921	291,553	60.00	Note
Company 2	143,862	28,254	19.64	Note
Company 3	80,159	52,320	65.27	Note
Company 4	33,047	33,047	100.00	Note
Company 5	15,042	15,042	100.00	Note
Total	758,031	420,216	55.44	–

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

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

15.1 Accounts receivable (Continued)

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

Impairment of credit losses on group basis

Item: Aging group

	30 June 2025 (Unaudited)			31 December 2024		
	Gross carrying amount		Impairment	Gross carrying amount		Impairment
Aging	Amount	Percentage (%)	of credit losses	Amount	Percentage (%)	of credit losses
Within 1 year	311,705	62.99	1,562	503,895	72.13	25,195
1 to 2 years	46,117	9.32	4,612	111,544	15.97	11,154
2 to 3 years	70,235	14.19	14,047	10,118	1.45	2,024
More than 3 years	66,797	13.50	61,796	73,034	10.45	35,581
Total	494,854	100.00	82,017	698,591	100.00	73,954

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

		Movement				
Item	1 January 2025	Accrued	Recover/reverse (Decrease)	Written off (Decrease)	Others	30 June 2025 (Unaudited)
Individual basis	422,273	–	2,057	–	–	420,216
Group:	73,955	8,062	–	–	–	82,017
Portfolio of credit risk characteristics	73,955	8,062	–	–	–	82,017
Total	496,228	8,062	2,057	–	–	502,233

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

15.1 Accounts receivable (Continued)

(4) As at 30 June 2025, accounts receivable from the five largest customers are listed as follows:

Entity	Carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 1	530,509	32.21	291,776
Company 6	220,351	13.38	1,102
Company 7	200,270	12.16	–
Company 2	143,862	8.73	28,255
Company 8	116,883	7.10	18,220
Total	1,211,875	73.58	339,353

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

15.2 Other receivables

Item	30 June 2025 (Unaudited)	31 December 2024
Interests receivable	**356,888**	356,888
Dividends receivable	**591,483**	502,313
Other receivables	**6,076,732**	6,419,660
Less: Impairment of credit losses	**32,865**	32,701
Total	**6,992,238**	7,246,160

(1) Interests receivable

Item	30 June 2025 (Unaudited)	31 December 2024
Entrusted loans	**356,888**	356,888
Less: Impairment of credit losses	**–**	–
Total	**356,888**	356,888

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

15.2 Other receivables (Continued)

(2) Dividends receivable

Investee	30 June 2025 (Unaudited)	31 December 2024	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable within 1 year	**183,080**	88,386	–	–
Including:				
(1) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	**5,524**	–	Not paid yet	No
(2) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	**39,858**	22,660	Not paid yet	No
(3) CINF Engineering Co., Ltd.	**79,114**	30,014	Not paid yet	No
(4) Kunming Prospecting Design Institute Of China Non-ferrous Metals Industry Co., Ltd	**29,279**	–	Not paid yet	No
(5) Chinalco Southwest Construction Investment Co., Ltd.	**–**	19,712	Not paid yet	No
(6) Wenzhou Tonghui Construction Co., Ltd.	**16,000**	16,000	Not paid yet	No
(7) China Nonferrous Metals Processing Technology Co., Ltd.	**13,305**	–	Not paid yet	No

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

15.2 Other receivables (Continued)

(2) Dividends receivable (Continued)

Investee	30 June 2025 (Unaudited)	31 December 2024	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable more than 1 year	**408,403**	413,927	–	–
Including:				
(1) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	**10,375**	15,899	Not paid yet	No
(2) Jiuye Construction Co., Ltd.	**144,168**	144,168	Not paid yet	No
(3) Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	**38,990**	38,990	Not paid yet	No
(4) China Sixth Metallurgical Construction Co., Ltd.	**169,870**	169,870	Not paid yet	No
(5) China Aluminum International Technology Development Corporation Limited	**45,000**	45,000	Not paid yet	No
Subtotal	**591,483**	502,313	–	–
Less: Impairment of credit losses	**–**	–	–	–
Total	**591,483**	502,313	–	–

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

15.2 Other receivables (Continued)

(3) Other receivables

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

Aging	30 June 2025 (Unaudited)	Impairment of credit losses	31 December 2024	Impairment of credit losses
Within 1 year	5,812,812	22,574	6,157,814	22,553
1 to 2 years	62,258	464	60,152	301
2 to 3 years	86,154	2,556	86,125	2,557
More than 3 years	115,508	7,271	115,569	7,290
Total	6,076,732	32,865	6,419,660	32,701

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② Other receivables and impairment of credit losses by category are listed as follows:

Classified by impairment of credit losses method:

	30 June 2025 (Unaudited)				
	Gross carrying amount		Impairment of credit losses		
Type	**Amount**	**Percentage (%)**	**Amount**	**Expected credit loss rate (%)**	**Carrying amount**
Impairment of credit losses on an individual basis	**90,223**	**1.48**	**22,556**	**25.00**	**67,667**
Impairment of credit losses on group basis	**5,986,509**	**98.52**	**10,309**	**0.17**	**5,976,200**
Including:					
Aging group	**36,149**	**0.59**	**10,309**	**28.52**	**25,840**
Accounts receivable from subsidiaries	**5,950,360**	**97.93**	**–**	**–**	**5,950,360**
Total	**6,076,732**	**100.00**	**32,865**	**0.54**	**6,043,867**

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	90,223	1.41	22,556	25.00	67,667
Impairment of credit losses on group basis	6,329,437	98.59	10,145	0.16	6,319,292
Including:					
Aging group	30,308	0.47	10,145	33.47	20,163
Accounts receivable from subsidiaries	6,299,129	98.12	–	–	6,299,129
Total	6,419,660	100.00	32,701	0.51	6,386,959

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② Other receivables and impairment of credit losses by category are listed as follows: (Continued)

Impairment of credit losses on group basis:

Grouped items: Aging group

	30 June 2025 (Unaudited)			31 December 2024		
Aging	Gross carrying amount	Percentage (%)	Impairment of credit losses	Gross carrying amount	Percentage (%)	Impairment of credit losses
Within 1 year	9,838	27.22	48	5,559	18.34	28
1 to 2 years	4,375	12.10	438	2,747	9.06	275
2 to 3 years	12,758	35.29	2,552	12,763	42.12	2,552
More than 3 years	9,178	25.39	7,271	9,239	30.48	7,290
Total	36,149	100.00	10,309	30,308	100.00	10,145

Grouped items: Other receivables from subsidiaries

	30 June 2025 (Unaudited)		31 December 2024	
Item	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Accounts receivable from subsidiaries	5,950,360	–	6,299,129	–
Total	5,950,360	–	6,299,129	–

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses

Impairment of credit losses in the first stage as at 30 June 2025

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	5,722,713	–	48	5,722,665
Aging group	9,838	0.50	48	9,790
Accounts receivable from subsidiaries	5,712,875	–	–	5,712,875
Total	5,722,713	–	48	5,722,665

Impairment of credit losses in the second stage as at 30 June 2025

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	148,288	2.02	2,990	145,298
Aging group	17,133	17.45	2,990	14,143
Accounts receivable from subsidiaries	131,155	–	–	131,155
Total	148,288	2.02	2,990	145,298

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 30 June 2025

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,223	25.00	22,556	67,667
Impairment of credit losses on group basis	115,508	6.29	7,271	108,237
Aging group	9,178	79.22	7,271	1,907
Accounts receivable from subsidiaries	106,330	–	–	106,330
Total	205,731	14.50	29,827	175,904

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	6,067,715	–	28	6,067,687
Aging group	5,559	0.50	28	5,531
Accounts receivable from subsidiaries	6,062,156	–	–	6,062,156
Total	6,067,715	–	28	6,067,687

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	146,153	1.93	2,827	143,326
Aging group	15,510	18.23	2,827	12,683
Accounts receivable from subsidiaries	130,643	–	–	130,643
Total	146,153	1.93	2,827	143,326

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,223	25.00	22,556	67,667
Impairment of credit losses on group basis	115,569	6.31	7,290	108,279
Aging group	9,239	78.90	7,290	1,949
Accounts receivable from subsidiaries	106,330	–	–	106,330
Total	205,792	14.50	29,846	175,946

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

④ Movements in the impairment of credit losses of other receivables are listed as follows:

Impairment of credit losses	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at January 1, 2025	28	2,827	29,846	32,701
Balance as at January 1, 2025 in the current period	–802	–2,437	3,239	–
– Transfer to Stage II	–802	802	–	–
– Transfer to Stage III	–	–3,239	3,239	–
Additions	822	2,600	–3,258	164
Balance as at 30 June 2025 (Unaudited)	48	2,990	29,827	32,865

⑤ As at 30 June 2025, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Balance of impairment of credit losses
Company 1	Financing provided to Party A and its related parties	8,475	2 to 3 years	0.14	1,695
Company 2	Advance	3,000	More than 5 years	0.05	3,000
Company 3	Equity transfer payment	2,421	More than 5 years	0.04	2,421
Company 4	Retention funds or deposits	2,000	3 to 4 years	0.03	600
Company 5	Others	1,628	1 to 2 years	0.03	163
Total	–	17,524	–	0.29	7,879

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

15.3 Long-term equity investments

Item	1 January 2025	Additions for the period	Reductions for the period	30 June 2025 (Unaudited)
Investment in subsidiaries	9,105,939	8,050	50,000	9,063,989
Investment in joint ventures	8,778	–	36	8,742
Investment in associates	249,474	12,730	–	262,204
Subtotal	9,364,191	20,780	50,036	9,334,935
Less: Impairment provision	387,947	–	–	387,947
Total	8,976,244	20,780	50,036	8,946,988

(1) Investment in subsidiaries

Investee	1 January 2025	Additions for the period	Reductions for the period	30 June 2025 (Unaudited)	Impairment provision in the current period	Impairment provision Closing balance
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	652,710	878	–	653,588	–	–
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	353,332	850	–	354,182	–	–
CINF Engineering Co., Ltd.	578,590	1,465	–	580,055	–	–
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	2,106,931	1,048	–	2,107,979	–	–
Chalieco Trading Co., Ltd.	200,000	–	–	200,000	–	200,000
China Aluminum International (Tianjin) Construction Co., Ltd.	590,887	–	–	590,887	–	–
China Sixth Metallurgical Construction Co., Ltd.	1,203,990	935	–	1,204,925	–	–
China Nonferrous Metals Processing Technology Co., Ltd.	721,411	870	–	722,281	–	–
China Aluminum International Technology Development Corporation Limited	60,000	–	–	60,000	–	–
Wenzhou Tongrun Construction Co., Ltd.	600	–	–	600	–	–
Wenzhou Tonghui Construction Co., Ltd.	27,000	–	–	27,000	–	–

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

15.3 Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	1 January 2025	Additions for the period	Reductions for the period	30 June 2025 (Unaudited)	Impairment provision in the current period	Impairment provision Closing balance
China Aluminum International Investment Management (Shanghai) Co., Ltd.	505,739	–	–	505,739	–	–
Chalieco Hong Kong Corporation Limited	65,572	–	–	65,572	–	–
China Aluminum International Engineering (India) Private Limited	5,942	–	–	5,942	–	–
Guangxi Tongrui Investment Construction Co., Ltd.	50,000	–	50,000	–	–	–
Jiuye Construction Co., Ltd.	623,529	327	–	623,856	–	–
China Aluminum International Aluminum Application Engineering Co., Ltd.	144,500	–	–	144,500	–	–
Qingdao Xinfu Gongchuang Asset Management Co., Ltd.	9,000	–	–	9,000	–	–
China Aluminum Shandong Engineering Technology Corporation Limited	488,118	171	–	488,289	–	187,947
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	364,504	960	–	365,464	–	–
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	140,296	295	–	140,591	–	–
Chinalco Southwest Construction Investment Co., Ltd.	213,217	179	–	213,396	–	–
SOCIETE CHALIECO GUINEA COMPANY-SARLU	71	–	–	71	–	–
China Aluminum International Guinea Development Co., Ltd.	–	72	–	72	–	–
Total	9,105,939	8,050	50,000	9,063,989	–	387,947

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

15.3 Long-term equity investments (Continued)

(2) Investment in joint ventures & associates

Investee	Investment cost	1 January 2025	Movements during the six months ended 30 June 2025: Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others	30 June 2025 (Unaudited)	Impairment provision Closing balance
(1) Joint venture	40,000	8,778	–	–	–36	–	–	–	–	–	8,742	–
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,778	–	–	–36	–	–	–	–	–	8,742	–
(2) Associates	230,836	249,474	–	–	12,730	–	–	–	–	–	262,204	–
Chinalco Shituo Intelligent Technology Co., Ltd.	9,000	–	–	–	–	–	–	–	–	–	–	–
Yunnan Ningyong Expressway Co., Ltd.	15,000	12,279	–	–	–7,250	–	–	–	–	–	5,029	–
Yunnan Linyun Expressway Co., Ltd.	15,000	24,029	–	–	–5,000	–	–	–	–	–	19,029	–
Chinalco Tendering Co., Ltd.	5,000	23,175	–	–	24,113	–	–	–	–	–	47,288	–
Yunnan Linshuang Expressway Co., Ltd.	15,000	14,896	–	–	–	–	–	–	–	–	14,896	–
Zhuzhou Tianqiao Crane Co., Ltd.	171,836	175,095	–	–	867	–	–	–	–	–	175,962	–
Total	270,836	258,252	–	–	12,694	–	–	–	–	–	270,946	–

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

15.4 Operating revenue and operating costs

Major segments	For the six months ended 30 June 2025 (Unaudited) Revenue	Costs	For the six months ended 30 June 2024 (Unaudited) Revenue	Costs
Principal activities:				
EPC project general contracting and construction	**360,267**	**322,580**	611,735	586,433
Design consulting	**69,434**	**52,616**	123,782	74,430
Subtotal	**429,701**	**375,196**	735,517	660,863
Other operating activities:				
Lease	**–**	**–**	408	–
Others	**13,747**	**1,090**	11,391	1,633
Subtotal	**13,747**	**1,090**	11,799	1,633
Total	**443,448**	**376,286**	747,316	662,496

15.5 Investment income

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Gain on long-term equity investment accounted for under the cost method	**95,576**	4,500
Gain on long-term equity investment accounted for under the equity method	**12,694**	4,557
Gain on disposal of long-term equity investment	**24,161**	–
Interest on Perpetual Bonds	**55,176**	58,004
Others	**38,616**	25,386
Total	**226,223**	92,447

16. SUPPLEMENTARY INFORMATION

16.1 Breakdown of non-recurring profit and loss for the period

Item	For the six months ended 30 June 2025 (Unaudited)	Remarks
Gain or loss on disposal of non-current assets	**28,468**	–
Government subsidies recorded in current P&L (except government subsidies closely rated to business operations granted continuously in a fixed amount or quota according to the unified national standards)	**4,476**	–
Financing fee from non-financial enterprises recorded in profit or loss	**2,395**	–
Reversal of impairment of credit losses for receivables and contract assets tested for impairment on an individual basis	**31,870**	–
Gains or losses on debt restructuring	**568**	–
Other non-operating income and expenses other than above items	**3,745**	–
Total non-recurring profit and loss	**71,522**	–
Less: The impact of income tax	**16,474**	–
Net non-recurring profit and loss	**55,048**	–
Less: The impact on non-controlling interests	**8,385**	–
Non-recurring profit and loss attributable to ordinary shareholders of the company	**46,663**	–

16.2 Net asset yield and earnings per share

Profit for the reporting period	Weighted average net assets yield (%)	Earnings per share Basic	Earnings per share Diluted
Net profit attributable to ordinary shareholders	0.96	0.0090	0.0090
Net profit attributable to ordinary shareholders net of non-recurring gain or loss	–0.70	–0.0066	–0.0066

China Aluminum International Engineering Corporation Limited
28 August 2025