Chuangxin Industries Holdings Limited
創新實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 02788)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND CHANGE IN USE OF UNUTILISED NET PROCEEDS OF THE GLOBAL OFFERING

The board (the "**Board**") of directors (the "**Director(s)**") of Chuangxin Industries Holdings Limited (the "**Company**" or "**we**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**") together with the comparative figures for the same period in 2025 as follows:

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2026 was approximately RMB11,533.0 million, representing an increase of approximately 32.4% from approximately RMB8,709.2 million for the same period last year.

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

- Earnings per share for the six months ended June 30, 2026 were approximately RMB1.11, representing an increase of approximately 91.4% from approximately RMB0.58 for the same period last year.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2026

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

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

	Notes	**June 30, 2026** *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Non-current liabilities			
Deferred tax liabilities		**105,292**	93,436
Bank and other borrowings	*14*	**6,409,291**	2,975,530
Lease liabilities		**136,282**	143,941
Deferred income		**114,304**	105,472
		6,765,169	3,318,379
Net assets		**10,572,283**	10,173,271
Capital and reserves			
Share capital	*15*	**74**	74
Reserves		**10,572,209**	9,623,002
Equity attributable to owners of the Company		**10,572,283**	9,623,076
Non-controlling interests		**–**	550,195
Total equity		**10,572,283**	10,173,271

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2026

1. BASIS OF PREPARATION

A. General Information

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

B. Going Concern Assessment

The management of the Company and its subsidiaries (the "**Group**") have given careful consideration to the going concern of the Group in light of the fact that as at June 30, 2026, the Group's current liabilities exceeded its current assets by renminbi ("**RMB**") 5,368,129,000. In addition, as at June 30, 2026, the Group had capital commitments contracted for but not provided in the condensed consolidated financial statements amounting to RMB651,918,000.

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

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

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

2. ACCOUNTING POLICIES

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

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

Internally-generated intangible assets – exploration and evaluation assets

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

Exploration and evaluation assets comprise costs directly attributable to:

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

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

Intangible assets – exploration rights

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

Application of amendments to IFRS Accounting Standards

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

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

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

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged in the following two principal activities:

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

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

Disaggregation of revenue from contracts with customers

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

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

3B. OPERATING SEGMENTS

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

Six months ended June 30, 2026

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

Six months ended June 30, 2025

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

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

Segment assets

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

Segment liabilities

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

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

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

- all liabilities are allocated to reportable and operating segments other than certain bank borrowings, lease liabilities, other payables and deferred tax liabilities incurred by the headquarter.

4A. OTHER INCOME

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

4B. OTHER GAINS AND LOSSES

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

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

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

6. INCOME TAX EXPENSES

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

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

In 2023, Inner Mongolia Chuangyuan Metal Co., Ltd * (內蒙古創源金屬有限公司) ("**Inner Mongolia Chuangyuan"**) has been certified as "High Technology Enterprise" for three years, qualifying it for a preferential tax rate of 15% from 2023 to 2025, subject to fulfilment of relevant qualification criteria. During the current interim period, Inner Mongolia Chuangyuan applied the standard tax rate of 25%.

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

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

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

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

7. ACQUISITION OF SUBSIDIARIES

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

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

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

Assets and liabilities recognised at the date of acquisition

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

Net cash outflows arising on acquisition of Tongliao Smart Mining

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

(b) Acquisition of non-controlling interest of Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源新材料科技有限公司) ("**Shandong Chuangyuan**")

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

(c) Acquisition of Shandong Chuangtai New Materials Technology Co., Ltd. * (山東創泰新材料科技有限公司) ("**Chuangtai New Materials**")

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

Assets acquired and liabilities assumed at the date of acquisition

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

Net cash inflows arising on acquisition of Chuangtai New Materials

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

Impact of acquisition on the results of the Group

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

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

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

8. DIVIDENDS

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

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

9. EARNINGS PER SHARE

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

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

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

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

10. TRADE RECEIVABLES

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

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

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

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

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

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

11. RECEIVABLES AT FVTOCI

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

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

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

11A. Transfers of Financial Assets

11A.1 Transferred financial assets that are not derecognised in their entirety

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

At June 30, 2026

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

At December 31, 2025

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

11A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

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

12. PREPAYMENTS AND OTHER RECEIVABLES

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

13. TRADE, BILLS AND OTHER PAYABLES

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Trade payables		
– related parties	**23,467**	49,444
– third parties	**1,561,538**	1,343,997
	1,585,005	1,393,441
Bills payables	**1,347,258**	1,716,970
Bills payables under note financing arrangements	**100,000**	288,320
	3,032,263	3,398,731
Other payables – current		
Payables for acquisition of property, plant and equipment	**1,205,991**	1,245,868
Consideration payable for acquisition of non-controlling interests of Shandong Chuangyuan (note 7)	**367,869**	–
Other taxes payables	**123,929**	124,860
Payroll and welfare payables	**91,060**	104,593
Deposits	**23,841**	27,619
Payables for acquisition of carbon emissions rights	**15,541**	15,541
Advance receipt of value-added tax from customers	**11,616**	14,079
Outsourced service payable	**1,690**	10,941
Advanced receipt for disposal of property, plant and equipment	**–**	132,743
Accrued listing expenses	**–**	3,018
Accrued issue costs	**–**	542
Others	**12,436**	12,063
	1,853,973	1,691,867
	4,886,236	5,090,598

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

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

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

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

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

14. BANK AND OTHER BORROWINGS

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

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

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

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

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

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

15. SHARE CAPITAL

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

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

* *Less than RMB1,000.*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

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

Price trends in the domestic and overseas electrolytic aluminum markets

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

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

Domestic and overseas production and consumption of electrolytic aluminum

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

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

Price trends in the alumina market

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

BUSINESS REVIEW

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

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

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

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

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

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

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

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

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

Accelerating the expansion of overseas industrial layout and enhancing international competitiveness

The Company seized the opportunities for global development, actively responded to the "Belt and Road" Initiative, and invested in an integrated electrolytic aluminum industrial chain project in Saudi Arabia ("**Saudi**") in 2025, together with Innovation New Material Technology Co., Ltd. (創新新材料科技股份有限公司), Shandong Innovation Group Co., Ltd. (山東創新集團有限公司) and others, with an annual production capacity of 500.0 kt (the "**Saudi Project**").

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL REVIEW

Product Revenue

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

The revenue by nature of the business is as follows:

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

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

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

Cost of Sales

Cost of sales by business nature is as follows:

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

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

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

Gross Profit and Gross Profit Margin of Products

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

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

Other Income

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

Listing Expenses

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

Other Gains and Losses

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

Selling and Marketing Expenses

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

Administrative Expenses

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

Share of Results of Joint Ventures

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

Finance Costs

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

Income Tax Expense

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

Profit for the Period and Total Comprehensive Income

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

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

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

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

Liquidity and Financial Resources

As at June 30, 2026, the Group's cash and cash equivalents were approximately RMB2,163.9 million, representing a decrease of approximately RMB2,927.2 million from cash and cash equivalents of approximately RMB5,091.1 million as at December 31, 2025. As at the date of this announcement, proceeds from the Group's listing brought-forward at the beginning of the year have been planned and utilised strictly in accordance with the purposes disclosed in the prospectus of the Company dated November 14, 2025 (the "**Prospectus**"). See the section headed "Use of Net Proceeds from the Global Offering" in this announcement for further details.

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

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

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

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

Capital Structure

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

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

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

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

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

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

Capital Expenditures

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

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

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

Contingent Liabilities

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

Foreign Exchange Risk

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

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

Human Resources

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

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

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

PROSPECTS

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

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

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

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

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

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

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

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

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

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

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

Strengthening ESG and carbon reduction practices to expand sustainable development influence

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

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

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

The intended uses and allocation as stated in the Prospectus of the Company dated November 14, 2025 in relation to the Global Offering, and status of the utilisation of the Net Proceeds as of June 30, 2026 are set out below:

Unit: RMB million

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

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

CHANGE IN USE OF UNUTILISED NET PROCEEDS OF THE GLOBAL OFFERING

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

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

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

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

Unit: RMB million

Intended use of Net Proceeds	Original allocation of Net Proceeds	Original approximate percentage of Net proceeds from the Global Offering	Amount of Net Proceeds utilised as of June 30, 2026	Amount of Net Proceeds unutilised as of June 30, 2026	Revised allocation of Net Proceeds	Revised approximate percentage of Net Proceeds from the Global Offering	Revised amount of Net Proceeds unutilised as of June 30, 2026	Expected timeline for full utilisation
Construction of an aluminum smelter and the purchase and installation of production equipment in Saudi	**2,818.7**	**50%**	**1,927.7**	**891.0**	**1,927.7**	**34%**	**–**	**N/A**
Construction of green power plants, and the purchase and installation of equipment used therein	**2,255.0**	**40%**	**929.1**	**1,325.9**	**1,780.0**	**32%**	**850.9**	**By the end of or before 2027[(1)]**
Wind power plants	*1,878.0*	*33%*	*691.5*	*1,186.5*	*1,462.4*	*26%*	*770.9*	*By the end of or before 2027*
Solar power plants	*241.9*	*4%*	*102.5*	*139.4*	*182.5*	*3%*	*80.0*	*By the end of or before 2027*
Power transmission and transformation	*135.1*	*2%*	*135.1*	–	*135.1*	*2%*	–	–
Working capital and general corporate uses	**563.8**	**10%**	**563.1**	**0.7**	**563.8**	**10%**	**0.7**	**By the end of or before 2026**
Strategic reserves of bulk commodities	**–**	**–**	**–**	**–**	**891.0**	**16%**	**891.0**	**By the end of or before 2026**
Repayment of borrowings	**–**	**–**	**–**	**–**	**475.0**	**8%**	**475.0**	**By the end of or before 2026**
Total	**5,637.5**	**100%**	**3,419.9**	**2,217.6**	**5,637.5**	**100%**	**2,217.6**	**–**

Note:

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

Reasons for Change in Use of Unutilised Net Proceeds

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

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

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

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

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

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

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

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

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

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

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICES

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to the Directors, all Directors confirmed that they have complied with the Model Code during the Reporting Period.

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

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

AUDIT COMMITTEE

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

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

PUBLICATION OF INTERIM RESULTS AND 2026 INTERIM REPORT

This interim results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.innovationigi.com). The 2026 interim report of the Company will be sent to Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Chuangxin Industries Holdings Limited
創新實業集團有限公司
Mr. CUI Lixin
Chairman of the Board and Non-executive Director

Hong Kong, August 17, 2026

As at the date of this announcement, the Board comprises: (i) Mr. CUI Lixin as chairman of the Board and non-executive Director; (ii) Mr. CAO Yong, Mr. ZHANG Jianxiang, Ms. ZHANG Yue and Mr. FU Qian as the executive Directors; and (iii) Mr. LIU Yanzhao, Ms. ZHENG Juan and Ms. SHEN Lingyan as the independent non-executive Directors.