CHALIECO
中铝国际

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

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

(Stock Code: 2068)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of China Aluminum International Engineering Corporation Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries for the year ended 31 December 2025, together with comparative figures for the corresponding period of 2024. The Audit Committee of the Board has reviewed such audited annual results. This announcement complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of annual results. The Company's 2025 Annual Report will be published and made available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at https://zlgj.chinalco.com.cn/ by the end of April 2026.

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

Beijing, the PRC, 27 March 2026

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

Corporate Vision

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

Development Positioning

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

Core Values

Responsibility Integrity Openness Excellence

Strategic Planning

Technology + Internationalisation

A QUICK LOOK AT THE ANNUAL REPORT

About Chalieco

51 new scientific and technological achievements were added, **19** at the international leading level and **3** at the international advanced level

We have won **6** state-level awards for survey and design, and **77** provincial and ministerial awards for survey and design

We have won **6** state-level awards for QC achievements, and **92** provincial and ministerial awards for QC achievements

We have won **9** provincial and ministerial quality award

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

Key operating indicators

Newly signed contracts amounted to RMB**46.836** billion, representing a year-on-year increase of **51.94**%

Newly signed industrial contracts RMB**45.771** billion, representing **97.73**% of total newly signed contracts, and a year-on-year increase of **61.87**%

EPC general contracting contracts RMB**28.320** billion, representing **60.47**% of total newly signed contracts, and a year-on-year increase of **162.32**%

Overseas contracts RMB**22.148** billion, representing **47.29**% of total newly signed contracts, and a year-on-year increase of **263.38**%

Revenue from overseas operation RMB**5.669** billion, representing a year-on-year increase of **37.17**%

Revenue from equipment manufacturing business RMB**4.262** billion, representing a year-on-year increase of **44.14**%

Comprehensive gross profit margin of the principal businesses **13.54**%, representing a year-on-year increase of **1.33** percentage points

IMPORTANT NOTE

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

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

III. Grant Thornton Certified Public Accountants LLP issued a standard auditor's report without qualified opinion for the Company.

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

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

According to the audit performed by Grant Thornton Certified Public Accountants (Special General Partnership), as at 31 December 2025, the parent company's undistributed profits were a loss of RMB475,079,000. At the same time, the Company's Board of Directors took into account the need for future investment in the Company's projects and in order to ensure the Company's continued stable operations and in the long-term interests of all shareholders, and after comprehensive consideration of the Company's 2026 business plan and capital needs, it is proposed that no profit distribution will be made for 2025, nor to convert capital reserve funds into share capital. The proposal will take effect after being considered and approved at the shareholders' meeting.

As at the end of the reporting period end, the unrecovered losses of the parent company and their impact on matters such as the Company's dividend distribution

✓ Applicable ☐ Not applicable

As at the end of the reporting period, the financial statements of the Company's parent company showed accumulated losses of RMB475,079,000. According to the provisions of the Company Law of the People's Republic of China and the Guiding Opinions on the Supervision of Listed Companies No. 3 - Cash Dividends of Listed Companies, and considering the accumulated losses in the parent company's financial statements, the Company currently does not meet the preconditions for implementing cash dividends. Investors are kindly requested to pay attention to the relevant investment risks. Going forward, the Company will continue to strengthen its operational management and improve its business performance.

IMPORTANT NOTE

VI. Forward-looking Risk Statements

✓ Applicable ☐ Not applicable

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

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

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

No

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

No

IX. Is it Possible that More Than Half of the Directors Could Not Guarantee the Authenticity, Accuracy and Completeness of the Annual Report Disclosed by the Company

No

X. Material Risk Disclosure

The risks potentially faced by the Company in 2026 mainly include safety and environmental risks in the course of daily operations, market fluctuations and market competition risks, reform and business transformation risks, project management risks, and international operation risks. For details, please refer to "VI. Discussion and Analysis of Future Development of the Company – (IV) Potential Risks" under Section 4 "Management Discussion and Analysis (Report of the Board)" of this Report. Investor attention is drawn thereto.

XI. Others

✓ Applicable ☐ Not applicable

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

CONTENTS

Document directory for reference	Financial statements signed and with seal affixed by the person in charge of the Company, the person in charge of accounting work and the person in charge of the accounting organization The original audit report containing the seal of the accounting firm, the signature and the seal of the certified public accountant The original copies of all company documents and announcements that have been publicly disclosed on Securities Daily and Securities Times during the Reporting Period The annual results announcement for 2025 published on the Stock Exchange

SECTION I DEFINITIONS

I. DEFINITIONS

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

Definition of Common Terms

"the Company", "Company", "Chalieco"	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)
"Group"	the Company and its subsidiaries
"Chinalco"	Aluminum Corporation of China (中國鋁業集團有限公司), our controlling shareholder
"Luoyang Institute"	Luoyang Engineering & Research Institute for Non-ferrous Metals Processing (洛陽有色金屬加工設計研究院有限公司), one of our promoters and shareholders
"YAIC"	Yunnan Aluminum International Company Limited, whose controlling shareholder, Yunnan Aluminium Co., Ltd., is a subsidiary of Chalco
"State Council"	the State Council of the People's Republic of China
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"Ministry of Finance"	the Ministry of Finance of the PRC
"CSRC"	the China Securities Regulatory Commission
"SSE"	the Shanghai Stock Exchange
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"HKEX Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SSE Listing Rules"	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Articles of Association"	the articles of association of China Aluminum International Engineering Corporation Limited
"Board of Directors"	the board of directors of the Company
"Audit Committee"	the audit committee under the Board of Directors
"Remuneration Committee"	the remuneration committee under the Board of Directors
"Risk Management Committee"	the risk management committee under the Board of Directors
"Strategy Committee"	the strategy committee under the Board of Directors
"Nomination Committee"	the nomination committee under the Board of Directors
"Chalco"	Aluminum Corporation of China Limited (中國鋁業股份有限公司), listed on the SSE (stock code: 601600) and the HKEX (stock code: 2600), a subsidiary of Chinalco
"Chinalco Finance"	Chinalco Finance Company Limited (中鋁財務有限責任公司), a subsidiary of Chinalco

SECTION I DEFINITIONS

"GAMI"	Guiyang Aluminum & Magnesium Design Institute Co., Ltd. (貴陽鋁鎂設計研究院有限公司), a wholly owned subsidiary of the Company
"CINF"	Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy (長沙有色冶金設計研究院有限公司), a subsidiary owned as to 64.90% by the Company
"CNPT"	China Non-ferrous Metals Processing Technology Co., Ltd. (中色科技股份有限公司), a subsidiary owned as to 92.35% by the Company
"Zhongkan Institute"	Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry (中國有色金屬昆明勘察設計研究院有限公司), a subsidiary owned as to 60.30% by the Company
"Sixth Metallurgical Company"	Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry (中國有色金屬工業第六冶金建設有限公司), a wholly-owned subsidiary of the Company
"Kuming Institute"	Kunming Non-ferrous Metallurgical Design and Research Institute Corporation (昆明有色冶金設計研究院股份公司), a 67%-owned subsidiary of by the Company
"Ningyong Expressway Company"	Yunnan Ningyong Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Ningyong Expressway Company
"Linyun Expressway Company"	Yunnan Linyun Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Ningyong Expressway Company
Linshuang Expressway Company	Yunnan Linshuang Expressway Co., Ltd.. The Company and its wholly-owned subsidiary, Sixth Metallurgical Company, respectively hold a 15% equity interest in Ningyong Expressway Company
"Reporting Period", "Current Reporting Period"	the year from 1 January 2025 to 31 December 2025

SECTION II CHAIRMAN STATEMENT

On behalf of the Company's Board of Directors, I am pleased to present the 2025 Annual Report of Chalieco to you, and I would like to express my sincere gratitude to each and every one of you for your longstanding care and support of Chalieco!

Over the past year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Chalieco has resolutely implemented its "Technology + International" development strategy, further solidified the foundation for high-quality development and strengthened our leading position in the industry, as evidenced by the following five key areas:

Exceptional Achievements in Principal Businesses. We deepened our presence in the markets within Chinalco, the domestic market outside Chinalco, and the overseas market. The total value of newly signed contracts for the year reached RMB46.836 billion, a year-on-year increase of 51.94%, with industrial contracts accounting for 97.73% of the total. Leveraging technology as the lead and our full industry chain advantages to expand our EPC business, we signed EPC contracts worth RMB28.32 billion, representing 60.47% of the total. In 2025, the Company achieved an operating revenue of RMB23.06 billion and total profit of RMB454 million. Net cash inflow from operations was RMB891 million, an increase of RMB3.586 billion year-on-year.

New Breakthroughs in Technology-Industry Integration and Innovation. We intensified scientific and technological innovation, adding 22 scientific and technological achievements that meet or exceed internationally advanced levels, and adding 19 provincial second-class and association/ministry-level first-class science and technology awards. We filed over 300 invention patents and obtained over 300 new valid authorized patents. We led the release of the national standard "Energy Consumption Limits per Unit Product of Graphite and Fluorspar". Our "Energy-saving and Long-life Aluminum Electrolysis Cell Cathode Manufacturing Technology" was included in the national catalog of key low-carbon technologies to be promoted. Three of our achievements, including the "Key Technology for Ecological Restoration in High-Altitude Mining Areas", were included in the Ministry of Natural Resources' catalog of advanced and applicable technologies. Two of our subsidiaries were selected for the Ministry of Industry and Information Technology's first batch of Manufacturing Digital Transformation Promotion Center Construction Entities. Focusing on the construction of smart factories and smart production lines, we signed contracts worth RMB530 million for digital and intelligent solutions. We promoted the application of 99 core technological achievements, generating new contracts worth over RMB4.9 billion.

The Expansion of International Business Achieved New Breakthroughs. The value of newly signed overseas engineering contracts reached RMB22.148 billion, a year-on-year increase of 263.38%. Our influence as an international engineering brand significantly increased. We were listed on authoritative rankings such as the "Top 150 Global Design Firms," "Top 250 International Contractors," and "Top 250 Global Contractors" for 2025, We ranked 84th among the "Top 225 International Design Firms," representing our best-ever performance.

Project Performance Capabilities Achieved New Leapfrog Developments. Focusing on direct management and control of projects, we benchmarked, revised, and implemented a project management business system manual. We strengthened refined management and control throughout the performance cycle, a number of key projects have achieved high-quality contract fulfillment and have received high praise from the project owners. We refined whole-process cost management, reduced project subcontracting layers and profit leakage, and achieved cost savings in the management of the "Two Merchants" and in procurement. We introduced and vigorously promoted the standard templates for the "Two Systems". In 2025, the Company's gross profit margin increased by 1.33 percentage points year-on-year, reaching its highest level in recent years.

The In-depth and Thorough Reform Advanced Steadily. We successfully achieved the various tasks and goals of the Deepening Reform and Enhancement Action Plan (2023-2025). In the 2024 special assessment of the "Reform in Science and Technology Enterprises" initiative for central state-owned enterprises, our six subsidiaries under the reform program achieved results of "One Benchmark, Three Excellent, Two Good". We revitalized and built a first-class professional force in resource exploration and geotechnical engineering, as well as an integrated construction management system. Competitive selection for management positions, and mechanisms for adjustment for those ranked at the bottom and exit for incompetence were implemented across 100% of enterprises at all levels, fostering continuous enhancement of capability, motivation, and vitality.

2025 marked the final year of the "14th Five-Year Plan". The company is determined to fully return to the non-ferrous metals and advantageous industrial sectors. Among the annual new contracts signed, the proportion of industrial projects was 97.73%. Adhering to the operational logic of "finding projects, implementing projects, generating profit and collecting payments," we continuously improved our modern management system and enhanced our process-based systematic capabilities. We achieved a series of breakthroughs in the R&D and industrialization of key technologies and high-end equipment, winning one second-class National Science and Technology Progress Award and 200 provincial/ministerial-level science and technology awards. We secured numerous internationally advanced achievements and authorized patents, with the annual revenue from commercialization of scientific and technological achievements accounting for over 14%. A series of reforms were completed, including further enhancing operational efficiency, implementing medium to long-term equity incentives for listed companies, and carrying out specialized integration, enhancing capability, boosting motivation, and strengthening vitality through in-depth and thorough reform.

2026 is the inaugural year of the "15th Five-Year Plan". Over the next five years, Chalieco will address various uncertainties with the certainty of high-quality development. We will strategically reshape and systematically build a new synergistic development pattern: with resource engineering as the source, mine engineering and non-ferrous metallurgical engineering as dual core pillars, non-ferrous metal processing engineering as a value-extension wing, green, low-carbon, digital and intelligent business as the future driving wheel, and other related engineering businesses as supplements. We aim to provide "customized" ultimate solutions integrating R&D and design, along with cost-effective, high-value complete equipment products and comprehensive solutions. Our goal is to become a world-class integrated force in process technology, engineering design, and engineering construction within the non-ferrous metals sector, and ultimately establish ourselves as a world-class new-type engineering technology enterprise with strong market competitiveness, offering advanced technology, complete equipment, and integrated service solutions in the fields of non-ferrous metal and advantageous industries.

SECTION II CHAIRMAN STATEMENT

In 2026, Chalieco is committed to achieving success in this crucial first year. We will adhere to our established approach of "High-Quality Party Building + Strengthened Operations, Promot Transformation and Deepen Reform", taking steady steps to ensure implementation and tangible results. **First**, we will strengthen high-quality Party building as our guidance, further enhancing the Party's role in enterprise construction, developing our officer and talent teams, and enforcing strict Party's discipline. **Second**, we will focus on strengthening operations to build a robust and sustainable operational capability. We are determined to win three key battles: a new round of market expansion and quality improvement, enhanced project performance, and extreme cost reduction and efficiency enhancement. We will prioritize project collections to ensure a continued increase in the sales collection rate. **Third**, we will focus on promoting transformation and upgrading to create a second growth curve. We will launch special technology innovation initiatives, particularly within our design and exploration institutes, aiming to evolve into leaders in integrated solutions. We will promote the construction business to become more specialized, focused, and of higher quality. We will deepen digital empowerment through special initiatives. **Fourth**, we will ensure the implementation of deep reforms through special action plans. We will further streamline our organization and optimize our governance system. We will drive an operational revolution to reshape management effectiveness. We will deepen market-oriented mechanism reforms to stimulate internal motivation. **Fifth**, we will cultivate a strong execution capability to turn our vision into reality. We will adopt a precise implementation model based on projectization and detailed checklists, intensify efforts to strengthen capabilities, and resolutely achieve our goals and tasks for 2026. Through these new achievements of enhanced quality amidst progress, we aim to reward the support and trust of our shareholders, investors, and the broader community.

Chairman: **LI Yihua**

27 March 2026

SECTION III COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

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

II. CONTACTS AND CONTACT INFORMATION

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

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

III. BRIEF INTRODUCTION TO BASIC INFORMATION

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

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

The Company's designated press media for information disclosure	Securities Daily www.zqrb.cn Securities Times www.stcn.com
Website of stock exchange for annual report disclosure	www.sse.com.cn, www.hkex.com.hk
Annual report is available at	Board Office of Chalieco at Building C, No. 99 Xingshikou Road, Haidian District, Beijing (北京市海淀區杏石口路99號C座)

V. STOCK PROFILE

Share class	Listed on	Stock abbreviation	Stock code	Previous stock abbreviation
A shares	The SSE	CHALIECO	601068	/
H shares	The Stock Exchange	CHALIECO	02068	/

VI. OTHER RELEVANT INFORMATION

Accounting firm engaged by the Company	Name	Grant Thornton (Special General Partnership)
	Office address	5/F, Scitech Plaza, No. 22 Jianguomenwai Avenue, Chaoyang District, Beijing, China
	Names of signing accountants	LI Yang, GU Weitao
Legal advisor as to PRC laws	Name	Jia Yuan Law Offices (北京市嘉源律師事務所)
	Office address	F408, Ocean Plaza, 15 Fuxing Men Nei Street, Xicheng District, Beijing
Legal advisor as to Hong Kong laws	Name	Jia Yuan Law Office
	Office address	Suites 3502-3503, 35/F, One Exchange Square, 8 Connaught Place, Hong Kong
A Shares registrar of the Company	Name	China Securities Depository and Clearing Co., Ltd. Shanghai Branch
	Office address	188 South Yanggao Road, Pudong New Area, Shanghai (上海市浦東新區楊高南路188號)
H Shares registrar of the Company	Name	Computershare Hong Kong Investor Services Limited (香港中央證券登記有限公司)
	Office address	Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)

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

(I) Key Accounting Figures

Unit: '000 Yuan Currency: RMB

Key accounting figures	2025	2024	Change for the period as compared with that of the same period of last year (%)	2023
Operating revenue	23,059,806	24,003,255	-3.93%	22,337,171
Total profit	454,190	436,900	3.96%	-2,944,898
Net profit attributable to shareholders of the listed company	257,605	221,177	16.47%	-2,657,963
Net profit attributable to shareholders of the listed company net of non-recurring gain or loss	61,796	-129,192	N/A	-3,010,338
Net cash flows from operating activities	891,337	-2,694,318	N/A	722,665

	As at the end of 2025	As at the end of 2024	Change for the end of the period as compared with that of the same period of last year (%)	As at the end of 2023
Net assets attributable to shareholders of the listed company	6,795,966	6,582,410	3.24%	7,016,541
Total assets	40,546,497	41,156,528	-1.48%	40,943,803

(II) Key Financial Indicators

Key financial indicators	2025	2024	Change for the period as compared with that of the same period of last year (%)	2023
Basic earnings per share (RMB/share)	**0.0364**	0.0190	91.58	–0.8982
Diluted earnings per share (RMB/share)	**0.0364**	0.0188	93.62	/
Basic earnings per share, net of non-recurring gain or loss (RMB/share)	**–0.0292**	–0.0994	N/A	–1.0173
Weighted average return on net assets (%)	**3.85**	2.46	Increased by 1.39 percentage points	–41.87
Weighted average return on net assets net of non-recurring gain or loss (%)	**–3.08**	–12.86	N/A	–47.42

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

☐ Applicable ✓ Not applicable

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

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

(III) Explanation of differences between Chinese Accounting Standards and foreign Accounting Standards:

☐ Applicable ✓ Not applicable

IX. KEY FINANCIAL FIGURES BY QUARTERS IN 2025

Unit: '000 Yuan Currency: RMB

	First quarter (From January to March)	Second quarter (From April to June)	Third quarter (From July to September)	Fourth quarter (From October to December)
Operating revenue	**4,804,261**	4,894,089	5,520,668	7,840,788
Net profit attributable to shareholders of the listed company	**65,797**	36,792	16,287	138,729
Net profit attributable to shareholders of the listed company net of non-recurring profit and loss	**44,185**	11,741	15,563	–9,693
Net cash flows from operating activities	**–385,058**	185,758	279,167	811,471

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

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

Unit: ’000 Yuan Currency: RMB

Non-recurring gain or loss	Amounts in 2025	Note (as applicable)	Amounts in 2024	Amounts in 2023
Gain or losses on disposal of non-current assets, including reversal of provision for impairment of assets	**28,494**	–	103	–1,967
Government subsidies recorded in current P&L (except government subsidies closely related to business operations granted continuously in a fixed amount or quota according to the unified national standards)	**12,650**	–	32,360	20,819
Financing fee income from non-financial enterprises recorded in current P&L	**32,357**	–	59,232	35,452
Reversal of provision for impairment of receivables tested separately for impairment	**195,783**	–	277,197	354,025
Gain or loss on debt reorganization	**–11,381**	–	11,510	–821
Other non-operating revenue and expenses other than the above items	**80,355**	–	98,132	5,451
Other items falling within the definition of non-recurring gain or loss	**–**	–	185	–
Less: Impact of income tax	**65,220**	–	80,366	40,385
Impact of non-controlling interests (after tax)	**77,229**	–	47,984	20,199
Total	**195,809**	–	350,369	352,375

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

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Key accounting figures	2025	2024	Change for the period as compared with that of the same period of last year (%)	2023
Net profit after deducting the impact of share-based payments	361,284	257,910	40.08	–

XII. ITEMS MEASURED AT FAIR VALUE

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Item	Opening balance	Closing balance	Change	Impact on profit for the period
Receivables financing	321,003	171,098	-149,905	–
Investment in other equity instruments	43,160	40,973	-2,187	10,163
Total	364,163	212,071	-152,092	10,163

XIII. OTHERS

☐ Applicable ✓ Not applicable

MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)

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

I. III. BUSINESS OVERVIEW OF THE COMPANY FOR THE REPORTING PERIOD

(I) Principal businesses and operation models

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

1. Design consultancy business

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

2. EPC general contracting and engineering business

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

3. Equipment manufacturing business

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

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

☐Applicable ✓Not applicable

II. INDUSTRY OVERVIEW OF THE COMPANY WITHIN THE REPORTING PERIOD

1. Status of macro economy, industrial policy environment

In 2025, against the macroeconomic backdrop of consolidating and strengthening the recovery and upward momentum of China's economy, the non-ferrous metals industry will continue to deepen supply-side structural reforms. In alignment with the strategic goals of building a manufacturing powerhouse and achieving the "dual carbon" targets, the industry will further advance the transformation of its development model toward greener, more high-end and more intelligent development. Through efforts to ensure resource security, enhance technological innovation, and expand international cooperation, the industry's overall competitiveness and development resilience will be further enhanced.

The strategic importance of the non-ferrous metals industry has become more prominent, yet it also faces structural challenges. In terms of capacity layout, domestic operational capacity of electrolytic aluminum is nearing its upper limit, leaving limited room for expansion, and there is a clear trend of shifting capacity to overseas regions with energy advantages. Pressure on resource security persists, as China's reliance on foreign imports for key minerals such as aluminum and copper remains high, as a result, building an autonomous and controllable global resource supply chain system has become a core concern for both national strategy and corporate development. The production capacity of aluminum oxide is concentrated in coastal regions, while the development of bauxite resource in Guinea, Indonesia, and other areas continues to drive the export of Chinese technology, equipment and services. The industry's competitive paradigm is shifting from scale expansion to intensive development, with rising requirements for green, low-carbon practices and ESG governance, accelerating the industrialization of clean production, recycled metal utilization and resource recovery technologies for solid wastes such as red mud. New-generation information technologies, including artificial intelligence, are rapidly integrating with production operations, empowering the industry's intelligent upgrade.

Major categories such as aluminum, copper, lead, and zinc are exhibiting differentiated development paths. The aluminum industry is in a critical stage characterised by capacity constraint and low-carbon transformation, with green electricity substitution and integrated "source-grid-load-storage" models have emerged as core pathways for reducing carbon emissions in primary aluminum production. The copper industry maintains a tight supply-demand balance, with the development of power infrastructure, new energy vehicles and the digital economy driving strong demand for high-end copper materials with the characteristics of high-strength and high-conductivity. The lead-zinc industry has entered a mature adjustment phase, shifting its focus to cost control, green smelting and comprehensive recovery of valuable metals. Globally, recycled metals now account for 33% of total output, underscoring the circular economy's growing role as a key pillar supporting the industry's sustainable development.

In the engineering construction sector, supported by steady fixed-asset investment, the pace of intelligent and green transformation is continuing to accelerate. Digital technologies are becoming deeply integrated into construction processes, with BIM and IoT driving the entire project lifecycle toward greater efficiency and resource optimization. The application of lightweight, low-carbon building materials such as aluminum alloys in green construction continues to deepen, fostering collaborative innovation between non-ferrous metals and the engineering construction industry.

Looking ahead to the 15th Five-Year Plan period, the non-ferrous metals industry is expected to undergo profound adjustments in resource security, green and low-carbon development, high-end manufacturing, and digital transformation. The global strategic deployment of mineral resources, clean energy substitution, breakthroughs in key technologies and equipment, and market demand for low-carbon solutions throughout the entire life cycle will bring continuous strategic opportunities for Chalieco in its core strengths, including resources and mining engineering, new energy materials, and green environmental protection. The Company will remain focused on its principal businesses, strengthen technological innovation and international operational capabilities, and contribute professional expertise to the deployment of a more resilient and competitive modern industrial system for the sector.

2. Competitive strengths

Domestic Market Advantages: First, leveraging our accumulated technological innovation capabilities built over years of deep involvement in the non-ferrous metals industry, we have established a complete innovation system encompassing multi-level R&D platforms and production pilot bases. Through deep industry-university-research collaboration, we continuously drive innovation and iteration of key technologies, forming a technology reserve and commercialization capability that is domestically leading and internationally advanced. Second, based on our extensive experience participating in non-ferrous metals industry planning and engineering construction both domestically and internationally, we have developed integrated service capabilities covering the entire industry chain: exploration, mining, beneficiation, smelting, and processing. This gives us significant system solution advantages across all segments of the industry chain. Third, leveraging our comprehensive expertise covering all metal categories, namely light metals, heavy metals, rare metals, and precious metals, combined with top-tier qualifications such as the Comprehensive Class A Engineering Design license and the Special Grade General Contracting license for construction, we possess industry-leading technological reserves and engineering implementation capabilities across various metal types, providing comprehensive technical support for the upgrade of the non-ferrous metals industry.

Overseas Market Advantages: First, the Company boasts strong technological innovation capabilities and national-level innovation platforms, supported by a team of experienced national-level masters, experts, and technical talents, allowing us to lead the non-ferrous industry technologically. Second, the Company possesses robust engineering integration service capabilities, enabling us to provide clients with technology, equipment, services, and full engineering lifecycle services across the entire industry chain. Third, the Company has strong digital empowerment capabilities, facilitating intelligent and digital delivery for overseas projects. Fourth, the Company has global service capabilities, with 14 overseas institutions, essentially achieving localized overseas operations covering the globe. Fifth, the Company has extensive overseas experience and a proven track record, having exported technology and equipment to dozens of countries and regions such as Indonesia, Italy, and Guinea, and established cooperative relationships with enterprises, research institutions, and universities in over 40 countries and regions.

III. OPERATING RESULTS DISCUSSION AND ANALYSIS

(I) Operating Results of 2025

In 2025, the Company coordinated production and operations with deepening reforms, implementing the work approach of "high-quality Party building + strengthening operations, promoting transformation, and deepening reforms". The Company successfully achieved a strategic transformation focused on core businesses, significantly improved operational performance and advanced its high-quality development to a new level.

1. Seize Opportunities, Adjust Structure and Promote Upgrading for our Marketing Efforts

Achieved growth in terms of both volume and quality for market expansion. The Company continued to cultivate its "three major markets", and strived to win the "battle to enhance market quality and increase volume". New contracts signed during the year amounted to RMB46.836 billion, representing a year-on-year increase of 51.94%. First, by focusing on our primary responsibilities and core businesses, newly signed industrial contracts amounted to RMB45.771 billion, accounting for 97.73%, marking a full return to non-ferrous metals and advantageous industrial sectors. Second, led by technology and leveraging our full industrial chain advantages, the Company resolutely expanded EPC business, with new contracts signed amounted to RMB28.32 billion, accounting for 60.47%. SAMI entered into the Qingtongxia Electrolytic Cell "Large-scale Replacement" Upgrade EPC Project and the Shanxi Zhaofeng Aluminum Power's 394,000-ton/year electrolytic aluminum EPC project. GAMI secured the Guangxi Qiangqiang 600,000-ton Carbon-Based New Materials EPC Project.

International business achieved record highs. By deepening its presence in key markets like Southeast Asia and Africa, the Company achieved newly signed overseas contracts amounted to RMB22.148 billion, representing a year-on-year increase of 263.38%. This included a number of high-quality overseas contracts worth approximately RMB14 billion, such as a 1 million-ton overseas electrolytic aluminum EPC project, and mining operations and maintenance in Simandou, Guinea. The Company's international engineering brand influence surged significantly, securing spots on authoritative rankings including the 2025 "Top 150 Global Design Firms", "Top 250 International Contractors" and "Top 250 Global Contractors". The Company ranked 84th among the "Top 225 Global Engineering Design Companies", marking its best performance to date.

Synergistic marketing efforts have been strengthened. The development of the marketing system and team has been accelerated, forming a three-tiered marketing structure of "headquarters coordination – enterprise (marketing center) acceptance – regional marketing center (professional company) implementation"; recruited marketing managers at all levels to inject new backbone forces into market expansion. As for overseas marketing, internal coordination between design/survey and construction enterprises has been enhanced, with strong promotion and planning of EPC general contracting, and further leveraged overall synergistic effects.

2. **Upgraded Project Implementation Management from Standardization to Precision**

Contract fulfillment management systems are continuously strengthened. The three-tier control mechanism ("Company – Affiliated Enterprises – Project Department") is implemented to win the "Project Fulfillment Enhancement Campaign". First, taking direct management and direct control of projects as the main focus, the project management manual is revised through benchmarking to advance standardization, normalization and process optimization. Second, leveraging key projects as drivers, the Company enhanced the meticulous management of the entire process, and focused on key aspects of contract performance to ensure the perfect performance of a number of key projects. The Yunnan Copper Zinc Project of Sixth Metallurgical Company produced its first zinc sheets nine days ahead of schedule. All 56 wind turbines of the Baotou Aluminum New Energy Project by Ninth Metallurgical Company were successfully connected to the grid. The 1480-meter loop line of the Hongnipo Project of Liangshan Mining achieved full connectivity. The crushing and processing project at Rizhao Port by CINF completed its full-process integrated trial run as scheduled.

Full-process cost management continued be refined. We made every effort to win the annual "Extreme Cost Reduction and Efficiency Enhancement Campaign", comprehensively rectifying project contracting and subcontracting models. Strictly implemented autonomous operation requirements for new projects, optimising project management model thereby reducing project management layers and profit diversion. Standardized templates for "two systems" are introduced and vigorously promoted, stimulating project departments' motivation and vitality for proactive cost reduction and efficiency enhancement. Cost management reforms delivered initial results, with the gross profit margin in 2025 increasing by 1.65 percentage points year-on-year, reaching the highest level in recent years.

Continuous improvement in the management of bidding and procurement. A company-wide procurement platform was established to systematically optimize management structures, standardize business processes, reinforce compliance oversight responsibilities and deepen the implementation of centralized procurement. Total annual procurement amounted to RMB10.269 billion, with an average cost-saving rate of 6.69%, representing an increase of 1.57% year-on-year, achieving significant cost reductions and efficiency enhancement. We introduced quality subcontractors, as well as merit-based selection of existing subcontractors, a preliminary database of strategic-level subcontractors was established, laying the foundation for a supply chain ecosystem.

3. **Scientific and Technological Innovation has Yielded Substantial Results**

Improve the scientific and technological research and development system. Systematically laid out our scientific and technological innovation system and coordinated the implementation of the "1+2" plan. The "Core Scientific Research Team Construction Work Plan" was issued and implemented, focusing on the Company's key development areas to cultivate and establish 24 core scientific research teams, and six additional chief engineers of Chinalco were appointed, demonstrating the Company's strong scientific and technological talent capabilities.

Accelerate the research and development of core technologies. A total of 22 new scientific and technological achievements at the international advanced level and above were obtained, and 19 provincial second-class and association/ministerial first-class science and technology awards were received. The Company filed over 300 invention patent applications and obtained over 300 new valid authorized patents. SAMI spearheaded the drafting and publication of the "Energy Consumption Limits for Graphite and Fluorspar Unit Products", the sole national standard for energy consumption limits in this field, and its "Energy-saving Long-life Aluminum Electrolytic Cell Cathode Manufacturing Technology" was included in the national catalog of key low-carbon technologies for promotion; three achievements from CINF, including "Key Technologies for Ecological Restoration in High-Altitude Mining Areas", were selected for inclusion in the Ministry of Natural Resources' Advanced Applicable Technology Catalog. The Company won two first prizes and six second prizes in the third Chinalco Science and Technology Progress Awards.

Improve R&D investment and output efficiency. Our total R&D investment for the year accounted for 4.16% of operating revenue. Six artificial intelligence scenarios were initiated, and the aluminum/copper surface optical inspection scenario project achieved replication and widespread application. Focusing on the development of smart factories and intelligent production lines, the Company signed line digital and intelligent transformation contracts worth RMB530 million. 99 core technological achievements were promoted and applied, with new contracts amounted to over RMB4.9 billion. CNPT's 1,850mm aluminum strip dual-stand cold continuous rolling mill and 2,300mm aluminum strip high-speed trimming line were selected for Henan Province's list of first-of-a-kind major technical equipment. Zhongkan Institute was included in the Ministry of Industry and Information Technology's sixth batch of Industrial Technology Infrastructure Public Service Platforms. CNPT was included in the Ministry of Industry and Information Technology's first batch of entities for establishing Manufacturing Digital Transformation Promotion Centers.

4. **The in-depth and thorough reform is advanced in a powerful and effective manner.**

The deepening and upgrading action for reform was successfully concluded. The tasks for deepening and upgrading action for reform of both the Company and those of the affiliated enterprises are completed as scheduled at the end of the year, with an achievement rate of 100%. In the 2024 special assessment of the "Science and Technology Reform Action" of central state-owned enterprises organized by the State-owned Assets Supervision and Administration Commission, the six science and technology reform enterprises affiliated to the Company achieved excellent results of "one benchmark, three excellent and two good". Over the past three years, CNPT has progressed step by step from good to excellent and then to benchmark.

Transforming management systems to strengthen organizational foundations. To systematically adjust our management structure and optimize our systems and processes around marketing, project implementation, human resources, integrated finance, legal compliance and security management, so as to establish a unified, efficient and more competitive front, middle, and back-office support system, thereby addressing market uncertainties with a solid foundation of certainty. The Company's initiative titled "Implementing Process Reengineering and Promote Organizational Reform with Firm Determination" won the first prize for innovative achievements in modern management among non-ferrous metal enterprises.

Labor efficiency reforms have further unleashed vitality. We continued to deepen the reform of the three systems, promoted market-oriented reforms in affiliated enterprises, accelerated the improvement and expansion of the tenure-based contract system. Various tasks related to improving labor efficiency progressed in a steady and orderly manner. Competitive recruitment, performance-based adjustments and dismissal for incompetence are fully implemented across management personnel at all levels. The Company's overall labor productivity achieved an year-on-year increase of 12.55%.

(II) Major Events

In January, the Ministry of Industry and Information Technology released the sixth batch of Industrial Technology Infrastructure Public Service Platforms. Zhongkan Institute was successfully selected as an Industrial Technology Infrastructure Public Service Platform in the “Innovation Achievement Industrialization” category.

In January, the full-process production system for the 1 million tons/year metallurgical-grade aluminum oxide project in Indonesia achieved comprehensive breakthrough, successfully producing the first batch of aluminum oxide and formally entering the production and operation phase.

In February, SAMI’s electrolytic aluminum technology was consecutively selected for multiple national key technology promotion directories, including the Green Technology Promotion Catalog (2024 Edition), the National Key Low-Carbon Technology Promotion Catalog, and the 2024 List of Top 20 Advanced and Applicable Low-Carbon Technologies for Raw Material Industries.

In February, at the Hongnipo Copper Mine project in Huili, Sichuan undertaken by Sixth Metallurgical Company, the 1,480m West No.1 vein and the 1,480m West P-3 vein achieved precise breakthrough, marking a significant milestone in the project’s progress. The first 5.0MW wind turbine for the Sun Mountain Wind Farm project in Ningxia, undertaken by New Energy Construction Company of Twelfth Metallurgical Company, was successfully hoisted into position.

In March, Science and Technology Daily published the article “China’s First 2,300mm Aluminum Strip High-Speed Trimming Unit Put into Operation”, reporting on the successful development of China’s first domestically produced 2,300mm aluminum strip high-speed trimming unit with independent intellectual property rights by the CNPT Technology R&D team.

In March, the North Kalimantan Aluminum Electrolysis Project in Indonesia, a key Belt and Road cooperation initiative undertaken by Sixth Metallurgical Company, reached a major milestone with the official launch of its calciner and roaster systems, marking a new phase in the project’s overall construction.

In April, Chalieco secured the mining operation and maintenance contract for the Simfer mining area of Guinea's Simandou Iron Ore Project, valued at approximately US$280 million (equivalent to RMB2.033 billion), which signifies the Company's successful first step in its overseas mining operations and maintenance transformation journey.

In May, The Science and Technology Daily published an article titled "SAMI's First Domestically Developed Intelligent Optimization Control System for Alumina Calcination Put into Operation", such technology was successfully implemented at Shanxi Xinfada Chemical. This technology enhances efficiency, reduces energy consumption, fills a technical gap in China's high-temperature calcination intelligent control field, and has reached an internationally leading level.

In June, Zhongkan Institute's project "Mechanisms and Key Technologies for Preventing and Controlling Slope Disasters in Complex Open-Pit Mines" was awarded the First Prize for Scientific and Technological Progress in Yunnan Province for 2024.

In July, the State-owned Assets Supervision and Administration Commission of the State Council announced the 2024 special assessment results for central state-owned enterprises' "Science and Technology Reform Action" and "Double Hundred Action". CNPT was rated "Benchmark", while GAMI, SAMI, and Zhongkan Institute were rated "Excellent". CINF and Kunming Institute were rated "Good".

In August, the Company was listed in the 2025 rankings of "Top 225 International Design Firms", "Top 150 Global Design Firms", "Top 250 International Contractors" and "Top 250 Global Contractors". Notably, its ranking in the "Top 225 International Design Firms" improved by 14 positions compared to the last year, while its position in the "Top 250 Global Contractors" rose by four places.

In August and September, 17 scientific and technological achievements, including the Company's "Ultra-Large-Scale Fluidized Roasting Technology and Equipment for Complex Zinc-Bearing Materials", passed appraisal evaluations organized by industry associations. The overall technology reached internationally advanced or higher levels, with 14 achievements achieving internationally leading standards.

In September, CINF secured the design contract for the underground mining project at the Liying Fluorspar Mine in Inner Mongolia. This deposit holds Asia's largest fluorspar reserves and planned mining capacity (10,000 tons/day), positioning it as a major national strategic mineral resource development initiative.

In September, the Henan Provincial Department of Industry and Information Technology and the Department of Finance jointly announced the 2025 list of Henan's first-of-a-kind major technical equipment. Two independently developed products by CNPT, the "1,850mm Aluminum Strip Twin-Stand Cold Continuous Rolling Mill" and the "2,300mm Aluminum Strip High-Speed Trimming Unit", were included in the list.

In September, six additional experts from the Company were successfully elected as “Chief Engineers of Chinalco”, fully demonstrating the Company’s robust talent strength and technological innovation advantages in the nonferrous metals sector.

In September, CNPT was selected as one of the first batch of entities designated by the Ministry of Industry and Information Technology to establish Manufacturing Digital Transformation Promotion Centers. Only 62 organizations nationwide were chosen, with CNPT being one of four selected entities from the nonferrous metals industry.

In October, the China Nonferrous Metals Industry Association released the list of “2025 Innovation Achievements in Modern Enterprise Management for Nonferrous Metals”. The Company’s seven management achievements won prizes, of which, the Company headquarters’ project “Implementing Process Reengineering Around Business Operations and Resolutely Advancing Organizational Restructuring” won the first prize.

In October, the Ministry of Natural Resources publicly released the Catalogue of Advanced and Applicable Technologies for Conservation and Comprehensive Utilization of Mineral Resources (2025 Edition). Three technological achievements were selected, including the “Integrated Technology for High-Value Ecological Graded Utilization of Solid Waste” led by the CINF and the “Key Technologies for Ecological Restoration in High-Altitude Mining Areas” led by Zhongkan Institute.

In October, two achievements led by SAMI, namely Digital Aluminum Electrolysis Cell Technology and Application for Multi-source Monitoring and Regional Regulation and Adaptive Enhancement and Disturbance Suppression Technology for Transient Magnetohydrodynamic Stability in Aluminum Electrolysis Cells, passed expert evaluation by the China Nonferrous Metals Society, both reaching internationally leading levels.

In November, the China Engineering & Consulting Association announced the winners of the 2025 National Outstanding Engineering Survey and Design Awards. Affiliated enterprises of the Company secured nine awards, including one first prize in the engineering survey category and one first prize in nonferrous metal industry engineering design.

In December, the China Non-Ferrous Metals Industry Association announced the winners of the 2025 Non-Ferrous Metals Industry Science and Technology Awards. Affiliated enterprises of the Company received a total of 20 awards, including 6 first prizes, 11 second prizes and 3 third prizes.

In December, the China General Chamber of Commerce announced the results of the 2025 China General Chamber of Commerce Science and Technology Awards. Five achievements developed by subsidiaries of Chalieco, including “Key Technologies and Applications of High-Resistance Graphitization Furnaces for Lithium Battery Anode Materials Based on Raw Material Characteristics”, among others, were honored with the First Prize for Scientific and Technological Progress.

IV. ANALYSIS OF CORE COMPETITIVENESS FOR THE REPORTING PERIOD

✓Applicable ☐Not applicable

(I) Technical and talents advantages

The Company has strong capabilities of scientific research and technical conversion, with 5 grade A design research institutes, 1 grade A survey and design research institutes and 1 large comprehensive construction and installation enterprises. Currently, the Company has 1 "National Engineering Research Center for Aluminum and Magnesium Electrolysis Equipment", 1 "State-Local Joint Engineering Research Center for Energy-Saving and Environmental Protection Technologies in Aluminum Industry", 7 "National Enterprise Technology Centers", 1 "National Industrial Design Center", 4 "Postdoctoral Research Workstations", as well as 3 "National Model Enterprises for Intellectual Property Rights", 1 "National Technology Innovation Demonstration Enterprise" and 2 "State-level New, Distinctive, Specialised and Sophisticated 'Little Giant' Enterprises". In 2025, Zhongkan Institute, one of our subsidiaries, was successfully included in the sixth batch of industrial technology infrastructure public service platform lists by the Ministry of Industry and Information Technology, while the "Yunnan Provincial Green Mine Digital Intelligence Safety Technology Innovation Center" was approved for establishment. A total of 19 new provincial second-class and association/ministerial first-class science and technology awards were obtained. We spearheaded or participated in formulating 18 new national and industry standards, and obtained internationally leading scientific and technological accomplishments such as the "High-Stress Rock Mass Pressure Control Support Technology for Deep Mine Shafts". SAMI, our subsidiary, spearheaded the drafting and release of the "Energy Consumption Limits for Graphite and Fluorspar Unit Products", the sole national standard for energy consumption limits in this field; three achievements, including "Key Technologies for Ecological Restoration in High-Altitude Mining Areas", were included in the Ministry of Natural Resources' Catalog of Advanced and Applicable Technologies for Mineral Resource Conservation and Comprehensive Utilization. The "Energy-saving Long-life Aluminum Electrolytic Cell Cathode Manufacturing Technology" was included in the Low-carbon Technology Catalog for featured promotion by the State. Five products, including the Reversible Hot Rolling Mill for Rare Refractory Metal Plates, were selected for the 2024 National Patent-Intensive Product List.

The Company has an experienced professional and technical team, including 41 national and industrial level survey and design masters, 20 personnel enjoying special allowances from the State Council or provincial governments, and 5,842 professional and technical personnel of various types, including 366 full senior titles and 2,010 associate senior titles.

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

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

Name of technology in the mining field	Brief introduction of technology
Comprehensive mineral resources exploration technology	Addressing exploration challenges such as deep ore body burial, significant cutting depth and weak mineralization indicators, we pioneered the "one selection, three determinations and dual evaluation" exploration and mineral discovery technology system, which enables dual assessment of resource accessibility and usability, significantly enhanced resource development efficiency; we achieved detection depths exceeding 3,000m with millisecond-level data synchronization; we overcame critical technical bottlenecks such as borehole wall instability and low core recovery rates in deep inclined holes. Such research achievements have won 3 provincial/ministerial-level Second Prizes for Scientific and Technological Progress, 6 Geological Prospecting Achievement Awards, and over 20 authorized patents. These technologies have been widely adopted in major domestic and international mines, cumulatively discovering 2 million tons of copper metal, 1.5 million tons of lead-zinc metal, 8 tons of gold metal and 50 million tons of iron ore, yielding significant economic and social benefits.

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

Name of technology in the mining field	Brief introduction of technology
Integrated technology for low-carbon efficient mining in ultra-cold super-large open-pit mines	A novel multi-method dynamic integrated optimization approach is developed for open-pit mining, featuring dynamic adjustment of boundary pricing and cost-economic parameters alongside precise alignment of time-value attributes. This resolved challenges in dynamic resource management and efficient utilization, enabling dynamic precision optimization of boundaries and intelligent economic layout of haulage pit lines. We have established a multi-parameter performance correction model for equipment cluster efficiency degradation and developed intelligent equipment selection decision-making software for ultra-high-altitude, super-large open-pit mines, enhancing operational efficiency of large equipment clusters in extremely cold regions and achieving precise matching of loading and hauling equipment; we pioneered self-powered belt conveying technology for high-capacity, long-distance downhill transport in ultra-high-altitude, super-large open-pit mines, enabling long-distance, large-scale material transportation and efficient energy recovery in belt conveyors under extreme cold conditions. These technological achievements have been successfully applied at a company in Xizang, elevating the low-carbon, high-efficiency, and economical mining capabilities of ultra-extreme cold super-large mines, providing invaluable technical support and engineering demonstration for green, low-carbon, cost-effective development of super-large open-pit mines in high-altitude cold regions, advancing technological progress in the ultra-extreme cold mining industry.
High-stress rock mass pressure control support technology for deep mine shafts	We pioneered in integrated modeling and diagnosis technology for multi-source failure factors in unstable high-stress rock masses of deep mines; we developed combined optimization techniques for rock pressure control integrating "engineering layout-excavation methods-construction processes-induced pressure relief", along with staged prestressing for prestressed rock bolts and sequential support using slotted pipe bolts + resin bolts; we invented a novel composite pressure-relieving anchor rod, resolving major technical challenges in stability control of high-stress rock masses in deep mines. The technology has been successfully applied at a mine within Chinalco, enhanced the level of safe and efficient deep mining techniques, advanced technological progress in the mining industry, and enabled broader application in similar mines. It has improved China's capability for independent mineral resource supply assurance and strengthened market competitiveness.

Name of technology in the mining field	Brief introduction of technology
Integrated technology for safe storage of ultra-fine slurry in strong karst areas	This project revealed the geological patterns of Guangxi's karst terrain and the slurry leakage mechanisms of tailings ponds. It pioneered key technologies such as hierarchical groundwater drainage and fault treatment for settlement dams, establishing a comprehensive system for the safe storage of ultrafine tailings in highly karstic regions, and filling a global technological gap in constructing tailings ponds within karst landscapes. The technology has been applied in 16 tailings ponds nationwide, achieving a 95% karst sealing rate and zero overflow of highly fluid slurry within the ponds. This innovation advances technological progress in the tailings pond industry within karst-developed regions, elevates construction standards for tailings ponds in China's karst areas, and demonstrates broad market potential.
Digital intelligence safety monitoring system for mines	Addressing challenges in large-scale deformation monitoring for steep slopes and tailings dams, the Smart MDP Engineering Disaster Prevention Radar System and Cloud Platform integrates key technologies including satellite compass spatial positioning is developed. This establishes a fully domestically produced, high-performance, intelligent monitoring system enabling sub-millimeter, all-weather, long-range continuous monitoring and deformation early warning. A smart dynamic evaluation and early warning system for mine stability has been established, comprehensively enhancing the intelligence level and emergency response capabilities of mine safety monitoring.

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

Name of technology in the mining field	Brief introduction of technology
Key technology of management and remediation of contaminated sites	Addressing technical challenges in ecological restoration of abandoned mines and heavy metal pollution control, we developed an integrated treatment technology combining "geotechnical impermeable barriers + harmful ion encapsulation in phosphatic tailings + separation and diversion of leachate and groundwater". This breakthrough overcomes the limitation of phosphatic tailings as backfill material, opening new pathways for solid waste resource utilization. We innovated an integrated "sulfidation + neutralization + oxidation" integrated treatment process and developed a new "physical-chemical-biological" synergistic remediation technology, significantly improved the efficiency and effectiveness of remediation of complex heavy metal contaminated site. The achievements of the research have reached internationally advanced levels and have been successfully applied in multiple key projects across China, yielding generating economic, social, and environmental benefits.
Key technologies for tailings dam surveying, disaster control assessment and early warning	Addressing safety hazards and management challenges in large-scale high-tailings dams, we developed new "spiral combination drill string + pump-less reverse circulation" drilling and sampling equipment, significantly enhancing the reliability of stability evaluation parameters. We established a tailings dam assessment system, developed multiple new technologies including "drainage + slope-following" integrated reinforcement techniques, and proposed a new combined dam construction process, substantially improving structural safety of the tailing dam. Research achievements include one National Gold Award for Geological Survey, two Provincial/Ministerial First Prizes for Scientific and Technological Progress, six national and industry standards authored or co-authored, and four published monographs. Such achievements have been successfully applied to more than 30 large-scale high tailings ponds nationwide, effectively avoiding the relocation of thousands of residents, ensuring the inherent safety of tailings ponds. Cumulative economic benefits exceed RMB3 billion, delivering significant economic, social and environmental benefits.

Name of technology in the mining field	Brief introduction of technology
Assessment and management technology of stability of deep foundation pit and high slope	Addressing major scientific and technological challenges such as multiple degradation mechanisms and graded stability assessment for high mine slopes, this research first proposed the triple degradation mechanism of ultra-high slopes in cold regions and the failure mechanism under multi-field coupling effects, providing theoretical support for slope risk prevention and control in frigid areas; an optimized grading method for jointed rock slope stability was developed, enabling precise analysis of slope stability in open-pit mines; a comprehensive prevention and control technology system has been developed, integrating "deep-hole vibration reduction – efficient enhancing blasting + stress relief degradation control + passive geotechnical protection + vegetation substrate revegetation". This system comprehensively enhances the inherent safety level of high slopes. The research achievements have reached internationally advanced levels, earning five provincial/ministerial-level science and technology progress awards and contributing to three industry standards as principal or co-author. The technology has been successfully applied in high slope engineering projects at multiple large-scale open-pit mines nationwide, significantly improving mine safety and the level of ecological governance.
Key technologies for mountainous geological hazard surveying and mitigation	Addressing difficulties in the survey and governance of major geological hazards like complex mountain landslides and debris flows, a multi-level identification system for steep mountainous areas integrating diverse remote sensing technologies is established, enabling rapid, precise and automated extraction of hazard information, significantly improving survey accuracy and efficiency; we innovatively proposed the "water-solid separation" theory for underground debris flow management and developed new technologies emphasizing "minimal backfilling, enhanced solidification, prioritized drainage and infiltration prevention", overcoming traditional governance bottlenecks to ensure intrinsic mine safety; we pioneered the key technology of "barrier dam conversion" for large-scale waste dumps, achieving theoretical innovation and technological breakthroughs in debris flow governance within high-mountain canyon regions. Research achievements have won one National Gold Award for Geological Survey, authorship and co-authorship of two national and industry standards, and successful application in multiple major domestic projects. These innovations have cumulatively saved over RMB3 billion in project costs, yielding significant economic, social and environmental benefits.

Name of technology in the mining field	Brief introduction of technology
Key technologies for groundwater resource evaluation, development and control	To address challenges in groundwater resource development and control, we have established a technical system for delineating groundwater occurrence and geothermal reservoir prospects in carbonate and clastic rock formations. We innovated methods for interpreting geophysical indicators of groundwater resources, enabling rapid target zone delineation and achieving geothermal extraction depths exceeding 3,000m. We developed integrated multi-dimensional geophysical detection technology combining "gravity, magnetism and electrical" surveys, significantly enhancing detection depth and accuracy; we have established a groundwater inflow hazard assessment and prevention system for large-scale water-bearing mines, effectively resolving major safety challenges in deep mining operations. The research achievements won one National Silver Award for Quality Engineering, with eight national and industry standards authored or co-authored. These technologies have been successfully applied in multiple large-scale domestic mining projects. During drought relief efforts, over 170 drought-resistant wells were completed, benefiting nearly 300,000 people, fully demonstrating the mission and responsibility of central state-owned enterprises in resource safeguard and social responsibility.
Key technologies for addressing complex geotechnical issues in engineering construction sites	Addressing engineering geological challenges in complex site environments, a systematic evaluation framework for engineering geological backgrounds has been established. Key technical bottlenecks including complex structures, unique stratigraphic lithologies, deep excavation/high embankment conditions and fluctuating water environments have been overcome, effectively ensuring intrinsic safety for site construction. The development of the "Three-Faced, Two-Body" stability control technology for high-fill sites resolved common challenges in handling weak interfaces such as base surfaces, slope-to-fill transitions and fill-excavation junctions, significantly enhancing deformation control capabilities at fill sites. Innovative key technologies for foundation treatment using special fill materials like red clay and Xigeda Formation soil overcame limitations that previously prevented their use as fill materials, substantially reducing project costs. The research achievements reached internationally advanced level, earning prestigious awards including the National Gold Award for Engineering Surveys and the 70th Anniversary of the People's Republic of China Outstanding Achievement Award. The team led or contributed to the development of 8 national and industry standards, successfully applied these technologies to multiple major domestic projects, and achieved cumulative investment savings exceeding RMB2 billion, delivering significant economic and social benefits.

Name of technology in the mining field	Brief introduction of technology
Multi-parameter collaborative optimization technology for mine complex ventilation systems	Addressing the challenge of optimizing ventilation systems in extremely complex regional mines, this technology overcomes difficulties such as "large deposits with small, scattered ore bodies", extensive underground working faces, multiple interim levels and numerous access points to surface shafts. It achieves systematic, coordinated optimization of key parameters including ventilation methods, airflow distribution, fan selection and airflow path layout, effectively controlling environmental risks such as toxic and hazardous gases (e.g., blasting fumes, dust, diesel exhaust), localized high temperatures and radioactive radon and its progeny, and significantly improves the underground working environment, safeguards miners' health and safety, substantially reduces equipment installation volume and power consumption, and delivers notable energy-saving and consumption-reduction effects. It propels mine ventilation technology toward intelligent, systematic and greening.
Key technologies for safety regulation and ecological restoration of high-altitude and steep mine slopes	In terms of the disaster-causing mechanism of slopes in high-altitude mines, an innovative freeze-thaw test method for semi-exposed slope rock masses is proposed. Model devices for rock slope instability freezing and tilting tests are developed, breaking through the bottleneck of traditional rock mechanics tests and achieving refined reconstruction of rock masses using sand mold 3D printing; as regards safety control, a modular off-road lightweight drilling rig and supporting green drilling device is developed. A slope stability analysis system is established, and an integrated learning prediction model is proposed, significantly improving prediction accuracy, significantly reducing rock stripping, and significantly increasing the amount of newly mined ore; in terms of ecological restoration, flexible horizontal barrier technology for slag heaps, soil-like matrix construction, and water and moisture retention technology are developed, vegetation restoration technologies such as net-hanging and topsoil spraying and planting bag anchoring are innovated, resulting in a green coverage rate of over 90% in the demonstration area.

Name of technology in the mining field	Brief introduction of technology
Smart geological modeling and integrated management and control platform for the entire lifecycle of the mine	The platform deeply integrates three core modules, namely high-precision geological modeling, accurate rock mechanics modeling and intelligent management and control, establishes a digital twin system covering the entire mine lifecycle from exploration and design to extraction and closure. Through real-time integration, standardized governance and in-depth analysis of multi-source heterogeneous data, the platform enables precise identification of ore body distribution patterns, proactive prediction of geological risks, scientific optimization of mining parameters and transparent monitoring with refined management throughout the entire production process. The platform fully supports mainstream industrial communication protocols, breaking down data barriers across critical operations like mining, beneficiation and backfilling. It integrates core business functions including intelligent production scheduling, equipment entire lifecycle management and energy optimization control, significantly enhancing resource utilization, safety standards, and overall management efficiency of mines. This result provides a practical, scalable digital transformation solution for mining enterprises.
Key technologies for intelligent early warning, disaster control, and emergency response evaluation in fine-grain tailings dams in high-seismic zones	Addressing industry challenges such as inadequate tailings dam stability evaluation methods, imperfect dam construction techniques and reinforcement technologies and unsystematic breach risk prediction, this project innovatively developed equipment for layered sampling of fine-grained tailings, automatic particle separation and permeability testing. It also developed software for three-dimensional numerical reconstruction of heterogeneous particles and for analyzing dam seepage and stability, achieving high-precision simulation and analysis of tailings particle structure and seepage characteristics; an online monitoring system for tailings pond disasters evolution is established, enhancing real-time operational status awareness; a sudden instability model for tailings dams under multi-field coupling and its critical trigger conditions are proposed, formulating a comprehensive technical system covering monitoring, early warning, dam construction, reinforcement and post-disaster assessment. The achievements reached internationally leading levels, with five industry standards authored or co-authored, and were successfully applied in more than 30 mines, providing robust technical support for non-coal mines to achieve high-quality, safe and green development.

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

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

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

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

Digital intelligence safety monitoring system for mines

Key technology of management and remediation of contaminated sites

2. **We possess world-leading metallurgical technologies.** In terms of aluminum electrolysis, we have grasped a complete series of electrolytic technologies of 180kA – 600kA have been successively developed, leading the Chinese technology of large-scale aluminum electrolysis cells in China to go global; the industry first ultra-fine droplet horizontal desulfurization equipment could reduce power consumption per ton of aluminum by 30% compared to traditional desulfurization devices. It has been promoted and applied in a number of electrolytic aluminum enterprises, with leading international technical indicators; our energy-saving, long-life aluminum electrolysis cell cathode manufacturing technology has been successfully included in the "National Key Promotion List of Low-Carbon Technologies (Fifth Batch)". **In terms of aluminum oxide**, we have developed a complete set of technologies for a 1.4 million ton/year ultra-large high-temperature Bayer process aluminum oxide production line; we have developed key technologies for improving the quality and reducing the consumption of alumina produced from gibbsite minerals, so as to create a complete industrial chain for the magnetized roasting of high ferrous bauxite minerals; we have developed organic matter removal technologies suitable for different aluminum oxide plants, forming a series of supporting technologies for organic matter removal processes; we have pioneered the domestic technology of converting red mud disposal sites from semi-dry, dry, or wet methods to dry methods. **In terms of copper, lead and zinc smelting**, we have completed the world's first demonstrating project for the resource utilization of multi-source solid waste from zinc smelting with a capacity of 700,000 tons/year, designed China's first single-set 400,000-ton melting pool copper smelting project, we have designed China's first lead-zinc combined smelting project with flash-speed lead smelting in conjunction with wet zinc production via boiling and roasting, and the world's first 300,000-ton zinc smelting project by oxygen pressure leaching; we have formulated advanced technologies for the treatment and protection of "three wastes" in the copper, lead and zinc industries, and achieved the reduction and harmless disposal of lead and zinc smelting slag. Our "Green, efficient and comprehensive utilization of complex copper, nickel and cobalt materials" was selected for the "Catalogue of Green, Low-Carbon Advanced and Applicable Technologies, Equipment and Products Encouraged for Development in Hunan Province's Industrial Sector (2025 Edition)". **In terms of titanium smelting**, the multi-polar magnesium electrolysis cell technology we have developed based on the titanium-magnesium combined production process has reached the international leading level. **In terms of carbon**, technological achievements have been developed such as the whole process of high-efficiency adsorption and purification technology for kneading and forming asphalt smoke, high-efficiency incineration technology for G/ETO asphalt smoke, and automatic online spraying equipment for anode anti-oxidation coatings. Based on technologies such as machine vision and machine learning, an inspection system for the surface quality of anode components has been developed to replace manual labor, to carry out online automatic detection of the surface quality of anode components and connect with the chain system, so as to realize automatic classification and diversion of anode component maintenance treatment.

Name of technology in the smelting field	Brief introduction of technology
SY600 series aluminum electrolysis technology	We pioneered technological solutions including the "New Concept External Busbar" and "New Type Cathode Steel Rod", introduced innovative concepts such as online anode current detection and regional control, and achieved multiple key breakthroughs in aluminum smelting technology. These innovations have enabled internationally leading performance across multiple metrics, including cell average voltage, current efficiency and direct current energy consumption per ton of aluminum. Core achievements have earned 3 First Prizes in Science and Technology from the China Non-ferrous Metals Industry Association and 3 Second Prizes for Scientific and Technological Progress at provincial/ministerial level; with 17 authorized invention patents and 8 PCT authorized international patents. Our core patent "Method for Reducing Horizontal Current in Molten Aluminum of Electrolytic Cells" won the China Patent Excellence Award. This technique has been applied to a cumulative production capacity of 6 million tons, with significant economic and social benefits.
Large-scale, high-efficiency gas-phase suspended calcination furnace for aluminum oxide	Our independently developed technology of large-scale, high-efficiency gas-phase suspended calcination furnace for aluminum oxide focuses on core objectives of energy conservation, high efficiency and environmental protection, and we have successively developed China's first 4,400 t/d low-temperature energy-saving calcination furnace for aluminum oxide and the first 5,500 t/d and 6,000 t/d aluminum oxide calciners. These units accommodate aluminum oxide production lines with the annual capacity ranging from 1 million to 1.65 million tons, achieving internationally leading standards in gas-solid separation efficiency, calcination temperature and energy consumption. The technology received the First Prize for Science and Technology from the China Non-ferrous Metals Industry Association, a total of 16 sets of technical equipment have been promoted and applied, delivering substantial economic benefits.

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

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

Name of technology in the smelting field	Brief introduction of technology
Key technology for quality improvement and consumption reduction of aluminum oxide production from Gibbsite ore	Addressing the industry challenges of high energy consumption and low efficiency in the smelting of Gibbsite ore, the technology achieves systematic breakthroughs in quality, energy consumption, resource recycling and environmental friendliness through the deep coupling and synergistic optimization of four core technologies across multiple processes: pre-purification two-stage decomposition technology, evaporation mother liquor side-flow cooling crystallization technology, multi-level comprehensive energy utilization technology of heat and potential energy, and model-based water resource optimization matching technology. This comprehensive industrial solution integrates "quality improvement, consumption reduction, emission reduction and resource utilization", and has been demonstrated and applied in several domestic aluminum oxide enterprises. It has not only significantly enhanced the market competitiveness of aluminum oxide products, but also provided a replicable innovative paradigm for the industry's green and low-carbon transformation, offering core technological support for the safeguard of national strategic resource and the development of a modern industrial system.

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Name of technology in the smelting field	Brief introduction of technology
High-quality graphitized cathode manufacturing technology and equipment	Through the synergistic integration of the three systems of "process – equipment – control", this technology has developed a "large particle, multi-grade" + high-temperature modified asphalt formulation and supporting process technology, a three-stage heating curve and corner furnace temperature control technology, a four-stage power supply curve for graphitization furnaces and a new four-column furnace loading process technology, and a long-life, energy-saving and environmentally friendly series graphitization furnace technology. It has constructed a complete graphitization cathode preparation technology and equipment system covering intelligent raw material pretreatment, refined kneading and molding process technology, intelligent roasting system and green and low-carbon graphitization system, achieving a 20% increase in single-line capacity while achieving a product pass rate of over 99%.
Ultra-large-scale fluidized calcination technology and equipment for complex zinc-bearing materials	A multi-dimensional integrated intelligent batching system for zinc concentrate was developed, along with a large vertical self-locking dome and an integrated internal and external arched beam structure, an airflow-dispersed pressure equalization structure windbox and a gridded elastic sealing structure, overcoming a series of technical challenges, including poor structural safety and stability of the large-span (>20m) high-temperature dome and ultra-high-temperature furnace body of the ultra-large roasting furnace, uneven material distribution, complex thermodynamic and kinetic conditions of complex zinc-containing materials, high control difficulty, high dust emission rates and unstable roasted sand quality. The world's largest 198m^2 fluidized bed roasting furnace for complex zinc-bearing materials is completed, achieving a single-series zinc roasting furnace processing capacity of 550,000 tons of zinc-containing materials. The system operates safely and stably, greatly promoted the advancement of zinc smelting technology and enhanced our market competitiveness.

Name of technology in the smelting field	Brief introduction of technology
Key technologies and large-scale equipment for coordinated resource recovery of zinc-based multi-source solid wastes	The world's first large-scale complete set of oxygen-enriched "side-blowing + fuming" enhanced smelting equipment is developed, overcoming major technical challenges such as the multiphase refractory nature of zinc-based multi-source solid waste in large smelting furnaces, the difficulty in directional separation of valuable metals, unstable thermal balance, easy deformation of furnaces and kilns and nodulation in the hearth, as well as issues in large fuming furnaces involving continuous synergistic blowing of liquid/cold, flue gas fluctuations and unstable heat load. It has achieved green synergistic treatment of various zinc-based solid wastes and efficient recovery of multi-metal resources, and built the world's first 700,000-ton/year zinc-based multi-source solid waste resource utilization demonstration project, providing a new solution for the resource utilization of zinc-based multi-source solid waste, and promoting the zinc-smelting industry's development toward high efficiency, energy saving, comprehensive recycling and environmental protection and cleanliness, and played an important role in promoting the sustainable development of the industry and improving its market competitiveness.
Sodium-free sulfide deep-level thallium removal, arsenic removal and resource utilization technology for lead-zinc smelting wastewater	A high-purity hydrogen sulfide preparation technology and a precise sulfidation reaction device are developed, realizing the resource utilization of gypsum slag; a highly efficient combined purification technology of "deep adsorption thallium removal + resource recovery" is developed, solving the major technical difficulties of deep-level removal and resource utilization of heavy metal thallium; we pioneered a pre-membrane wastewater negative carbon light hardness removal and conditioning process and innovatively developed an evaporation crystallizer to successfully produce sodium sulfate and sodium chloride industrial salt, realizing a closed loop of waste salt resource utilization. The achievements have been successfully industrialized, enhancing the low-carbon and clean treatment level of multi-metal smelting wastewater (e.g., lead-zinc), realizing the resource utilization of wastewater, waste residue and waste salts, and promoted the improvement of treatment technology of smelting wastewater.

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

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

SY600 series aluminum electrolysis technology

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

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

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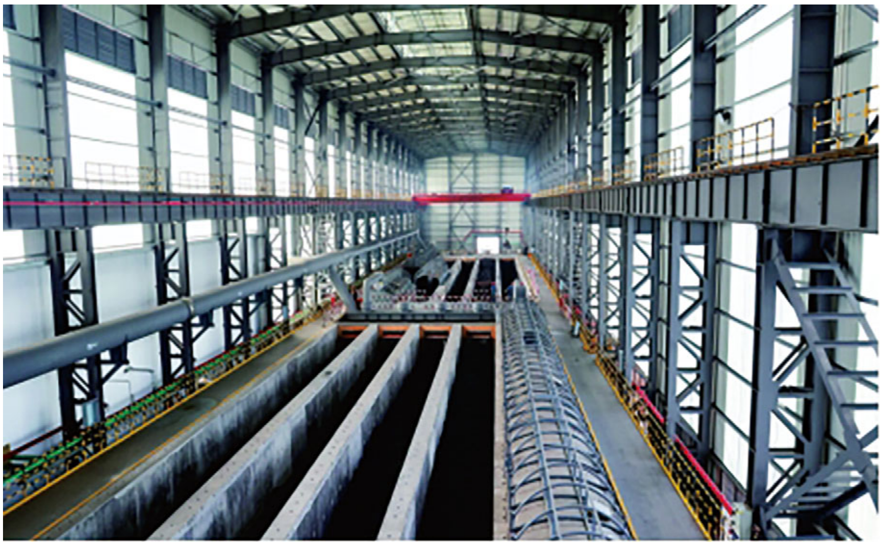


High-quality graphitized cathode manufacturing technology and equipment

3. **We own the only non-ferrous metal processing design and research institute in China, and we are a comprehensive enterprise integrating industry planning, engineering design, equipment development, technology development and development, industrialization of results and general contracting, etc. in the non-ferrous metal processing sector.** We are successfully selected as one of the first batch entities for the Digital Transformation Promotion Center for Manufacturing announced by the General Office of the Ministry of Industry and Information Technology, becoming one of the only four selected entities in the non-ferrous metals industry. Our "integrated solution and application for non-ferrous metal processing digital factories based on the industrial Internet platform" scenarios were successfully selected into the first batch of Henan Province's list of typical artificial intelligence application scenarios. We have developed the six-roller aluminum strip cold rolling mill equipment of 2,800 mm and 2,300 mm, high-speed trimming technology for aluminum alloy strips, and energy-saving and environmentally friendly full oil recovery technology for aluminum rolling mills, and made dozens of breakthroughs in key core technologies, which filled the gaps in domestic technologies and equipment. Our indigenous developed technologies and equipment are exported to more than 20 countries and regions in Asia, Europe, Americas and Africa.

Name of technology in the processing field	Brief introduction of technology
CNPT high-precision six-roll aluminum strip cold rolling equipment technology	We have independently developed several core technologies, including a large-volume bending roll lateral movement system, a dual-stage rolling force control system, high-precision control technology for ultra-wide strip shape, and a large-small rolling force compatibility technology, achieving the domestic production of the first set of equipment for a wide-width six-roll cold rolling mill. The equipment has excellent technical parameters and its comprehensive performance has reached the international advanced level. It has broken the foreign monopoly on key equipment for the production of hard aluminum alloy strip for aerospace and military industries and aluminum alloy strip for automotive lightweighting, with a high level degree of technological innovation, and promoted the domestic manufacturing process for high-end aluminum material.
High-precision copper alloy strip hot rolling equipment	We developed high-precision hot rolling equipment for large-coil-weight copper alloy sheets and strips along with key rolling technologies, achieving domestic production of high-strength, high-conductivity copper alloy hot rolling equipment, successfully achieved import substitution, significantly enhancing production efficiency product quality stability and yield rates. We developed cassette cooling technology for hot rolling mills, new edge-rolling equipment and online quenching devices for copper sheets and strips, the key performance indicators and finished product precision of which meet or exceed comparable international advanced levels.
2,300mm aluminum strip high-speed trimming line	This unit serves as critical equipment for producing aluminum alloy strip materials used in can lids, can bodies, automotive radiators and other applications. It possesses wide-width, high-speed and high-precision shearing and finishing capabilities, making it essential for mass-produced consumer packaging materials and lightweight automotive aluminum alloy strip production, with comprehensive performance reaching internationally advanced levels. The achievement broke through foreign technical barriers, enabled import substitution, and advanced the process of domestic production of major non-ferrous metal processing equipment in China. It enabled the production of high-end aluminum alloy strip material urgently needed for tank body materials to be independent of others. The equipment was recognized as one of the "Top Ten Landmark High-end Equipment in Luoyang Equipment Manufacturing Industry" and has been designated as Henan Province's First-of-a – Kind Major Technical Equipment for 2025.

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

Name of technology in the processing field	Brief introduction of technology
1,850mm aluminum strip twin-stand cold continuous rolling mill	This highly automated mill possesses wide-width, high-speed and high-precision aluminum alloy strip rolling capabilities. As the core equipment for producing can stock, power battery materials and lightweight automotive aluminum alloy strips, it has overcome key technical challenges such as inter-stand tension coordination. Its comprehensive performance reaches internationally advanced levels, achieving domestic substitution, and has been recognized as Henan Province's First-of-a – Kind Major Technical Equipment for 2025.
800mm six-roll copper foil rolling mill	The 800mm six-roll copper foil rolling mill, featuring fully independent intellectual property rights, incorporates self-developed technologies including an X-type roll stack structure, roll stack stabilization system, split nozzle beam assembly, copper foil surface degreasing device, tension AGC and speed AGC, making breakthroughs in key technologies in thickness and flatness control for ultra-thin wide-width copper foil rolling. Its comprehensive performance reaches internationally advanced levels, not only filling the domestic gap in high-end copper foil rolling equipment, but also meeting the market's urgent demand for high-precision, high-quality copper foil products. It has been recognized as Henan Province's First-of-a – Kind Major Technical Equipment for 2024.
Industrial non-ferrous metals processing internet platform	Built on industrial internet architecture, this highly integrated, stable and agile production line integration system delivers comprehensive digital sensing across production, quality, equipment, energy, logistics and safety functions for non-ferrous metals processors. The platform supports various specialised applications including equipment manufacturing production control, quality management, energy efficiency optimization, safety production and supply chain coordination.

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

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

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

2,300mm aluminum strip high-speed trimming line

Smart carbon dioxide fire suppression system for non-ferrous metal processing

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

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

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

Distributed intelligent energy application technology and equipment

(II) "Triple Full" advantages

The Company is an industry-leading engineering technology service provider covering the full range of metal categories, the entire industrial chain and the entire life cycle of engineering projects, i.e., Our business scope covers the full range of metal categories, including light metals, heavy metals, rare and precious metals. We hold top-tier qualifications such as Comprehensive Class A Engineering Design, Special Grade General Contracting for Metallurgical Engineering, and Class 1 General Contracting for Mining Engineering, giving us industry-leading design strength and engineering implementation capabilities across various metal types. Our technology enables integrated service capabilities across the entire industry chain, from exploration, mining, beneficiation, smelting to processing. We possess all process service elements including consulting, survey, design, equipment manufacturing, construction, commissioning, and operation & maintenance, providing integrated solutions throughout the entire industry chain and project lifecycle. Currently, we are focusing on the non-ferrous metals and advantageous industrial sectors, and we are committed to developing into a world-class, highly competitive new engineering technology enterprise that provides comprehensive solutions for non-ferrous metals, including advanced technologies, complete sets of equipment and integrated services, providing comprehensive integrated technologies and engineering design and construction services for various businesses in the entire non-ferrous metals industry chain with our absolutely leading technological advantages, qualification advantages, talent advantages, and full industry chain advantages in the industry.

(III) Qualification advantages

The Company holds a total of 375 various qualifications. These include 1 Class A comprehensive engineering design qualification, 1 Class A engineering design industry qualification, 11 Class A engineering design professional qualifications, 2 Class A comprehensive survey qualifications, 2 super-grade general contracting qualifications for construction engineering, 1 super-grade general contracting qualification for metallurgical engineering construction, 4 Class A engineering supervision qualifications, and 7 Grade A credit ratings for engineering consulting units.

(IV) Domestic market advantages

With the absolute leading technical advantages, talent advantages, qualification advantages, whole industry chain advantages and internationalization advantages in the non-ferrous metal industry, the Company has provided all-round comprehensive technical and engineering design and construction services for all business segments across the entire non-ferrous metal industry chain, and has made positive contributions to the construction of a resource-saving and environmental-friendly society. The affiliated enterprises under the Company are the backbone enterprises of the industry, and have participated in the planning, scientific research, design and engineering construction of more than ten domestic and overseas industries since the founding of new China, including metallurgy, construction, and military industry, such members created more than one hundred "China's firsts" and "world's firsts", and are the creator of China's non-ferrous metal industry, the formulator of industry standards and the leader of non-ferrous engineering technology.

The Company's domestic business focuses on design consultation, general contracting of metallurgical projects, construction of urban infrastructure and public utilities, and ecological environment management. Our business covers sectors including resource engineering, mine engineering, non-ferrous metallurgical engineering, non-ferrous metal processing engineering, green low-carbon digital intelligent, etc. The Company has rich experience and remarkable achievements in these areas, with more than 500 projects having received awards such as the Luban Award for Construction Project in China (National Quality Project), the Tien-yow Jeme Civil Engineering Prize, the National Award for Quality Project, the Gold Award of China's Construction Engineering Steel Structure and the Provincial and Ministerial Quality Project, among others. The Company is geographically distributed in more than 30 provinces, municipalities and autonomous regions across the country.

(V) Overseas markets advantages

The Company fully implements the "Technology + International" strategy, adhering to the core philosophy of "High Quality, Sustainability, Localization", leveraging our "Triple Full" advantages, namely full metal categories, full industry chain, and full lifecycle, we adopt an organizational implementation model of "Headquarters + Subsidiaries + Overseas Institutions" for the overall planning and centralized management of our overseas business across all levels, enabling us to build a unique competitive advantage in the global non-ferrous metals engineering and resource development sectors.

In terms of market presence, the Company focuses on countries along the Belt and Road and emerging markets, with business activities spanning dozens of countries and regions including Vietnam, Indonesia, Guinea, Italy, the Democratic Republic of Congo (DRC), and Brazil, forming a global service network centered on Southeast Asia and Africa.

Regarding business export and project implementation, the Company fully leverages its strengths in technological innovation and industry chain integration. We hold numerous domestic and international patents. Supported by internationally advanced technologies such as the low-temperature Bayer process aluminum oxide production technology and the unified SY500/600 aluminum electrolysis technology platform, several of our advanced technologies and equipment have been successfully applied in projects along the Belt and Road. Concurrently, the Company boasts diversified cooperation models like EPC and EPS, along with integrated management capabilities across the entire project lifecycle.

At the level of global cooperation and brand building, the Company has established stable cooperative relationships with enterprises, research institutions, and universities in over 40 countries and regions. Supported by a talent pool of international professionals in business development, legal affairs, and project management, we can precisely meet mainstream global industry standards and client needs. Simultaneously, the Company actively participates in events such as overseas themed forums, international mining forums, and international production capacity cooperation conferences. We have been listed on rankings like ENR's "Top 250 Global Contractors" for many consecutive years. Through our technical strength and project reputation, we continuously enhance our international brand influence, strengthen our foundation for overseas development, and deepen international production capacity cooperation, becoming a crucial vehicle for China's core non-ferrous metals technology and engineering services to "go global."

V. MAIN OPERATIONS WITHIN THE REPORTING PERIOD

In 2025, the Company coordinated production and operation with deepening reforms, and focused on the strategic transformation of core businesses. The Company achieved a total profit of RMB454 million and a net profit attributable to shareholders of the listed company of RMB257 million, both of which were improved year-on-year.

(I) Principal Business Analysis

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

Unit: ’000 Yuan Currency: RMB

Item	As at the period	Amount for the corresponding period of last year	Change (%)
Operating revenue	**23,059,806**	24,003,255	–3.93
Operating cost	**19,937,592**	21,072,860	–5.39
Sales expenses	**142,379**	133,158	6.93
Administrative expenses	**1,064,578**	987,166	7.84
Finance expenses	**314,076**	194,319	61.63
R&D expenses	**956,974**	961,032	–0.42
Net cash flows from operating activities	**891,338**	-2,694,318	N/A
Net cash flows from investing activities	**–29,372**	662,389	–104.43
Net cash flows from financing activities	**–804,243**	1,835,925	–143.81

Explanation of reasons for changes in operating revenue: The Company adheres to the principle of leading business transformation through technological innovation and is deeply promoting business transformation and upgrading. During the Reporting Period, the Company focused on three core market areas, continued to deepen the innovative business model of “technology + equipment, products, and services,” and promoted revenue growth in its core competitive design consultancy and equipment manufacturing businesses; we continued to exit from non-industrial sectors such as municipal and civil construction, resulting in a year-on-year decrease in operating revenue during the Reporting Period.

Explanation of reasons for changes in operating cost: Due to the cost decreased alongside with income.

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

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

Explanation of reasons for changes in finance expense: The Company reduced its financing scale during the reporting period, resulting in a year-on-year decrease in interest expenses; at the same time, the Company's exchange gains decreased year-on-year due to the appreciation of Renminbi.

Explanation of reasons for changes in R&D expense: The same as last year, no material change.

Explanation of reasons for changes in net cash flow from operating activities: The Company further strengthened receivables management, successfully recovered outstanding payments from certain key projects with long-standing receivables, resulting in a year-on-year increase in operating cash inflows.

Explanation of reasons for changes in net cash flow from investing activities: The Company's structured deposits from the last year have matured and been recovered; there were no such transactions in the year.

Explanation of reasons for changes in net cash flow from financing activities: During the previous financial year, the Company's three subsidiaries, namely SAMI, CINF and Zhongkan Institute, secured capital injections totalling RMB2.29 billion from strategic investors, resulting in a net inflow of cash from financing activities; there were no such transactions in the year.

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

☐Applicable ✓Not applicable

2. **Revenue and cost analysis**

✓Applicable ☐Not applicable

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

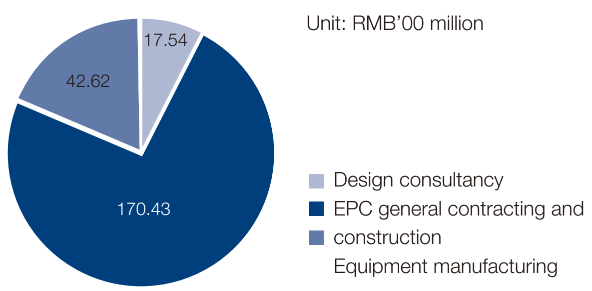
Unit: '000 Yuan Currency: RMB

Principal business by sector						
Sector	Operating revenue	Operating cost	Gross margin (%)	Changes in operating revenue over the last year (%)	Operating cost over the last year (%)	Changes in gross margin over the last year (%)
Design consultancy	1,754,149	1,186,060	32.39	2.42	−1.01	Increased by 2.34 percentage points
EPC general contracting and engineering	17,043,438	15,281,081	10.34	−11.84	−12.28	Increased by 0.45 percentage point
Of which: surveying business	1,014,378	908,741	10.41	13.09	12.43	Increased by 0.52 percentage point
Equipment manufacturing	4,262,219	3,470,451	18.58	44.14	41.45	Increased by 1.55 percentage points
Total	23,059,806	19,937,592	13.54	−3.93	−5.39	Increased by 1.33 percentage points

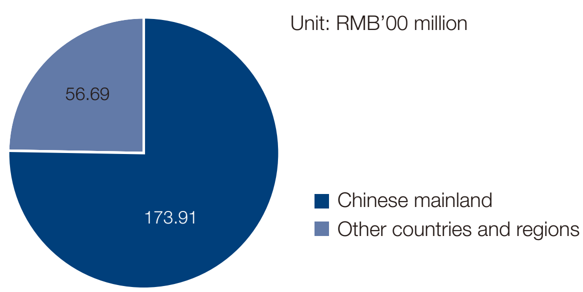
Principal business by region

Product	Operating revenue	Operating cost	Gross margin (%)	Changes in operating revenue over the last year (%)	Operating cost over the last year (%)	Changes in gross margin over the last year (%)
Chinese mainland	17,390,712	15,123,067	13.04	–12.48	–13.48	Increased by 1.00 percentage points
Other countries and regions	5,669,094	4,814,525	15.07	37.17	33.95	Increased by 2.04 percentage points
Total	23,059,806	19,937,592	13.54	–3.93	–5.39	Increased by 1.33 percentage points

Operating revenue by segment

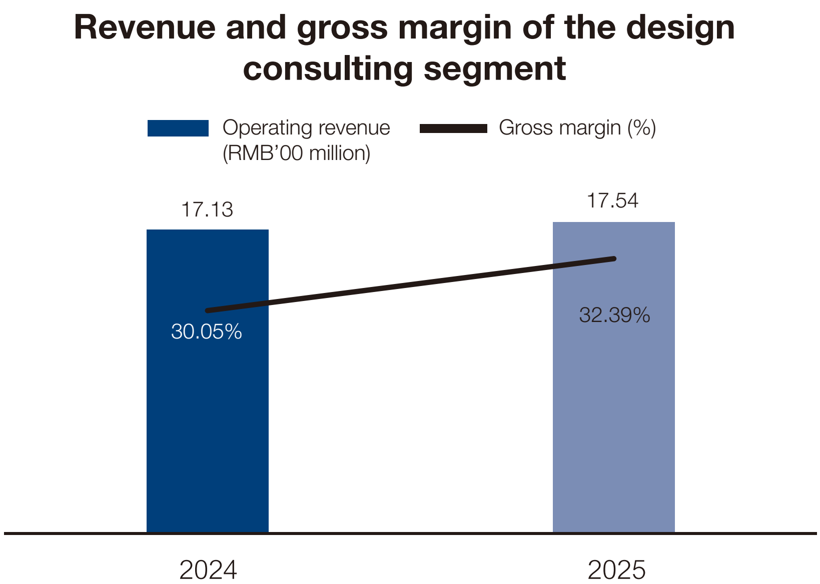


Operating revenue by region



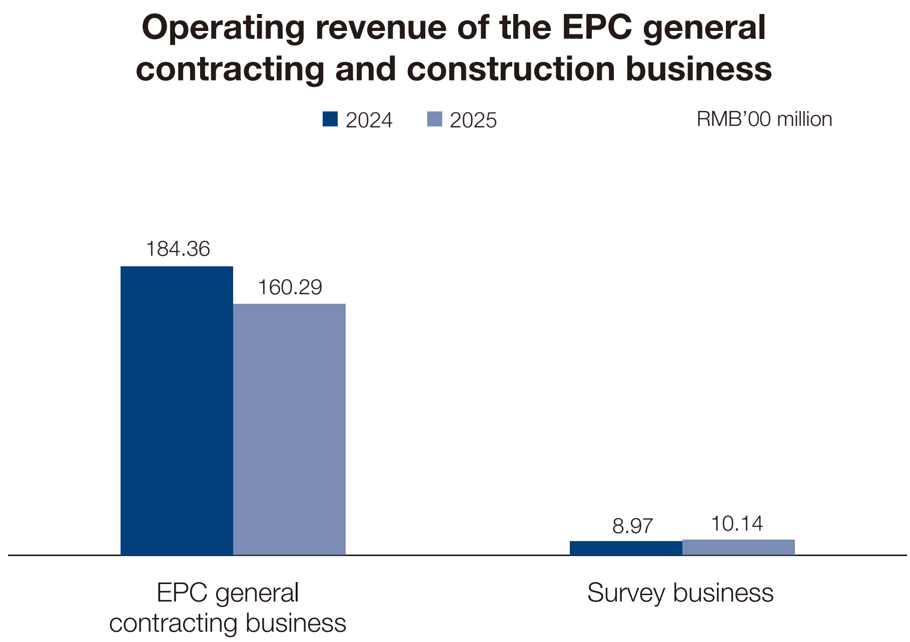
Principal business by sector, product, geography and by sales mode

① Design consultancy business



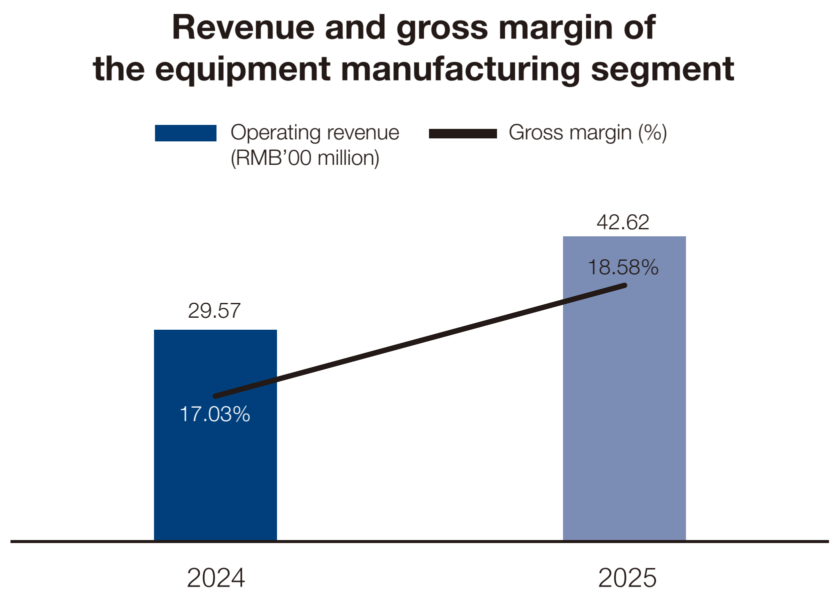
In 2025, the Company vigorously promoted the strategic adjustment of its business structure, focused on principal duties and businesses, and continued to maintain its core competitiveness in the nonferrous metals and advantageous industrial fields. The design and consulting business achieved revenue of RMB1.754 billion, representing a year-on-year increase of 2.42%. In accordance with the requirements of extreme business operation, the Company deepened the reform of labor efficiency. The gross profit margin of the design consultancy business was 32.39% this year, representing a year-on-year increase of 2.34 percentage points.

② EPC general contracting and engineering



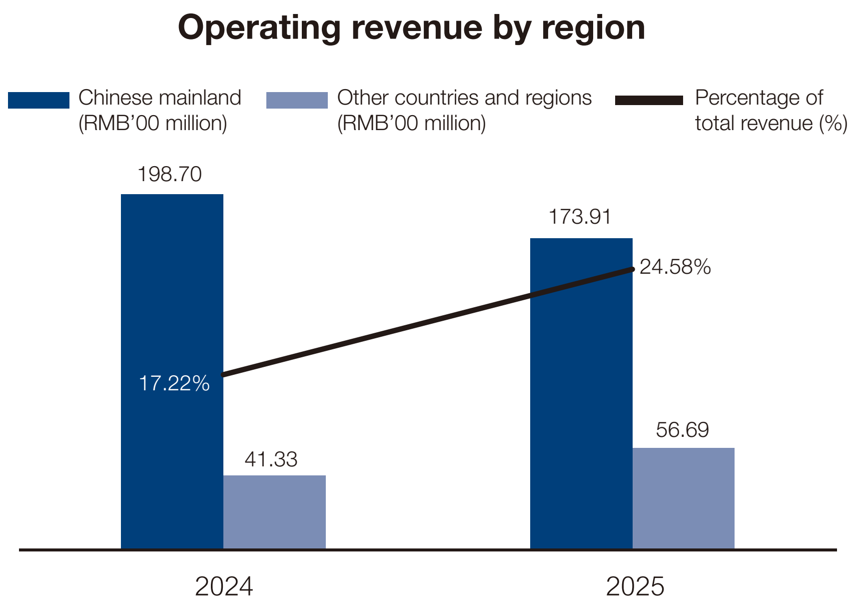
In 2025, revenue from EPC general contracting and construction operations reached RMB17.043 billion, representing a year-on-year decrease of 11.84%. This was primarily due to the Company's commitment to prioritizing quality over quantity, its ongoing optimization of business structure, and its withdrawal from high-risk, low-efficiency non-core businesses. At the same time, the newly signed EPC general contracting and construction projects for the period are large in scale and complex in nature, and have not yet entered the main construction phase where revenue is generated, resulting in short-term fluctuations in revenue for the period. As regards project fulfillment capabilities and cost control, the Company continued to strengthen the construction of its contract fulfillment management system and full-process project cost management, implement the three-tier control system spanning "the Company — subsidiaries — project departments", consolidate project management responsibilities, and strictly enforce the "two-system" management requirements for projects, resulting in a year-on-year increase in gross margin of 0.45 percentage point.

③ Equipment Manufacturing Business



In 2025, the Company continued to promote the industrialization of scientific and technological achievements, actively developing new business formats and models such as "technology + products," "technology + equipment" and "technology + comprehensive solutions", etc., steadily achieving its revenue targets for the transformation of scientific and technological achievements, continuously strengthening its core technological advantages, and improving its overall profitability. In 2025, the equipment manufacturing business achieved revenue of RMB4.262 billion, representing a year-on-year increase of RMB1.305 billion; the gross profit margin was 18.58%, enhanced by 1.54 percentage points year-on-year.

④ Overseas Business



The Company has deeply cultivated overseas markets, adhering to the core concept of "high quality, sustainability and localization." Leveraging its technological advantages and supply chain integration capabilities, it continues to deepen international production capacity cooperation. In 2025, it successfully signed a number of high-quality overseas contracts, including mining operations and maintenance in Simandou, Guinea, steadily increasing its overseas business scale and market influence. In 2025, overseas business revenue amounted to RMB5.669 billion, the proportion increased by 7.36 percentage points; the gross profit margin was 15.07%, enhanced by 2.04 percentage points year-on-year.

(2). Analysis of production volume and sales volume

☐Applicable ✓Not applicable

(3). Performance of major purchase or sales contracts

☐Applicable ✓Not applicable

(4). Cost analysis

Unit: '000 Yuan Currency: RMB

		By Sector					
Sector	Cost composition project	As at the period	Percent (%)	As at the last period	Percent (%)	Change (%)	Description
Design consultancy	Labor, raw materials and labor subcontracting costs, etc.	1,186,060	5.95	1,198,138	5.70	–1.01	Costs are reduced by refining cost management throughout the entire process.
EPC general contracting and engineering	Subcontractor costs, labor costs, raw materials, machinery usage fees, etc.	15,281,081	76.64	17,421,284	82.62	–12.28	Decreased along with revenue decrease.
Equipment manufacturing	Subcontractor costs, labor costs, raw materials, machinery usage fees, depreciation and amortization, etc.	3,470,451	17.41	2,453,438	11.68	41.45	Increased along with revenue increase.
Total		19,937,592	100.00	21,072,860	100.00	–5.39	

Description of other information of cost analysis

None

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(7). Particulars of major customers and major suppliers

Customers or suppliers under common control are considered as the same customer or supplier and are consolidated for presentation, except those under the actual control of the same state-owned asset management institution.

Description of the following customer and supplier information presented in a consolidated manner according to the common control criteria

None

A. Particulars of major customers and major suppliers of the Company

✓Applicable ☐Not applicable

Sales to top five customers amounted to RMB4,490,686,400, representing 19.49% of total sales for the year, among which sales to related parties amounted to RMB849,509,200, representing 3.69% of total sales for the year.

Purchases from top five suppliers amounted to RMB3,176,894,700, representing 14.15% of total purchases for the year, among which purchases from related parties amounted to RMB1,195,037,400, representing 5.31% of total purchases for the year.

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

C. During the Reporting Period, the Company's shares were subject to a delisting risk warning or other risk warnings

Top five sales customers

☐Applicable ✓Not applicable

Top five suppliers

☐Applicable ✓Not applicable

D. During the Reporting Period, the Company had revenue from trading business.

☐Applicable ✓Not applicable

The top five sales customers whose trade business accounts for more than 10% of operating revenue

☐Applicable ✓Not applicable

The top five suppliers whose trade business revenue accounts for more than 10% of operating revenue

☐Applicable ✓Not applicable

Other explanation:

None

3. Expense

✓Applicable ☐Not applicable

1. Selling expenses in 2025 amounted to RMB142 million, an increase of 6.93% compared to the last year. Which is mainly due to the company's active expansion into overseas markets, which led to increased overseas business expenditures and a slight increase in sales expenses.

2. Administrative expenses in 2025 were RMB1,065 million, an increase of 7.84% compared to the last year. Which is mainly due to the improvement in the Company's operating efficiency, resulting in a corresponding increase in performance-based remuneration calculated according to the remuneration incentive system.

3. R&D expenses in 2025 were RMB957 million, remained flat compared to the last year.

4. Finance costs in 2025 were RMB314 million, an increase of RMB120 million, or 61.63%, compared to the last year. The main reason was that the Company reduced its financing scale during the current reporting period, resulting in a year-on-year decrease in interest expenses of RMB100 million; at the same time, the Company's exchange gains decreased by RMB186 million year-on-year due to the appreciation of Renminbi.

4. R&D investments

(1). Particulars of R&D investments

✓Applicable ☐Not applicable

Unit: '000 Yuan Currency: RMB

Expensed R&D investment for the period	956,974
Capitalised R&D investment for the period	2,410
Total R&D investment	**959,384**
Percentage of total R&D investment in operating revenue (%)	4.16
Percentage of capitalised R&D investment (%)	0.25

(2). Particulars of R&D team members

✓Applicable ☐Not applicable

Number of R&D team members of the Company	2,414
Number of R&D team members in total headcount of the Company (%)	23.35%

Educational structure of R&D team members

Category of educational structure	**Number**
Doctor's degree	27
Master's degree	874
Bachelor's degree	1,424
Junior college	86
High school or lower	3

Age structure of R&D team members

Category of age structure	**Number**
< 30 years old (excluding 30)	257
30-40 years old (including 30, excluding 40)	1,061
40-50 years old (including 40, excluding 50)	714
50-60 years old (including 50, excluding 60)	358
>=60 years old	24

(3). *Description*

✓Applicable ☐Not applicable

In 2025, the Company adhered to the development strategy of "Science and Technology + International", adhered to the leadership of science and technology, gave full play to its advantages in the coordination of science and technology research and development and engineering design, provided technical support for the development of the non-ferrous industry, and continued to enhance the core competitiveness of the Company. The Company continues to deepen the development of its science and technology innovation system. First, it continues to strengthen top-level design, systematically summarizes the achievements of science and technology work during the "14th Five-Year Plan" period, and makes forward-looking plans for key science and technology development work during the "15th Five-Year Plan" period, coordinates the formulation and implementation of annual R&D investment plans and science and technology achievement promotion plans. Second, we continued to strengthen the construction of innovation platforms, and completed the annual review of national-level innovation platforms. Zhongkan Institute, one of our subsidiaries, was successfully included in the sixth batch of industrial technology infrastructure public service platform lists issued by the Ministry of Industry and Information Technology, while the "Yunnan Provincial Green Mine Digital Intelligence Safety Technology Innovation Center" was approved for establishment. Third, we will continue to promote the transformation of research results and collaborative cooperation, deepen cooperation with professional research institutes within Chinalco, production and manufacturing bases and downstream customers to a new level, accelerate the two-way integration of basic research and applied research, and formulate and implement annual work plans for cooperation with higher education institutes. Fourth, focusing on the four fundamental logics of technological innovation, we fully completed the annual key projects initiation tasks. Leveraging the key projects, we strengthened core R&D team development while further enhancing the infrastructure environment and hardware/software capabilities for scientific research.

We actively expanded international cooperation, joint applications for international scientific research cooperation projects were approved; continuously strengthening scientific research efforts, completing the annual key project approvals as planned, strengthening project process management, and passing internal acceptance evaluations for multiple achievements.

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

☐Applicable ✓Not applicable

5. Cash flow

✓Applicable ☐Not applicable

1. The Company's net cash flow from operating activities for 2025 was a net inflow of RMB891 million, compared to a net inflow of RMB3.586 billion in the last year. This was primarily due to the Company's further strengthening of receivables management and the successful collection of certain long overdue receivables from certain key projects, resulting in a year-on-year increase in inflow of operating cash flow.

2. The Company's net cash flow from investing activities for 2025 was a net outflow of RMB290 million, representing an increase in outflow of RMB692 million compared to the last year. This was primarily due to the Company's recovery of RMB700 million in maturing structured deposits in the last year, whereas no such transactions occurred in the year.

3. The Company's net cash flow from financing activities for 2025 was a net outflow of RMB804 million, representing an increase in outflow of RMB2.64 billion compared to the last year. This was primarily due to the fact that in the last year, three subsidiaries of the Company, namely SAMI, CINF, and Kunming Survey and Design Institute, introduced strategic investors who injected a total of RMB2.290 billion in capital, resulting in a cash inflow from financing activities, whereas no such transactions occurred in the year.

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

☐Applicable ✓Not applicable

(III) Analysis of Assets and Liabilities

✓Applicable ☐Not applicable

1. Assets and liabilities

Unit: '000 Yuan Currency: RMB

Project name	As at the end of the period	Percentage in total assets (%)	As at the end of the last year	Percentage of closing balance of the previous period in total assets (%)	Change in balance as at the end of the period as compared with balance as at the end of the previous period (%)	Description
Receivables financing	171,098	0.42	321,003	0.78	-46.70	During the period, payments to subcontractors and suppliers were made using promissory notes.
Prepayments	625,753	1.54	414,725	1.01	50.88	Advance payments for materials and construction equipment were made in accordance with the contract terms.
Long-term deferred expenses	100,310	0.25	44,560	0.11	125.11	Expenses related to the refurbishment of the aluminum formwork rental business increased.
Advance payments	7,433	0.02	3,651	0.01	103.59	Rent received in advance from the leasing of properties increased.

Other explanation:

None

2. Circumstance of overseas assets

✓Applicable ☐Not applicable

(1). Asset size

Including: overseas assets amounted to 4,349,524 (Unit: '000 Yuan, Currency: RMB), accounting for 10.73% of total assets.

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

☐Applicable ✓Not applicable

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

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Item	Closing book value	Reason for restriction
Currency funds	1,018,760	Deposits for letter of guarantee, promissory note deposits and frozen funds
Accounts receivable	5,882	Factoring of receivables with recourse
Total	1,024,642	/

4. Other explanation

✓ Applicable ☐ Not applicable

(1) Borrowing

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

Unit: '000 Yuan Currency: RMB

Item	As at the end of 2025	As at the end of 2024	Change
Short-term borrowings from banks and financial institutions	**944,437**	984,379	-39,942
Long-term borrowings due within 1 year	**2,107,753**	2,010,871	96,882
Long-term borrowings from banks and financial institutions	**6,443,924**	6,794,324	-350,400
Total interest-bearing liabilities	**9,496,114**	9,789,574	-293,460
Less: cash and cash equivalents (excluding restricted cash)	**3,244,043**	3,166,948	77,095
Net interest-bearing liabilities	**6,252,073**	6,622,626	-370,555

As at 31 December 2025, the Group's outstanding borrowings amounted to RMB9,496 million, representing a decrease of RMB293 million as compared with the interest-bearing liabilities of RMB9,970 million as at the end of 2024. Net interest-bearing liabilities (interest-bearing liabilities less cash and cash equivalents) at the end of 2025 amounted to RMB6,252 million, representing a decrease of RMB371 million as compared with the interest-bearing liabilities of RMB6,622 million as at the end of 2024.

(2) *Pledge of assets*

As at 31 December 2025, the Group pledged receivables of RMB6,398,000 to obtain borrowings of RMB6,398,000.

(3) *Contingent liabilities*

As at 31 December 2025, the Company did not have any material contingent liabilities.

(4) *Capital structure*

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

As at 31 December 2025 and 31 December 2024, the Company's gearing ratio was 40.62% and 42.82%, respectively. The decrease in the gearing ratio as at 31 December 2025 as compared with that as at 31 December 2024 was mainly due to a reduction in the Company's financing scale.

(IV) Industry Operational Information Analysis

✓ Applicable ☐ Not applicable

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

Analysis of operating information on the construction industry

1. Projects completed and being accepted during the Reporting Period

✓ Applicable ☐ Not applicable

Unit: 0'000 Yuan Currency: RMB

Industrial segment	Survey, design and consulting	Industrial projects	Civil construction	Highways and municipal projects	Equipment manufacturing	Other	Total
Number of projects	1,941	259	67	38	302	10	2,617
Total amount	131,483	554,499	116,207	73,186	184,012	43,170	1,102,557

✓ Applicable ☐ Not applicable

Unit: 0'000 Currency: RMB

Project area	Number of projects	Total amount
Domestic	2,555	1,026,609
Overseas	62	75,948
Including:	0	0
Asia	23	65,494
South America	6	364
North America	3	3,450
Oceania	0	0
Africa	26	5,556
Europe	4	1,084
Total	2,617	1,102,557

Other explanation:

☐ Applicable ✓ Not applicable

2. Projects in progress during the Reporting Period

✓ Applicable ☐ Not applicable

Unit: 0'000 Currency: RMB

Industrial segment	Survey, design and consulting	Industrial projects	Civil construction	Highways and municipal projects	Equipment manufacturing	Other	Total
Number of projects	4,891	962	119	51	554	173	6,750
Total amount	828,029	5,815,418	967,056	1,616,666	972,145	169,574	10,368,888

✓ Applicable ☐ Not applicable

Unit: 0'000 Currency: RMB

Project area	Number of projects	Total amount
Domestic	6,480	7,496,785
Overseas	270	2,872,103
Including:		
Asia	152	937,595
South America	19	8,215
North America	1	1,820
Oceania	1	412
Africa	76	1,804,281
Europe	21	119,780
Total	6,750	10,368,888

Other explanation:

☐ Applicable ✓ Not applicable

3. Major projects under construction

✓ Applicable ☐ Not applicable

Unit: 0'000 Currency: RMB

Project name	Business model	Project Amount	Duration of construction	Percentage of completion	Revenue recognized during the period	Cumulative revenue recognized	Cost inputs for the period	Cumulative cost inputs	Cumulative payback amount as at the end of the period	Whether project progress is in line with expectations	Whether the progress of payment is in line with expectations
General contracting agreement for 350,000-ton green electricity aluminum project (Zahannur Aluminum Phase II) in Zahannur, Tongliao City	EPC general contracting	279,858	720 days	87%	167,722	169,963	159,735	161,976	154,794	Yes	Yes
The "large substitution of small" upgrade and renovation project EPC General Contracting Project of Qingtongxia Electrolytic Cell, Qingtongxia Aluminum Branch of Qingtongxia Aluminum Industry Co., Ltd.	EPC general contracting	290,869	775 days	0%	0	0	0	0	21,000	Yes	Yes
Mempawah Aluminum Oxide Project in Indonesia	EPC	434,405	52 months Note	87%	19,679	376,925	17,320.13	358,708	377,396	Yes	Yes

Other explanation:

✓ Applicable ☐ Not applicable

As the project owner is temporarily unable to provide a site for the red mud stockpile, the completion date of the Mempawah aluminum oxide project in Indonesia has been tentatively postponed to 26 May 2026 pursuant to the memorandum of understanding signed by both parties.

4. Cumulative new signed projects during the Reporting Period

✓ Applicable ☐ Not applicable

During the Reporting Period, 4,891 new projects were signed, with a combined value of RMB46.836 billion.

5. Orders on hand as at the end of the Reporting Period

✓ Applicable ☐ Not applicable

The total amount of orders on hand as at the end of the Reporting Period was RMB54,120.0 million. Of this amount, RMB3,099.21 million was for projects for which contracts had been signed but work had not yet commenced, and RMB51,020.79 million was for uncompleted portions of projects under construction.

Other explanation:

☐ Applicable ✓ Not applicable

6. Other explanations

✓ Applicable ☐ Not applicable

(1) Qualifications obtained during the Reporting Period

A list of 1 qualification was newly obtained in 2025, details are provided as follows:

Name of the enterprise	Name of the certificate	Certificate No.	Date of issuance	Maturity date
Zhongkan Institute	Blasting Operation Unit License (Commercial)	5300001300237	2025-6–20	2028-6–20

(2) *Particulars of financing arrangements*

At the end of the Reporting Period, the balance of financing through debt and equity instruments amounted to RMB13.296 billion, of which Debt financing amounted to RMB9.496 billion, while the equity financing amounted to RMB3.8 billion. The overall financing scale decreased by RMB293 million compared with the end of 2024, as the Company enhanced the management and control of debts, repaid debts and reduced financing activities.

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

In 2025, the Company focused on the working goals of "No class A quality accidents, obtaining 2 provincial and ministerial level and above quality awards and 15 provincial and ministerial level and above QC achievements, reaching double '90' of both the participation rate and average score in the National Enterprise Employee Knowledge Contest on Comprehensive Quality Management, formulating 1 quality management model that can be replicated in the enterprise, and publicizing 5 articles of 'Quality Story of Chinese Aluminum' in provincial and ministerial level and above media", improved the quality management system, implemented the quality management responsibilities, upheld the spirit of professionalism, improved the level of quality management and created a quality brand.

(4) *Operation of workplace safety system*

In 2025, the Company comprehensively implemented the spirit of General Secretary Xi Jinping's important expositions, instructions and directives on production safety and emergency management, took the three-year action plan for addressing fundamental safety issues in production (2024-2026) and the annual safety work plan as the main line of focus, adhered to the principle of strict safety management and strict front-line management. With a sense of responsibility of "never feeling at ease", we deepened risk prevention and control, carried out routine safety and environmental protection supervision and accountability, and systematically established a "four-in-one" work system of responsibility, management, operation and prevention and control. The Company successfully passed the third-party occupational health and safety management system supervision and audit. The Company strictly adheres to relevant national and industrial laws and regulations, conducting a comprehensive review of its existing systems to identify and fill gaps. It has revised 6 safety management systems including the "Safety and Environmental Protection Supervision Accountability and Penalty Management Measures" and the "Safety and Environmental Protection Education and Training Management Regulations", concurrently, it has newly formulated 3 systems, such as the "Detailed Rules for Reporting, Investigating and Handling Work Safety Accidents". In 2025, the Company's production safety systems operated effectively, and various safety management tasks have achieved phased results, laying a solid institutional safeguard for subsequent safety work.

(V) Investment Analysis

Overall analysis of external equity investments

✓ Applicable ☐ Not applicable

As at 31 December 2025, the balance of the Company's long-term equity investments (at cost) stood at RMB662,507 thousand, a decrease of RMB114,037 thousand, or 14.69%, compared to the beginning of the year. The provision for impairment of long-term equity investments amounted to RMB36,216 thousand, remains the same as the beginning of the year.

1. *Major equity investments*

   ☐ Applicable ✓ Not applicable

2. *Significant non-equity investments*

   ☐ Applicable ✓ Not applicable

3. *Financial assets measured at fair value*

   ✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Category of asset	Amount as at the beginning of the period	**Amount as at the end of the period**
Financing receivables	321,003	**171,098**
Other equity instrument investments	43,160	**40,973**
Total	364,163	**212,071**

Investment in securities

☐ Applicable ✓ Not applicable

Explanation on Securities Investment

☐ Applicable ✓ Not applicable

Private Equity Investment

☐ Applicable ✓ Not applicable

Derivatives investment

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

Opinion of the independent directors

None

(VI) Disposal of significant assets and equities

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

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

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Company name	Business scope	Total assets	Net assets	Operating revenue	Net profit
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.	Engineering survey and design	2,769,736	1,366,657	2,224,906	60,253
Guiyang Aluminum & Magnesium Design Institute Co., Ltd.	Engineering survey and design	2,143,985	581,423	1,601,356	110,705
Changsha Engineering & Research Institute Limited for Non-ferrous Metallurgy	Engineering survey and design	4,426,783	2,456,519	2,565,344	122,428
China Non-ferrous Metals Processing Technology Co., Ltd.	Engineering design and equipment manufacturing	2,092,996	644,812	1,293,395	66,292
Kunming Survey and Design Institute Co., Ltd. of China Non-ferrous Metals Industry	Engineering survey and design	2,192,018	1,109,910	1,676,395	62,074
Kunming Non-ferrous Metallurgical Design and Research Institute Corporation	Engineering survey and design	657,960	256,151	499,928	77,035
Sixth Metallurgical Construction Company of China Non-ferrous Metals Industry	Building and construction	12,159,015	2,351,794	5,752,312	16,456
Ninth Metallurgical Construction Co., Ltd.	Building and construction	8,855,213	1,804,767	3,217,673	33,534
China Non-ferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	Building and construction	5,794,677	1,604,806	3,597,873	42,893
Chalco Shandong Engineering Technology Co., Ltd.	Engineering survey and design	606,687	193,734	580,287	-24,000

Acquisition and disposal of subsidiaries during the Reporting Period

☐ Applicable ✓ Not applicable

Other explanation

☐ Applicable ✓ Not applicable

(VIII) Particulars of structured entities controlled by the Company

☐ Applicable ✓ Not applicable

VI. DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and trend

✓ Applicable ☐ Not applicable

In 2025, the global political and economic landscape has undergone profound changes. Under the guidance of the "dual carbon" target and the new industrialization strategy, China's non-ferrous metals industry is at a critical stage of transformation from scale expansion to structural optimization. The underlying logic of industry development is undergoing profound changes. High-end, green and intelligent technologies are comprehensively reshaping the competitive landscape and growth path of the industry, bringing structural opportunities and challenges to the Company.

1. Non-ferrous metal industry: landscape reshaping amid profound transformation

The industry as a whole has entered a new phase prioritizing "quality" over "quantity". Policy direction clearly indicates that the sector has definitively moved beyond the old model of pursuing scale expansion alone, shifting toward a new paradigm focused on value creation and efficiency enhancement. Supply-demand coordination and "anti-involution" have become core policy concerns, aiming to resolve disorderly competition across sectors from traditional smelting to new energy materials, guiding resources toward high-value-added segments.

Green, low-carbon, and circular economies have shifted from being "optional" to "mandatory". International regulatory pressures and the rigid constraints of China's "dual carbon" goals have made green and low-carbon capabilities a core competitive advantage. Policies explicitly promote a significant increase in the production of recycled non-ferrous metals, elevating them from a supplementary role to a key force in industry decarbonization. Concurrently, the relocation of electrolytic aluminum capacity to regions abundant in green electricity, large-scale energy-saving and carbon-reduction retrofits of existing capacity and the accelerated utilization of solid waste such as red mud have spawned a technology transformation and operation service market worth hundreds of billions of yuan.

Technological innovation is propelling the industry toward higher value-added segments of the supply chain. Competitive focus of the industry has shifted to technological barriers and high-end supply capabilities. Explosive demand from downstream strategic emerging industries, such as new energy vehicles and next-generation information technology, is driving the sector toward high-end, precision and cutting-edge upgrades. The deep integration of digital technologies like artificial intelligence with resource exploration, smart mining and process optimization is emerging as a key engine for enhancing industrial efficiency and shaping new productive forces.

2. Engineering and construction industry: model innovation in convergent evolution

The integration between traditional engineering construction and the non-ferrous metals industry chain continues to deepen, exhibiting characteristics of synergistic evolution in its development pattern.

Market drivers are shifting from “incremental new construction” to “existing asset optimization” and “value-added services”. The stage of large-scale capacity expansion is approaching its end, with future growth primarily driven by: New construction and expansion of mines to enhance resource security; energy-saving and carbon-reducing technological transformation of the entire system to meet green and low-carbon requirements; and intelligent upgrading of production lines and the construction of new material production capacity in pursuit of high-end development.

Business models are evolving toward “integration” and “full lifecycle”. The competitiveness of simple design-build contracting has weakened, and the market increasingly favoring service providers offering integrated solutions spanning “survey – design – equipment – construction – operation”. Particularly in overseas and complex green, low-carbon and intelligent projects, enterprises possessing full industrial chain integration capabilities, full lifecycle service experience and core equipment self-reliance will establish significant competitive barriers.

Technological convergence is driving fundamental changes in construction methods. Green building practices, digital construction, and industrialized building are deeply integrating. The application of BIM, IoT, big data and AI is transforming not only construction sites but also extending upstream into factory design coupled with non-ferrous metal processes, fostering cross-industry collaborative innovation.

3. Strategic Review and Outlook for Chalieco

Amidst industry transformation, Chalieco faces both opportunities and challenges. The Company's core advantages lie in its comprehensive technical systems covering all metal categories and the entire industrial chain, coupled with its full-lifecycle service capabilities, aligning perfectly with the industry's urgent demand for integrated solutions. The internal market of the Group provides a stable foundation, while the cooperation initiatives between China's domestic resource safeguard strategy and overseas Belt and Road capacity open vast market opportunities for the Company in resource and mining engineering and non-ferrous metallurgical engineering. On the overseas front, the surge in demand for non-ferrous metals driven by the new energy industry trends and industrial upgrading in developing countries present new growth opportunities for the Company's overseas business. However, we also face multiple challenges, including geopolitical volatility, varying compliance standards, and intensifying industry competition.

The evolving industry landscape also places higher demands on the Company. Future competition will be multi-dimensional, encompassing technology, cost, management, brand, and international operation capabilities. The Company needs to achieve key breakthroughs in the following areas: Strengthening the industry-leading and commercialization capabilities of technological innovation; accelerating digital and intelligent transformation to enhance project profitability and remote management capabilities for overseas projects; building systematic international operations and risk management capabilities to proactively address the complex, ever-changing environment, policies, and potential risks of overseas project performance; and deepening the engineering application and industrialization of core green and low-carbon technologies to seize the commanding heights in the domestic and international "dual carbon" initiatives.

Looking ahead to the 15th Five-Year Plan period, Chalieco will continuously refine our integrated service capabilities centered on technological innovation. For overseas business, we will focus on core markets, deepen customer collaboration, and focus on the non-ferrous metals sector. Through localized operations and ecosystem cooperation, we aim to solidify our development foundation. In the process of safeguarding national resource security and promoting the industry's green and low-carbon transformation, we will achieve our own high-quality and sustainable development, becoming a core force in the internationalization of China's non-ferrous metals industry.

(II) Corporate development strategy

✓ Applicable ☐ Not applicable

Providing “customized” and best-in-class services that integrate R&D and design, as well as low-cost and highly cost-effective products of complete sets of equipment as well as comprehensive solutions. To form world leading integrated capabilities in non-ferrous metals technology and advantageous industry sectors, engineering design and engineering construction, and build ourselves into a world-class, highly competitive new engineering technology enterprise that provides comprehensive solutions for mining and non-ferrous metals and advantageous industry sectors, including advanced technologies, complete sets of equipment and integrated services.

In terms of development strategy, we focus on our core business in non-ferrous metals and advantageous industrial sectors, expanding two major project categories, namely existing technical renovation and operation/maintenance projects, and new investment projects. We will deeply cultivate three markets: the internal market within Chinalco, the domestic market outside Chinalco, and overseas markets. Simultaneously, we have identified a technology-centric approach as the key implementation path for our new business model integrating “technology + services, equipment and products”.

(III) Operational plan

✓ Applicable ☐ Not applicable

In 2026, the Company will thoroughly implement the spirit of the Fourth Plenary Session of the 20th Central Committee of the Party, take the 15th Five-Year Plan as its action blueprint. It will anchor its efforts on “high-quality Party building + robust operations, promote transformation and deepening reforms”, emphasizing implementation, implementation, and tangible results, efficiently operate the “4+4+N+Annual Key Special Projects” implementation system, achieve its annual targets with high quality, ensuring a strong start to the 15th Five-Year Plan.

1. **Strengthen the Implementation of Strategic Leadership, Compose a New Chapter for the Start of the 15th Five-Year Plan**

   To highlight the role of strategic guidance. First, focus on non-ferrous metals and advantageous industrial sectors, vigorously competing for markets within Chinalco as well as domestic and international markets in non-ferrous metals and advantageous industrial sectors. We will focus on developing six core business areas: resource engineering as the foundation, mining engineering and non-ferrous metallurgical engineering as the dual core pillars, Non-ferrous Metal Processing Engineering as the value extension, green, low-carbon, digital and intelligent engineering as the future driver, and other relevant engineering services as complementary support. Second, emphasize key sectors and regions, continue to strengthen marketing and project implementation for EPC business and overseas operations. Design and survey enterprises shall seize the window of opportunity, take technological innovation as the guidance and promote the coordinated development of design business, EPC business and industrialization of scientific and technological achievements. They should vigorously increase the share of overseas business, achieve rapid growth in business scale, in-depth optimization of business structure, significant improvement in profitability and continuous expansion of technological advantages. Construction companies shall focus on the establishment of capabilities, motivation and vitality, make full use of the favourable opportunity brought by the rapid development of the non-ferrous metals industry, strengthen internal and external collaboration, so as to achieve effective growth in contract value and operating revenue.

   To highlight the enabling and safeguard role of systems. First, guided by the "New Three Tables", effectively operate the "4+4+N+Annual Key Special Projects" strategic planning implementation system using the methodologies of "systematic thinking, system-wide operations, institutional and process support, and digital empowerment". Second, to improve the systematic and organized management of each business module, refine standards, processes and manuals, improve process-driven organizational capabilities. Third, to make good use of digital and intelligence tools, vigorously promote the application of the Company's production and operation management system, to achieve automatic data collection and dynamic analysis through an efficient information system, significantly improving implementation and collaboration efficiency. Fourth, all management levels shall strengthen the authority of system management, daring to manage, capable of managing, and managing effectively, streamlining the division of labor and collaboration mechanisms to maximize organizational capabilities.

1. Six core business areas: Resource Engineering, Mining Engineering, Non-Ferrous Metallurgical Engineering, Non-Ferrous Metal Processing Engineering, Green Low-Carbon Digitalization, Other Relevant Engineering Services

2. **To deepen our expertise in key specialties and regions, win the "battle of improving quality and increasing quantity in the market".**

To deeply tap into the market opportunities within Chinalco. Align with Chinalco's annual industrial development plan to establish a list of key projects and improve the management model that emphasizes coordinated efforts and collaborative problem-solving. Leveraging the strengths of design institutes and the potential of mining specialty companies to closely monitor the investment and operation projects of key enterprises within Chinalco, and strive to acquire projects through market-oriented means.

To deeply cultivate key domestic target markets. Focus on domestic non-ferrous metals and advantageous industrial sectors, consolidating light non-ferrous metals while further expanding into heavy non-ferrous metals. To focus on six key business areas, optimizing and expanding the design and surveying business, specializing and refining the construction business, deepening and strengthening our EPC general contracting business. To deepen our marketing to strategic clients, using customized services to build strong client relationships, strengthen long-term cooperative stickiness, and solidify and enhance our market position in leading domestic sectors.

To expand into international markets and build a superior global brand. Strengthen the development of the overseas market management system, focusing on major markets, major clients, and major projects, and improve the comprehensive marketing and contract fulfillment capabilities of overseas institutions and subsidiaries. Further solidify the construction of overseas regional bases and strengthen localized marketing overseas. Meticulously cultivate key markets such as Southeast Asia and Africa, improve service quality and firmly establish the brand and value position overseas.

3. **To implement comprehensive control over all project implementation elements to win the "Project Fulfillment Enhancement Campaign"**

To clearly define management duties and rights, and to ensure accountability at all levels. First, to further clarify the boundaries of duties and rights. Design companies shall further clarify the boundary of responsibilities of their back-end design team, procurement support team, and front-line project department in their EPC project performance. Second, to further solidify the project departments' responsibilities through the "two systems" of projects. Third, clarify the management responsibilities for major projects. To define a list of key projects, formulate management rules, and adopt different models for penetrating supervision.

To optimize the supply chain and enhance cost competitiveness. First, to further optimize subcontractor resources, so as to enhance resilience and security of the supply chain. Second, to further strengthen centralized material procurement management, so as to achieve platform operation and transparent procurement.

To comprehensively improve professional abilities. First, to systematically strengthen professional EPC project implementation capacity by establishing complete EPC project management system documentation and standardized manuals separately for domestic and overseas projects, ensuring standardized management. Enhance internal resource coordination between design and construction enterprises, actively recruit external high-quality talent and bolster team expertise, and further enhance practical EPC business training. Second, to enhance mining specialization, adequately coordinate the full industrial chain capabilities of affiliated enterprises in resource exploration, design, construction and operations. To allocate hardware resources appropriately based on project needs. Third, to fully promote applications in relation to 3D design and digital delivery to build the Company's unique competitive advantage. Implement full-discipline 3D forward collaborative design and digital delivery for overseas EPC projects and key domestic projects. Fourth, comprehensively promote and apply the project management information system, enhance management quality and efficiency through digital means.

4. Resolutely advance the special action for technological innovation to comprehensively enhance core technological competitiveness

Accelerate efforts to tackle and break through key core technologies. Systematically advance the implementation of the 15th Five-Year Plan for scientific and technological development, complete a batch of major tasks, and deep energy conservation in aluminum electrolysis with high quality, spare no effort to break through a number of key technologies, including efficient mining and drainage in high-altitude and cold regions, development of complex and difficult-to-mine bodies, graded utilization of recycled aluminum, new energy utilization of aluminum oxide, as well as intelligent production lines for metallurgy and processing. To cultivate scientific and technological talents through practical experience.

To strengthen the promotion and industrialization of scientific and technological achievements. First, to coordinate the equipment-based, product-based, and integrated deployment of technologies, implement plans for promoting scientific and technological achievements, continuously enhance technology marketing to meet customer demands and solve practical issues. Second, to implement the industrialization plan for scientific and technological achievements, accelerate the engineering application of a number of advanced achievements, in the models of "technology + EPC/equipment/products", the industrialization application of resource category achievements shall achieve practical results. To focus on creating exemplary models such as ultra-fine droplet horizontal desulfurization technology, ultra-large aluminum hydroxide roasting furnace equipment, multi-parameter balance technology for aluminum electrolysis cells, high-precision wide-width aluminum rolling equipment, and the demonstrating example of digital electrolysis cells, etc..

To innovatively advance the special action for digital and intelligent empowerment. First, to further strengthen foundational capabilities. To enhance organizational leadership in data governance to achieve EPC business data integration into the data lake. Second, to accelerate the construction of the "1+3" smart operations platform. Solidly advance the effective implementation of projects such as smart management, smart design, smart delivery and smart production, etc., accelerating the Company's digital and intelligent transformation. Third, we will promote the efficient coordination and deep integration of industrial digitalization and digital industrialization. We will coordinate the R&D and application of artificial intelligence in high-value scenarios across the entire chain of R&D, design, management, and service, reshaping the value creation model of traditional industries. We will promote the productization, standardization, and servitization of digital and intelligent technologies, providing technical tools and solutions for the transformation, cost reduction, and efficiency improvement of traditional industries, and actively develop the Company's digital and intelligent industry.

5. **To resolutely advance the special campaign for deep and thorough reforms, systematically driving strategic restructuring and operational revolution**

Grasp and implement the deepening and upgrading of reform. We will advance the new round of state-owned enterprise reforms, completing the new round reform implementation plan and task list to a high standard, ensuring a 100% completion rate for annual reform tasks. We will continuously refine and deepen the "Science and Technology Reform" initiative, focus on technological self-reliance, comprehensively enhancing independent innovation capabilities, and continuously tracking and fully promoting the optimization and improvement of various indicators.

To grasp and implement the construction of professional capabilities of construction business. To accelerate the adaptation and effectiveness of the new management system, break down internal silos and barriers, consolidate resources, streamline processes and implement direct management and control. We will rapidly advance businesses such as mine engineering, metal structures, mechanical and electrical equipment installation, and non-ferrous industrial services. These five business segments will become "specialized, sophisticated, distinctive, and innovative" benchmarks within the industry, allowing us to build core professional teams.

To grasp and implement the construction of the market-oriented mechanism. The various enterprises should focus on improving capabilities, increasing motivation and enhancing vitality, strive to improve market-oriented incentive and constraint mechanisms such as salary, assessment, marketing, project "two systems", technology transfer and risk mitigation. To implement "one person, one form, one goal" for all employees and that performance is rigidly assessed and rewarded. To stimulate potential in the manner of "clearly marking prices" and improve labor productivity.

(IV) Potential risks

✓ Applicable ☐ Not applicable

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

1. Safety and Environmental Risks

Safety: regulatory pressure is increasing both domestically and internationally. Domestic laws and standards are constantly being upgraded, while overseas client requirements are becoming stricter, exposing the Company to dual accountability pressures.

Environment: policies and standards continue to tighten. The state is implementing environmental standard enhancement actions, with new regulations on green construction and construction waste management frequently issued, placing higher demands on the Company's technical management capabilities. The constraints on low-carbon transition are increasing. The policies for carbon peak and carbon neutrality are being rigidly advanced, leading to continuous pressure from both environmental compliance and green transformation.

Prevention and Control Measures: Safety: First, consolidate responsibilities across all levels. **Second**, deepen system development. **Third**, strengthen subcontractor management. **Fourth**, advance on-site standardization. **Fifth**, enhance education and training. **Sixth**, strictly control overseas risks. **Seventh**, focus on key area rectification. Concentrate on areas like subcontracting, site management, and auxiliary material procurement. **Eighth**, improve the inspection system. To conduct full-coverage inspections of projects and implement categorized strategies. **Ninth**, enhance management efficiency, achieving closed-loop management of risk early warnings, hazard identification, and problem rectification.

Environment: First, strengthen source prevention. Strictly verify resource and environmental conditions for new projects, accelerate green upgrades and transformations, and phase out outdated production capacity. **Second**, strictly implement the pollutant discharge permit system, and strengthen self-monitoring and third-party supervision. **Third**, continuously conduct hazard identification, regularly identify hazards in key areas and processes. **Fourth**, enhance inspection effectiveness. Include environmental work implementation, solid and hazardous waste management, and environmental compliance in key inspections. **Fifth**, strengthen capacity building and enhance company-wide environmental awareness.

2. **Market Fluctuations and Market Competitive Risks**

The “dual carbon” policies are intensifying, approvals for new projects are becoming stricter, and environmental protection and energy efficiency standards are continuously rising; the civilian market is contracting, leading to competition concentrating in the industrial sector, particularly the non-ferrous metals sector, intensifying the battle for market share, while overseas markets face increased uncertainties due to geopolitical factors and exchange rate fluctuations.

Prevention and Control Measures: First, strengthen policy research and response, promptly adjust business directions and project implementation strategies. **Second**, optimize market structure and expand new energy business. While consolidating our advantageous non-ferrous metals market, intensify efforts to explore emerging markets. **Third**, deepen the three-tier marketing system construction. Optimize key account tiered management, strengthen cross-regional and cross-level client resource sharing and conflict resolution. **Fourth**, strengthen technology and collaborative marketing. Leverage our design technology advantages by adopting a “Technology+” model to provide clients with integrated solutions. **Fifth**, improve the collaborative marketing management system, and enhance overall competitiveness.

3. **Reform and Business Transformation Risks**

If the plan deviates from its intended form during implementation due to issues with understanding, processes, or capabilities, it may lead to implementation deviations and production and operational risks.

Prevention and Control Measures: First, strengthen the promotion of reform oversight, develop a high-quality implementation plan and ledger of tasks for reform, clearly defining responsible units, timelines, and key milestones. **Second**, to target at critical and challenging reform tasks, the lead department for specialized reforms will establish a task list for supervision for break down and implementation, and ensure the effective implementation of key reform initiatives. **Third**, develop contingency plans for reform risks, comprehensively identify reform risks and formulate relevant risk prevention and control plans. Through advance planning, ensure rapid and effective responses when risks materialize. **Fourth**, enhance oversight and auditing during the reform process. Focus on high-risk areas, establish a long-term mechanism for rectifying reform issues, strengthen ongoing tracking and monitoring, promptly correct deviations.

4. **Project Management Risks**

Insufficient management experience and poor coordination may lead to performance risks; it is necessary to strengthen the review of compliance in procurement activities and strictly control and monitor the creditworthiness and performance capabilities of suppliers.

Prevention and Control Measures: First, establish robust procurement systems and internal control frameworks to standardize procurement processes and contract management, mitigating operational and performance risks. **Second**, enforce a three-tier control model of "company – subsidiary – project department", enhance the management capabilities for project risk resilience. **Third**, strengthen inspection and supervision of projects, implementing elevated management for key projects.

5. **International Operation Risks**

In the course of international production and operation, the ability to operate in compliance with regulations overseas needs to be continuously improved. It is necessary to strengthen our ability to judge the international economic and political landscape, and to study and judge the international political and business environment, so as to effectively reduce the risks of international operation.

Prevention and Control Measures: First, improve the overseas business management system. Enhance systems for market development and project management, forming standardized manuals; **Second**, deepen overseas compliance and risk prevention. Strengthen research on country-specific policies and upgrade the overseas compliance supervision system. **Third**, enhance research and analysis of emerging markets. Regularly research and update the market environment and competitive landscape of key target countries, provide strategic guidance for market development and optimize resource allocation. **Fourth**, strengthen overseas talent team development. Improve the overall professional competence and internationalization level of the talent team to lay a solid foundation for the long-term development of the overseas market.

(V) Others

☐ Applicable ✓ Not applicable

VII. OTHER DISCLOSURES

(I) Principal business

The Group's principal businesses are engineering design consultancy, EPC general contracting and engineering, and equipment manufacturing. Details of major subsidiaries, associates and joint ventures of the Company are set out in Note "VI. EQUITY IN OTHER ENTITIES" to the consolidated financial statements.

(II) Business review

A review of the Group's business during the year, potential risks, discussion of future business development and the relationships with employees, customers and suppliers are set out in "SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS (REPORT OF THE BOARD)", and the Group's financial and operating conditions are also analyzed using key financial indicators. For information on compliance with relevant laws and regulations that have a significant impact on the Group, please refer to "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report. For the social responsibility and environmental protection matters of the Group during the year, please refer to "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report. For details of major events affecting the Group, please refer to "SECTION VI KEY MATTERS" of this report.

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

1. **The Company and its employees.** The Company is always protecting employees' interests, committed to establishing "sunny, sincere, simple, and friendly" relationships with employees, implementing employees care projects, taking care of the living and working conditions of basic workers, offering fair career opportunities and competitive salary system and cozy interpersonal environment for employees. The Company fights against forced labour, harassment and abuse, strictly implements the Labour Law, the Labour Contract Law, the Social Insurance Law, and the Law on the Protection of Women's Rights and Interests, respects the human rights of employees, and prohibits child labour and forced labour. In 2025, there were no major labour disputes or human rights complaints. The Company offers employees fair wages and benefits, and pays social insurance and provident funds for employees in accordance with the law. The Company establishes a corporate annuity system to provide further pension security for retired employees. The Company vigorously protects employees' life and health, and implements employee health examinations, special physical examinations for female employees and special positions. The Company insists on democratic management, and gives full play to the role of corporate democratic management, democratic supervision and democratic decision-making in the basic form of workers' congress. The Company actively carries out rational suggestion activities.

The Company provides a growth platform for its employees, meets their requirements for self-development and continuous improvement, insists on guiding the employees with advanced concepts and cultivating them with excellent styles. The Company is committed to intensifying efforts in attracting high-level talent and innovating utilization models. Centering on the needs of key projects and critical sectors, it develops talent recruitment plans to enhance precision in recruitment, creates an attractive compensation system, and establishes a differentiated evaluation mechanism for high-level talent, designs a full-cycle development mechanism for high-level talent, and establishes a dynamic adjustment and utilization system for high-level talent. On the basis of comprehensively managing the overall human resources landscape of business units, holistic data analysis of human resources and talent inventory shall be enhanced, systematically and progressively enhancing strategic human resources support for new business directions, new layouts, new models and new markets. The Company insists on building a team of officials that matches senior, middle-aged and young people, and makes good use of officials of all ages. Plan the establishment of a team of outstanding young officials in a comprehensive manner, focus on selecting officials who have experience working in the front line in basic level, key positions, reform and development, complex environments and difficult areas, and who have achieved performance recognized by the majority of officials and employees, and focus on strengthening the cultivation of outstanding young officials. Provide employees with a broad platform and space for development, formulate a series of employee training programs and performance appraisal methods, and clarify the cultivation methods. To establish an intensive and sustainable talent development philosophy, formulate a “five-level, four-tier” technical position model, strengthen the development of talent teams at all levels and in all categories, and build six professional teams in categories such as “operation management, technology management, project management, marketing, overseas, and skilled personnel.” Improve the Company’s career development system, mechanisms and supporting systems, so as to promote the deep integration of the talent system with business development.

The Company has implemented the comprehensive training plan and annual key training initiatives, established a training system on a multidimensional manner and diversified training formats, fully leveraged internal training resources, clarified development approaches, and promoted the integration of learning and application, the coverage and effectiveness of training has been continuously strengthened. We have launched seven categories of training programs: the “Elite Project” for mid-level officers focused on strategic thinking and leadership development; the “Star Shining Project” for R&D talents strengthened technological innovation and commercialization; the “Deep Blue Project” for overseas talents emphasized international business and cross-cultural management; the “Deer Chasing Project” for marketing talents enhanced market expansion and customer management capabilities; the “Solid Rock Project” for project managers reinforced end-to-end cost and risk control; the “Mount Taishan Project” for safety management deepened hazard identification and emergency response system development; and the “Craftsmanship Project” for skilled talents highlighted practical proficiency and process innovation. Through tiered and categorized development, efforts are concentrated on building diverse talent pools which are professionally competent, pragmatic in style, and capable of winning battles suited for various business lines. Additionally, through the “Star Picking Project”, comprehensively improve the business capability and professionalism of headquarters management personnel, constantly innovate the concepts, mechanisms and methods for training, revitalise training resources, optimise training configuration, accelerate the output of training effect, empower management level improvement, and achieve the quality enhancement and upgrade of training work. Annual training investment amounted to RMB15,738,800, with 50,749 person-times trained and a training duration for all personnel of 744,492.5 hours.

2. **The Company and its customers.** The Company has a comprehensive customer maintenance and service system, continuously upgrading products and services to maximize client value, achieving mutual benefit and shared growth between the Group and the clients. We proactively engage in project front-end planning and top-level design, respond quickly to client needs to deliver high-quality and full process services. All major customers are classified into categories, and major customer archives are established to ensure the quality of customer services through dynamic management. To focus on overseas key customer markets, intensify promotional efforts, actively participate in international mining and non-ferrous metals industry exhibitions and major conferences, host key events such as the International Non-ferrous Industry Alliance Conference and the Indonesian Mining Enterprises Annual Meeting, to establish efficient communication and cooperation bridges, consolidate market development synergies and lay a solid foundation for the sustainable development and long-term stability of overseas markets.

3. **The Company and its suppliers.** The Company strictly adheres to the principles of "comply with laws and regulations, transparency, tailored approaches and collaborative efficiency", centering on development strategies and operational objectives to maintain a target-oriented and problem-solving mindset, focus on key product categories, core processes and premium suppliers to advance mechanism development, process optimization and capability enhancement. In 2025, we continuously optimize intermediate supply chain links, implemented upgraded lifecycle management for suppliers covering onboarding, utilization, evaluation, and exit, while refined a quantitative assessment system encompassing quality fulfillment, delivery timeliness, service responsiveness, green and low-carbon performance, technological innovation capabilities and ESG practices. Strengthened process performance evaluation and enforced strict application of outcomes, significantly enhanced supply chain collaboration efficiency; continuously deepened centralized procurement management, fully leveraging the role of group – and company-level centralized procurement in achieving extreme operations, effectively enhanced the resilience and risk resistance of the supply chain.

4. **The Company, the governments and large enterprises as business partners.** In respect of the development of the domestic business, the Company focuses on the reinforcement of a profound connection with local governments and well-known enterprises. The Group underwent in-depth exchanges with local governments in cities such as Zhengzhou, Changsha, Xianyang, Guiyang, Luoyang and Kunming on business activities, established cooperative partnerships with large-scale enterprises and commenced cooperation on areas such as non-ferrous metals industry, municipal and civil construction, etc. In 2025, the Company strengthened communication with key customers such as Chalco, China Copper, SPIC Group, Chinalco Advanced Manufacturing, Shaanxi Non-ferrous Metals, Yunnan Tin, Wanji Holding, Shanxi Zhaofeng Aluminum and Electric and Qingtongxia Aluminum, and explored the scope of further co-operation.

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

(IV) The Company's environmental policy and performance

For details, please refer to "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

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

None

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

For details regarding the Company's share issuance during the Reporting Period, please refer to "I. CHANGES IN SHARE CAPITAL" in "Section VII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS" in this report.

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

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

(VIII) Results

The audited results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement enclosed hereinafter. The financial positions of the Group as at 31 December 2025 are set out in the consolidated balance sheet enclosed hereinafter. The consolidated cash flows of the Group for the year ended 31 December 2025 are set out in the consolidated statement of cash flows enclosed hereinafter. Results performance, discussion and analysis of important factors affecting results and financial position of the Group for the year are set out in Section IV "Management Discussion and Analysis (Report of the Board)" of this annual report.

(IX) Property, plant and equipment

Details of movements in property, plant and equipment of the Group for the year are set out in Note 15 "Fixed assets" under "5. Notes to the Consolidated Financial Statements".

(X) Share capital

As at 31 December 2025, the Company had a total share capital of RMB2,987,836,267 shares, divided into 2,987,836,267 shares (including 2,588,360,267 A shares and 399,476,000 H shares) with a nominal value of RMB1.00 per share.

(XI) Taxation

Current and deferred income tax

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

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

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

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

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

For details, please refer to the notes to the financial report of this report "(22) Deferred income tax assets/deferred income tax liabilities".

Value-added tax

Sales of goods of the Group are subject to VAT. VAT payable is determined by the taxable sales calculated by applying the applicable tax rates on the taxable revenue arising from sales of goods and provision of service after deducting deductible input VAT of the period. The VAT rate for the sales of goods business of the Group is 13% throughout 2025. The applicable VAT rate for the modern service industry in 2025, including design, is 6%.

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

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

(XII) Reserves

The details of movements in reserves of the Group and the Company during the year are set out in the accompanying consolidated financial statements, namely the "CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF SHAREHOLDERS" and the "STATEMENT OF CHANGES IN EQUITY OF SHAREHOLDERS OF THE PARENT" of this report, respectively. Under the "Company Law of the People's Republic of China", after deducting the statutory surplus, the undistributed profit can be used for dividend distribution. As at 31 December 2025, the undistributed profit of the parent company amounted to RMB-475,079 thousand, and did not fulfill the conditions for dividend distribution.

(XIII) Events After the Balance Sheet Date

There was no other significant subsequent event after 31 December 2025.

(XIV) Profit distribution and proposed dividend

For details, please refer to "XII. PROPOSAL FOR PROFIT DISTRIBUTION OR FOR CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XV) Purchase, redemption or sale of listed securities

In accordance with the 2023 Restricted Share Incentive Scheme, the Company completed the granting of a total of 2 million restricted A-shares to 21 Participants on 26 May 2025. Apart from this, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

(XVI) Use of Proceeds

The Company raised total proceeds of HK$1.318 billion through its H-share listing. As at 31 December 2014, all raised proceeds have been fully utilized. The proceeds were primarily allocated to the Company's industrialization and overseas engineering projects, which is consistent with the intended use of proceeds as disclosed in the prospectus.

The Company raised total proceeds of RMB1.021 billion through its A-share listing. After deducting various issuance expenses of approximately RMB41 million, the net proceeds amounted to RMB980 million. As at 31 December 2019, all proceeds have been fully utilized. The proceeds were used to supplement working capital for the engineering general contracting business, consistent with the intended use of proceeds disclosed in the prospectus.

(XVII) Major customers and suppliers

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

(XVIII) Bank borrowings and other borrowings

Details of bank borrowings and other borrowings of the Group as at 31 December 2025 are set out in "(XXV) Short-term Borrowings" and "(XXXV) Long-term Borrowings" under "V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in the consolidated financial statements.

(XIX) Equity-linked agreements

As at 31 December 2025, the Group did not enter into any equity-linked agreements that would or could result in the issue of Shares by the Company.

(XX) List of directors and senior management

For details, please refer to "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XXI) Directors' service contracts

The Company entered into service contracts with each director. None of directors have entered into a service contract with the Company which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

(XXII) Remuneration of directors and senior management

For details, please refer to "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XXIII) Material interests of the directors in contracts, transactions or arrangements

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

(XXIV) Directors' interests in competing business

During 2025, none of directors or their associates had any competing interest in any business which competes or may compete, directly or indirectly, with the Group's business.

(XXV) Resignation of directors

For details, please refer to "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

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

As at 31 December 2025, the interests held by directors and chief executives of the Company are as follow:

Name	Position	Nature of interest	Number of A shares held in the Company	% of total A share capital as at 31 December 2025	% of total share capital as at 31 December 2025
LI Yihua	Chairman, executive director	Beneficial owner	267,400 shares	0.01%	0.01%
LIU Jing	Executive director, general manager	Beneficial owner	267,400 shares	0.01%	0.01%
LIU Dongjun	Executive director	Beneficial owner	200,600 shares	0.01%	0.01%
TAO Fulun	Executive director and joint company secretary	Beneficial owner	183,900 shares	0.01%	0.01%

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

Except as otherwise disclosed above, as at 31 December 2025, none of the directors and senior management of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director, supervisor, and senior management was taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(XXVII) Directors' insurance

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

(XXVIII) Permitted indemnity

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

(XXIX) Directors' interests

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

(XXX) Financial, business and family relationships among the Board of Directors members and senior management

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

(XXXI) Share incentives acquired by directors and senior management

The Company disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on the Initial Grant of Restricted Shares to Participants under the 2023 Restricted Share Incentive Scheme" on 18 June 2024, the conditions for granting restricted shares as stipulated in the "2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited" have been met. As authorized by the Company's 2023 Annual Shareholders' Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024, the Company held its 21st meeting of the Fourth Session of the Board of Directors on 18 June 2024, and approved the "Proposal on the Initial Grant of Restricted Shares to Participants of the Company's 2023 Restricted Share Incentive Scheme". The Board is of the opinion that the granting conditions stipulated in the 2023 Restricted Share Incentive Scheme have been met, and agrees that the initial grant date of the restricted shares shall be 18 June 2024. The Company disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on the Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme" on 29 July 2024. The Company has completed the registration of grant of certain restricted shares of the initial grant under the 2023 Restricted Share Incentive Scheme with the Shanghai Branch of the CSDCC on 26 July 2024, and granted 26,769,600 restricted shares to 237 participants. On 13 June 2025, the Company completed the reserved grant work of the 2023 Restricted Share Incentive Scheme, with 21 actual grantees, and the amount of grant of 2 million shares.

For details regarding equity incentives obtained by directors and senior management from the 2023 Restricted Share Incentive Scheme, please refer to "Equity incentives granted to directors and senior management during the Reporting Period" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

Apart from the aforementioned stock appreciation rights plan and the 2023 Restricted Share Incentive Scheme, the Company has not granted new share appreciation rights and any other forms of share incentive to directors and senior management.

(XXXII) Substantial Shareholders' interests in Shares

For details, please refer to "PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER OWNER" under "Section VII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS" of this report.

(XXXIII) Compliance with OFAC undertakings

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

(XXXIV) Management contracts

During 2025, the Company did not sign or enter into any contract in respect of the management and administration of all or any substantial part of its business.

(XXXV) Related party (Connected) transactions

For details, please refer to “MATERIAL RELATED PARTY/(CONNECTED) TRANSACTIONS” under “SECTION VI KEY MATTERS” of this report.

(XXXVI) Compliance with Non-competition Agreement

For details, please refer to “SPECIFIC MEASURES OF THE CONTROLLING SHAREHOLDER OR THE DE FACTO CONTROLLER TO ENSURE THE INDEPENDENCE IN THE COMPANY’S ASSETS, STAFF, FINANCE, ORGANIZATION, OPERATION AND OTHERS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND SUBSEQUENT WORK PLAN TO AFFECT SUCH INDEPENDENCE” under “SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)” of this report.

(XXXVII) Directors’ rights to acquire Shares or debentures

As at the end of 2025, no right to acquire Shares in or debentures of the Company or any other body corporate were granted to any directors or their associates by the Company or any of its subsidiaries or were any such rights exercised by them.

(XXXVIII) Retirement and employees benefit scheme

For details, please refer to "PARTICULARS OF EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF REPORTING PERIOD" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XXXIX) Compliance with Corporate Governance Codes

For details, please refer to "COMPANY'S COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XL) Board diversification policy

For details, please refer to "The Board of Directors" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XLI) Compliance with major laws and regulations

For details, please refer to "COMPLIANCE WITH MAJOR LAWS AND REGULATIONS AND PROMOTING THE CONSTRUCTION OF CORPORATE LEGAL GOVERNANCE" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XLII) Promoting the construction of corporate legal governance

For details, please refer to "COMPLIANCE WITH MAJOR LAWS AND REGULATIONS AND PROMOTING THE CONSTRUCTION OF CORPORATE LEGAL GOVERNANCE" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

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

For details, please refer to "OTHERS" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(XLIV) Audit Committee

The audit committee of the Company has reviewed the 2025 annual results and the consolidated financial statements of the Group for the year ended 31 December 2025 prepared in accordance with the China Accounting Standards for Business Enterprises.

(XLV) Auditor's remuneration

For details on the auditor's remuneration, see "APPOINTMENT AND REMOVAL OF AUDITOR" under "SECTION VI KEY MATTERS" of this report.

(XLVI) Five-year financial summary

For details of the summary of the Group's operating results and assets for the past five financial years, please refer to "SECTION X FIVE-YEAR PERFORMANCE SUMMARY" of this report.

(XLVII) Taxes on dividends

For details of the Company's cash dividend proposal for the Reporting Period, please refer to "PROPOSAL FOR PROFIT DISTRIBUTION OR FOR CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

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

If an individual H shareholder is a resident of Hong Kong or Macau, or a resident of another country that has entered into a tax agreement with China providing for a 10% tax rate on cash dividends paid to them, the Company will withhold individual income tax at the rate of 10%. If an individual H shareholder is a resident of a country that has entered into a tax agreement with China providing for a dividend tax rate lower than 10%, the Company will withhold individual income tax on the dividends at the rate of 10%. In this regard, if such individual H shareholder wishes to apply for a refund of the excess tax withheld (the "**Excess Amount**"), the Company may, on behalf of the shareholder, apply for the preferential tax rate under the relevant tax agreement, provided that the shareholder submits to the Company's H-share registrar the proof required under the tax agreement within the prescribed timeframe. Upon review and approval by the competent tax authority, the Company will assist in refunding the Excess Amount. If an individual H shareholder is a resident of a country that has entered into a tax agreement with China providing for a dividend tax rate that is over 10% but lower than 20%, the Company will withhold individual income tax at the actual tax rate specified in the relevant tax agreement. If an individual H shareholder is a resident of a country that has entered into a tax agreement with China providing for a dividend tax rate of 20%, a resident of a country that has not entered into any tax agreement with China, or under any other circumstances, the Company will ultimately withhold individual income tax at the rate of 20%.

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

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

✓ Applicable ☐ Not applicable

On 26 December 2025, the Company entered into an EPC general contracting agreement with an overseas client. In accordance with the confidentiality clauses involved in this transaction, to effectively protect trade secrets, the Company has exempted the disclosure of client information and project details. The Company has completed the relevant approval procedures for the exemption from disclosure. For detailed disclosed information, please refer to the Announcement of China Aluminum International Engineering Corporation Limited on the Signing of Agreement for Overseas Projects (Announcement No.: Lin 2025-044), "Supplementary Announcement of China Aluminum International Engineering Corporation Limited on the Signing of Agreement for Overseas Projects" (Announcement No.: Lin 2025-045) published by the Company on 27 December and 30 December 2025, respectively, on the website of SSE and the Company's designated information disclosure media.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

I. PARTICULARS IN RELATION TO CORPORATE GOVERNANCE

✓ Applicable ☐ Not applicable

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

Implementing good corporate governance is the responsibility of the Board of Directors of the Company. The Company has established a corporate governance system in accordance with the corporate governance policies required by Appendix C1, the Corporate Governance Code, of the Hong Kong Listing Rules.

During the reporting period, efforts were made to improve the Company's governance system and promote the reform of the board of supervisors. In accordance with the provisions of the Company Law of the People's Republic of China, the Company abolished the board of supervisors, systematically revised and improved its Articles of Association, the rules of procedure for shareholders' meetings, the rules of procedure for board meetings, and the rules of procedure for the five special committees under the Board of Directors, and strengthened and optimized the responsibilities of the audit committee of the Board of Directors.

(I) COMMUNICATIONS WITH SHAREHOLDERS

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

1. Shareholders' Rights

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

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

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

2. Enquiry of Shareholders

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

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

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

3. Communication Policy with Shareholders

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

1) Corporate communications such as annual reports, interim reports, announcements and circulars can be viewed on the website of the SSE, Stock Exchange and the Company;

2) The Company's constitutional documents and the terms of reference of the board committees can also be downloaded from the website of the SSE, Stock Exchange and the Company;

3) The shareholders' meeting provide a platform for shareholders to express their views and exchange views. The chairman of the Board of Directors attends (and endeavors to ensure that the chairmen of the board committees attend) shareholders' meetings to answer shareholders' questions;

4) The Company holds regular results meetings and makes every effort to ensure that the chairman, the general manager, the independent directors, the chief financial officer, the secretary to the Board of Directors and relevant personnel from various departments attend these meetings to actively interact and communicate with shareholders or potential investors on the Company's operations, financial position and development results.

5) The Company responds to questions raised by shareholders or potential investors in a timely manner through the SSE e-interactive platform, investor hotlines, and dedicated mailboxes.

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

The Company reviewed the implementation and effectiveness of the shareholder communication policy for the year ended 31 December 2025 and considered it to be effective.

(II) The Board of Directors

1. Composition of the Board of Directors

As at the date of disclosure of this report, the Board of Directors of the Company consists of 9 directors, including 3 executive directors, 1 employee representative director, 2 non-executive directors and 3 independent non-executive directors. There are five specialised committees under the Board of Directors, including the Audit Committee, Nomination Committee, Remuneration Committee, Strategy Committee and Risk Management Committee.

The profile details of the existing directors as at the date of this report are set out in "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this annual report. There are no financial, business, family or other material or relevant relationship among members of the Board of Directors. The structure of the Board of Directors is well balanced with each director possessing sound knowledge, experience and expertise relevant to the business operation and development of the Group. All directors are deeply aware of their joint and several liabilities to the shareholders.

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

Details on the current members of the Board of Directors as at the date on which this report is filed and the members of the Board of Directors departed during the Reporting Period is set out in "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

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

2. Functions and Powers Exercised by the Board of Directors and the Management

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

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

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

3. Appointment and Re-election of Directors

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

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

4. Corporate Governance Functions of the Board of Directors

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

5. Board Diversification Policy

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

The Board made all the appointments based on talents and had considered the benefits, which would be brought about by diversifying the composition of the Board of Directors under the objective conditions, when selecting the candidates. The Board will select its members based on an array of diversification standards, including but not limited to age, cultural and educational background, professional experience, skill and knowledge. As at the date of disclosure of this report, the Board of Directors of the Company has 3 executive directors, 1 employee representative director, 2 non-executive directors and 3 independent non-executive directors. The directors of the Company are all senior management personnel, such as executives of large state-owned enterprises, executives of private enterprises and experts and scholars, who have profound training and extensive experience in corporate management, mining and metallurgy, finance and law, etc., and one of them is from Hong Kong and is familiar with Hong Kong's capital market rules. In addition, there is also one female director on the Board of Directors, who is familiar with the business and operation of the Group and has a solid educational background in economics and finance, together with the other male directors of the Company, provides professional advice to the Company in various areas.

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

The Nomination Committee will review the board diversity policy and its implementation from time to time. The Company held its 2024 annual shareholders' meeting on 30 June 2025 to elect Ms. HU Weixi as a non-executive director of the fifth session of the Board of Directors of the Company, and the Company has now appointed one female director. We understand the importance of gender diversity and will therefore strive to further increase gender diversity on the Board of Directors. In selecting and recommending suitable candidates for Board membership, the Company will seize the opportunity to increase the proportion of female Board members and enhance gender diversity by shareholder expectations and recommended best practices.

Whether there is any significant difference between corporate governance of the Company and requirements of laws, administrative regulations and regulations of the CSRC on governance of listed companies

☐ Applicable ✓ Not applicable

II. COMPANY'S COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company adhered to maintain a high standard of corporate governance as a listed company on the Stock Exchange. During the year ended 31 December 2025, the Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 to the HKEX Listing Rules, and adopted its recommended best practice proposed therein as appropriate.

(II) Risk Management and Internal Control of the Company

During the Reporting Period, the Company complied well with the relevant regulations and code provisions concerning risk management and internal control.

The Company has established an Audit Department to implement internal audit functions. The Company reviews and evaluates its risk management and internal control systems during the reporting period on an annual basis. Upon evaluation, the Company is of the opinion that effective internal control systems have been established and implemented for all significant businesses and matters during the Reporting Period, thereby achieving the Company's risk management and internal control objectives.

The Company has established the Audit Committee and Risk Management Committee to perform internal audit functions and conduct analysis and independent assessments on the adequacy and effectiveness of the risk management and internal control systems of the Company. The Board is ultimately responsible for the internal control, risk management and compliance management of the Company. It makes decisions on internal control, risk management and compliance policies and reviews the effectiveness of such policies, as well as monitoring the design, implementation and supervision of risk management and internal control systems by the Board of Directors. The Board also approves the internal control assessment report, risk assessment and management report for the year, reviews the resources, employees' qualifications and experiences in respect of the accounting, internal audit and financial reporting functions, as well as the adequacy of training courses received by employees and the relevant budget. In 2025, the risk management and internal control systems of the Company and its subsidiaries, including financial control, operation control and compliance control, were reviewed by the Board of Directors.

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

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

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

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

Based on the results of risk management and internal control in 2025, no material failure or weakness was found in respect of risk monitoring of the Company. The management procedures of financial reports and information disclosure of the Company is in strict compliance with the regulations under the Listing Rules of the SSE and the HKEX. The Board considers that the risk management and internal control of the Company is in effective operation according to its assessment.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

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

Through the assessment of the internal control systems of the Group by the Audit Committee and internal control department, the Board of Directors was of the view that, in 2025 and as at the date of publication of this report, the Company continues to operate comprehensive internal control and risk management systems including corporate governance, operations, investment, finance and administration and human resources, and such internal control and risk management systems are in full effect.

In 2025, the Company adopted the following measures to implement risk management and internal control:

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

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

The Company conducts two internal control walkthrough test assessment during the year, in which the annual and interim internal control are assessed respectively. The Company selected affiliated enterprises to carry out internal control and independent reviews, requiring each affiliated enterprise to develop the rectification measures for any problem found. In 2025, the Board of Directors has obtained the confirmation from the management in respect of the effectiveness of the risk management and internal control systems of the Company. In order to review and continuously enhance the effectiveness of the internal control systems of the Company, in 2025, the Board of Directors and the Audit Committee have heard and discussed the 2024 internal control assessment report of the Company while the Board of Directors and the Risk Management Committee have heard and discussed the report of the overall risk management of the Company. Such internal control systems aim at managing, but not eliminating, risk related to failure of achieving business goals and the Board of Directors only provides reasonable but not absolute assurance on the absence of material misstatement or loss.

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

☐ Applicable ✓ Not applicable

Description of situations where the controlling shareholder, the de facto controller, or other entities under their control engage in businesses that are the same as or similar to those of the Company, as well as the impact on the Company of such competition or significant changes in such competition, the measures already taken to address the issue, the progress made, and the plans for further resolution.

✓ Applicable ☐ Not applicable

Avoiding the competition of peers

(I) NON-COMPETITION AGREEMENT IN 2012

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

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

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

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

1. In June 2016, Chinalco submitted the Commitment Letter in Relation to Competitions (《關於同業競爭的承諾函》) (hereinafter referred to as "2016 Commitment Letter") and has committed, as required by Chalieco, that the businesses of Henan Huahui Non-ferrous Engineering Design Co., Ltd. (河南華慧有色工程設計有限公司) and Zhongkan Institute which are related to Chalieco would be transferred or entrusted to Chalieco or non-related third parties by ways of equity transfer, entrusted management or other appropriate methods within five years from the date of the signing of the commitment letter.

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

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

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

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

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

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

The operation of the Group has always complied with the national and local laws and regulations. It upholds honesty and integrity, and performs its social responsibility. The Company and its staffs have exercised their best endeavors to strictly follow the applicable rules, laws and industry standards. The directors are not aware of any breach of laws or regulations which have a significant impact on the Group, nor are they aware of any cases of corruption, bribery, extortion, fraud or money laundering involving the Group in 2025.

The Company continues to review its current systems and procedures, emphasizes and strives to comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the listing rules of the Stock Exchange, the listing rules of the SSE, the SFO, the Hong Kong Companies Ordinance and other relevant laws and regulations that are applicable to, and have a significant impact on the Company. The Company is committed to safeguard the interest of shareholders, improve its corporate governance and enhance the functions of the Board of Directors.

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

(II) Promoting the Construction of Corporate Legal Governance

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

V. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

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

✓ Applicable ☐ Not applicable

Name	Position	Gender	Age	Starting date of term	Ending date of term	Number of shares held at the beginning of the year (0'000 Shares)	Number of shares held at the end of the year (0'000 Shares)	Change in shares during the year (0'000 Shares)	Reason for change	Total emoluments before tax received from the Company within the Reporting Period (RMB'0,000)	Received compensation from related parties of the Company or not
LI Yihua	Chairman	M	47	2025/06/30	Upon expiration of the term of office of the current Board of Directors	26.74	26.74	0	N/A	97.62	No
	Executive Director			2025/06/30							
LIU Jing	Executive Director	M	57	2025/06/30	Upon expiration of the term of office of the current Board of Directors	26.74	26.74	0	N/A	97.62	No
	General Manager			2025/06/30							
LIU Dongjun	Former Executive Director	M	54	2025/06/30	2025/08/18	20.06	20.06	0	N/A	68.33	No
	Employee Representative Director			2025/09/03	Upon expiration of the term of office of the current Board of Directors						
TAO Fulun	Executive Director	M	53	2025/06/30	Upon expiration of the term of office of the current Board of Directors	18.39	18.39	0	N/A	68.33	No
	Chief Financial Officer, Secretary to the Board of Directors			2025/06/30							
ZHAO Hongmei	Former Executive Director	F	55	2023/12/28	2025/06/30	8.024	8.024	0	N/A	55.13	No
LIU Changkui	Non-executive Director	M	60	2025/06/30	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	0	Yes
HU Weixi	Non-executive Director	F	41	2025/06/30	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	0	Yes
YANG Xu	Former Non-executive Director	M	56	2024/06/18	2025/06/30	0	0	0	N/A	0	Yes
ZHANG Decheng	Former Non-executive Director	M	44	2023/12/28	2025/06/30	0	0	0	N/A	0	Yes
ZHANG Ting'an	Independent Non-executive Director	M	66	2025/06/30	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	14.29	No
SIU Chi Hung	Independent Non-executive Director	M	55	2025/06/30	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	14.29	No
TONG Pengfang	Independent Non-executive Director	M	53	2025/06/30	Upon expiration of the term of office of the current Board of Directors	0	0	0	N/A	14.29	No
ZHOU Dongfang	Deputy General Manager	M	48	2025/06/30	Upon expiration of the term of office of the current Board of Directors	20.06	20.06	0	N/A	68.33	No
HAN Ziyang	Deputy General Manager	M	48	2025/08/28	Upon expiration of the term of office of the current Board of Directors	5.40	5.40	0	N/A	22.78	No
BAI Jie	General Counsel	F	42	2025/06/30	Upon expiration of the term of office of the current Board of Directors	6.43	6.43	0	N/A	22.78	No
	Deputy General Manager			2025/08/28							
LIU Ruiping	Former Deputy General Manager	M	59	2025/06/30	2025/08/28	22.73	22.73	0	N/A	45.55	No
Total	/	/	/	/	/	154.57	154.57	0	/	589.34	/

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
LI Yihua	aged 47, is currently the chairman, executive director, Party secretary, member and chairman of Strategy Committee. He is an economist with a master's degree in business administration. He worked as the project manager in Yunnan Huawen Hengye Investment Company (雲南華文恒業投資公司) and served as the director of legal affairs and deputy head of investment and development department in Yunnan Sino-platinum Metals Co., Ltd. (雲南貴研鉑業股份有限公司), the deputy director of the corporate development department in Yunnan Tin Group (Holding) Co., Ltd. (雲南錫業集團(控股)有限責任公司), the secretary to board of directors, and the director of the securities department in Yunnan Tin Co., Ltd. (雲南錫業股份有限公司), the vice president of Yunnan Investment Holding Group Co., Ltd. (雲南投資控股集團有限責任公司), the deputy director, director of the legal department, general manager of capital operation department of Chinalco (中鋁集團), general manager, deputy party secretary and director of Chinalco Assets Operation and Management Co., Ltd (中鋁資產經營管理有限公司), chairman of Chinalco Industrial Services Company Limited (中鋁工業服務有限公司), director of China Aluminum Group High-end Manufacturing Co., Ltd. (中國鋁業集團高端製造股份有限公司), director of China Aluminum International Trading Corporation Limited (中鋁國際貿易有限公司) etc.. At present, Mr. LI also acts as director of Aluminum Corporation of China Iron Ore Holdings Limited (中鋁鐵礦控股有限公司).

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
LIU Jing	aged 57, is currently an executive director, general manager, deputy Party secretary of the Company. He is a senior engineer, graduated from university with a bachelor's degree in engineering. He worked as a technician, the deputy director and director of civil construction department, manager of Trinidad and Tobago projects, deputy chief engineer, deputy director of design management department and director of project management department of Shenyang Aluminum & Magnesium Engineering & Research Institute (瀋陽鋁鎂設計研究院); assistant to the general manager, deputy general manager, executive director, general manager and secretary of party committee of SAMI; deputy leader of the preparation team, chairman, president, secretary of party committee and secretary of the disciplinary committee of Chinalco Overseas Development Co., Ltd. (中鋁海外發展有限公司), chairman of CNPT, and director of Aluminum Corporation of China Iron Ore Holdings Limited (中鋁鐵礦控股有限公司), etc.
LIU Dongjun	aged 54, is currently an employee representative director, deputy Party secretary and labour union chairman of the Company, and served as an executive director of the Company during the Reporting Period. He is a senior economist, a university graduate, and has obtained a master's degree in economics. He was the attache of the protocol department of the Ministry of Foreign Affairs; third secretary of the Commissioner's Office of China's Foreign Ministry in the Hong Kong S.A.R of China; secretary (director-level) of the Secretariat of the General Office of the Ministry of Foreign Affairs; director of the Office and group leader of Overseas Chinese Affairs (Group Two) of the Consulate-General of China in San Francisco; first secretary of the personnel department and deputy director general (director-level) of Foreign Affairs Management (Second Division) of the Ministry of Foreign Affairs; head of the foreign affairs department of the General Office of Chinalco (Foreign Affairs Office), deputy director and secretary of Party Group of the General Office (Board Office, Foreign Affairs Office), deputy general manager and secretary of Party Group of the Comprehensive Management Department (Board Office, Foreign Affairs Office), deputy director and secretary of Party Group of the Office (Party Group Office, Board Office, Foreign Affairs Office), and other positions at Chinalco.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
TAO Fulun	aged 53, is currently an executive director, the chief financial officer, the secretary of the Board of Directors and a joint company secretary of the Company. He is a senior accountant, and graduated from university with a bachelor's degree in economics. He served as an accountant of the Finance Department of Lanzhou Aluminium Factory, the head of cost section, head of budget section, of the finance department of Lanzhou Aluminium Co., Ltd., and a business manager, deputy manager and manager of the budget and analysis division of the finance department of Aluminium Corporation of China Limited, a supervisor of Gansu Hualu Aluminium Co., Ltd., a director of Guangxi Huazheng Aluminium Co., Ltd., the chairman of the board of supervisors of Shanxi Huaxing Aluminium Co., Ltd., the chairman of the board of supervisors of Shandong Huayu Aluminium Electricity Co., Ltd., the chairman of the board of supervisors of Shandong Huayu Alloy Materials Co., Ltd., an assistant to the general manager, general manager of the finance department and financial controller of Chalco Logistics Group Co., Ltd., the financial controller of Lanzhou Aluminium Co., Ltd., and a deputy financial supervisor of China Aluminum International Engineering Corporation Limited, etc.
ZHAO Hongmei	aged 55, was an executive director, the chief financial officer, the secretary of the Board of Directors, an authorized representative and a joint company secretary of the Company. She is a full senior level accountant, a doctoral degree holder majored in economics. Ms. ZHAO served as a responsible staff member of the finance department of Zhongzhou Aluminum Factory (now Chinalco Zhongzhou Aluminum Co., Ltd.), the head of the investment accounting section of the finance department of Chinalco Zhongzhou Branch, the deputy manager of the finance department, and the chief accountant of Jiaozuo Coal Zhaogu Energy Company, deputy manager and manager of the accounting department of Chalco Finance Department, deputy general manager and budget analysis department manager of Chalco Finance Department (Office of the Board of Directors), deputy general manager of Chinalco Group Operation Optimization Department (Reform Office), chairman of the board of supervisors of Chinalco Logistics Group Co., Ltd., chairman of the board of supervisors of Chinalco Shanxi New Materials Co., Ltd., chairman of the board of supervisors of Shanxi Huaxing Aluminum Co., Ltd., a supervisor of Shanxi Huasheng Aluminum Co., Ltd., a director and a supervisor of Chinalco (Shanghai) Co., Ltd., a supervisor of Chinalco International Trading Group Co., Ltd., a supervisor of Chinalco Investment and Development Co., Ltd., a director of Guizhou Huajin Aluminum Co., Ltd., a director of Chalco Guinea Co., Ltd., a director of Chinalco Environmental Protection and Energy Saving Group Co., Ltd., and a director of China Copper Co., Ltd., and a full-time director of an enterprise affiliated to Chinalco, etc.

Name	Main work experience
LIU Changkui	aged 60, currently serves as a non-executive director of the Company, a member of the Risk Management Committee, Audit Committee, Remuneration Committee and Strategy Committee of the Board of Directors. He holds the professional qualification of Senior Accountant and graduated with a bachelor's degree in Economics. He has served as a cost accounting officer in the finance department of Jilin Nickel Company (吉林鎳業公司), cost accountant in the finance section of the transportation department of Zhongzhou Alumina Plant, China Great Wall Aluminum Corporation Limited (中國長城鋁業公司中州鋁廠), accountant, deputy section chief, assistant manager, and deputy manager of the finance department, Zhongzhou Alumina Plant, China Great Wall Aluminum Corporation Limited (中國長城鋁業公司中州鋁廠), deputy manager of the accounting division of the finance department, deputy manager of the third audit division of the audit department of Aluminum Corporation of China Limited*) (中國鋁業股份有限公司), deputy director of the third audit division of the audit department, director of the risk management division, director of the first audit division of Aluminum Corporation of China (中國鋁業公司), chief financial officer, director, and chairman of the supervisory board of China Copper Huazhong Copper Co., Ltd. (中鋁華中銅業有限公司), director of Liangshan Mining Co., Ltd. (涼山礦業股份有限公司), director of Chinalco Luoyang Copper Processing Co., Ltd. (中鋁洛陽銅加工有限公司), director of China Copper (Shanghai) Copper Industry Co., Ltd (中銅（上海）銅業有限公司), director of China Copper (Kunming) Copper Co., Ltd. (中銅（昆明）銅業有限公司), full-time external director of Chinalco Finance Company Limited (中鋁財務有限責任公司), director of China Aluminium Intelligent Technology Development Co., Ltd. (中鋁智能科技發展有限公司) and director of Chinalco Digital (Chengdu) Technology Co., Ltd (中鋁數為（成都）科技有限責任公司). Currently, Mr. LIU Changhui is also a full-time external director of Chinalco Capital Holdings Limited (中鋁資本控股有限公司) and a director of Chinalco Luoyang Copper Co., Ltd. (中鋁洛陽銅業有限公司). Mr. LIU currently also serves as a full-time director of an enterprise affiliated to Chinalco.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
HU Weixi	aged 41, is currently a non-executive director of the Company, a manager of the Capital Management Division, a member and chairman of the Risk Management Committee and Nomination Committee of the Board of Directors. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and economist, and holds a Master's degree in Management. She previously served as a financial analyst in the planning and finance department of IBM (China) Co., Ltd., a business supervisor in the budget assessment division and capital management division of the Finance Department, deputy director and director of the overseas finance division, and a director of the capital management division of Chalco, and deputy manager and manager of the finance department of Chinalco Iron Ore Holdings Co., Ltd. Ms. HU also currently serves as a director and deputy general manager of Chinalco Overseas Holdings Co., Ltd., a director of Chinalco Investment Holdings Co., Ltd., a director of Beijing National Aluminum Investment Management Co., Ltd., and a member of the investment decision committee of Beijing Silver Aluminum Rongfa Fund Partnership (Limited Partnership), a deputy general manager (deputy director) of the finance and property rights department (capital management center) of Chinalco, the Party secretary of Chinalco Finance Company Limited, etc.
YANG Xu	aged 56, served as a non-executive director of the Company, a member of the Risk Management Committee, Audit Committee, Remuneration Committee and Strategy Committee of the Board of Directors during the Reporting Period. He is a senior economist, and graduated with a doctorate degree in economics. He served as an office clerk of Tongjiang County Working Committee on Elderly, Sichuan Province, a staff member of the Kaijiang Sub-branch of Bank of China Dachuan Branch, a staff member of the Party committee propaganda department and a departmental secretary of the Party committee of the organization of China Construction Bank Yunnan Branch, a deputy director of the self-discipline department and a deputy director of the education and training department of China Banking Association, a post-doctoral fellow at the post-doctoral workstation and a manager of the risk management and legal compliance department of China Reinsurance (Group) Corporation, deputy manager of the financial business management department and manager of the overseas financing (direct business) department of Guodian Capital Holdings Co., Ltd., manager of the disciplinary inspection department, manager of the investment banking department and manager of the audit department of Guodian Capital Holdings Co., Ltd. (Guodian Finance Co., Ltd.), supervisor of Alltrust Insurance Company Limited, deputy general manager, director of security, and general manager of the legal and risk control audit department of Chinalco Capital Holdings Limited, general manager of risk management and legal compliance department of Chinalco Finance Company Limited, chairman of the board of supervisors and chairman of the board of directors of Chinalco Insurance Brokers (Beijing) Co. Ltd., and chairman of the board of supervisors of Chinalco Finance Lease Co., Ltd., etc. Mr. YANG currently serves as a full-time external director for enterprises affiliated with Chinalco.

Name	Main work experience
ZHANG Decheng	aged 44, formerly served as non-executive director, chairman and member of the Risk Management Committee of the Board of Directors. Senior Economist. University graduate with bachelor of laws and bachelor of Economics degrees. Previously held positions including secretary of the secretariat section, director of the Legal Affairs Section, Deputy director of the Legal Advisory Office, and deputy director of the Office at Northeast Light Alloy Co., Ltd. deputy director of the Domestic Business Division and Deputy director/director of the Case Management Division at the legal department of China Aluminum Corporation (now Chinalco Group); director of the case management division, manager of the legal management division at the legal and compliance department of Chinalco Group; deputy general manager of the legal and compliance department; supervisor of Chinalco Asset Management Co., Ltd.; supervisor of Chinalco Science and Technology Research Institute Co., Ltd.; director of Chinalco Intelligent Technology Development Co., Ltd. Mr. ZHANG currently serves as general counsel, chief compliance officer, and general manager of the legal and compliance department at Chinalco Group. He also holds positions as director of Chinalco Iron Ore Holdings Co., Ltd., director of Chinalco Overseas Holdings Co., Ltd. and CTG, director of WCS Singapore Holdings Company, director of WCS Project Company, director of Orient Vision Company, director of Sunshine Vision Company, director of Chinalco Investment Holdings Co., Ltd., and director of Chinalco Capital Holdings Limited.
ZHANG Ting'an	aged 66, is currently the director of Institute of Special Metallurgy and Process Engineering, College of Metallurgy, Northeastern University, and director of Engineering Research Center of Department of Education of Non-Ferrous Metal Process Technology, president of Dongda Institute of Non-Ferrous Metal Solid Waste Technology, an independent non-executive director of the Company, a member and the chairman of the Remuneration Committee of the Board of Directors. He holds a Ph.D. degree, is a second class professor and a doctoral tutor. He was an assistant professor, lecturer and associate professor of the Department of Non-ferrous Metallurgy, professor, deputy director and deputy chief of the department of non-ferrous metallurgy, deputy dean and dean of the College of Materials and Metallurgy, director of Library, deputy director of the key laboratory of the Ministry of Education for the Ecological Metallurgy of Polymetallic Symbiotic Ore of Northeastern University, director of Fushan Zibo Northeastern University Institute of Industry and Technology, and executive director of China Aluminum Central Research Institute Southeast Branch. Mr. ZHANG also serves as the chairman of Dongda Non-ferrous Solid Waste Technology Research Institute (Liaoning) Company Limited, independent director of Chaoyang Jinda Titanium Company Limited, and independent director of Jiangsu Tiangong Science and Technology Company Limited.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
SIU Chi Hung	aged 55, currently an independent non-executive director of the Company, a member and chairman of the Audit Committee of the Board of Directors. With Chinese (Hong Kong) nationality. He is a university graduate with a bachelor's degree in business administration. He currently is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-executive Director Association. He was a partner of KPMG (Hong Kong), the principal partner of real estate of KPMG (China), the principal partner of Capital Markets development (Southern China) of KPMG (China) and a member of the American Institute of Certified Public Accountants, and he was an executive director of LVGEM (China) Real Estate Investment Company Limited, an independent non-executive director of Roiserv Lifestyle Services Co., Ltd., Central China Management Company Limited, MicroPort NeuroTech Limited and an executive director of Dongjiang Environmental Company Limited. Currently, Mr. SIU is also an independent non-executive director of Bank of Zhengzhou Co., Ltd., an independent non-executive director of China Gas Industry Investment Holdings Co. Ltd., an independent non-executive director of Intsig Information Co., Ltd. and an independent non-executive director of Sichuan Energy Investment Development Co., Ltd.
TONG Pengfang	aged 53, is currently a senior partner and director of Beijing Derun Lawyers, an independent non-executive director of the Company, the chairman of the Nomination Committee of the Board of Directors, and a member of the Risk Management Committee, Audit Committee and Remuneration Committee of the Board of Directors. He holds a master's degree, a master's degree in law, a lawyer and a certified public accountant. He was an editor of China Financial & Economic Publishing House, an independent director of Yunnan Tin Co., Ltd., an independent director of Guizhou Xinbang Pharmaceutical Co., Ltd., an independent director of Ningxia Zhongyin Cashmere Co., Ltd., and an independent director of China Rare Earth Holdings Limited. Currently, Mr. TONG is currently also an external director of Yunnan Tin Group Company Limited.

Name	Main work experience
ZHOU Dongfang	aged 48, is currently a deputy general manager of the Company. He is a senior engineer, a master level graduate with a master's degree in engineering. He has served as a technician, chief engineer, deputy director of electrolysis room and deputy director of technology research and development department of Shenyang Aluminium and Magnesium Design and Research Institute, deputy chief engineer, deputy director of technology research and development department (presiding over the work), deputy director and director of science and technology management department of Shenyang Aluminium and Magnesium Design and Research Institute Co. Ltd., deputy general manager of investment management department and general manager of information management department of Aluminium Corporation of China, deputy general manager of Chalco Science and Technology Research Institute Company Limited (Central Research Institute), director of Chalco Green Metallurgy Research Institute, director of Chalco Ningxia Energy Group Company Limited, director of Shanxi Huasheng Aluminium Co., Ltd., etc.
HAN Ziyang	aged 48, is currently a deputy general manager of the Company and general manager of the overseas business division. He is a senior engineer, a university graduate with a Bachelor degree of Engineering. He previously held positions including engineer in the civil engineering department, chief designer in the design management department, chief engineer, deputy director, deputy director of the project management department, project manager, and deputy director of the design marketing department at Shenyang Aluminum & Magnesium Engineering and Research Institute Company Limited, the head of development of Chinalco Overseas Development Co., Ltd. (中鋁海外發展有限公司), a manager of the General Contracting Division and the general manager of the Shandong Branch of China Aluminum International Engineering Corporation Limited.
BAI Jie	aged 42, is currently a deputy general manager, general counsel, chief compliance officer and general manager of the legal compliance department of the Company. She is a master level graduate with a Juris Master degree and holds legal professional qualification, corporate lawyer qualification and corporate legal consultant qualification. Ms. BAI previously served as a business manager, senior business manager, deputy general manager of the risk management and legal affairs department, deputy general manager of the legal department, deputy general manager of the compliance and risk control department (legal department and audit department) of Chalco International Trading Co., Ltd., deputy general manager of the Legal Department of Chalco (Shanghai) Co., Ltd., and general manager of the compliance and risk control department of Chalco International Trading Co., Ltd.

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Name	Main work experience
LIU Ruiping	aged 59, served as the deputy general manager of the Company during the Reporting Period, and is currently a senior special duty officer of the Company. He is an senior engineer with a master's degree from Party School of the Central Committee. Mr. LIU served as the chief engineer and deputy director of economic planning division of SAMI; the deputy manager and manager of the Alumina Project of Investment Management Department and manager of the First Division of Chalco (中國鋁業); the senior manager, deputy general manager and general manager of the Investment Management Department of Chalco; the chairman and Party secretary of Twelfth Metallurgical Company and executive director of Shanxi 12th Metallurgical Asset Management Co., Ltd. (山西十二冶資產管理有限公司).

Explanation of other situation

☐ Applicable ✓ Not applicable

(II) Particulars of positions held by existing directors and senior management, and those departed during the Reporting Period

1. Positions held at the Shareholder

✓ Applicable ☐ Not applicable

Position holder's name	Shareholder's name	Position at the shareholder	Starting date of term	Ending date of term
ZHAO Hongmei	Chinalco	Full-time external director of affiliated enterprise	2024.10	2026.02
ZHANG Decheng	Chinalco	General Counsel	2024.12	–
		Chief Compliance Officer	2024.12	–
		General Manager, Legal Compliance Department	2024.12	–
LIU Changkui	Chinalco	Full-time external director of affiliated enterprise	2021.12	–
HU Weixi	Chinalco	deputy general manager (deputy director) of the Finance and Property Rights Department (Capital Management Center) and a manager of the Fund Management Division	2024.08	2025.06
YANG Xu	Chinalco	Full-time external director of affiliated enterprise	2024.03	–
Explanation of positions at the shareholder	None			

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

2. Position held at other entities

✓ Applicable ☐ Not applicable

Position holder's name	Other entity's name	Position at other entity	Starting date of term	Ending date of term
LI Yihua	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2018.10	–
LIU Jing	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2018.10	2025.11
ZHAO Hongmei	Chinalco Capital Holdings Limited	Director	2024.10	2026.02
	Chinalco Assets Operation and Management Co., Ltd.	Director	2024.10	2026.02
LIU Changkui	Chinalco Capital Holdings Limited	Director	2021.12	–
	Chinalco Luoyang Copper Co., Ltd.	Director	2020.06	–
HU Weixi	Chinalco Finance Company Limited	Party secretary, director, general manager	2025.10	–
	Aluminum Corporation of China Overseas Holdings Limited	Director, deputy general manager	2024.04	2025.06
	Chinalco Investment Holdings Co., Ltd.	Director	2016.06	2025.06
	Beijing National Aluminum Investment Management Co., Ltd.	Director	2023.07	2025.06
	Beijing Silver Aluminum Rongfa Fund Partnership (Limited Partnership)	Member of the investment decision committee	2022.03	2025.06
ZHANG Decheng	Aluminum Corporation of China Iron Ore Holdings Limited	Director	2023.11	–
	Chinalco Capital Holdings Limited	Director	2024.05	–
	Sunshine Vision Company	Director	2024.05	–
	Aluminum Corporation of China Overseas Holdings Limited	Director	2024.04	–
	Orient Vision Company	Director	2024.05	–
	Chinalco Investment Holdings Co., Ltd.	Director	2024.05	–
	CTG	Director	2024.04	–
	WCS Singapore Holding Company	Director	2024.04	–
	WCS Project Company	Director	2024.04	–
	Chinalco Science and Technology Research Institute Co., Ltd. (Chinalco Future Science and Technology Research Institute)	supervisor	2024.07	2025.03
YANG Xu	Chinalco Shuwei (Chengdu) Technology Co., Ltd.	Director	2025.04	–

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Position holder's name	Other entity's name	Position at other entity	Starting date of term	Ending date of term
SIU Chi Hung	China Gas Industry Investment Holdings Co.Ltd	Independent non-executive director	2020.12	–
	Dongjiang Environmental Company Limited	Independent non-executive director	2020.12	2025.06
	Intsig Information Co., Ltd.	Independent non-executive director	2025.06	–
	Bank of Zhengzhou Co., Ltd. Independent	Independent non-executive director	2025.03	–
	Sichuan Energy Investment Development Co., Ltd.	Independent non-executive director	2024.08	–
TONG Pengfang	China Rare Earth Holdings Limited	Independent director	2019.04	2025.08
	Yunnan Tin Group (Holding) Co., Ltd.	External director	2020.03	–
ZHANG Ting'an	NEU Non-ferrous Metals Metallurgical Solid Waste Technology Institute (Liaoning) Co., Ltd.	Chairman of the Board of Directors	2018.05	–
	Chaoyang Jinda Titanium Co., Ltd.	Independent director	2022.06	–
	Jiangsu Tiangong Technology Company Limited	Independent director	2022.09	–
Explanation of positions at other entities	None			

(III) Emoluments of directors and senior management

✓ Applicable ☐ Not applicable

Decision-making procedures for remuneration of directors and senior management	The human resources department of the Company proposes remuneration packages for the directors and senior management of the Company based on the market level and the remuneration strategy of the Company, and submits them to the Board of Directors for consideration and approval after consideration and approval by the Remuneration Committee of the Board of Directors. Among them, the remuneration of senior management shall be finalised by the Board of Directors, and the remuneration of directors shall be submitted to the shareholders' meeting for finalisation after being considered and approved by the Board of Directors.
Whether a director abstains from the discussion of his/her own remuneration at the Board of Directors meeting	Yes
The specific circumstances under which the Remuneration Committee or the independent directors met specifically to make recommendations on matters relating to the remuneration of directors and senior management personnel	The Remuneration Committee of the Board of Directors has agreed to hand over the proposal regarding the remuneration of directors and senior management personnel to the Board of Directors for submission to the shareholders' meeting for consideration.
Basis for determining the remuneration of directors and senior management	The Company determines the remuneration of its directors and senior management in accordance with its development strategy, corporate culture and remuneration strategy, by making reference to the remuneration levels of equivalent positions in comparable enterprises in the market (in terms of size, industry, nature, etc.), and by taking into account the annual operating results of the Company and the performance of the directors and the performance appraisal results of the senior management.

Actual payment of remuneration to directors and senior management	The Company pays remuneration to directors and senior management in full and on time every month in accordance with the remuneration standards for directors, supervisors and senior management as finalised by the shareholders' meeting and the Board of Directors.
Total remuneration actually received by all directors and senior management at the end of the Reporting Period	RMB5,893,400
The assessment basis and performance status of the remuneration actually received by all directors and senior management at the end of the Reporting Period	The Company has established a remuneration management system based on job value and performance contribution. It has formulated the Remuneration Management Measures for Senior Management Personnel of China Aluminum International Engineering Corporation Limited and refined incentive and accountability mechanisms linked to performance appraisal. Members of the manager-level personnel shall enter into annual performance responsibility agreement on an annual basis, setting out performance targets, and performance-based remuneration is determined and paid out on an annual basis based on the results of their performance appraisal. Independent directors who receive independent director allowances and non-independent directors who do not receive remuneration from the company are not subject to remuneration appraisal.
Deferred payment arrangement of remuneration actually received by all directors and senior management at the end of the Reporting Period	The Company has standardized the management of remuneration payments and established a deferred payment mechanism for performance-based annual salary, whereby payment schedules are linked to risk management and project completion; the deferral period is generally no less than three years. The aforementioned deferred payment arrangements do not apply to the remuneration of the Company's non-executive directors and independent directors.
Status of stop payment and recovery of of remuneration actually received by all directors and senior management at the end of the Reporting Period	Not applicable

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

✓ Applicable ☐ Not applicable

Name	Position	Change	Reason for change
ZHAO Hongmei	Executive director	Departed	Departure due to term change
ZHANG Decheng	Non-executive director	Departed	Departure due to term change
YANG Xu	Non-executive director	Departed	Departure due to term change
TAO Fulun	Executive director	Elected	Newly appointed due to term change
LIU Changkui	Non-executive director	Elected	New Appointment due to term change
HU Weixi	Non-executive director	Elected	New Appointment due to term change
LIU Dongjun	Executive director	Resigned	Work needs
LIU Dongjun	Employee director	Elected	Work needs

1. In light of the expiration of the term of the Company's fourth session of the Board of Directors, and following consideration and approval at the Company's 26th and 28th Meetings of the fourth session of the Board of Directors held on 28 March and 26 May 2025, respectively, and at the Company's 2024 Annual General Meeting held on 30 June 2025, the directors of the Company's fifth session of the Board of Directors were elected as follows: the directors of the Company's fifth session of the Board of Directors comprise: 4 executive directors, namely Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun, and Mr. TAO Fulun; 2 non-executive directors, namely Mr. LIU Changkui and Ms. HU Weixi; 3 independent non-executive directors, namely Mr. ZHANG Ting'an, Mr. SIU Chi Hung, and Mr. TONG Pengfang. Directors re-elected and serving consecutive terms include Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun, Mr. ZHANG Ting'an, Mr. SIU Chi Hung and Mr. TONG Pengfang. Newly elected directors are Mr. TAO Fulun, Mr. LIU Changkui and Ms. HU Weixi. For details regarding the Board of Directors' renewal, please refer to the "Announcement on the Resolutions of the 26th Meeting of the Fourth session of the Board of Directors of China Aluminum International Engineering Corporation Limited" (Announcement No.: Lin 2025-004) disclosed on 29 March 2025, the "Announcement on the Resolutions of the 28th Meeting of the Fourth Session of the Board of Directors of China Aluminum International Engineering Corporation Limited" (Announcement No.: Lin 2025-016) disclosed on 27 May 2025, as well as the "Announcement on the Resolutions of the 2024 Annual General Meeting of China Aluminum International Engineering Corporation Limited" (Announcement No.: 2025-029) and the "Announcement of China Aluminum International Engineering Corporation Limited on the Completion of Renewal of the Board of Directors, Election of Chairman of the Board of Directors and Appointment of Senior Management Personnel" (Announcement No.: Lin 2025-030) disclosed on 1 July 2025.

2. At the 28th Meeting of the fourth session of the Board of Directors held on 26 May 2025 and the 2024 Annual General Meeting held on 30 June 2025, the "Proposal on the Amendment to the Articles of Association of China Aluminum International Engineering Corporation Limited and Abolition of the Board of Supervisors" was considered and approved. Thereafter, the Company will no longer have a board of supervisors or appoint supervisors. The functions and powers of the board of supervisors will be exercised by the Audit Committee of the Board of Directors. For details regarding the abolition of the board of supervisors, please refer to the "Announcement on the Resolution of the 28th Meeting of the Fourth Session of the Board of Directors of China Aluminum International Engineering Corporation Limited" (Announcement No.: Lin 2025-016) disclosed on 27 May 2025, and the "Announcement on the Resolution of the 2024 Annual General Meeting of China Aluminum International Engineering Corporation Limited" (Announcement No.: 2025-029) disclosed on 1 July 2025.

3. Due to work needs, Mr. LIU Dongjun tendered his resignation to the Company's Board of Directors on 18 August 2025 and resigned from his position as an executive director. On 3 September 2025, the Company held an employee representative meeting and elected Mr. LIU Dongjun as an employee representative director of the Company's fifth session of the Board of Directors, with a term of office from the date of his election at this employee representative meeting until the expiration of the term of the Company's fifth session of the Board of Directors. For details, please refer to the "China Aluminum International Engineering Corporation Limited Regarding the Resignation of Mr. Liu Dongjun as Director" (Announcement No.: 2025-033) disclosed by the Company on 19 August 2025, and the "Announcement of China Aluminum International Engineering Corporation Limited Regarding the Election of Employee Representative Director" (Announcement No.: 2025-036) disclosed by the Company on 5 September 2025.

4. Each of the directors TAO Fulun, LIU Changkui, and HU Weixi have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 25 June 2024 and has confirmed that each of them understood their responsibilities as directors, the requirements of the HKEX Listing Rules applicable to them and the possible consequences of making a false statement or giving false information to the Stock Exchange.

Save as disclosed in this annual report, pursuant to Rule 13.51B(1) of the HKEX Listing Rules, since the publication of the Company's 2025 interim report and until the date on which this annual report is disclosed, the following changes in the information disclosed by the Company's directors in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the HKEX Listing Rules are as follows:

(1) Former executive director LIU Dongjun ceased to serve as an executive director of the Company effective August 2025, and assumed the role of employee representative director effective 3 September 2025.

(2) Executive director HU Weixi was re-designed to the position of director, deputy secretary of the Party committee, and deputy general manager of Chinalco Finance Company Limited in June 2025. Simultaneously, she ceased to serve as the deputy general manager (deputy director) of the Finance and Property Rights Department (Capital Management Center) and a manager of the Fund Management Division of Chinalco, a director and deputy general manager of Chinalco Overseas Holdings Limited, director of Chinalco Investment Holdings Limited, a director of Beijing National Aluminum Investment Management Co., Ltd., and a member of the investment decision committee of Beijing Silver Aluminum Rongfa Fund Partnership (Limited Partnership). Ms. HU Weixi assumed the position of Party secretary of Chinalco Finance Company Limited since March 2026.

(3) Mr. SIU Chi Hung, an independent non-executive director, ceased to serve as independent non-executive director of Dongjiang Environmental Company Limited in June 2025 and assumed the position of independent non-executive director of Intsig Information Co., Ltd. since June 2025.

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

Save as disclosed in this annual report and above, there is no other information in respect of the directors of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the HKEX Listing Rules.

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

☐ Applicable ✓ Not applicable

(VI) Others

☐ Applicable ✓ Not applicable

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

Session of meeting	Convening date	Resolutions
The 26th meeting of the fourth session of the Board of Directors	28 March 2025	A total of 29 proposals were considered and approved, including the "Proposal on the Company's 2024 Annual Results Announcement and Annual Report", as detailed in the announcement.
The 27th meeting of the fourth session of the Board of Directors	22 April 2025	A total of 1 proposal was considered and approved, including the "Proposal on the Company's First Quarterly Report of 2025", as detailed in the announcement.
The 28th meeting of the fourth session of the Board of Directors	26 May 2025	A total of 12 proposals were considered and approved, including the "Proposal on the Renewal of Engagement of Accounting Firm of the Company", as detailed in the announcement.
The 1st meeting of the fifth session of the Board of Directors	30 June 2025	A total of 12 proposals were considered and approved, including the "Proposal on the Composition of the Specialized Committees of the Fifth Session of the Board of Directors of the Company", as detailed in the announcement.
The 2nd meeting of the fifth session of the Board of Directors	28 August 2025	A total of 4 proposals were considered and approved, including the "Proposal on the Company's 2025 Interim Report and Interim Results Announcement", as detailed in the announcement.
The 3rd meeting of the fifth session of the Board of Directors	28 October 2025	A total of 3 proposals were considered and approved, including the "Proposal on the Company's Third Quarterly Report of 2025", as detailed in the announcement.

VII. DUTY PERFORMANCE OF DIRECTORS

(I) Directors attendance at the Board of Directors meeting and the shareholders' meeting

		Attendance at the board meeting						Attendance at the shareholders' meeting
Director Name	Independent director or not	Number of attendances at the Board meeting of the year	Number of attendances in person	Number of attendances online	Number of attendances by proxy	Number of absences	Absent for two consecutive times or not	Number of attendances at the shareholders' meeting
LI Yihua	No	6	6	0	0	0	No	1
LIU Jing	No	6	6	0	0	0	No	1
TAO Fulun	No	3	3	0	0	0	No	1
LIU Dongjun	No	5	5	0	0	0	No	1
LIU Changkui	No	3	3	0	0	0	No	1
Hu Weixi	No	3	3	0	0	0	No	1
ZHANG Ting'an	Yes	6	6	0	0	0	No	1
SIU Chi Hung	Yes	6	6	0	0	0	No	1
TONG Pengfang	Yes	6	6	0	0	0	No	1
ZHANG Decheng	No	3	1	0	2	0	Yes	1
YANG Xu	No	3	3	0	0	0	No	1
ZHAO Hongmei	No	3	3	0	0	0	No	1

Note: On 30 June 2025, Tao Fulun, Liu Changkui and Hu Weixi attended the annual shareholders' meeting of the Company in the capacity of director candidates of the Company.

Explanation of absence from the Board of Directors meeting for two consecutive times

✓ Applicable ☐ Not applicable

On 22 April 2025, the Company convened the 27th meeting of the 4th Session of the Board of Directors. Mr. Zhang Decheng, a non-executive director, was unable to attend the meeting in person due to other official duties, after reviewing the information on the resolutions of the meeting, appointed Mr. Yang Xu, a non-executive director, in writing to attend and vote on his behalf.

On 26 May 2025, the Company convened the 28th meeting of the 4th Session of the Board of Directors. Mr. Zhang Decheng, a non-executive director, was unable to attend the meeting in person due to other official duties and, after reviewing the information on the resolutions of the meeting, appointed Mr. Yang Xu, a non-executive director, in writing to attend and vote on his behalf.

Number of Board meetings held during the year	6
Including: number of meetings offline	6
Number of meetings online	0
Number of meetings online + offline	0

(II) Directors' objections to relevant matters

☐ Applicable ✓ Not applicable

(III) Others

✓ Applicable ☐ Not applicable

Directors' training

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

Name	Position	Training content	Total duration of training (hours)
LI Yihua	Executive director	Featured training on the standardized operation of key minority information disclosure for of listed companies, etc.	11
LIU Jing	Executive director	Featured training such as the training of standardized performance of duties for directors and senior management	12
LIU Dongjun	Employee representative director	Featured training for enhancement of quality of listed companies	10
TAO Fulun	Executive director	Featured training for the management of market capitalization, etc.	31
LIU Changkui	Non-executive director	Featured training such as the training of standardized performance of duties for directors and senior management	16
Hu Weixi	Non-executive director	Featured training such as the training of standardized performance of duties for directors and senior management	10
ZHANG Ting'an	Independent non-executive director	Featured training such as the training of standardized performance of duties for directors and senior management	13
SIU Chi Hung	Independent non-executive director	Featured training on the latest rules for independent directors, etc.	21
TONG Pengfang	Independent non-executive director	Featured training on the latest rules for independent directors, etc.	21
ZHANG Decheng	Former non-executive director	Featured training such as the training of standardized performance of duties for directors and senior management	5
YANG Xu	Former non-executive director	Featured training such as the training of standardized performance of duties for directors and senior management	10
ZHAO Hongmei	Former executive director	Featured training such as the training of standardized performance of duties for directors and senior management	5

VIII. CHAIRMAN AND GENERAL MANAGER

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

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

IX. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

✓ Applicable ☐ Not applicable

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

Committee	Members
Audit Committee	Chairman of the committee: SIU Chi Hung (independent non-executive director) Members: LIU Changkui (non-executive director), TONG Pengfang (independent non-executive director)
Nomination Committee	Chairman of the committee: TONG Pengfang (independent non-executive director) Members: Hu Weixi (non-executive director), ZHANG Ting'an (Independent Non-executive director)
Remuneration Committee	Chairman of the committee: ZHANG Ting'an (independent non-executive director) Members: LIU Changkui (non-executive director), TONG Pengfang (independent non-executive director)
Strategy Committee	Chairman of the committee: LI Yihua (executive director) Members: LIU Changkui (non-executive director), ZHANG Ting'an (independent non-executive director)
Risk Management Committee	Chairman of the committee: HU Weixi (non-executive director) Members: LIU Changkui (non-executive director), TONG Pengfang (independent non-executive director)

(II) The Audit Committee held 6 meetings within the Reporting Period

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

In addition, during the Reporting Period, in order to further improve the level of standardized operation and improve the corporate governance system, the Company, in accordance with the latest provisions of the Company Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, and other laws, regulations and prescriptive documents, and in light of the Company's actual situation, proposes to revise the relevant clauses of the Articles of Association, the Rules of Procedure for shareholders' Meetings of China Aluminum International Engineering Corporation Limited, and the Rules of Procedure for Meetings of the Board of Directors of China Aluminum International Engineering Corporation Limited, and to abolish the board of supervisors. The duties and authorities of the board of supervisors shall be exercised by the Audit Committee under the Board of Directors. For details, please refer to the relevant announcements issued by the Company on the websites of the SSE and Stock Exchange.

Convening date	Meeting content	Key opinions and suggestions	Other performance of duties
25 March 2025	1. A total of 10 proposals were considered, including the "Resolution on the 2024 Annual Results Announcement and Annual Report of the Company" 2. A total of 2 reports were received, including "Report on the Performance of Supervisory Duties Against the Accounting Firm by the Audit Committee of China Aluminum International Engineering Corporation Limited"	No objection, unanimously passed.	–
21 April 2025	A total of 1 proposal was considered, including the "Proposal on the Company's First Quarterly Report of 2025"	No objection, unanimously passed.	–
23 May 2025	A total of 4 proposals were considered, including the "Proposal on Reentering into the <General Services Master Agreement> and the Adjustment of the Caps of Relevant Related Party Transactions"	No objection, unanimously passed.	–
30 June 2025	A total of 2 proposal were considered, namely the "Proposal on the Appointment of the Financial Controller of the Company"	No objection, unanimously passed.	–
25 August 2025	1. A total of 1 proposal was considered, including the "Proposal on the Company's 2025 Interim Report and Interim Results Announcement" 2. A total of 2 reporting matters were received, including a report from the auditor on the interim audit of 2025	No objection, unanimously passed.	–
27 October 2025	A total of 1 proposal was considered, including the "Proposal on the Company's Third Quarterly Report of 2025"	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
SIU Chi Hung	Member and chairman of the Audit Committee	6/6	100%
LIU Changkui	Member of the Audit Committee (assumed office on 30 June 2025)	3/3	100%
TONG Pengfang	Member of the Audit Committee	6/6	100%
YANG Xu	Member of the Audit Committee (departed on 30 June 2025)	3/3	100%

(III) The Nomination Committee held 4 meetings within the Reporting Period

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

Convening date	Meeting content	Key opinions and suggestions	Other performance of duties
25 March 2025	A total of 2 proposals were considered, namely the "Proposal on Reviewing the Qualifications of Non-Independent Director Candidates for the Company's Fifth Session of the Board of Directors"	No objection, unanimously passed.	–
26 May 2025	A total of 1 proposal was considered, namely the "Proposal Regarding the Adjustment of Candidates for Non-Independent Directors of the Fifth Session of the Board of Directors of the Company"	No objection, unanimously passed.	–
30 June 2025	A total of 6 proposals were considered, including the "Proposal on Reviewing the Qualifications of Candidates of the Chairman of the Company's Fifth Session of the Board of Directors"	No objection, unanimously passed.	–
25 August 2025	A total of 2 proposal were considered, namely the "Proposal on the Engagement of Joint Company Secretaries"	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
TONG Pengfang	Member and chairman of the Nomination Committee	4/4	100%
Hu Weixi	Member of the Nominee Committee (assumed office on 30 June 2025)	2/2	100%
ZHANG Ting'an	Member of the Nomination Committee	4/4	100%
LIU Dongjun	Member of the Nominee Committee (departed on 30 June 2025)	2/2	100%

(IV) The Remuneration Committee held 4 meetings within the Reporting Period

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

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Convening date	Meeting content	Key opinions and suggestions	Other performance of duties
25 March 2025	A total of 5 proposals were considered, including the "Proposal on the Review of the Remuneration Standards for Non – Independent Directors of the Company for 2025"	No objection, unanimously passed.	–
23 May 2025	A total of 1 proposal was considered, namely the "Proposal Regarding the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Share Incentive Scheme"	No objection, unanimously passed.	–
30 June 2025	A total of 1 proposal was considered, including the "Proposal on the Amendment of the Rules of Procedure of Remuneration Committee of the Board of Directors of China Aluminum International Engineering Corporation Limited'"	No objection, unanimously passed.	–
27 October 2025	A total of 2 proposals were considered, including the "Proposal on Adjustment and Supplement of the 2025 Annual and Term Performance Target Responsibility Agreements for Certain Senior Management Personnel of the Company"	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
ZHANG Ting'an	Member and chairman of the Remuneration Committee	4/4	100%
LIU Changkui	Member of the Remuneration Committee (assumed office on 30 June 2025)	2/2	100%
TONG Pengfang	Member of the Remuneration Committee	4/4	100%
YANG Xu	Member of the Remuneration Committee (departed on 30 June 2025)	2/2	100%

(V) The Strategy Committee held 3 meetings within the Reporting Period

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

Convening date	Meeting content	Key opinions and suggestions	Other performance of duties
25 March 2025	A total of 3 proposals were considered, including the "Proposal on the Capital Expenditure Plan of the Company for 2025"	No objection, unanimously passed.	–
30 June 2025	A total of 1 proposal was considered, including the "Proposal on the Amendment of the Rules of Procedure of Strategy Committee of the Board of Directors of China Aluminum International Engineering Corporation Limited'"	No objection, unanimously passed.	–
27 October 2025	A total of 1 proposal was considered, including the "Proposal on the Adjustment of the Capital Expenditure Plan of the Company for 2025"	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
LI Yihua	Member and chairman of the Strategy Committee	3/3	100%
LIU Changkui	Member of the Strategy Committee (assumed office on 30 June 2025)	2/2	100%
ZHANG Ting'an	Member of the Strategy Committee	3/3	100%
YANG Xu	Member of the Strategy Committee (departed on 30 June 2025)	1/1	100%

(VI) The Risk Management Committee held 3 meetings within the Reporting Period

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

Convening date	Meeting content	Key opinions and suggestions	Other performance of duties
25 March 2025	A total of 4 proposals were considered, including the "Proposal on the 2025 Comprehensive Risk Management Report of China Aluminum International Engineering Corporation Limited"	No objection, unanimously passed.	–
30 June 2025	A total of 1 proposal was considered, including the "Proposal on the Amendment of the Rules of Procedure of Risk Management Committee of the Board of Directors of China Aluminum International Engineering Corporation Limited"	No objection, unanimously passed.	–
25 August 2025	A total of 1 proposals were considered, namely the "Proposal on the "Report of the Continuous Assessment of the Risks of Chalieco Finance Co., Ltd. by China Aluminum International Engineering Corporation Limited'".	No objection, unanimously passed.	–

The attendance record of the meetings is as follows:

Name	Position	Number of meetings attended/held	Attendance rate
Hu Weixi	Member and chairman of the Risk Management Committee (assumed office on 30 June 2025)	2/2	100%
ZHANG Decheng	Member and chairman of the Risk Management Committee (departed on 30 June 2025)	1/1	100%
TONG Pengfang	Member of the Risk Management Committee	3/3	100%
YANG Xu	Member of the Risk Management Committee (departed on 30 June 2025)	1/1	100%

(VII) Specific objections

☐ Applicable ✓ Not applicable

X. EXPLANATION OF RISKS IDENTIFIED BY THE AUDIT COMMITTEE

☐ Applicable ✓ Not applicable

The Audit Committee had no objection to the supervisory matters within the Reporting Period.

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

(I) Employees

Number of existing employees of the parent company	214
Number of existing employees of major subsidiaries	10,122
Total number of existing employees	10,336
Number of resigned and retired employees whose expenses are borne by the parent company and major subsidiaries	463

By profession

Profession	**Number of employees**
Operation and management personnel	2,519
Engineering technicians	6,517
Production and operation personnel	1,138
Logistics services personnel	162
Total	10,336

By level of education

Level of education	**Number of employees (persons)**
Doctoral postgraduate	39
Master-level postgraduate	1,354
University undergraduate	5,850
Specialised diploma and below	3,093
Total	10,336

The gender composition of the Group’s employees is as follows: 7,929 males (76.71%) and 2,407 females (23.29%); the gender composition of the Group’s senior management personnel is as follows: 4 males (80.00%) and 1 female (20.00%).

(II) Remuneration policy

✓ Applicable ☐ Not applicable

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

(III) Retirement and employees benefit scheme

Details of the Company's retirement and employees benefit scheme are set out in note 30 "Employee compensation payable" and note 37 "Long-term employee compensation payable" to the consolidated financial statements.

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

(IV) Employee incentive

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

(V) Training plan

✓ Applicable ☐ Not applicable

The Company has long regarded the employees' education and training as a basic work to continuously improve the overall quality of the employee teams, update the employees' knowledge, and cultivate professional talents with unremitting determination and strict implementation. In the employee education and training, based on the team building condition of the employees and in accordance with the Company's strategy, customers' needs and personal abilities, continuously optimize the four core systems of organizational structure, curriculum, support and evaluation; as regards the organizational framework, to clearly define training responsibilities for each unit and enhance coordination; as regards the curriculum system, to develop standardized course modules aligned with business realities, using the Company's education outline of annual situation and tasks and white paper of production and operation as core references; as regards the support system, to strengthen internal trainer development and improve training facilities and funding safeguards; as regards the evaluation system, to establish a full-process management mechanism encompassing pre-training needs survey, in-training process tracking and post-training effectiveness assessment. To strengthen course development and instructor selection at the front end to ensure the precise alignment of training content with business needs; enhance training effectiveness evaluation and feedback application at the back end, link assessment results with talent utilization and performance improvement, promote closed-loop training management and effectively enhance the systematic nature and practical effectiveness of training.

(VI) Outsourced labor

☐ Applicable ✓ Not applicable

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

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

✓ Applicable ☐ Not applicable

1. Basic principles for profit distribution

(1) The Company should fully consider the return to investors and distribute dividends to shareholders every year at the specified percentage of the profit available for distribution for the year.

(2) The Company should maintain continuity and stability in its profit distribution policy while taking into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company.

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

2. Specific policies on profit distribution

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

(1) where the Company is at the developed stage with no substantial capital expenditure arrangement, cash dividend shall be not less than 80% of the profit distribution at the time of profit distribution;

(2) where the Company is at the developed stage with substantial capital expenditure arrangement, cash dividend shall be not less than 40% of the profit distribution at the time of profit distribution;

(3) where the Company is at the development stage with substantial capital expenditure arrangement, cash dividend shall be not less than 20% of the profit distribution at the time of profit distribution;

(4) where the Company has difficulty in identifying the development stage but there is substantial capital expenditure arrangement, dividend distribution may be made in accordance with the preceding provision.

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

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

(1) the auditor issues a report other than a standard report without qualified opinion in relation to the annual financial report of the Company.

(2) the net operating cash flows for the year are negative.

(3) the Company has major investment plan or significant cash expenditure (except for fund raising projects).

3. Profit distribution proposal for the year 2025

As audited by Grant Thornton (Special General Partnership), as at 31 December 2025, the undistributed profit of the parent company was a loss of RMB475,079 thousand, and the Company had no profit available for distribution. Taking into account the future investment needs of the Company's projects, in order to ensure the Company's continuous and stable operation and the long-term interests of all shareholders, the Company's Board has comprehensively considered the Company's 2026 business plan and capital requirements, and formulated the 2025 profit distribution plan as follows: The Company will not distribute cash dividends, nor convert capital reserve to the share capital or make any distribution of other forms.

(II) Special explanation of cash dividend policy

✓ Applicable ☐ Not applicable

Whether compliant with the Articles of Association or the resolution of shareholders' meeting or not	✓ Yes ☐No
Whether the dividend standard and proportion are clear and definite	✓ Yes ☐No
Whether relevant decision-making procedure and mechanism are complete	✓ Yes ☐No
Whether independent directors perform their duties and play their roles due	✓ Yes ☐No
Whether minority shareholders have the opportunity to fully express their opinions and demands, whether their legitimate rights and benefits are fully protected	✓ Yes ☐No

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

(V) Cash dividends for the last three accounting years

☐ Applicable ✓ Not applicable

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

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

✓ Applicable ☐ Not applicable

Overview of the matter	Query index
In 2024, the Company implemented the 2023 Restricted Share Incentive Scheme, granting a total of 26,769,600 restricted shares to 237 participants with an initial grant price of RMB2.37 per share.	www.sse.com.cn www.hkex.com.hk
1. On 8 December 2023, the Company held the 17th Meeting of the Fourth Session of the Board of Directors, and considered and approved the Proposal on the "2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited" and Its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃（草案）》及其摘要的議案》), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案), and the Proposal on Submission to the Shareholders' Meeting and Class Meetings for Authorisation to the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Plan (關於提請股東大會及類別股東會授權董事會辦理公司2023 年限制性股票激勵計劃相關事宜的議案), the connected directors have abstained from voting. On the same day, the Company held the 11th Meeting of the Fourth Session of the Board of Supervisors, and considered and approved the Proposal on the "2023 Restricted Share Incentive Scheme (Draft) of China Aluminum International Engineering Corporation Limited" and Its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃（草案）》及其摘要的議案》), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Plan of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案). The board of supervisors of the Company has verified the relevant matters pertaining to the incentive scheme and issued the corresponding verification opinion.	

SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)

Overview of the matter	Query index
2. On 3 April 2024, the Company disclosed the "Announcement of China Aluminum International Engineering Corporation Limited Regarding the Approval of Its 2023 Restricted Share Incentive Scheme by SASAC" (Announcement No.: Lin 2024-015), the Company received the Reply on the Implementation of the Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited (《關於中鋁國際工程股份有限公司實施限制性股票激勵計劃的批覆》) (Guo Zi Kao Fen [2024] No. 108) of the SASAC forwarded by Chinalco, the controlling shareholder of the Company, in which the SASAC granted in-principle approval for the Company to implement the 2023 Restricted Share Incentive Scheme.	
3. On April 18, 2024, the Company convened the 20th Meeting of the Fourth Board of Directors and the 15th Meeting of the Fourth Board of Supervisors. The meetings reviewed and approved the "Proposal on the 2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited and Its Summary thereof", and the connected directors have abstained from voting on the relevant proposals.	
4. On 17 May 2024, the Company disclosed the "Notice of China Aluminum International Engineering Corporation Limited Regarding the Convening of the 2023 Annual Shareholders' Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024" (Announcement No.: Lin 2024-022) and "Announcement of China Aluminum International Engineering Corporation Limited Regarding the Public Solicitation of Voting Rights by Independent Non-Executive Directors" (Announcement No.: Lin 2024-023). Mr. TONG Pengfang, an independent non-executive director acting as the soliciting person, publicly solicited voting rights from all shareholders of the Company regarding the relevant proposals pertaining to the Company's 2023 Restricted Share Incentive Scheme to be considered at the 2023 Annual Shareholders' Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024 to be convened on 18 June 2024.	
5. From 18 April 2024 to 28 April 2024, the Company publicly announced the list of proposed participants of the incentive scheme on its internal website. By the end of the public announcement period, the board of supervisors had not received any objections from anyone regarding the incentive recipients of this incentive scheme. On 12 June 2024, the Company disclosed the "Verification Opinion of the Board of Supervisors of China Aluminum International Engineering Corporation Limited on the Participants of the Company's 2023 Restricted Share Incentive Scheme".	

Overview of the matter	Query index
6. On 18 June 2024, the Company convened the 2023 Annual Shareholders' Meeting, the First A-Share Class Meeting of 2024 and the First H-Share Class Meeting of 2024, at which the following proposals were considered and approved: the Proposal on the "2023 Restricted Share Incentive Scheme (Revised Draft) of China Aluminum International Engineering Corporation Limited" and Its Summary (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃（草案修訂稿）》及其摘要的議案》), the Proposal on the "Administrative Measures of 2023 Restricted Share Incentive Scheme Management Measures of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃管理辦法》的議案), the Proposal on the "Administrative Measures for the Implementation and Assessment of the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited" (關於《中鋁國際工程股份有限公司2023年限制性股票激勵計劃實施考核管理辦法》的議案), and the Proposal on Submission to the Shareholders' Meeting and Class Meetings for Authorisation to the Board of Directors to Handle Matters in Relation to the Company's 2023 Restricted Share Incentive Scheme (關於提請股東大會及類別股東會授權董事會辦理公司2023 年限制性股票激勵計劃相關事宜的議案).	
7. On 19 June 2024, the Company disclosed the "Self-Inspection Report on Trading of Shares of the Company by Insiders and Participants Under the 2023 Restricted Share Incentive Scheme of China Aluminum International Engineering Corporation Limited" (Announcement No.: Lin 2024-028).	
8. On 18 June 2024, the Company convened the 21st Meeting of the Fourth Session of the Board of Directors and the 17th Meeting of the Fourth Session of the Board of Supervisors. The following proposals in relation to the current incentive scheme were considered and approved: "Proposal on Adjusting Matters Related to the Company's 2023 Restricted Share Incentive Scheme" and the "Proposal on the Initial Grant of Restricted Shares to Participants of the Company's 2023 Restricted Share Incentive Scheme", among others. Connected directors have abstained from voting on the relevant proposals. The board of supervisors verified the list of participants and relevant matters under the incentive scheme and issued verification opinion.	
9. On 26 July 2024, the Company completed the registration for the initial grant under the Company's 2023 Restricted Share Incentive Scheme, the 237 actual grantees were granted 26,769,600 shares. On 30 July 2024, the Company disclosed the "Announcement on Completion of Grant Registration for the Company's 2023 Restricted Share Incentive Scheme" (Announcement No.: Lin 2024-040).	

Overview of the matter	Query index
In 2025, the Company implemented the 2023 Restricted Share Incentive Scheme, granting a total of 2 million restricted shares to 21 participants an initial grant price of RMB2.28 per share. 1. On 26 May 2025, the Company convened the 28th Meeting of the 4th Session of the Board of Directors and the 22nd Meeting of the 4th Session of the Board of Supervisors, and considered and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Shares Incentive Scheme". The board of supervisors verified the list of participants of the reserved grant under the incentive scheme as well as relevant matters, and issued its verification opinion. 2. On 13 June 2025, the Company completed the registration for the reserved grant under the Company's 2023 Restricted Share Incentive Scheme, the 21 actual grantees were granted 2 million shares. On 17 June 2025, the Company disclosed the "Announcement on Completion of Registration of the Reserved Grant under the Company's 2023 Restricted Share Incentive Scheme" (Announcement No.: Lin 2025-027).	www.sse.com.cn www.hkex.com.hk

Summary information and other details regarding the Company's 2023 Restricted Share Incentive Scheme (the "**Incentive Scheme**") are set forth below:

Purpose of the Incentive Scheme

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

Participants of the Incentive Scheme

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

Total Number of Shares Available for Issuance and Percentage Ratio

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

In 2024, The Company disclosed the "Announcement on Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme" on the website of the Stock Exchange on 29 July 2024, and disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on the Completion of Registration of the Grant Under the 2023 Restricted Share Incentive Scheme" on the website of SSE on 30 July 2024. The actual number of participants for the initial grant was 237, with a total of 26,769,600 restricted shares granted, representing approximately 0.90% of the Company's total share capital of 2,959,066,700 shares prior to the grant. The registration and transfer of the initial 26,769,600 restricted shares was completed at China Securities Depository and

Clearing Corporation Limited, Shanghai Branch on July 26, 2024, with the issuance of the "Certificate of Change of Securities Registration". Following the completion of the initial grant of restricted shares, the Company's total share capital increased from 2,959,066,700 shares to 2,985,836,300 shares. As at the date of the Company's 2024 Annual Report (i.e., 28 March 2025), the total number of shares that the Company may issue under the incentive scheme was 2,000,000 A shares under the reserved grant portion, representing approximately 0.077% of the Company's total A share capital at that time and 0.067% of the Company's total issued share capital (excluding treasury shares).

For the one year ended 31 December 2024, the number of shares issued for options and incentives granted under all schemes of the Company divided by the weighted average number of the relevant classes of shares issued (excluding treasury shares) for that year was 1.13%.

In 2025, The Company disclosed the "Announcement on Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme" on the website of the Stock Exchange on 16 June 2025, and disclosed the "Announcement of China Aluminum International Engineering Corporation Limited on Completion of Registration of the Reserved Grant Under the 2023 Restricted Share Incentive Scheme" on the website of the Shanghai Stock Exchange on 17 June 2025. The Company granted 2 million restricted shares to 21 participants who met the grant conditions, representing approximately 0.07% of the Company's total share capital of 2,985,836,300 shares prior to the grant. On 13 June 2025, the registration and transfer of the granted 2 million restricted shares were completed at China Securities Depository and Clearing Corporation Limited, Shanghai Branch, with the issuance of the "Certificate of Change of Securities Registration". Following the completion of the change, the Company's total share capital changed from 2,985,836,300 shares to 2,987,836,300 shares.

For the 12 months ended 31 December 2025, the number of shares issued for options and incentives granted under all schemes of the Company divided by the weighted average number of the relevant classes of shares issued (excluding treasury shares) for that year was 0.08%.

As at 31 December 2025, no shares remain available for issuance under the 2023 Incentive Scheme.

Maximum Authorized Benefits per Participant in the Incentive Scheme

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

The Period During Which Participants Could Exercise Their Options Under the Incentive Scheme

The incentive scheme does not involve the grant of any exercisable options.

Vesting Periods and Lock-Up Periods for Restricted Shares Granted Under the Incentive Scheme

As the restricted shares are vested in full to participants upon grant, restricted shares granted under the Incentive Scheme does not have a vesting period. Restricted shares granted under the Incentive Scheme shall be unlocked in three batches, with lock-up periods of 24 months, 36 months, and 48 months respectively, starting from the date of completion of the registration for the reserved grant. During the lock-up period, participants are subject to restrictions on the restricted shares granted under the 2023 Incentive Scheme and may not transfer, pledge, or use them to repay debts. Shares acquired by participants through capitalization of capital reserves, share dividends, share splits or rights issues, which are still subject to lock-up restrictions, shall also be locked up in accordance with the 2023 Incentive Scheme. Upon unlocking, the Company shall process the unlocking for eligible participants who meet the unlocking conditions. Restricted shares held by participants who do not meet the conditions shall be repurchased by the Company.

The unlocking schedule for restricted shares under the 2023 Incentive Scheme shall be as follows:

Unlocking arrangement	Unlocking schedule	Proportion of the restricted shares to be unlocked of total number of the restricted shares granted
First Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration of the grant to the last trading day upon the expiry of 36 months from the date of completion of registration of the grant	40%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration of the grant to the last trading day upon the expiry of 48 months from the date of completion of registration of the grant	30%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration of the grant to the last trading day upon the expiry of 60 months from the date of completion of registration of the grant	30%

Amount payable upon acceptance of restricted shares (if any) and payment or notification period for payment

The amount payable for the acceptance of restricted shares is calculated by multiplying the grant price of the restricted shares by the number of restricted shares granted. As at 31 December 2024, the total grant price was RMB63,443,952. The participants of the initial grant of restricted shares have remitted their capital contributions to the Company's special account for proceeds prior to the payment deadline (i.e., within 60 days after the incentive scheme was approved by the Company's shareholders' meeting and the relevant class meetings as stipulated in the Articles of Association).

Performance appraisal targets for the unlocking of the restricted shares granted under the Incentive Scheme

Unlocking period	Performance targets
First Unlocking Period	(1) Cash return on net assets (EOE) for 2024 shall not be less than 13.76% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2024 shall not be less than 24.72% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2024 shall be greater than 0.
Second Unlocking Period	(1) Cash return on net assets (EOE) for 2025 shall not be less than 14.52% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2025 shall not be less than 26.18% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2025 shall be greater than 0.
Third Unlocking Period	(1) Cash return on net assets (EOE) for 2026 shall not be less than 15.18% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (2) On the basis of 2022 performance, the compound growth rate of net profit attributable to shareholders of the parent company for 2026 shall not be less than 26.27% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies; (3) Economic value added increment (ΔEVA) for 2026 shall be greater than 0.

Notes:

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

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

Accounting Standards and Policy Disclosure

The Company's share-based payments are classified as equity-settled share-based payments. Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. For equity instruments such as options granted where an active market exists, the Company determines their fair value based on quoted prices in the active market. For equity instruments such as options granted where no active market exists, the Company determines their fair value using option pricing models. The selected option pricing model considers the following factors: A. exercise price of the option; B. validity period of the option; C. current price of underlying shares; D. expected share price volatility; E. Expected dividends per share; F. Risk-free interest rate during the option validity period. For options exercisable immediately upon grant, the fair value of the equity instruments is recognized as a related cost or expense on the grant date, with a corresponding increase in capital surplus. For options exercisable only upon completion of service during a blackout period or fulfillment of specified performance conditions, the fair value of the equity instruments on the grant date is recognized as the cost or expense and capital surplus for the period, based on the best estimate of the number of exercisable instruments at each balance sheet date during the blackout period. No adjustments are made to the recognized cost or expense or total owners' equity after the grant date.

The Company grants restricted shares to participants, who would subscribe for the shares in the first place. If the unlocking conditions specified in the equity incentive scheme are not subsequently met, the Company would repurchase the shares at the pre-agreed price. For restricted shares issued to employees that have completed capital increase procedures such as registration in accordance with relevant regulations, the Company recognizes share capital and capital surplus (share premium) on the grant date based on the subscription payments received from employees. Concurrently, it recognizes treasury stock and other payables for the repurchase obligation.

Determination Basis for Grant Price and Fair Value

(1) Method for Determining the Grant Price and the Fair Value on the Grant Date for the Initial Grant of Restricted Shares

The pricing benchmark date of the Grant Price of the Restricted Shares under the first grant is the date of publication of the draft of the 2023 Incentive Scheme (i.e. 8 December 2023). The Grant Price shall not be less than the nominal value of the Shares and shall not be less than the higher of the following prices:

① 50% of the average trading price of the Company's shares on the trading day immediately preceding the announcement of the 2023 Incentive Scheme (i.e., 7 December 2023), which was RMB4.70 per share, resulting in RMB2.35 per share;

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

In 2024, on 18 June 2024, the Board of Directors of the Company determined that the initial grant conditions stipulated in the Incentive Scheme are met, and approved June 18, 2024 as the initial grant date for restricted shares, granting 26,769,600 restricted shares at an grant price of RMB2.37 per share to 237 eligible participants. The closing price of the Company's A-shares immediately preceding the initial grant date (i.e. 17 June 2024) was RMB4.32 per share.

The fair value of the restricted shares on the initial grant date was RMB2.00, calculated as the closing price of the A-shares on the initial grant date (RMB4.37) minus the grant price (RMB2.37).

(2) Method for Determining the Grant Price and Fair Value on the Grant Date of Reserved Grant of Restricted Shares

Prior to each grant of the reserved Restricted Shares, a Board meeting shall be convened to consider and approve the relevant proposal and the circumstance of the grant shall be disclosed. The Grant Price shall not be less than the nominal value of the Shares and shall not be less than the higher of the following prices:

① 50% of the average trading price of the Shares of the Company on the trading day preceding the date of the announcement of the Board of Directors resolution on the reserved grant of the Restricted Shares (i.e. 23 May 2025) which is RMB4.42, resulting in RMB2.21 per share;

② 50% of the average trading price of the Company's Shares for 20 trading days, 60 trading days or 120 trading days preceding the date of the announcement of the Board of Directors resolution on the reserved grant of the Restricted Shares (i.e. from 24 April 2025 to 23 May 2025), which is RMB4.56, resulting in RMB2.28 per share.

In January to June 2025, on 26 May 2025, the Company convened the 28th Meeting of the Fourth Session of the Board of Directors and the 22nd Meeting of the Fourth Session of the Board of Supervisors, which considered and approved the "Proposal on the Proposed Granting of Reserved Restricted Shares to Participants under the Company's 2023 Incentive Scheme". The Board is of the opinion that the conditions for the reserved grant stipulated in the Incentive Scheme had been met, and approved the grant date for the reserved restricted shares as 26 May 2025, authorizing the grant of 2 million restricted shares at a grant price of RMB2.28 per share to 21 eligible participants. The closing price of the Company's A-shares immediately preceding the reserved grant date (i.e. 23 May 2025) was RMB4.36 per share.

The fair value of the restricted shares on the reservation grant date was RMB2.12, calculated as the closing price of the A-shares on the reserved grant date (RMB4.40) minus the grant price (RMB2.28).

Detail of Grant of Restricted Shares

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

① Initial grant date: 18 June, 2024

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

③ Number of grantees under the initial grant: 237

④ Initial grant price: RMB2.37 per share

⑤ Source of shares: A shares issued by the Company to participants through private placement

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

No.	Name	Position	Number of restricted shares granted in 2024 (0'000 shares)	Percentage of total restricted shares granted in 2024	Percentage of total share capital as at 31 December 2024
1.	LI Yihua	Chairman and Executive Director	26.74	0.93%	0.01%
2.	LIU Jing	Executive Director, General Manager	26.74	0.93%	0.01%
3.	LIU Dongjun	Executive Director at the time	20.06	0.70%	0.01%
4.	ZHAO Hongmei	Executive Director and Chief Financial Officer at the time	20.06	0.70%	0.01%
5.	Other Management Personnel and Core Technical (Business) Backbone Personnel (Not Exceeding 233 persons)		2,583.36	89.79%	0.87%
Total Initial Grant			2,676.96	93.05%	0.90%
Part of Reserved Grant			200	6.95%	0.07%
Total			2,876.96	100.00%	0.96%

Notes:

① Any discrepancies in the decimal places between the above total and the sum of the individual line items are due to rounding.

② As at 1 January 2024, the Company had not yet convened a shareholders' meeting to formally adopt the Incentive Scheme; therefore, no restricted shares was available for grant or vesting.

③ As at 31 December 2024, the Company has 2,000,000 restricted shares that are still available for grant and vesting under the Incentive Scheme.

④ The number of restricted shares granted in 2024 was 26,769,600 shares.

⑤ During 2024, the restricted shares granted under the Incentive Scheme remain subject to the lock-up period. As disclosed in the Company's announcement dated 18 June 2024 regarding the initial grant of restricted shares to participants under the 2023 Incentive Scheme and the announcement dated 29 July 2024 regarding the completion of grant registration for the 2023 Incentive Scheme, 2 participants were excluded from the incentive scope due to position adjustments or voluntary renunciation of subscription, totaling 347,800 shares. These restricted shares were canceled. 1 participant voluntarily renounced a portion of the granted restricted shares, and 3 participants were no longer granted shares due to position adjustments that rendered them ineligible. Other than the above, no other restricted shares were canceled or expired as at the end of 2024. The Company completed the registration of the initial grant portion of restricted shares under the Incentive Scheme with China Securities Depository and Clearing Corporation Limited, Shanghai Branch on 26 July, 2024.

⑥ In 2024, the weighted average closing price of the restricted shares granted immediately preceding their vesting date was RMB4.32 (the closing price of the Company's A-shares on June 17, 2024).

In 2025, other details regarding restricted shares granted by the Company under the Incentive Scheme are set forth below:

① Reserve grant date: 26 May, 2025

② Number of reserved restricted shares: 2,000,000 shares

③ Number of grantees under the reserved grant: 21 persons (none of whom are directors, chief executives, or major shareholders of the listed company, nor their respective associates)

④ Price of reserved grant: RMB2.28 per share

⑤ Source of shares: A share ordinary shares of the Company issued to participants through private placement

⑥ Allocation of reserved restricted shares among the participants is as follows:

No.	Name	Position	Number of restricted shares granted in 2025 (0'000 shares)	Percentage of total reserved grant of restricted shares for 2025	Percentage of total share capital as at 31 December 2025
1.	Management Personnel and Core Technical (Business) Backbone Personnel of the Company (21 individuals)		200	100%	0.07%
Total reserved grant			200	100%	0.07%

Notes:

① The participants of the Incentive Scheme in 2025 above did not participate in two or more equity incentive schemes of listed companies. None of the participants are substantial shareholders holding 5% or more of the Company's shares, nor the de facto controller, nor their spouses, parents, or children.

② As at 1 January 2025, the number of restricted shares still available for grant under the Incentive Scheme was 2,000,000 shares.

③ As at 31 December 2025, there were no further restricted shares available for grant under the Incentive Scheme.

④ In 2025, no restricted shares were cancelled or lapsed.

⑤ In 2025, the weighted average closing market price of the granted restricted shares immediately prior to the vesting date of the restricted share was RMB4.36 (the closing price of the Company's A shares on 23 May 2025).

Remaining Validity Period of the Incentive Scheme

The validity period of the Incentive Scheme shall be from the date of completion of registration of the initial grant of restricted shares until the date on which all restricted shares granted to participants have been unlocked or repurchased, not exceeding 72 months in total. The Company completed the registration work for the initial grant of restricted shares under the 2023 Incentive Scheme with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 26 July 2024. Therefore, the validity period of the Incentive Scheme is from 26 July 2024 (the date of completion of registration of the initial grant of restricted shares) to 26 July 2028 (the date on which all restricted shares are unlocked).

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

Particulars of share option incentives

☐ Applicable ✓ Not applicable

Other explanation:

☐ Applicable ✓ Not applicable

Particulars of employee stock option plan

☐ Applicable ✓ Not applicable

Other incentive measures

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

During the Reporting Period, no new equity incentives were granted to any of the Company's directors or senior management.

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

✓ Applicable ☐ Not applicable

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

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

✓ Applicable ☐ Not applicable

In 2025, the Company implemented the mechanism of simultaneous planning, construction and updating of internal control construction and system processes, revised and issued the "Detailed Implementation Rules for Internal Control Management of China Aluminum International Engineering Corporation Limited", updated and improved the "Internal Control Management Manual", and improved the construction of the Company's internal control system; and organized and carried out self-inspection of the construction of the internal control system of its affiliated enterprises.

Explanation on material deficiencies in internal control during the Reporting Period

☐ Applicable ✓ Not applicable

XV. CONTROL ON SUBSIDIARIES WITHIN THE REPORTING PERIOD

✓ Applicable ☐ Not applicable

During the Reporting Period, Chalieco continued to refine its corporate governance system, strengthening control over subsidiaries through standardized development and institutional innovation. First, we optimized the Board of Directors' operational mechanisms. The scope of mandatory board establishment was dynamically adjusted to strictly enforce standardized management requirements for applicable enterprises. A comprehensive review of all enterprise tiers was completed, removing small-scale, single-business, or restructuring-bound enterprises from the mandatory establishment scope per prescribed procedures. Second, we enhanced the duty performance management system for directors. The management system for full-time directors was refined, the assessment mechanism for external directors was detailed, and oversight throughout the entire performance process was strengthened, continuously enhancing the standardized operation of Board of Directors of subsidiaries. Third, the reform of the board of supervisors was completed and enhanced its effectiveness. Resolutely implement the requirements of SASAC for deepening the reform of board of supervisors of subsidiaries, with the reform tasks for board of supervisors of subsidiaries now completed. All subsidiaries required to establish boards of directors have formally established audit committees and simultaneously enhanced the supervision functions of relevant specialized committees. By strengthening the internal supervision mechanism centered on the audit committee, clarifying the list of supervision responsibilities and rules of procedures, focusing on major decisions, key operations and critical processes, and reinforcing process supervision and risk prevention, the independence and effectiveness of internal supervision have been enhanced. Fourth, we strengthened the institutional enforcement and the implementation and oversight thereof. We organized practical training sessions on corporate governance and conducted penetrative inspections, focusing on key areas such as the implementation of duties and powers of the Board of Directors, the standardized operation of specialized committees and the quality and effectiveness of external directors' duties, thereby promoting the effective functioning of governance mechanisms.

In terms of finance, the Company has established an integrated and efficient financial information system and formulated relevant systems for financial accounting, fund management and guarantees to standardize the accounting and fund control of its subsidiaries. In terms of internal control, the Company carries out inspections and evaluations of the effectiveness of the internal controls of its subsidiaries, and supervises and inspects the rectification of internal control deficiencies. In terms of related party transactions, the Company has established a related party transaction management system, which clarifies the management and approval process, supervision and inspection of related party transactions conducted by subsidiaries. In terms of material matters, the Company has established relevant systems for information disclosure, internal reporting of material matters and inside information management, so as to standardize the confidentiality and transmission of information relating to material matters, as well as the review and disclosure processes for material matters; subsidiaries shall promptly submit important documents such as resolutions of the Board of Directors and resolutions of the shareholders' meeting to the Company.

Risk warning regarding abnormal management and control of subsidiaries

☐ Applicable ✓ Not applicable

XVI. PARTICULARS OF INTERNAL CONTROL AUDIT REPORT

✓ Applicable ☐ Not applicable

Our auditor Grant Thornton (Special General Partnership) confirmed that the Company has maintained effective internal control over financial reporting in all material aspects. For details, refer to the 2025 Annual Audit Report on Internal Control of China Aluminum International Engineering Corporation Limited disclosed on the website of the SSE (www.sse.com.cn) on the same day as this Annual Report.

Whether the internal control audit report is disclosed: Yes
Type of opinion on the internal control audit report: Standard unqualified opinion

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

The Company has no matters that would have a material adverse effect on the interests of investors. The Company will further strengthen the achievements on corporate governance, improve the level of corporate governance, and promote the sustainable, healthy and high-quality development of the Company.

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

☐ Applicable ✓ Not applicable

Other explanation

☐ Applicable ✓ Not applicable

XIX. SOCIAL RESPONSIBILITIES FULFILLMENT

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

✓ Applicable ☐ Not applicable

For details of the Company's work in fulfilling its social responsibilities, please refer to the "2025 Annual Environmental, Social and Governance Report of China Aluminum International Engineering Corporation Limited" disclosed on the website of the SSE (http://www.sse.com.cn) and the website of the Stock Exchange (www.hkex.com.hk).

(II) Specific information on social responsibility work

✓ Applicable ☐ Not applicable

External donations and public welfare projects	Quantity/ content	Description
Total input (RMB'0,000)	10.40	Conducted Spring Festival visits and donations for villages under targeted assistance
Including: Funds (RMB'0,000)	9.21	Donated RMB50,000 to villages under targeted assistance and RMB42,100 to flood-stricken areas
Cash converted from materials (RMB'0,000)	1.19	Carried out Spring Festival visits and condolences in villages under targeted assistance, with condolences of RMB11,900
Number of beneficiaries (persons)	1,480	

Specific description

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

Poverty alleviation and rural revitalization projects	Quantity/content	Description
Total input (RMB'0,000)	422.25	
Including: Funds (RMB'0,000)	421.06	Direct purchases of agricultural products from the areas to be assisted, totaled RMB4,084,600; direct investment in industrial support, culture and education, infrastructure renovation and visits and condolences totaled RMB126,000
Cash converted from materials (RMB'0,000)	1.19	Carried out Spring Festival visits and condolences in the targeted village, with condolences of RMB11,900
Number of beneficiaries (persons)	25,000	
Forms of assistance (such as industry-wide, employment and education, etc.)	Poverty alleviation through industry, employment, education and consumption	

Specific description

☐ Applicable ✓ Not applicable

XXI. OTHERS

✓ Applicable ☐ Not applicable

(I) Compliance with the Code for Securities Transactions

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

The Board will examine the corporate governance practices and operations of the Company from time to time so as to ensure the compliance with relevant requirements under the HKEX Listing Rules and to protect shareholders' interests.

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

The Company has continued to improve the governance system centered on the Articles of Association. In 2025, to further enhance the level of standardised operations and improve the corporate governance framework, the Company has, in accordance with the latest requirements of the Company Law of the People's Republic of China, the Guidelines on the Articles of Association of Listed Companies and other applicable laws, regulations and regulatory documents, and taking into account the actual circumstances of the Company, made corresponding amendments to the Articles of Association, the Rules of Procedure for the Shareholders' Meetings of China Aluminum International Engineering Corporation Limited, and the Rules of Procedure for the Board of Directors Meetings of China Aluminum International Engineering Corporation Limited. The Supervisory Committee has been abolished, and its statutory powers and functions have been transferred to and exercised by the Audit Committee under the Board of Directors. Accordingly, the Rules of Procedure for the Supervisory Committee of China Aluminum International Engineering Corporation Limited have been repealed, and further amendments have been made to the Articles of Association. The aforesaid amendments were duly considered and approved at the Company's 2024 Annual General Meeting and took effect on 30 June 2025.

(III) Company secretary

During the Reporting Period, Ms. ZHAO Hongmei has resigned as the company secretary due to job change on 28 March 2025. The Board has appointed Mr. TAO Fulun and Ms. NG Ka Man as joint company secretaries. For details, please refer to the announcement on the Change of Secretary to the Board of Directors, Company Secretary and Authorised Representative of the Company dated 28 March 2025 on the website of the Stock Exchange.

Ms. NG Ka Man's main contact person at the company is Mr. TAO Fulun, who reports major matters to the Chairman of the Board of Directors.

In order to comply with Rule 3.29 of the HKEX Listing Rules, as at 31 December 2025, Mr. TAO Fulun and Ms. NG Ka Man, the joint company secretaries, participated in no less than 15 hours of relevant professional training during the year.

(IV) Directors' responsibility for the financial statements

The Board of Directors acknowledged its responsibility for preparing the financial statements of the Group for the year ended 31 December 2025.

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

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to operate as a going concern. In addition, appropriate insurance coverage has been arranged by the Company against possible legal proceedings and liabilities to be taken against the directors.

(V) Dividend policy of the Company

For details, please refer to "PROPOSAL FOR PROFIT DISTRIBUTION OR FOR CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL" under "SECTION V CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIAL (CORPORATE GOVERNANCE REPORT)" of this report.

(VI) Board independence evaluation mechanism

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

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

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

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

SECTION VI KEY MATTERS

I. PERFORMANCE OF COMMITMENTS

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

✓ Applicable ☐ Not applicable

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

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

☐ Achieved ☐ Not yet achieved ✓ Not applicable

(III) Particulars of performance commitment

☐ Applicable ✓ Not applicable

Particulars of changes of performance commitment

☐ Applicable ✓ Not applicable

Other explanation

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

III. GUARANTEES IN VIOLATION OF REQUIRED PROCEDURES

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

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

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

(III) Communication with the former auditor

☐ Applicable ✓ Not applicable

(IV) Approval process and other descriptions

☐ Applicable ✓ Not applicable

VI. APPOINTMENT AND REMOVAL OF AUDITOR

Unit: Yuan Currency: RMB

	Current appointment
Name of domestic auditor	Grant Thornton (Special General Partnership)
Remuneration of domestic auditor including subsidiaries	4,500,000
Years of service of domestic auditor	3 years
Name of certified public accountants of domestic auditor	LI Yang, GU Weitao
Cumulative years of service of certified public accountants of domestic auditor	LI Yang (3 years), GU Weitao (1 year)
Name of overseas auditor	/
Remuneration of overseas auditor	/
Years of service of overseas auditor	/

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

Explanation of appointment and removal of the auditor

✓ Applicable ☐ Not applicable

As the term of audit services provided by Daxin Certified Public Accountants (Special General Partnership) (大信會計師事務所(特殊普通合夥)) for the Company has reached the longest consecutive audit period, the Company has, upon approval by the 2022 annual shareholders' meeting, engaged Grant Thornton (Special General Partnership) as the accounting firm of the Company, and the appointment was subsequently renewed to 2025 with the approval of the Company's shareholders' meeting.

Explanation on change in the auditor during the auditing period

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

VII. POTENTIAL RISK OF SUSPENSION OF LISTING

(I) Reasons for the suspension of listing

☐ Applicable ✓ Not applicable

(II) Proposed countermeasures of the Company

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

VIII. BANKRUPTCY AND REORGANIZATION RELATED ISSUES

☐ Applicable ✓ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

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

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

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

During the Reporting Period:

Plaintiff (Applicant)	Defendant (Respondent)	Party with several and joint liability	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liability and the amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
"Ninth Metallurgical Company"	Baotou Municipal Affordable Housing Development and Construction Investment Co., Ltd.	None	Litigation	Engineering project construction contract dispute	10,075.06	–	First trial in progress	Not decided	–
Twelfth Metallurgical Company	Shenyang Xin Yi Jiang Real Estate Development Co., Ltd., etc.	None	Litigation	Engineering project construction contract dispute	9,579.25	–	First trial in progress	Not decided	–
Yunnan Cheng Su Construction Engineering Co., Ltd.	Sixth Metallurgical Company	None	Litigation	Engineering project construction contract dispute	10,890.79	–	First trial in progress	Not decided	–
Sixth Metallurgical Company	Guizhou Qiya Aluminum Co., Ltd., Qiya Group Co., Ltd.	None	Litigation	Engineering project construction contract dispute	11,825.21	–	First trial in progress	Not decided	–
Zhongtian Transportation Construction Investment Group Co., Ltd.	Sixth Metallurgical Company	None	Litigation	Engineering project construction contract dispute	7,908.00	–	First trial in progress	Not decided	–
Sixth Metallurgical Company	Ruzhou City Xinyuan Investment Co., Ltd.	None	Litigation	Engineering project construction contract dispute	12,636.72	–	First trial in progress	Not decided	–

(III) Other explanation

☐ Applicable ✓ Not applicable

X. PUNISHMENT AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER FOR SUSPECTED VIOLATION OF LAWS AND REGULATIONS

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

XII. SUBSTANTIAL RELATED PARTY/(CONNECTED) TRANSACTIONS

Substantial related party (connected) transactions of the Group during the year ended 31 December 2025 are set out in "Note 11 RELATED PARTIES AND THEIR TRANSACTIONS" to the financial statements. Some of the above related party (connected) transactions constitute connected transactions under the SSE Listing Rules, and also constitute connected transactions as prescribed in Chapter 14A under the HKEX Listing Rules. The aforementioned related party (connected) transactions have complied with the requirements of the SSE Listing Rules and Chapter 14A under the HKEX Listing Rules. Particulars of them are as follow:

(I) Non-exempt one-time related party (connected) transactions

There was no non-exempt one-time related party (connected) transactions during the Reporting Period.

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

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

The annual caps and actual transaction amount of such continuing related party (connected) transactions for 2025 are set out in the following table:

Events of related party (connected) transactions	Related party (connected person)	2025 annual cap RMB million	2025 annual actual transaction amount RMB million
1. Provision of engineering services by the Group	Chinalco	11,000	6,435
2. Provision of commodities by the Group	Chinalco	1,000	493
3. Provision of general services by the Group	Chinalco	50	22
4. Provision of general services to the Group	Chinalco	160	92
5. Provision of commodities to the Group	Chinalco	2,000	1,112
6. Provision of financial services to the Group – deposit service (daily deposit balance including accrued interest)	Chinalco Finance	6,000	2,885
7. Provision of financial services to the Group – credit lending service (daily loan balance including accrued interest)	Chinalco Finance	8,000	4,727
8. Provision of financial services to the Group – factoring service (daily cap for factoring business)	Chinalco Finance	2,000	0
9. Provision of financial services to the Group – Other financial service	Chinalco Finance	3.3	0
10. Provision of accounts receivable and accounts payable factoring and financial leasing services to the Group	Chinalco Capital	300	0
11. Provision of accounts receivable and accounts payable factoring and financial leasing services to the Group (total annual fees)	Chinalco Capital	10	0

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

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for 2025 was RMB11,000 million and the actual transaction amount was RMB6,435 million.

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

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for the year of 2025 was RMB 1,000 million and the actual transaction amount was RMB493 million.

3. **Provision of general services by the Group**

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for the year of 2025 was RMB50 million and the actual transaction amount was RMB22 million.

4. **Provision of general services to the Group**

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for the year of 2025 was RMB160 million and the actual transaction amount was RMB92 million.

5. **Provision of commodities to the Group**

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. During the Reporting Period, the annual cap of this continuing related party (connected) transaction for the year of 2025 was RMB2,000 million and the actual transaction amount was RMB1,112 million.

6. **Provision of financial services to the Group**

The Company entered into a New Financial Services Agreement with Chinalco Finance on 28 March 2024, effective for three years from the date of approval at the annual shareholders' meeting of the Company. The original agreement will be terminated accordingly after the New Financial Services Agreement becomes effective. The general terms are as follow:

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

Deposit services:

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

The interest rates for deposits on the Deposit Services to be offered by Chinalco Finance to the Group will not be lower than the benchmark interest rate for deposits published uniformly by the PBOC from time to time for the deposits with the same term and type, not lower than the interest rate for deposits offered by major commercial banks in the PRC for deposits with the same type during the same period, and not lower than the interest rate for deposits offered by Chinalco Finance to Chinalco and its group companies for deposits with the same type during the same period;

Chinalco Finance guarantees the safety of the Group's deposits and will promptly and fully repay the Group's funding needs when the Group requests funds. If Chinalco Finance fails to pay the deposit to the Group on time and in full, the Company has the right to terminate this agreement, and can lawfully offset the deposit payable by Chinalco Finance to the Group against the loan from Chinalco Finance to the Group;

During the effective period of this New Financial Services Agreement, the daily deposit balance (including any interest accrued) of the deposit account of the Group shall not exceed RMB6,000 million. During the Reporting Period, the actual maximum daily deposit balance was RMB2,885 million.

Settlement services:

Chinalco Finance provides payment services and collection services to the Group in accordance with the Group's instructions, as well as other auxiliary services related to settlement business;

Chinalco Finance provides the above settlement services for the Group for free;

Chinalco Finance shall ensure the safe operation of the fund settlement network, ensure the safety of funds, control the risk of assets and liabilities, and satisfy the payment requirements of the Group.

Credit lending services:

Conditional upon satisfying the relevant national laws and regulations, Chinalco Finance provides general credit lending services to the Group according to the operation and development needs of the Group. The Group can use the general credit facility provided by Chinalco Finance for loans, bills acceptance, bills discounting, guarantee and other forms of financing business;

Chinalco Finance undertakes to provide the Group with favourable interest rate for loans, which shall not be higher than the benchmark interest rate for loans published uniformly by the PBOC from time to time for loans with the same type and term, and not higher than the interest rate charged by major commercial banks in the PRC for the loans with the same type during the same period;

Chinalco Finance shall provide credit facilities to the Group on normal commercial terms and without any security over the assets of the Group; within the validity period of the New Financial Services Agreement, the daily loan balance (including accrued interest) provided by Chinalco Finance to the Group shall not exceed RMB8,000 million. During the Reporting Period, the actual maximum daily loan balance was RMB4,727 million.

Factoring services:

Conditional upon satisfying the relevant national laws and regulations, Chinalco Finance provides accounts receivable factoring services for the Group according to the Group's operation and development needs;

Costs of the Factoring Services that Chinalco Finance undertakes to provide to the Group are not higher than the similar costs of major factoring companies in China during the same period;

Specific matters related to factoring services, the parties shall enter into separate agreement(s);

The daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB2,000 million within the validity period of the New Financial Services Agreement. During the Reporting Period, the actual transaction amount was RMB0 million.

Other financial services:

Chinalco Finance will provide the Group with entrusted loans and other financial services within its operation scope according to the Group's instructions and requirements. Before Chinalco Finance provides other financial services to the Group, both parties shall negotiate and enter into independent agreements;

The fees charged by Chinalco Finance for the provision of other financial services shall comply with the fees standards set by the PBOC or the China Banking Regulatory Commission for such services, and shall not be higher than the fees charged by major domestic commercial banks in China for similar type of financial services.

During the validity period of the New Financial Services Agreement, the total fees charged by Chinalco Finance for providing other financial services to the Group for three years shall not be higher than RMB10 million. During the Reporting Period, the actual transaction amount was RMB0 million.

On the premise of complying with this agreement, the Group and Chinalco Finance shall further enter into specific contracts/agreements for the provision of relevant specific financial services to agree on specific transaction terms. Such specific contracts/agreements shall follow the principles, terms of this financial service agreement, and relevant requirements under the law. For further details of the transaction, please refer to the H-share announcement "Announcement on Connected Transaction and Major Transaction in Relation to Renewal of Financial Services Agreement" (《更新金融服務協議之關連交易及主要交易公告》) issued on the website of the Stock Exchange by the Company on 28 March 2024 and the H-share circular dated 16 May 2024. As at the date of disclosure of this annual report, Chinalco directly held 72.9% of the existing issued share capital of the Company, was the controlling shareholder of the Company and became a related party (connected person) of the Company. At the same time, Chinalco directly held 85.2388% of Chinalco Finance and was the controlling shareholder of Chinalco Finance. Therefore, Chinalco Finance is regarded as a related party (connected person) of the Company for the purpose of the listing rules of the listing places.

Accordingly, the new financial services agreement and the transactions thereunder constitute related party (connected) transactions under the listing rules of the listing places of the Company.

As calculated under the HKEX Listing Rules, the highest applicable percentage ratio of the deposit services and the factoring services under the New Financial Services Agreement and their proposed caps exceed 5%, therefore, the deposit services and the factoring services under the New Financial Services Agreement and their proposed caps are subject to the requirements for announcement, reporting and shareholders' approval under Chapter 14A of the HKEX Listing Rules. As the maximum applicable percentage ratio of the deposit services and its proposed caps under the New Financial Services Agreement is higher than 25% but lower than 75%, the deposit services constitute a major transaction of the Company under Chapter 14 of the HKEX Listing Rules and shall follow the requirements for announcement, reporting and shareholder approval under Chapter 14 of the HKEX Listing Rules.

As Chinalco Finance under the New Financial Services Agreement provides settlement services to the Group free of charge, and each percentage ratio of other financial services (if applicable) complies with the minimum exemption level stipulated in Rule 14A.76 of the HKEX Listing Rules, the settlement services and other financial services may be exempt from the requirements for reporting, announcement and independent shareholders' approval under Rule 14A.76 of the HKEX Listing Rules.

Given that the credit lending services provided by Chinalco Finance to the Group under the New Financial Services Agreement are on normal commercial terms, no less favourable than the terms on which independent third parties provide similar services to the Company in China, and the Group will not provide security in relation to credit lending services, the credit lending services is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the HKEX Listing Rules.

As the maximum applicable percentage ratio of the factoring service and its proposed cap under the New Financial Services Agreement is higher than 5% but lower than 25%, the factoring service constitutes a discloseable transaction of the Company under Chapter 14 of the HKEX Listing Rules and shall be subject to the announcement and reporting requirements under Chapter 14 of the HKEX Listing Rules.

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

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

Chinalco is the controlling shareholder of the Company. Pursuant to the listing rules of the listing places, Chinalco and its subsidiaries are the related parties (connected persons) of the Company. Chinalco Capital Holdings Limited is a subsidiary of Chinalco's subsidiary, and thus the related parties (connected persons) of the Company. During the Reporting Period, the balance of the existing factoring business for trade payables shall not exceed RMB300 million, while the actual transaction amount was RMB0 million; and the total factoring service fee and handling fee shall not exceed RMB10 million per annum, while the actual transaction amount was RMB0 million.

The Company has engaged an external auditor to report on the Group's continuing connected transactions in accordance with the China Standard on Other Assurance Engagements No. 3101, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Ministry of Finance of the PRC and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the HKEX Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The auditor has issued its letter containing its findings and conclusions in respect of the above transactions in accordance with Rule 14A.56 of the Listing Rules. Based on the work performed, the auditor of the Company has provided a letter to the Board confirming the following matters in relation to the continuing connected transactions as disclosed above:

(1) Nothing has come to the auditor's attention that would cause the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board of Directors.

(2) For transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that would cause the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

(3) Nothing has come to the auditor's attention that would cause the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

For the above related party (connected) transactions, the directors also confirmed that the Company had complied with the disclosure requirements of the SSE Listing Rules and Chapter 14A of the HKEX Listing Rules.

(III) Connected transactions in relation to daily operations

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ✓ Not applicable

(IV) Connected transactions from acquisition and disposal of assets or equity interests

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ✓ Not applicable

4. In case of any guaranteed performance, whether the performance is achieved for the Reporting Period shall be disclosed

☐ Applicable ✓ Not applicable

(V) Significant related party transactions in joint external investments

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ✓ Not applicable

(VI) Amounts due to or from related parties

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

3. Events not disclosed in temporary announcements

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Related parties	Related party relationship	Provide funds to related parties			Provide funds to listed companies		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
Chinalco Finance Company Limited	Wholly owned subsidiary of parent company				4,727,200	-1,567,000	3,160,200
Total					4,727,200	-1,567,000	3,160,200
Reasons for the formation of related creditor's rights and debts	Related parties Funds provided to listed companies are borrowings from finance companies						
The impact of related creditor's rights and debts on the company	No impact						

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

✓ Applicable ☐ Not applicable

1. Deposit business

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Related parties	Related party relationship	Daily maximum deposit limit	Range of deposit interest rate	Opening Balance	Amount incurred during the period Total deposit amount for the period	 Total withdrawal amount for the period	Closing balance
Chinalco Finance	Wholly owned subsidiary of parent company	6,000,000	0.325%-1.050%	1,466,513	468,962		1,935,475
Total	/	/	/	1,466,513	468,962		1,935,475

2. Loan business

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Related parties	Related party relationship	Loan facility	Range of deposit interest rate	Opening Balance	Amount incurred during the period Total loan amount for the period	 Total repayment amount for the period	Closing balance
Chinalco Finance	Wholly owned subsidiary of parent company	8,000,000	2.03%-3.60%	4,727,200	–	1,567,000	3,160,200
Total	/	/	/	4,727,200	–	1,567,000	3,160,200

3. Credit business or other financial business

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Related party	Related party relationship	Business type	Total	Actual amount incurred
Chinalco Finance	Wholly owned subsidiary of parent company	Factoring business	2,000,000	0
Chinalco Finance	Wholly owned subsidiary of parent company	Other financing services	3,300	0
Chinalco Capital Holdings Limited	Controlled subsidiary of parent company	Accounts receivable, accounts payable, and handling fees for finance lease transactions	300,000	0
Chinalco Capital Holdings Limited	Controlled subsidiary of parent company	Handling fees for accounts receivable, accounts payable, and handling fees for finance lease transactions	10,000	0

4. Other explanation

☐ Applicable ✓ Not applicable

(VIII) Others

☐ Applicable ✓ Not applicable

XIII. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Custody, contracting and leasing matters

1. Custody

☐ Applicable ✓ Not applicable

2. Contracting

☐ Applicable ✓ Not applicable

3. Leasing

☐ Applicable ✓ Not applicable

SECTION VI KEY MATTERS

(II) Guarantees

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

External guarantees (other than to subsidiaries)

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	973,790	2021/9/17	2019/10/31	2047/10/31	General guarantee	None	No	No	0	None	No	–
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	1,390,914.00	2022/3/31	2022/3/31	2047/3/21	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	213,871.00	2021/3/18	2021/3/18	2046/3/18	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	299,582.00	2021/12/28	2021/12/28	2046/12/28	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	342,880.00	2022/5/25	2022/5/28	2047/5/28	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	213,528.00	2021/3/18	2021/4/20	2049/4/20	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Ningyong Expressway Company	191,584.00	2021/12/28	2022/1/6	2049/1/6	General guarantee	None	No	No	0	None	No	

SECTION VI KEY MATTERS

External guarantees (other than to subsidiaries)

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	588,156.00	2021/9/17	2019/10/31	2047/10/31	Joint liability guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	39,881.00	2020/9/28	2020/9/28	2048/9/28	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	234,636.00	2020/11/26	2021/1/4	2048/1/4	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	205,685.00	2022/1/18	2022/1/25	2048/1/25	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	82,561.00	2020/9/28	2020/10/20	2048/10/20	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	209,364.00	2021/12/20	2021/12/20	2048/12/20	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	42,056.00	2020/9/28	2020/9/28	2043/9/28	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	167,325.00	2020/12/21	2020/12/21	2043/12/22	General guarantee	None	No	No	0	None	No	

SECTION VI KEY MATTERS

External guarantees (other than to subsidiaries)														
Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	410,814.00	2020/12/29	2021/5/28	2046/5/28	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	418,357.00	2021/12/1	2021/12/17	2046/12/17	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	292,489.00	2024/11/11	2024/11/28	2047/12/25	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linyun Expressway Company	19,226.00	2021/2/10	2021/2/10	2048/12/31	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	628,761.00	2021/12/24	2021/12/24	2046/12/24	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	39,401.00	2020/10/12	2020/11/4	2043/1/4	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	214,021.00	2020/12/22	2021/7/24	2044/10/24	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	20,573.00	2022/1/25	2021/3/11	2044/3/11	General guarantee	None	No	No	0	None	No	

External guarantees (other than to subsidiaries)

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	387,454.00	2020/12/30	2021/4/15	2046/4/15	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	172,511.00	2021/12/1	2021/12/30	2046/12/30	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	209,156.00	2021/12/24	2021/12/30	2046/12/30	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	21,391.00	2023/12/29	2023/12/29	2046/12/31	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	81,000.00	2023/12/29	2023/12/29	2046/12/31	General guarantee	None	No	No	0	None	No	
China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司)	Headquarters	Linshuang Expressway Company	80,577.00	2025/9/28	2025/9/28	2043/1/22	General guarantee	None	No	No	0	None	No	

SECTION VI KEY MATTERS

Guarantor	Relation between guarantor and listed company	The guaranteed party	Guaranteed amount	Date of Guarantee (date of signing)	Guarantee starting date	Guarantee ending date	Type of the guarantee	Collateral (if any)	Guarantee performed or not	Overdue or not	Overdue amount	Counter guarantee	Whether guarantee for related party or not	Related party relationship
External guarantees (other than to subsidiaries)														
Hanzhong Ninth Metallurgical Construction Co., Ltd.	Controlled subsidiary	Mian County Urban and Rural Infrastructure Construction Co., Ltd.	6,033	2015/10/20	2015/10/20	2027/10/19	General guarantee	None	No	No	0	None	No	
Cumulative amount of guarantees provided during the reporting period (excluding those for subsidiaries)											80,577			
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)											8,197,577			
Guarantees by the Company and its subsidiaries to subsidiaries														
Cumulative amount of guarantees provided for subsidiaries during the reporting period											–			
Total balance of guarantees to subsidiaries at the end of the Reporting Period (B)											356,124			
The total amount of guarantees provided by the company (including guarantees to subsidiaries)														
Total amount of guarantees (A+B)											8,553,701			
Ratio of total amount of guarantees to net assets of the Company (%)											126%			
Including:														
Amount of guarantee provided for shareholders, de facto controller and their related parties (C)											0			
The amount of debt guarantee provided directly or indirectly for the guaranteed entity whose asset-liability ratio exceeds 70% (D)											6,692,823			
The amount of the total guarantee exceeding 50% of the net assets (E)											5,155,717			
Sum of above 3 guarantee amounts (C+D+E)											11,848,540			
Explanation on the potential joint liability arising from the immature guarantees														
Explanation on the guarantees														

(III) Particulars of cash under discretionary management

1. Wealth under discretionary management

(1). Overview of wealth under discretionary management

☐ Applicable ✓ Not applicable

Other information

☐ Applicable ✓ Not applicable

(2). Details of single case of wealth under discretionary management

☐ Applicable ✓ Not applicable

Other information

☐ Applicable ✓ Not applicable

(3). Impairment provisions for entrusted wealth management

☐ Applicable ✓ Not applicable

2. Particulars of entrusted loans

(1). Overview of entrusted loans

☐ Applicable ✓ Not applicable

Other information

☐ Applicable ✓ Not applicable

(2). Details of single case of entrusted loans

☐ Applicable ✓ Not applicable

Other information

☐ Applicable ✓ Not applicable

(3). Provision for impairment of entrusted loans

☐ Applicable ✓ Not applicable

3. Other information

✓ Applicable ☐ Not applicable

(IV) Other material contracts

☐ Applicable ✓ Not applicable

XIV. DESCRIPTION OF THE PROGRESS OF USE OF RAISED FUNDS

☐ Applicable ✓ Not applicable

XV. EXPLANATIONS OF OTHER KEY MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐ Applicable ✓ Not applicable

SECTION VII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: Share

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

2. Explanation of changes in shares

✓Applicable ☐Not applicable

Grant of Reserved Restricted Shares

On 26 May 2025, the Company convened the 28th Meeting of the 4th Session of the Board of Directors and the 22nd Meeting of the 4th Session of the Board of Supervisors, and considered and approved the "Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the Company's 2023 Restricted Share Incentive Scheme", the grant date for the restricted shares was determined to be 26 May 2025, with 2 million restricted shares to be granted to 21 eligible Participants at a grant price of RMB2.28 per share.

On 13 June 2025, Shanghai Branch of China Securities Depository and Clearing Corporation Limited completed the registration of the grant of restricted shares under the current incentive scheme, and issued the Certificate of Change in Registration of Securities to the Company, the total share capital of the Company changed from 2,985,836,267 shares to 2,987,836,267 shares. For details, please refer to the Announcement of China Aluminum International Engineering Corporation Limited Regarding the Completion of Registration of the Reserved Grant under the 2023 Restricted Share Incentive Scheme disclosed by the Company on the website of the SSE (www.sse.com.cn) and the designated media on 17 June 2025 (Announcement No.: Lin 2025-027).

3. Impact (if any) of changes in shares on EPS, net assets per share and other financial indicators for the latest year and the latest period

✓Applicable ☐Not applicable

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

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

☐Applicable ✓Not applicable

(II) Particulars of changes in restricted shares

✓Applicable ☐Not applicable

Unit: Share

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

Note: The shares held by the above-mentioned restricted shareholders are all restricted shares granted under the Company's 2023 Restricted Share Incentive Scheme. Such restricted shares will be unlocked in three installments at the first trading day after 24 months, 36 months and 48 months from the date of completion of the registration of the grant. The proportion of shares unlocked in each installment will be 40%, 30% and 30% respectively, the actual lifting of restrictions shall be linked to the performance appraisal results of the corresponding year of appraisal.

II. SECURITIES OFFERING AND LISTING

(I) Securities issuing during the Reporting Period

✓Applicable ☐Not applicable

Unit: Share Currency: RMB

Types of shares and the derivative securities	Date of issuance	Issue price (or interest rate)	Number of the issuance	Listing date	Number authorized for trading	Trading Termination Date
Ordinary share category						
Renminbi ordinary shares	13 June 2025	RMB2.28 per share	2,000,000	To be listed after unlocking	To be determined by the number of shares unlocked for each period	–

Particulars of securities issuing during the Reporting Period (outstanding bonds with different interest rate requires separate explanation):

✓Applicable ☐Not applicable

1. On 26 May 2025, the Company convened the 28th Meeting of the 4th Session of the Board of Directors and the 22nd Meeting of the 4th Session of the Board of Supervisors, respectively, and considered and approved the Proposal on the Granting of Reserved Restricted Shares to Participants of the Company's 2023 Restricted Share Incentive Scheme. The Board determined that the conditions for the reserved grant specified in the incentive scheme have been met and agreed that the date of the reserved grant of restricted stock shall be 26 May 2025, granting 2 million restricted shares to 21 eligible participants at a grant price of RMB2.28 per share.

2. Explanation of the Company's Bond Status During the Reporting Period

   For details regarding the Company's bonds (including corporate bonds and debt financing instruments) during the reporting period, please refer to the table above or Section VIII, INFORMATION ON BONDS of this annual report.

(II) Changes in total number of shares and shareholding structure of the Company and changes in assets and liabilities structure of the Company

✓Applicable ☐Not applicable

Changes in the total number of shares and share capital structure of the Company during the Reporting Period are detailed in the relevant content of "(1) Table of changes in shares" under "I. CHANGES IN SHARE CAPITAL" in this section.

(III) Existing internal employee shares

☐Applicable ✓Not applicable

III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER OWNER

(I) Shareholding structure and public float

1. Shareholding structure

As at 31 December 2025, the Company had a total share capital of 2,987,836,267, shares (including 399,476,000.00 H shares and 2,588,360,267 A shares). with a nominal value of RMB1.00 per share.

2. Public float

As at 31 December 2025 and the date of this report, based on publicly available information and to the best of the directors' knowledge, the Company's public float meets the minimum public float requirement under the Hong Kong Listing Rules. As at 31 December 2025, the Company had 2,987,836,267 ordinary shares in issue, comprising 399,476,000 H shares (representing 13.37% of the total issued shares) and 2,588,360,267 A shares (representing 86.63% of the total issued shares). Based on the latest information available to the Company and shareholder reports pursuant to Part XV of the Securities and Futures Ordinance, as at 31 December 2025, the public float percentage of the Company's H shares was 12.72% (i.e., the percentage of H shares held by the public to the total issued shares of the Company (excluding treasury shares)).

(II) Total number of shareholders

Total number of ordinary shareholders by the end of Reporting Period	43,157
Total number of ordinary shareholders at end of the last month immediately preceding the disclosure date of the annual report	50,467
Total number of shareholders of preferred shares with voting right reinstated by the end of Reporting Period	N/A
Total number of shareholders of preferred shares with voting right reinstated at end of the last month immediately preceding the disclosure date of the annual report	N/A

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

Unit: Share

Shareholding of top 10 shareholders(excluding the lending of shares through refinancing facilities)							
Name of shareholder (full name)	Increase or decrease during this reporting period	Number of shares held at end of the year	Percentage (%)	Number of restricted shares held	Pledged, marked or frozen shares: Status of shares	Pledged, marked or frozen shares: Number (shares)	Nature of shareholder
Aluminum Corporation of China (中國鋁業集團有限公司)	–	2,176,758,534	72.85	–	None	–	State-owned legal person
HKSCC (Nominees) Limited	–	399,476,000	13.37	–	Unknown	Unknown	Overseas legal person
Luoyang Engineering & Research Institute for Non-ferrous Metals Processing	–	86,925,466	2.91	–	None	–	State-owned legal person
Hong Kong Securities Clearing Company Limited	-5,508	10,469,101	0.35	–	None	–	Overseas legal person
Aladdin Legendary Technology Group Co., Ltd.	–	5,600,000	0.19	–	None	–	Other
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Fund	275,700	2,884,800	0.10	–	None	–	Other
GU Jing	–	2,773,100	0.09	–	None	–	Domestic natural person
XU Biao	-2,388,685	2,028,315	0.07	–	None	–	Domestic natural person
China Merchants Bank Co., Ltd. – Huaxia China Securities 1000 Trading Open-ended Index Securities Investment Fund	423,400	1,800,800	0.06	–	None	–	Other
China International Capital Corporation Limited	428,114	1,794,714	0.06	–	None	–	State-owned legal person

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

Name of shareholders	Number of outstanding shares held not subject to selling restrictions	Class and number of shares: Class	Class and number of shares: Number (shares)
Aluminum Corporation of China Limited	2,176,758,534	Renminbi ordinary shares	2,176,758,534
HKSCC (Nominees) Limited	399,476,000	Overseas listed foreign shares	399,476,000
Luoyang Engineering & Research Institute for Non-ferrous Metals Processing	86,925,466	Renminbi ordinary shares	86,925,466
Hong Kong Securities Clearing Company Limited	10,469,101	Renminbi ordinary shares	10,469,101
Aladdin Legendary Technology Group Co., Ltd.	5,600,000	Renminbi ordinary shares	5,600,000
China Merchants Bank Co., Ltd. – Southern CSI 1000 Exchange Traded Open-end Index Securities Investment Fund	2,884,800	Renminbi ordinary shares	2,884,800
GU Jing	2,773,100	Renminbi ordinary shares	2,773,100
XU Biao	2,028,315	Renminbi ordinary shares	2,028,315
China Merchants Bank Co., Ltd. – Huaxia China Securities 1000 Trading Open-ended Index Securities Investment Fund	1,800,800	Renminbi ordinary shares	1,800,800
China International Capital Corporation Limited	1,794,714	Renminbi ordinary shares	1,794,714
Description of special account for repurchase of the top ten shareholders	N/A		
Explanations on the entrusting voting right, entrusted voting right and abstention of voting right of the above shareholders	N/A		

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

Name of shareholders	Number of outstanding shares held not subject to selling restrictions	Class and number of shares	
		Class	Number (shares)
Explanation of related party relationship or acting in concert in respect of the above shareholders	Note 1: The number of shares held by Aluminum Corporation of China Limited did not include A shares of the Company indirectly held through its subsidiary Luoyang Engineering & Research Institute for Non-ferrous Metals Processing and H shares of the Company indirectly held through its subsidiary Yunnan Aluminum International Company Limited. Aluminum Corporation of China Limited and its subsidiaries held a total of 2,283,179,000 shares of the Company, including 2,263,684,000 A shares and 19,495,000 H shares, accounting for 76.42% of the total share capital of the Company. Note 2: The 399,476,000 H shares of the Company held by Hong Kong Securities Clearing Company (Nominees) Limited included the 19,495,000 H shares held by Aluminum Corporation of China Limited through its subsidiary Yunnan Aluminum International Company Limited. Note 3: Except the above, the Company is not aware that the above shareholders have any related relationship or are acting in concert among each other.		
Explanation of shareholders of preferred shares with reinstated voting rights and the number of shares held	N/A		

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: Share

No.	Name of restricted shareholders	Number of restricted shares held	Availability of limited shares for listing and trading: Time of available for trading	Availability of limited shares for listing and trading: Number of new shares available for listing and trading	Selling restrictions
1	LI Yihua	267,400	See Note	0	See Note
2	LIU Jing	267,400			
3	LIU Ruiping	227,300			
4	LIU Dongjun	200,600			
5	Bi Xiaoge	200,600			
6	ZHAO Hongmei	200,600			
7	SI Jianhong	200,600			
8	ZHOU Dongfang	200,600			
9	Other incentive Participants (totaling 14 persons)	2,599,800			
Explanation of related party relationship or acting in concert in respect of the above shareholders		Ms. ZHAO Hongmei will no longer serve as a director of the Company from June 30, 2025. She is currently a full-time director of Chinalco Capital Holdings Limited and Chinalco Assets Operation and Management Co., Ltd., subsidiaries of the Company's controlling shareholder. In addition, the above-mentioned persons all hold positions in the Company or its subsidiaries.			

Note: The shares held by the above-mentioned restricted shareholders are all restricted shares granted under the Company's 2023 Restricted Share Incentive Scheme. Such restricted shares will be unlocked in three installments at the first trading day after 24 months, 36 months and 48 months from the date of completion of the registration of the grant. The proportion of shares unlocked in each installment will be 40%, 30% and 30% respectively. The actual lifting of restrictions arrangements shall be linked to the unlocking conditions and the corresponding assessment of annual performance appraisal results.

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

☐Applicable ✓Not applicable

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

As at 31 December 2025, so far as known to the directors of the Company, the following persons (other than the directors or senior management of the Company) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept pursuant to Section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in any circumstances at shareholders' meetings of the Company:

Name of shareholders	Class of shares	Capacity/ nature of interest	Number of shares held (share)	Approximate percentage of shareholding in relevant class of Shares (%) (Note 1)	Approximate percentage of shareholding in total share capital (%) (Note 1)
Chinalco (Note 2)	A Shares	Beneficial owner	2,176,758,534 (Long position)	84.10	72.85
		Interest of controlled corporation	86,925,466 (Long position)	3.36	2.91
	H Share	Interest of controlled corporation	19,495,000 (Long position)	4.88	0.65
Guizhou Construction Investment Group Co., Ltd. (Note 3)	H Shares	Beneficial owner	69,096,000 (Long position)	17.30	2.31
CNMC Trade Company Limited	H Shares	Beneficial owner	59,225,000 Long position)	14.83	1.98

Name of shareholders	Class of shares	Capacity/ nature of interest	Number of shares held (share)	Approximate percentage of shareholding in relevant class of Shares (%) (Note 1)	Approximate percentage of shareholding in total share capital (%) (Note 1)
Peaktrade Investments Ltd.	H Shares	Beneficial owner	59,210,000 (Long position)	14.82	1.98
Leading Gain Investments Limited (Note 4)	H Shares	Beneficial owner	21,652,000 (Long position)	5.42	0.72
China XD Group Co., Ltd.	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	0.99
Yuntinic (Hong Kong) Resources Company Limited (Note 5)	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	0.99

Note 1: The percentage is calculated by dividing number of relevant class of Shares in issue of the Company as at 31 December 2025 by total number of Shares.

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

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

Note 4: Leading Gain Investments Limited is the nominee holder of J&D Technologies Development Ltd.

Note 5: According to the Company's understanding, the shares of Chalieco held by Hong Kong Yuanxing Company have been transferred to Yuntinic (Hong Kong) Resources Co., Ltd., and such shares currently are held by Yuntinic (Hong Kong) Resources Co., Ltd.

IV. PARTICULARS OF CONTROLLING SHAREHOLDER AND BENEFICIAL OWNER

(I) Controlling shareholder

1. Legal person

✓Applicable ☐Not applicable

Name	**Chinalco**
Principal or the legal representative	DUAN Xiangdong
Date of Establishment	February 21, 2001
Principal businesses	Licensed Projects: mineral resource exploration; geological exploration of metallic and non-metallic mineral resources; import and export of goods under state-controlled trade management; operation of export supervision warehouses; construction project surveying; construction project design; construction project implementation; electrical installation services. (Projects subject to approval by relevant authorities must obtain such approval before commencing operations; specific business activities shall be governed by relevant approval documents or permits) General Projects: smelting of common non-ferrous metals; corporate headquarters management; holding company services; carrying out investment activities with self-owned funds; asset management services for investments made with self-owned funds; geological exploration technical services; mineral beneficiation; mineral washing, beneficiation and processing; metal ore sales; non-ferrous metal casting; non-ferrous metal rolling processing; forging and powder metallurgy product manufacturing; non-ferrous metal alloy manufacturing; metal surface treatment and heat treatment processing; sales of non-ferrous metal alloy; sales of high-performance non-ferrous metal and alloy material; sales of novel metallic functional materials; technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; R&D of new materials technology; import/export agency; trade brokerage; domestic trade agency; offshore trade operations; engineering management services; earthwork construction; manufacturing of specialized geological exploration equipment; manufacturing of construction machinery; manufacturing of specialized metallurgical equipment; engineering and technology research and experimental development; general equipment manufacturing (excluding special equipment manufacturing); manufacturing of environmental protection equipment; mining machinery manufacturing; manufacturing of metalworking machinery; specialized equipment manufacturing (excluding licensed specialized equipment); metal structure manufacturing; general machinery installation services; engineering technical services (excluding planning management, surveying, design and supervision); technology import and export; new material technology promotion services; engineering cost consulting services; accept external contracting of projects; industrial design services; graphite and carbon products manufacturing; sales of graphite and carbon products.

Name	**Chinalco**
During the Reporting Period, the equity of other domestic and overseas listed companies controlled and participated by the company	As at 31 December 2025, in addition to the Company, other domestic and overseas listed companies controlled and participated by Chinalco included: 1. Chinalco directly held 30.52% shares of Chalco (a company listed on the SSE (stock code: 601600) and the HKEX (stock code: 02600), and indirectly held 3.03% shares of Chalco through its subsidiaries Baotou Aluminum (Group) Co., Ltd., Chinalco Asset Management Co., Ltd., and Chinalco Overseas Holdings Co., Ltd., with a combined holding of 33.55%. 2. Chinalco indirectly holds 41.23% shares of Ningxia Yinxing Energy Co., Ltd. (寧夏銀星能源股份有限公司) (a company listed on the SZSE, stock code: 000862) through Chinalco Ningxia Energy Group Co., Ltd. (中鋁寧夏能源集團有限公司), a subsidiary of Chalco. 3. Chinalco directly held 1.98% shares of Yunnan Copper Co., Ltd. (雲南銅業股份有限公司) (a company listed on the SZSE, stock code: 000878), and indirectly held 31.82% shares of Yunnan Copper Co., Ltd. through its subsidiary, Yunnan Copper (Group) Co., Ltd. (雲南銅業（集團）有限公司), the total shareholding ratio is 33.80%. 4. Chinalco indirectly held 13.00% shares and 29.10% shares of Yunnan Aluminum Co., Ltd. (雲南鋁業股份有限公司) (a company listed on the SZSE, stock code: 000807) through its subsidiaries Yunnan Metallurgical Group and Chinalco, respectively, the total shareholding ratio is 42.10%. 5. Chinalco directly holds 1.96% equity interest in Yunnan Chihong Zinc and Germanium Co., Ltd. (a company listed on the SSE, stock code: 600497), and, together with its subsidiary Yunnan Metallurgical Group, hold 40.15% equity interest in Yunnan Chihong Zinc and Germanium Co., Ltd, the total shareholding ratio is 40.55%.
Other information description	None

2. Natural person

☐Applicable ✓Not applicable

3. Special explanation in case the Company does not have a controlling shareholder

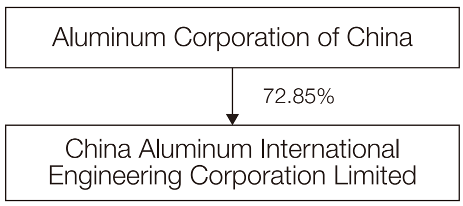
☐Applicable ✓Not applicable

4. Explanation on the change of controlling shareholder during the Reporting Period

☐Applicable ✓Not applicable

5. Chart of property rights and shareholding structure between the Company and its controlling shareholder

✓Applicable ☐Not applicable



(II) De facto controller

1. Legal person

✓Applicable ☐Not applicable

The Company's de facto controller is the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

2. Natural person

☐Applicable ✓Not applicable

3. Special explanation in case the Company does not have a de facto controller

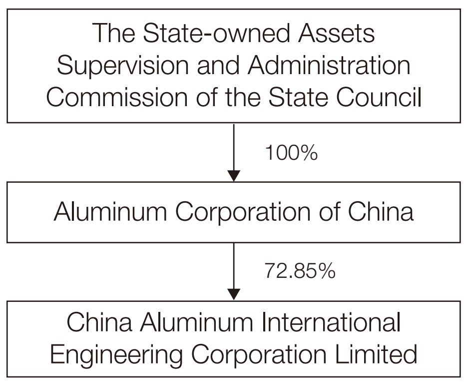
☐Applicable ✓Not applicable

4. Explanation of change of beneficiary owner of the Company during the Reporting Period

☐Applicable ✓Not applicable

5. Chart of property rights and shareholding structure between the Company and its beneficiary owner

✓Applicable ☐Not applicable



6. Beneficiary owner's control over the Company through trust or other asset management means

☐Applicable ✓Not applicable

(III) Other information on controlling shareholder and de facto controller

☐Applicable ✓Not applicable

V. THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND ITS PERSONS ACTING IN CONCERT HAVE ACCUMULATIVELY PLEDGED SHARES THAT ACCOUNT FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

☐Applicable ✓Not applicable

VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING MORE THAN 10% OF THE SHARES

☐Applicable ✓Not applicable

VII. DESCRIPTION ON RESTRICTIONS ON REDUCING SHAREHOLDING

☐Applicable ✓Not applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐Applicable ✓Not applicable

IX. PARTICULARS OF PREFERRED SHARES

☐Applicable ✓Not applicable

X. PREEMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

Neither the Company's Articles of Association nor the laws of the PRC impose any requirement on the Company to grant existing shareholders a pro rata pre-emptive right to subscribe for new shares.

SECTION VIII INFORMATION ON BONDS

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

✓ Applicable ☐ Not applicable

(I) Corporate bonds (including enterprise bonds)

☐ Applicable ✓ Not applicable

(II) Particulars of proceeds of corporate bonds

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

✓ All corporate bonds of the Company are not involved in the use of proceeds or rectification during the Reporting Period

(1). Use of proceeds for specific projects

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

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

✓ Applicable ☐ Not applicable

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

Unit: '000 Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Date of issuance	Interest commencement date	Maturity date	Balance of bonds	Rate (%)	Repayment terms	Trading place	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of de-listing
China Aluminum International 2025 First Tranche of Sustainable MTN	25 Zhong Lyu Guo Gong MTN001	102583191	2025-08-05	2025-08-05	Enter first redemption period on 4 August 2028	2,000,000	2.25%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	No
China Aluminum International 2025 First Tranche of Sustainable MTN	25 Zhong Lyu Guo Gong MTN002	102583976	2025-09-19	2025-09-19	Enter first redemption period on 18 September 2028	1,800,000	2.42%	Interest shall be paid once a year	Interbank market	None	Bidding, quotation, enquiry and agreement	No

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

☐ Applicable ✓ Not applicable

Overdue bonds

☐ Applicable ✓ Not applicable

Information on payment of principal of and interest on bonds during the Reporting Period

✓ Applicable ☐ Not applicable

Bond name	Explanation of the status of interest payments
China Aluminum International 2023 First Tranche of Sustainable MTN	Redemption and interest payment is made on schedule
China Aluminum International 2023 Second Tranche of Sustainable MTN	Redemption and interest payment is made on schedule

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

☐ Applicable ✓ Not applicable

3. Intermediaries providing services for bond issuance and duration business

Name of intermediary	Office address	Names of signing accountants (if applicable)	Contact person	Telephone
Grant Thornton Zhitong Certified Public Accountants LLP	5/F Scitech Place, No. 22 Jianguomenwai Avenue, Chaoyang District, Beijing	LI Yang	LI Yang	010-85665149

Changes in the above-mentioned intermediaries

☐ Applicable ✓ Not applicable

4. Use of proceeds from offerings at the end of the Reporting Period

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Bond name	Total proceeds raised	Amount utilized	Unutilized amount	Operation of the special account for proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Whether it is consistent with the purpose, utilization plan and other agreements promised in the prospectus
China Aluminum International 2025 First Tranche of Sustainable MTN	2,000,000	2,000,000	0	No	No	No
China Aluminum International 2025 First Tranche of Sustainable MTN	1,800,000	1,800,000	0	No	No	No

The progress and operational benefits of proceeds used for construction projects

☐ Applicable ✓ Not applicable

Explanation of changes in the use of proceeds from foregoing bonds offering within the Reporting Period

☐ Applicable ✓ Not applicable

Other explanation:

☐ Applicable ✓ Not applicable

5. Adjustments to credit rating results

☐ Applicable ✓ Not applicable

Other explanation:

☐ Applicable ✓ Not applicable

6. **Implementation and variations of guarantees, debt repayment plans and other debt repayment guarantee measures during the reporting period and their impacts**

☐ Applicable ✓ Not applicable

7. **Description of other non-financial corporate debt financing instruments**

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

(VII) Overdue interest-bearing debts other than bonds at the end of the Reporting Period

☐ Applicable ✓ Not applicable

(VIII) The impact of violations of laws and regulations, the Articles of Association, information disclosure affairs management system and the stipulations or commitments in the Prospectus during the Reporting Period on the rights and interests of bond investors

☐ Applicable ✓ Not applicable

(IX) Accounting data and financial indicators of the Company for the past 2 years as at the end of the Reporting Period

✓ Applicable ☐ Not applicable

Unit: '000 Yuan Currency: RMB

Key indicators	2025	2024	Change for the period as compared with that of the same period of last year (%)
Net profit attributable to shareholders of the listed company net of non-recurring gain or loss	**61,796**	-129,192	N/A
Current ratio	**1.31**	1.30	0.77
Quick ratio	**1.22**	1.21	0.83
Asset-liability ratio (%)	**77.46**	78.52	-1.05
EBITDA to total debt ratio	**3.13%**	3.19%	-0.18
Interest coverage multiple	**2.73**	2.30	19.13
Cash interest coverage multiple	**3.57**	N/A	N/A
EBITDA interest coverage multiple	**3.73**	3.07	17.92
Loan repayment rate (%)	**100**	100	0.00
Interest coverage ratio (%)	**100**	100	0.00

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ✓ Not applicable

SECTION IX FINANCIAL REPORT

GrantThornton
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Auditor's Report

GTCNSZ(2026)NO.110ASXXXX

To the Shareholders of China Aluminum International Engineering Corporation Limited:

I. AUDIT OPINIONS

We have audited the consolidated financial statements of China Aluminum International Engineering Corporation Limited (hereinafter the "Company"), which comprise the consolidated and the company's statement of financial position as at 31 December 2025, and the consolidated and the company's income statement, consolidated and the company's statements of changes in equity and the consolidated and the company's statements of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statements of the Company give a true and fair view, in all material respects, the consolidated and the company's financial position as at 31 December 2025, and its consolidated and the company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR AUDIT OPINIONS

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We have maintained independence from Chinalco International Engineering Co., Ltd. in accordance with the requirements of the Code of Ethics for Chinese Certified Public Accountants and the independence requirements for public interest entities under the China Standards on Independence for Certified Public Accountants (where applicable), and have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements for the year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(I) Revenue recognition on construction contracts

For details of the relevant disclosures, please refer to Note 3.27 and Note 5.47 to the financial statements.

1. Description of the matter

The Company derives its primary revenue from engineering and construction operations. For the year 2025, the Company recognized revenue of 17,005,498 thousand RMB from EPC (Engineering, Procurement and Construction) project general contracting and construction, accounting for 73.75% of its total operating revenue.The EPC project general contracting and construction services provided by the Company are performance obligations satisfied over time. The Company's management (the "Management") reasonably estimates the total expected revenue and total expected costs based on the project contract budgets to determine the progress of performance, and continuously evaluates and revises such estimates during the contract execution. The determination of the progress of performance heavily relies on significant estimates and judgments made by Management.Accordingly, we have identified the recognition of revenue from EPC engineering general contracting and construction contracts as a key audit matter.

2. Audit response

We performed the following main audit procedures on revenue recognition of EPC engineering general contracting and construction;

(1) Understanding, assessing and testing the design and operating effectiveness of key internal controls relevant to EPC engineering general contracting and construction;

(2) Checking on a sample basis, whether the expected total contract revenue and total contract costs are consistent with the project contract and cost budget that are based on; to assess whether the estimation made by the Management is reasonable and sufficient;

(3) Examining the contract costs incurred during the reporting period by tracing to supporting documentation on a sample basis;

(4) Selecting samples of engineering projects, recalculated the progress of performance at the end of the period, and verified the accuracy of the amounts recognized in the books;

(5) Performing analytical procedures on the fluctuations in the gross profit margins of major EPC project general contracting and construction;

(6) Sending confirmations to the owner of the EPC about the construction progress to ensure the accuracy and completeness of revenue recognized and cost recorded;

(7) Visiting the selected samples of sites of construction projects, conducted on-site inspections of the visual progress of the works, made inquiries to the project management department, and compared the results with the progress of performance recorded in the books. We inquired into the causes of any abnormal deviations and performed further examination.

(8) Performed sampling tests on the performance costs incurred during the year, reconciled them to supporting documents such as procurement contracts, material requisition slips and labor cost records, and performed cut-off tests on the performance costs.

(II) Expected credit losses for accounts receivables and impairment provisions for contract assets

Relevant information is disclosed in Notes 3.11, 3.37 and Notes 5, and Notes 5.3,5.8 to the consolidated financial statements.

1. Description of the matter

As at 31 December 2025, the gross carrying amount of accounts receivable and contract assets of the Company was RMB19,636,287 thousand and RMB8,013,605 thousand respectively. The provision for bad debts and provision for asset impairment amounted to RMB4,007,745 thousand and RMB1,416,434 thousand respectively.

The provisions for expected credit losses on accounts receivable and impairment provisions for contract assets involve significant estimates and judgments made by the Management and are of significant importance to the overall financial statements. Therefore, we consider the provision for expected credit impairment losses on accounts receivable and impairment provisions for contract assets as a key audit matter.

2. Audit response

We performed the following key audit procedures regarding the recognition of expected credit losses for accounts receivable and impairment provisions for contract assets:

(1) Understanding, evaluating, and testing the design and operational effectiveness of key internal controls relating to credit impairment losses on accounts receivable and provision for impairment of contract assets;

(2) For accounts receivable and contract assets for which the expected credit loss rate is determined using the migration rate model based on credit risk characteristics, evaluate the reasonableness of management's portfolio segmentation and the model used to determine the expected credit loss rate;

(3) Examined the relevant considerations and objective evidence of the management's evaluation of the expected credit loss of receivables and the provision for impairment of contract assets, and recalculated the expected credit loss rate at the end of the period determined by the management;

(4) For accounts receivable and contract assets individually assessed for expected credit losses and impairment provisions, reviewing the supporting documentation and reasonableness of the Management's evaluation of the expected future cash flows based on the customer's financial and credit status, historical payment rates, and predictions of future economic conditions on a sample basis;

(5) Review the accuracy of the aging analysis of accounts receivable and contract assets;

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the 2025 Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNACE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements that give a true and fair view and in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintance of internal control relevant to the preparation and fair presentation of financial statements that are free form material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise form fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we shall express a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly present the revelant transactions and events.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Zhitong
Certified Public Accountants LLP

PRC Certified Public Accountant (engagement partner) Li Yang

PRC Certified Public Accountant Gu Weitao

China • Beijing

27 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

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

Item	Notes	As at 31 December 2025	As at 31 December 2024
Current assets:			
Cash and cash equivalents	5.1	**4,262,803**	3,948,297
Held-for-trading financial assets			
Bills receivable	5.2	**269,546**	360,418
Accounts receivable	5.3	**15,628,542**	16,914,802
Financing receivables	5.4	**171,098**	321,003
Prepayments	5.5	**625,753**	414,725
Other receivables	5.6	**962,606**	1,105,697
Including: Interests receivable	5.6	**6,440**	6,440
Dividends receivable	5.6	**3,752**	4,429
Inventories	5.7	**2,107,404**	2,329,202
Contract assets	5.8	**6,597,171**	5,934,895
Non-current assets due within one year	5.9	**271,397**	347,179
Other current assets	5.10	**916,272**	796,743
Total current assets		**31,812,592**	32,472,961
Non-current assets:			
Long-term receivables	5.11	**1,223,559**	1,450,630
Long-term equity investments	5.12	**626,291**	740,328
Other equity instrument investments	5.13	**40,973**	43,160
Investment properties	5.14	**1,162,266**	995,846
Fixed assets	5.15	**2,551,833**	2,398,697
Construction in progress	5.16	**80,082**	49,873
Right-of-use assets	5.17	**34,817**	39,087
Intangible assets	5.18	**1,289,176**	1,327,693
Development costs	5.19	**2,156**	4,661
Goodwill	5.20	**875**	875
Long-term deferred expenses	5.21	**100,310**	44,560
Deferred tax assets	5.22	**1,286,386**	1,213,795
Other non-current assets	5.23	**335,181**	374,361
Total non-current assets		**8,733,905**	8,683,566
Total assets		**40,546,497**	41,156,527

Item	Notes	As at 31 December 2025	As at 31 December 2024
Current liabilities:			
Short-term loans	5.25	**944,437**	984,379
Bills payable	5.26	**3,241,980**	3,343,445
Accounts payable	5.27	**9,891,601**	10,324,240
Receipts in advance	5.28	**7,433**	3,651
Contract liabilities	5.29	**4,345,053**	4,558,531
Employee compensation payables	5.30	**108,109**	135,985
Taxes payable	5.31	**231,326**	224,883
Other payables	5.32	**1,632,334**	1,530,756
Including: Interests payable			
Dividends payable		**32,948**	24,095
Non-current liabilities due within one year	5.33	**2,122,456**	2,016,841
Other current liabilities	5.34	**1,814,057**	1,715,960
Total current liabilities		**24,338,786**	24,838,671
Non-current liabilities:			
Long-term loans	5.35	**6,443,924**	6,794,324
Lease liabilities	5.36	**18,311**	28,078
Long-term payables			
Long-term employee compensation payables	5.37	**468,538**	517,251
Deferred income	5.38	**65,341**	62,482
Deferred tax liabilities	5.22	**70,456**	70,656
Total non-current liabilities		**7,066,570**	7,472,791
Total liabilities		**31,405,356**	32,311,462

Item	Notes	As at 31 December 2025	As at 31 December 2024
Shareholders' equity:			
Share capital	5.39	**2,987,836**	2,985,836
Other equity instruments	5.40	**3,800,000**	3,764,520
Including: Perpetual bonds		**3,800,000**	3,764,520
Capital reserves	5.41	**1,431,418**	1,424,263
Less: treasury shares	5.42	**68,003**	63,443
Other comprehensive income	5.43	**114,026**	102,452
Special reserve	5.44	**320,853**	267,716
Surplus reserve	5.45	**229,735**	229,735
Retained Earnings	5.46	**–2,019,898**	–2,128,670
Equity attributable to owners of the parent		**6,795,967**	6,582,409
Non-controlling interests		**2,345,174**	2,262,656
Total shareholders' equity		**9,141,141**	8,845,065
Total liabilities and shareholders' equity		**40,546,497**	41,156,527

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

STATEMENT OF FINANCIAL POSITION OF THE PARENT

As at 31 December 2025

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

Item	Notes	As at 31 December 2025	As at 31 December 2024
Current assets:			
Cash and cash equivalents		**2,293,594**	1,936,581
Held-for-trading financial assets			
Bills receivable		**517**	2,650
Accounts receivable	15.1	**1,255,108**	1,346,959
Financing receivables		**56,417**	26,769
Prepayments		**129,158**	164,486
Other receivables	15.2	**6,434,802**	7,246,160
Including: Interests receivable	15.2	**351,190**	356,888
Dividends receivable	15.2	**494,525**	502,313
Inventories		**1,606**	15,394
Contract assets		**139,459**	129,486
Non-current assets due within one year		**198,516**	184,672
Other current assets		**282,321**	156,938
Total current assets		**10,791,498**	11,210,095
Non-current assets:			
Long-term receivables		**2,095,151**	2,130,143
Long-term equity investments	15.3	**8,960,781**	8,976,244
Investment properties		**20,006**	10,611
Fixed assets		**121,454**	126,953
Intangible assets		**116,412**	116,700
Development costs			3,823
Long-term deferred expenses			
Deferred tax assets		**156,170**	116,171
Total non-current assets		**11,469,974**	11,480,645
Total assets		**22,261,472**	22,690,740

Item	Notes	As at 31 December 2025	As at 31 December 2024
Current liabilities:			
Short-term loans		**400,000**	860,000
Bills payable		**75,380**	472,858
Accounts payable		**1,249,005**	1,399,740
Receipts in advance		**867**	
Contract liabilities		**904,925**	950,457
Employee compensation payables		**4,008**	3,424
Taxes payable		**26,708**	26,649
Other payables		**6,769,487**	6,257,596
Including: Dividends payable		**30,539**	21,686
Non-current liabilities due within one year		**1,104,000**	1,232,429
Other current liabilities		**3,475**	2,445
Total current liabilities		**10,537,855**	11,205,598
Non-current liabilities:			
Long-term loans		**4,066,000**	3,785,000
Bonds payable			
Lease liabilities			
Long-term payables			
Long-term employee compensation payables		**3,209**	3,638
Provisions			
Deferred income		**600**	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		**4,069,809**	3,788,638
Total liabilities		**14,607,664**	14,994,236

Item	Notes	As at 31 December 2025	As at 31 December 2024
Shareholders' equity:			
Share capital		**2,987,836**	2,985,836
Other equity instruments		**3,800,000**	3,764,520
Including: Perpetual bonds		**3,800,000**	3,764,520
Capital reserves		**1,166,396**	1,158,387
Less: treasury shares		**68,003**	63,443
Other comprehensive income		**12,805**	12,368
Special reserve		**118**	45
Surplus reserve		**229,735**	229,735
Retained Earnings		**–475,079**	–390,944
Equity attributable to owners of the parent		**7,653,808**	7,696,504
Total shareholders' equity		**7,653,808**	7,696,504
Total liabilities and shareholders' equity		**22,261,472**	22,690,740

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

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

Item		Notes	**Year ended 31/12/2025**	Year ended 31/12/2024
I.	**Operating revenue**	5.47	**23,059,806**	24,003,255
	Less: Operating costs	5.47	**19,937,592**	21,072,860
	Taxes and surcharges	5.48	**108,796**	104,902
	Selling and distribution expenses	5.49	**142,379**	133,158
	General and administrative expenses	5.50	**1,064,578**	987,166
	Research and development expenses	5.51	**956,974**	961,032
	Finance expenses	5.52	**314,076**	194,319
	Including: Interest expenses		**263,248**	349,861
	Interest income		**79,531**	120,962
	Add: Other income	5.53	**12,481**	8,690
	Investment income ("–" for losses)	5.54	**–54,569**	23,339
	Including: Income from investment in associates and joint ventures		**–52,193**	18,056
	Gain from derecognition of financial assets measured at amortized cost ("–" for losses)			
	Net exposure hedging gains ("–" for losses)			
	Gains from changes in fair value ("–" for losses)	5.55		4,844
	Impairment of credit losses ("–" for losses)	5.56	**–89,194**	–249,402
	Impairment losses on assets ("–" for losses)	5.57	**–58,789**	1,375
	Gains from assets disposal ("–" for losses)	5.58	**28,494**	103
II.	**Operating profit/(losses) ("–" for losses)**		**373,835**	338,767
	Add: Non-operating income	5.59	**114,756**	167,261
	Less: Non-operating expenses	5.60	**34,401**	69,129
III.	**Profit/(losses) before income tax ("–" for losses)**		**454,190**	436,899
	Less: Income tax expenses	5.61	**73,293**	168,592
IV.	**Net profit/(losses) for the year ("–" for losses)**		**380,897**	268,307
	(1) Classification according to operation continuity			
	Including: Net profit/(losses) from continuing operations ("–" for losses)		**380,897**	268,307
	Net profit/(losses) from discontinued operations ("–" for losses)			
	(2) Classification according to ownership			
	Including: Shareholders of the company ("–" for losses)		**257,605**	221,177
	Non-controlling interests ("–" for losses)		**123,292**	47,130

Item	Notes	Year ended 31/12/2025	Year ended 31/12/2024
V. Other comprehensive income, net of tax		**10,465**	–54,742
Other comprehensive income/(losses) (net of tax) attributable to shareholders of the company	5.43	**11,574**	–50,448
(1) Other comprehensive income/(losses) that will not be reclassified to profit or losses		**2,112**	–43,740
a. Remeasurement gains or losses of a defined benefit plan		**8,021**	–39,283
b. Changes in fair value of other equity instrument investments		**–5,909**	–4,457
(2) Other comprehensive income/(losses) to be reclassified to profit or losses		**9,462**	–6,708
a. Translation differences arising from translation of foreign currency financial statements		**9,462**	–6,708
Other comprehensive income/(losses) (net of tax) attributable to non-controlling interests		**–1,109**	–4,294
VI. Total comprehensive income		**391,362**	213,565
To|tal comprehensive income attributable to owners of the parent		**269,179**	170,729
Total comprehensive income attributable to non-controlling interests		**122,183**	42,836
VII. Earnings per share			
(1) Basic earnings per share	16.2	**0.0364**	0.0190
(2) Diluted earnings per share		**0.0364**	0.0188

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

INCOME STATEMENT OF THE PARENT

For the year ended 31 December 2025

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

Item	Notes	Year ended 31/12/2025	Year ended 31/12/2024
I. Operating revenue	15.4	816,102	1,436,812
Less: Operating costs	15.4	571,084	1,093,915
Taxes and surcharges		5,155	5,585
Selling and distribution expenses		30,442	33,885
General and administrative expenses		205,780	166,496
Research and development expenses		54,551	64,726
Finance expenses		262,983	218,247
Including: Interest expenses		183,160	294,332
Interest income		14,749	38,572
Add: Other income	15.5	239	140
Investment income ("–" for losses)		300,930	251,769
Including: Income from investment in associates and joint ventures		–6,644	12,921
Gains from changes in fair value ("–" for losses)			4,844
Impairment of credit losses ("–" for losses)		24,841	–33,398
Impairment losses/(reversals) on assets ("–" for losses)		9,216	4,458
Gains from assets disposal ("–" for losses)			38
II. Operating profit/(losses) ("–" for losses)		21,333	81,809
Add: Non-operating income		12,703	7,612
Less: Non-operating expenses		1,037	308
III. Profit/(losses) before income tax ("–" for losses)		32,999	89,113
Less: Income tax expenses		–31,699	83,110
IV. Net profit/(losses) for the year ("–" for losses)		64,698	6,003
(1) Net profit/(losses) from continuing operations ("–" for losses)		64,698	6,003
(2) Net profit/(losses) from discontinued operations ("–" for losses)			

Item	Notes	Year ended 31/12/2025	Year ended 31/12/2024
V. Other comprehensive income, net of tax		**437**	41
(1) Other comprehensive income that will not be reclassified to profit or loss		**437**	41
a. Remeasurement gains or losses of a defined benefit plan		**437**	41
b. Changes in fair value of other equity instrument investments			
(2) Other comprehensive income to be reclassified to profit or loss			
a. Translation differences arising from translation of foreign currency financial statements			
VI. Total comprehensive income		**65,135**	6,044
VII. Earnings per share			
(1) Basic earnings per share			
(2) Diluted earnings per share			

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

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2025

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

Item		Notes	Year ended 31/12/2025	Year ended 31/12/2024
I.	**Cash flows from operating activities**			
	Proceeds from sales of goods or rendering of services		**20,636,034**	21,048,690
	Refund of taxes		**209,256**	82,162
	Proceeds from other operating activities	5.62	**509,343**	439,804
	Sub-total of cash inflows		**21,354,633**	21,570,656
	Payment for goods and services		**16,906,378**	20,583,413
	Payment to and for employees		**2,543,719**	2,466,675
	Payments of various taxes		**545,851**	634,606
	Payment for other operating activities	5.62	**467,347**	580,280
	Sub-total of cash outflows		**20,463,295**	24,264,974
	Net cash flows from operating activities	5.63	**891,338**	–2,694,318
II.	**Cash flows from investing activities**			
	Proceeds from disposal of investments		**57,765**	700,800
	Investment income received		**5,500**	41,950
	Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		**8,296**	2,252
	Net proceeds from disposal of subsidiaries and other business units		**3,624**	2,969
	Proceeds from other investing activities			
	Sub-total of cash inflows		**75,185**	747,971
	Payment for acquisition of fixed assets, intangible assets and other long-term assets		**98,557**	80,597
	Payment for acquisition of investments			
	Net payment for acquisition of subsidiaries and other business units		**6,000**	
	Payment for other investing activities	5.62		4,985
	Sub-total of cash outflows		**104,557**	85,582
	Net cash flows from investing activities		**–29,372**	662,389

Item		Notes	Year ended 31/12/2025	Year ended 31/12/2024
III.	**Cash flows from financing activities**			
	Proceeds from investors		**4,560**	2,553,443
	Including: Proceeds from non-controlling shareholders of subsidiaries			2,490,000
	Proceeds from borrowings		**4,219,090**	8,025,500
	Proceeds from other financing activities	5.62	**3,800,000**	
	Sub-total of cash inflows		**8,023,650**	10,578,943
	Repayments of borrowings		**4,516,224**	7,152,560
	Payment for dividends, profit distributions or interest		**471,715**	544,589
	Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		**59,728**	2,474
	Repayments of perpetual bonds		**3,800,000**	1,000,000
	Payment for other financing activities	5.62	**39,954**	45,869
	Sub-total of cash outflows		**8,827,893**	8,743,018
	Net cash flows from financing activities		**–804,243**	1,835,925
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**		**19,372**	23,348
V.	**Net increase/(decrease) in cash and cash equivalents**	5.63	**77,095**	–172,656
	Add: Cash and cash equivalents at the beginning of the year	5.63	**3,166,948**	3,339,604
VI.	**Cash and cash equivalent at the end of the period**	5.63	**3,244,043**	3,166,948

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

STATEMENT OF CASH FLOW OF THE PARENT

For the year ended 31 December 2025

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

Item		Year ended 31/12/2025	Year ended 31/12/2024
I.	**Cash flows from operating activities**		
	Proceeds from sales of goods or rendering of services	1,284,113	1,530,715
	Refund of taxes	72,970	950
	Proceeds from other operating activities	1,152,117	933,595
	Sub-total of cash inflows	2,509,200	2,465,260
	Payment for goods and services	1,425,801	1,324,940
	Payment to and for employees	304,056	300,076
	Payments of various taxes	28,368	50,215
	Payment for other operating activities	952,117	728,797
	Sub-total of cash outflows	2,710,342	2,404,028
	Net cash flows from operating activities	–201,142	61,232
II.	**Cash flows from investing activities**		
	Proceeds from disposal of investments	5,322,542	4,519,626
	Investment income received	261,417	435,245
	Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		3
	Net proceeds from disposal of subsidiaries and other business units		
	Proceeds from other investing activities	581,521	
	Sub-total of cash inflows	6,165,480	4,954,874
	Payment for acquisition of fixed assets, intangible assets and other long-term assets	2,856	386
	Payment for acquisition of investments	5,017,455	5,783,200
	Net payment for acquisition of subsidiaries and other business units	72	
	Payment for other investing activities		251,290
	Sub-total of cash outflows	5,020,383	6,034,876
	Net cash flows from investing activities	1,145,097	–1,080,002

Item		Year ended 31/12/2025	Year ended 31/12/2024
III.	**Cash flows from financing activities**		
	Proceeds from investors	**4,560**	63,443
	Proceeds from borrowings	**3,060,000**	5,140,000
	Proceeds from other financing activities	**3,800,000**	2,650,322
	Sub-total of cash inflows	**6,864,560**	7,853,765
	Repayments of borrowings	**3,367,429**	5,480,000
	Payment for dividends, profit distributions or interest	**323,140**	402,012
	Repayments of perpetual bonds	**3,800,000**	1,000,000
	Payment for other financing activities	**54,499**	41,131
	Sub-total of cash outflows	**7,545,068**	6,923,143
	Net cash flows from financing activities	**–680,508**	930,622
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**–1,188**	16,013
V.	**Net increase/(decrease) in cash and cash equivalents**	**262,259**	–72,135
	Add: Cash and cash equivalents at the beginning of the year	**1,923,181**	1,995,316
VI.	**Cash and cash equivalent at the end of the period**	**2,185,440**	1,923,181

Legal Representative: Li Yihua

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2025

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Year ended 31/12/2025 Equity attributable to owners of the parent											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Non-controlling interests	Total shareholders' equity
		Preference shares	Perpetual bonds	Others								
I. Balance at the end of previous year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	2,262,656	8,845,065
Add: Changes in accounting policies												
Correction of prior period errors												
Business combination under common control												
Others												
II. Balance at the beginning of the year	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	2,262,656	8,845
III. Changes in equity during the period ("– "for decrease)	2,000		35,480		7,155	4,560	11,574	53,137		108,772	82,518	296,076
(I) Total comprehensive income							11,574			257,605	122,183	391,362
(II) Shareholders' contributions and decrease of capital	2,000		35,480		7,155	4,560					3,530	43,605
1. Contribution by ordinary shareholders	2,000				2,560							4,560
2. Contribution by other equity instrument investors			35,480		-14,164							21,316
3. Amounts of share-based payments recognized in equity					19,613							19,613
4. Others					-854	4,560					3,530	-1,884
(III) Profit distribution										-148,833	-59,728	-208,561
1. Appropriation to surplus reserves												
2. Distribution to shareholders											-59,728	-59,728
3. Others										-148,833		-148,833
(IV) Transfer within equity												
1. Capital reserves converted to share capital												
2. Surplus reserves converted to share capital												
3. Loss made up by surplus reserves												
4. Changes in the defined benefit plan transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special Reserve								53,137			16,533	69,670
1. Appropriation during the period								337,011			58,604	395,615
2. Utilisation during the period								-283,874			-42,071	-325,945
(VI) Others												
IV. Balance at the end of the period	2,987,836		3,800,000		1,431,418	68,003	114,026	320,853	229,735	-2,019,898	2,345,174	9,141,141

Legal Representative:
Li Yihua

Chief Financial Officer:
Tao Fulun

Head of Accounting Department:
Chang Zhangpei

Item	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Non-controlling interests	Total shareholders' equity
	Year ended 31/12/2024 – Equity attributable to owners of the parent											
		Preference shares	Perpetual debts	Others								
I. Balance at the end of previous year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	-2,184,850	237,959	7,254,500
Add: Changes in accounting policies												
Correction of prior period errors												
Business combination under common control												
Others												
II. Balance at the beginning of the year	2,959,067		4,741,920		898,789		152,900	218,980	229,735	-2,184,850	237,959	7,254,500
III. Changes in equity during the period("- "for decrease)	26,769		-977,400		525,474	63,443	-50,448	48,736		56,180	2,024,697	1,590,565
(I) Total comprehensive income							-50,448			221,177	42,836	213,565
(II) Shareholders' contributions and decrease of capital	26,769		-1,000,000		548,074	63,443					1,984,948	1,496,348
1. Contribution by ordinary shareholders												
2. Contribution by other equity instrument investors	26,769				36,674						2,490,000	2,553,443
3. Amounts of share-based payments recognized in equity			-1,000,000									-1,000,000
4. Others					10,397							10,397
(III) Profit distribution					501,003	63,443					-505,052	-67,492
1. Appropriation to surplus reserves			22,600		-22,600					-164,997	-2,474	-167,471
2. Appropriation to general reserve												
3. Distribution to shareholders											-2,474	-2,474
4. Others			22,600		-22,600					-164,997		-164,997
(IV) Transfer within equity												
1. Capital reserves converted to share capital												
2. Surplus reserves converted to share capital												
3. Loss made up by surplus reserves												
4. Changes in the defined benefit plan transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special Reserve								48,736			-613	48,123
1. Appropriation during the period								372,066			33,615	405,681
2. Utilisation during the period								-323,330			-34,228	-357,558
(VI) Others												
IV. Balance at the end of the period	2,985,836		3,764,520		1,424,263	63,443	102,452	267,716	229,735	-2,128,670	2,262,656	8,845,065

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT

For the year ended 31 December 2025

Prepared by: China Aluminum International Engineering Corporation Limited

Expressed in thousands of RMB

Item	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Total shareholders' equity
Year ended 31/12/2025		Preference shares	Perpetual bonds	Others							
I. Balance at the end of previous year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	-390,944	7,696,504
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	-390,944	7,696,504
III. Changes in equity during the period ("– "for decrease)	2,000		35,480		8,009	4,560	437	73		-84,135	-42,696
(I) Total comprehensive income							437			64,698	65,135
(II) Shareholders' contributions and decrease of capital	2,000		35,480		8,009	4,560					40,929
1. Contribution by ordinary shareholders	2,000				2,560						4,560
2. Contribution by other equity instrument investors			35,480		-14,164						21,316
3. Amounts of share-based payments recognized in equity					19,613						19,613
4. Others						4,560					-4,560
(III) Profit distribution										-148,833	-148,833
1. Appropriation to surplus reserves											
2. Appropriation to general reserve											
3. Distribution to shareholders											
4. Others										-148,833	-148,833
(IV) Transfer within equity											
1. Capital reserves converted to share capital											
2. Surplus reserves converted to share capital											
3. Loss made up by surplus reserves											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special Reserve								73			73
1. Appropriation during the period								190			190
2. Utilisation during the period								-117			-117
(VI) Others											
IV. Balance at the end of the period	2,987,836		3,800,000		1,166,396	68,003	12,805	118	229,735	-475,079	7,653,808

Legal Representative:
Li Yihua

Chief Financial Officer:
Tao Fulun

Head of Accounting Department:
Chang Zhangpei

SECTION IX FINANCIAL REPORT

Item	Year ended 31/12/2024										
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained Earnings	Total shareholders' equity
		Preference shares	Perpetual bonds	Others							
I. Balance at the end of previous year	2,959,067		4,741,920		1,133,916		12,328	4	229,735	–231,950	8,845,020
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	2,959,067		4,741,920		1,133,916		12,328	4	229,735	–231,950	8,845,020
III. Changes in equity during the period ("– "for decrease)	26,769		–977,400		24,471	63,443	40	41		–158,994	–1,148,516
(I) Total comprehensive income							40			6,003	6,043
(II) Shareholders' contributions and decrease of capital	26,769		–1,000,000		47,071	63,443					–989,603
1. Contribution by ordinary shareholders	26,769				36,674						63,443
2. Contribution by other equity instrument investors			–1,000,000								–1,000,000
3. Amounts of share-based payments recognized in equity					10,397						10,397
4. Others						63,443					–63,443
(III) Profit distribution			22,600		–22,600					–164,997	–164,997
1. Appropriation to surplus reserves											
2. Appropriation to general reserve											
3. Distribution to shareholders											
4. Others			22,600		–22,600					–164,997	–164,997
(IV) Transfer within equity											
1. Capital reserves converted to share capital											
2. Surplus reserves converted to share capital											
3. Loss made up by surplus reserves											
4. Changes in the defined benefit plan transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special Reserve								41			41
1. Appropriation during the period								251			251
2. Utilisation during the period								–210			–210
(VI) Others											
IV. Balance at the end of the period	2,985,836		3,764,520		1,158,387	63,443	12,368	45	229,735	–390,944	7,696,504

Chief Financial Officer: Tao Fulun

Head of Accounting Department: Chang Zhangpei

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Company's profile

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

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

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

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

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

1. GENERAL INFORMATION (CONTINUED)

1.1 Company's profile (Continued)

Approved by the Company's General Meeting of Shareholders and verified by the relevant authorities of the State Council, the Company completed the registration procedures for new shares under the 2023 Restricted Stock Incentive Plan in July 2024. The Company finished the registration formalities for reserved shares of the aforesaid incentive plan in June 2025. Following the completion of the private placement of the reserved restricted shares, CHINALCO Group holds 2,176,758,534 shares, accounting for 72.85%; Luoyang Engineering holds 86,925,466 shares, accounting for 2.91%. Upon completion of the aforementioned share issuance, the Company's registered capital was changed to RMB 2,987,836,267.

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

The Company and its subsidiaries are principally engaged in construction business.

Chalieco's business scope includes engineering technology and design consulting, engineering construction and installation, equipment manufacturing, and trade business.

The ultimate controller of Chalieco is Aluminum Corporation of China.

The financial statements and notes have been approved by resolution of the 5th meeting of the 5th Board of Directors of the Company on 27 March 2026.

2. BASIS OF PREPARATION

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

These financial statements are prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, and fairly present, in all material respects, the consolidated and company financial position of the Company as of December 31, 2025, as well as its consolidated and company operating results and consolidated and company cash flows for the year ended December 31, 2025.

3.2 Accounting Period

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

3.3 Operating cycle

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

3.4 Functional currency

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.5 Methodology for determining materiality criteria and basis for selection

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

3.6.1 Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the consideration for business combination and the carrying amount of the net assets acquired in the combination shall be adjusted against capital reserves. If capital reserves are insufficient to absorb such difference, retained earnings shall be adjusted accordingly.

Business combinations under the same control are achieved through multiple transactions

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

3.6.2 Business combinations involving enterprises not under common control

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

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

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

In the consolidated financial statements, the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity held before the acquisition date on the acquisition date shall be recognized as the acquisition cost. For the equity of the acquiree already held, it shall be remeasured at its fair value on the acquisition date, and the difference between the fair value and its carrying amount shall be included in the current investment income. The equity held by the purchased party prior to the purchase date involves other comprehensive income, changes in other owner's equity that are converted to current income on the purchase date, except for other comprehensive income arising from changes in net liabilities or net assets of the investee's remeasured benefit plan, and other comprehensive income related to non trading equity instrument investments originally designated as measured at fair value with changes recognized in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

3.6.3 Transaction costs for business combination

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

3.7 Criteria for determining control and preparation methods of consolidated financial statements

3.7.1 Judgment criteria for control

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.7 Criteria for determining control and preparation methods of consolidated financial statements (Continued)

3.7.2 Basis of preparation of consolidated financial statements

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.7 Criteria for determining control and preparation methods of consolidated financial statements (Continued)

3.7.3 Purchase of subsidiaries' non-controlling interests

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

3.7.4 Disposal of subsidiaries

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.8 Joint arrangement classification and accounting treatment for joint operation

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

3.8.1 Joint operations

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

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

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

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

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

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

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

3.8.2 Joint ventures

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.9 Cash and cash equivalents

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

3.10 Foreign currency transactions and translation financial statements in foreign currency

3.10.1 Foreign currency transactions

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.10 Foreign currency transactions and translation financial statements in foreign currency (Continued)

3.10.2 Translation of financial statements denominated in foreign currency

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments

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

3.11.1 Recognition and derecognition of financial instruments

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through other comprehensive income

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

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.2 Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss (Continued)

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities

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

Financial liabilities measured at fair value through profit or loss

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

Financial liabilities measured at amortized cost

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities (Continued)

Financial guarantee contract

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

The distinction between financial liabilities and equity instruments

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.3 Classification and measurement of financial liabilities (Continued)

Financial guarantee contract (Continued)

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

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

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

3.11.4 Fair value of financial instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Measurement of expected credit losses

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

The Company takes into account reasonable and supportable information such as past events, current conditions and forecasts of future economic conditions, and recognizes expected credit losses as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows to be received, weighted by the risk of default.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Measurement of expected credit losses (Continued)

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Accounts receivable and contract assets

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

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

A. Bills receivable

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

B. Accounts receivable

- Accounts receivables group: aging group

C. Contract assets

- Contract assets group: aging group

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Other receivables

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

- Other receivables group: aging group

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

Long-term receivables

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

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

- Long-term receivables group: aging group

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Debt investment and other debt investment

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

An assessment of a significant increase in credit risk

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

An assessment of a significant increase in credit risk (Continued)

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

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

Credit-impaired financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.5 Impairment of financial assets (Continued)

Presentation of ECLs

To reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. The resulting increase or reversal in the loss allowance is recognized in profit or loss for the current period as an impairment loss or gain. For financial assets measured at amortised cost, the provisions of impairment are deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-off

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.11 Financial instruments (Continued)

3.11.6 Transfer of financial assets

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

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

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

3.11.7 Offset of financial assets and financial liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.12 Fair value measurement

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.13 Inventories

3.13.1 Classification of inventories

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

3.13.2 Valuation method for issued inventories

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

3.13.3 Basis and method for recognizing inventory impairment provisions

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

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

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

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

3.13.4 Inventory stock taking system

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

3.13.5 Amortization methods of low-value consumables and packaging materials

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments

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

3.14.1 Determination of initial investment cost

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

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

3.14.2 Subsequent measurement and recognition of profit or loss

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

3.14.2 Subsequent measurement and recognition of profit or loss

Under the equity method, investment gain and other comprehensive income shall be recognised based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying amount of long-term equity investment shall be adjusted and included in the capital reserves (other capital reserves). When recognizing the share of net profit or loss attributable to the investee, adjustments are made to the investee's net profit based on the fair value of the investee's identifiable assets at the time of acquisition and in accordance with the Company's accounting policies and accounting periods.

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

If the Company loses joint control or significant influence over an investee as a result of partial disposal of equity investments etc., the remaining equity interest after disposal is accounted for in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments on the date of losing joint control or significant influence, and the difference between its fair value and carrying amount is recognized in profit or loss for the current period. The difference between its fair value and carrying amount shall be included in profit or loss for the current period. In respect of other comprehensive income recognised under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Movement of other owners' equity related to the previous equity investment shall be transferred to profit or loss for the current period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.14 Long-term equity investments (Continued)

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

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

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

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

3.14.4 Method of impairment testing and impairment provision

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.15 Investment property

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

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

For investment properties measured subsequent to initial recognition using the cost model, the method for recognizing asset impairment is set out in the Note 3. 21.

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

3.16 Fixed assets

3.16.1 Recognition of fixed assets

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.16 Fixed assets (Continued)

3.16.2 Depreciation of fixed assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.16 Fixed assets (Continued)

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

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

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

3.16.5 Disposal of fixed assets

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

3.17 Construction in progress

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.18 Borrowing costs

3.18.1 Recognition principle for the capitalisation of the borrowing costs

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

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

② Borrowing costs have been incurred;

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

3.18.2 Capitalisation period of borrowing costs

When a qualifying asset acquired, constructed or produced by the Company is ready for its intended use or sale, the capitalisation of the borrowing costs shall discontinue. Borrowing costs incurred after qualifying assets reach their intended usable or salable state are recognized as expenses in the period incurred based on the amount incurred and included in profit or loss for the current period.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.18 Borrowing costs (Continued)

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

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

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

3.19 Intangible assets

3.19.1 Measure of intangible assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.19 Intangible assets (Continued)

3.19.1 Measure of intangible assets (Continued)

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.19 Intangible assets (Continued)

3.19.2 Basis for determining an indefinite service life

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

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

3.20 Research and development expenditure

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

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

Expenditure during the research phase is expensed when incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.20 Research and development expenditure (Continued)

Expenditures incurred in the development phase may only be capitalized when all of the following conditions are met simultaneously: Completion of intangible asset for intended use or sale is technically feasible; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognised as an expense in the period in which it is incurred.

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

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

Capitalisation conditions of specific R&D projects are:

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.21 Impairment of assets

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.21 Impairment of assets (Continued)

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

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

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

3.22 Long-term deferred expenses

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits

3.23.1 Scope of employee benefits

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

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

3.23.2 Short-term staff remuneration

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

3.23.3 Post-employment benefits

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

Defined contribution plans

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits (Continued)

3.23.3 Post-employment benefits (Continued)

Defined benefit plans

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.23 Employee benefits (Continued)

3.23.4 Termination benefits

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

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

3.23.5 Other long-term employee benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.24 Provisions

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.25 Share-based payment and equity instruments

3.25.1 Classification of share-based payment

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

3.25.2 Determination of fair value of equity instruments

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.25 Share-based payment and equity instruments (Continued)

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

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

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

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, an increase in services acquired is recognized accordingly to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the increase in the fair value of the equity instruments is recognized accordingly as an increase in services acquired. The increase in the fair value of equity instruments is the difference between the fair value of the equity instruments before and after the modification at the date of modification. If the modification reduces the total fair value of the share-based payment or modifies the terms and conditions of the share-based payment plan in other ways unfavorable to the employees, the Company shall continue to account for the services received as if the change had never occurred, unless the Company cancels part or all of the granted equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.25 Share-based payment and equity instruments (Continued)

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

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

3.25.5 Restricted shares

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

3.26 Other financial instruments such as preferred shares and perpetual bonds

3.26.1 Classification of financial liabilities and equity instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.26 Other financial instruments such as preferred shares and perpetual bonds (Continued)

3.26.2 Accounting treatment of perpetual bonds

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.27 Revenue

3.27.1 General principles

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.27 Revenue (Continued)

3.27.1 General principles (Continued)

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

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

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

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

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

⑤ The customer has accepted the good or service.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods

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

EPC general contracting and engineering

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods (Continued)

Design Consulting Services

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.27 Revenue (Continued)

3.27.2 Specific methods (Continued)

Equipment manufacturing

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

3.28 Contract costs

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

Incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. sales commission. The Company recognises the incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. Other costs incurred by the Company to obtain a contract, excluding the incremental costs expected to be recoverable, are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.28 Contract costs (Continued)

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

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

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

③ the costs are expected to be recovered.

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.29 Government grants

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.30 Deferred tax assets and deferred tax liabilities

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

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

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

(1) The initial recognition of goodwill; or the initial recognition of assets or liabilities arising from a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction (excluding a single transaction in which the initially recognized assets and liabilities give rise to equal taxable temporary differences and deductible temporary differences);

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

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

(1) The transaction is neither a business combination nor affects accounting profit or taxable profit (except for a single transaction where the initially recognized assets and liabilities give rise to equal taxable temporary differences and deductible temporary differences) when the transaction occurs;

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.30 Deferred tax assets and deferred tax liabilities (Continued)

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

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

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

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

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

3.31 Leases

3.31.1 Identification of leases

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

3.31.2 The Company as lessee

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

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

Short-term lease

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

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

Leases of low value assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.31 Leases (Continued)

3.31.2 The Company as lessee (Continued)

Lease modifications

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.31 Leases (Continued)

3.31.3 The Company as lessor

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

Finance leases

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

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

Operating lease

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.31 Leases (Continued)

3.31.3 The Company as lessor (Continued)

Lease modifications

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.32 Right-of-use assets

3.32.1 Recognition conditions of right-of-use assets

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

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

3.32.2 Depreciation method of the right-of-use assets

The Company adopts the straight-line method to provide depreciation. Where the Company as a lessee is reasonably certain to obtain ownership of the leased asset at the end of the lease term, depreciation is recognised over the remaining useful life of the leased asset; otherwise, depreciation is recognised over the shorter of the lease term and the remaining useful life of the leased asset.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.33 Production safety expenses and simple maintenance fees

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

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

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

3.34 Debt reorganization

3.34.1 The Company as debtor

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.34 Debt reorganization (Continued)

3.34.1 The Company as debtor (Continued)

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

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

3.34.2 The Company as creditor

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.34 Debt reorganization (Continued)

3.34.2 The Company as creditor (Continued)

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

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

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

3.35 Non-monetary asset exchange

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

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.36 Segment

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

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

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

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

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

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

3.37 Significant accounting policies and estimates

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

(1) Revenue recognition on engineering construction contract

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.37 Significant accounting policies and estimates (Continued)

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

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

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

(2) Receivable and contract asset impairment provision

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

(3) Income tax

The Company's determination of income tax involves judgment on future tax treatment of certain transactions. In view of the fact that the Company pays corporate income tax in many regions, the Company will prudently assess the tax impact of various transactions and make provision for income tax. The Company regularly reevaluates the tax impact of these transactions in accordance with updated tax regulations. The recognition of deferred tax assets requires the Company to judge the possibility of obtaining future taxable income. The Company continuously reviews its judgment on deferred tax, and recognizes deferred tax assets on deductible temporary differences and deductible tax losses only if it expects that it is likely to obtain utilisable taxable income in future. Nevertheless, there remains the risk of significant differences between the ultimate tax impact and management's judgment.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.37 Significant accounting policies and estimates (Continued)

(4) Retirement and internal retirement benefits liabilities

Retirement and retirement benefit plans recognized by the Company as liabilities are measured based on various assumptions, including expected life, discount rate, wage growth rate post early retirement, medical expense growth rate and other factors. Management continuously maintains the rationality of these assumptions by engaging professional actuarial institutions and other methods, but it is still possible to make significant adjustments to these assumptions as external economic situation changes, thus affecting the balance of liabilities, profits and other comprehensive income for the relevant period.

3.38 Changes in significant accounting policies and accounting estimates

3.38.1 Significant changes in accounting policies

None.

3.38.2 Changes in significant accounting estimates

None.

4. TAXATION

4.1 Major types of taxes and respective tax rates

Tax type	Tax basis	Tax rate%
Value added tax (VAT)	Taxable value-added amount (the taxable amount is calculated based on the balance of taxable sales multiplied by the applicable tax rate after deducting the allowable input tax for the current period)	3, 5, 6, 9, 13
City maintenance and construction tax	The sum of VAT actually paid	1, 5, 7
Educational surcharge	The sum of VAT actually paid	2, 3
Enterprise income tax	Taxable income	25% (except overseas subsidiaries, preferential treatments as set out in Note 4. 2)

4. TAXATION (CONTINUED)

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

Taxpayers of the Company subject to the preferential corporate income tax rate and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate%
China Aluminum International Engineering Corporation Limited	15.00
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	15.00
Shenyang Boyu Technology Co., Ltd.	15.00
Shenyang Aluminum-Magnesium Technology Co., Ltd.	15.00
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	15.00
Guiyang Zhenxing Al-Mg Science&Technology Industry Development Corp.,Ltd	15.00
Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Company Ltd.	15.00
Guizhou Shunan Electro-mechanical Equipment Co., Ltd.	15.00
CINF Engineering Co., Ltd.	15.00
China Nonferrous Metals Processing Technology Co., Ltd.	15.00
Luoyang Foyang Decoration Engineering Co., Ltd.	15.00
China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	15.00
Shenzhen Changkan Reconnaissance Design Co., Ltd.	15.00
China Sixth Metallurgical Construction Co., Ltd.	15.00
LiuYe (Zhengzhou) Technology Heavy Industry Co., Ltd.	15.00
China Nonferrous Metals Industry’s 12th Metallurgical Construction Co., Ltd.	15.00
Tianjin 12th Metallurgical Engineering Co., Ltd.	15.00
Jiuye Construction Co., Ltd.	15.00
Jiuye Steel Structure Co., Ltd.	15.00
Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd.	15.00
China Aluminum Shandong Engineering Technology Corporation Limited	15.00
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	15.00
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	15.00
Beijing Autosky Science & Technology Co., Ltd.	20.00
Shenyang Shengxin Construction Engineering Project Management Co., Ltd.	20.00
Huachu Intelligent Technology (Hunan) Co., Ltd.	20.00
Hunan Changye Construction Drawing Examination Co., Ltd.	20.00
Hunan Huachu Project Management Co., Ltd.	20.00
Luoyang Jincheng Construction Supervision Co., Ltd.	20.00
Kunming Prospecting Institute Technology Development Company	20.00
Kunming Kehui Electric Co., Ltd.	20.00
Yunnan Jinji’an Construction Consulting and Supervision Co., Ltd.	20.00

4. TAXATION (CONTINUED)

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

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

Name of taxpayer	Income tax rate%
China Nonferrous Metals Industry's 12th Metallurgical (Indonesia) Co., Ltd.	2.65
China Aluminum International Engineering (India) Private Limited	30.00
Chalieco Hong Kong Corporation Limited	16.50
Chalieco Malaysia Sdn. Bhd.	24.00
China Nonferrous Metals Kunming Prospecting Design Institute African Congo (Kinshasa) Company	30.00
SOCIETE CHALIECO GUINEA COMPANY-SARLU	15.00
CHALIECO GUINEA DEVELOPING COMPANY	25.00

4.2 Tax preferential treatments

4.2.1 Tax preferences applicable to high-tech companies

1) China Aluminum International Engineering Corporation Limited received the High-tech Enterprise Certificate on 28 October 2025 (Certificate number: GR202511002859, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

2) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321001685, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

3) Shenyang Boyu Technology Co., Ltd. received the High-tech Enterprise Certificate on 27 November 2024 (Certificate number: GR202421001715, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4) Shenyang Aluminum-Magnesium Technology Co., Ltd. received the High-tech Enterprise Certificate on 20 December 2023 (Certificate number: GR202321002023, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

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

5) Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd., as a High-tech Enterprise vigorously supported by the State, received the High-tech Enterprise Certificate on 2 December 2025 (Certificate number: GR202552000087, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

6) Guiyang Zhenxing Al-Mg Science &Technology Industry Development Corp., Ltd. received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202452000266, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

7) Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Co., Ltd. received the High-tech Enterprise Certificate on 9 December 2024 (Certificate number: GR202452000237, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

8) Guizhou Shunan Electro-mechanical Equipment Co., Ltd. received the High-tech Enterprise Certificate on 25 December 2024 (Certificate number: GR202452000352, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

9) CINF Engineering Co., Ltd. received the High-tech Enterprise Certificate on 1 November 2024 (Certificate number: GR202443001869, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

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

10) China Nonferrous Metals Processing Technology Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341004338, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

11) Luoyang Foyang Decoration Engineering Co., Ltd. received the High-tech Enterprise Certificate on 22 November 2023 (Certificate number: GR202341001075, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

12) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd. received the High-tech Enterprise Certificate on 16 December 2024 (Certificate number: GR202443002875, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

13) Shenzhen Changkan Reconnaissance Design Co., Ltd. received the High-tech Enterprise Certificate on 15 November 2023 (Certificate number: GR202344203700, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

14) China Sixth Metallurgical Construction Co., Ltd. of China Nonferrous Metals Industry received the High-tech Enterprise Certificate on 4 November 2025 (Certificate number: GR202541002336, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

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

15) Liuye(Zhengzhou) Technology Heavy Industry Co., Ltd. received the High-tech Enterprise Certificate on 21 November 2024 (Certificate number: GR202441002868, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

16) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2025 (Certificate number: GR202514000730, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

17) Tianjin 12th Metallurgical Engineering Co., Ltd. received the High-tech Enterprise Certificate on 8 December 2025 (Certificate number: GR202512001961, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

18) Jiuye Construction Co., Ltd. received the High-tech Enterprise Certificate on 19 December 2025 (Certificate number: GR202561000919, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

19) Jiuye Steel Structure Co., Ltd. received the High-tech Enterprise Certificate on 19 December 2025 (Certificate number: GR202561001399, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

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

20) Zhengzhou Jiuye Sanwei Chemical Machinery Co., Ltd. received the Hightech Enterprise Certificate on 8 December 2023 (Certificate number: GR202341003889, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China. As a high-tech enterprise vigorously supported by the State, it is entitled to a preferential corporate income tax at 15% for year 2025.

21) China Aluminum Shandong Engineering Technology Corporation Limited received the High-tech Enterprise Certificate on 7 December 2024(Certificate number: GR202437002719, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

22) Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd received the High-tech Enterprise Certificate on 1 November 2024 (Certificate number: GR202453000043, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

23) Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. received the High-tech Enterprise Certificate on 1 November 2025 (Certificate number: GR202553000291, valid for three years), which complies with Article 93 of the Regulations on Application of the Income Tax Law of the People's Republic of China, and as a High-tech Enterprise vigorously supported by the State, the Company is entitled to a preferential corporate income tax at 15% for year 2025.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.2 Tax preferences for small and micro enterprises

1) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Entrepreneurs (Cai Shui (2023) No. 12): small and micro-profit enterprises are credited with 25% of their taxable income per annum and are subject to enterprise income tax at a tax rate of 20%.

2) The Company's subsidiaries, Beijing Autosky Science & Technology Co., Ltd.,Shenyang Shengxin Construction Engineering Project Management Co., Ltd.,Huachu Intelligent Technology (Hunan) Co., Ltd., Hunan Changye Construction Drawing Examination Co., Ltd.,Luoyang Jincheng Construction Supervision Co., Ltd., Hunan Huachu Project Management Co., Ltd., Kunming Prospecting Institute Technology Development Company, Kunming Kehui Electric Co., Ltd., and Yunnan Jinji'an Construction Consulting Supervision Co., Ltd., are applicable to the aforesaid documents and will pay their taxable income at a preferential rate for FY2025.

4.2.3 VAT

1) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Project of Changing Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Aluminum International Engineering Corporation Limited is exempted from value-added tax.

2) According to the Circular of the Ministry of Finance and the State Administration of Taxation on the Inclusion of the Railway Transportation and Postal Industry in the Pilot Program for the Conversion of Business Tax to Value-added Tax (Cai Shui [2013] No. 106), technology transfer income obtained by China Nonferrous Metals Processing Technology Co., Ltd. is exempted from value-added tax.

3) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guiyang Zhenxing Al-Mg Science&Technology Industry Development Co., Ltd. is entitled to the preferential tax policy of immediate refund of value-added tax for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.

4. TAXATION (CONTINUED)

4.2 Tax preferential treatments (Continued)

4.2.3 VAT (Continued)

4) According to the Notice on Value-added Tax Policy for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation, Guizhou Chuangxin Light Metal Process & Equipment Engineering Research Center Co., Ltd. is entitled to the preferential tax policy of value-added tax on an immediate basis for the portion of the actual tax burden in excess of 3% on the sale of self-produced software.

5) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of the general taxpayer's simplified method of levy determination on May 1, 2016, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Pilot Project of Comprehensively Pushing Forward the Change of Business Tax to Value-added Tax (Cai Shui [2016] No. 36), it enjoyed the preferential policies of providing construction services for the A-supply project, providing construction and engineering services for the old project, and sales from May 1, 2016 onwards. real estate acquired before April 30, 2016, can choose the preferential policy of calculating according to the simplified tax method.

6) China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. obtained the filing of tax exemption for cross-border taxable acts of general taxpayers in May 2017, and according to the Circular of the Ministry of Finance and the State Administration of Taxation on the Comprehensively Launching of the Pilot Project of Changing Business Tax to Value-added Tax (Caixian [2016] No. 36), the provision of construction services outside of China by domestic units and individuals may be exempted from the levy of value-added tax temporarily.

4.3 Overseas Tax Incentive Policies

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Cash and cash equivalents

Item	31 December 2025	31 December 2024
Cash on hand	232	1,514
Cash at banks	1,308,336	1,698,921
Deposits in Chinalco Finance	1,935,475	1,466,513
Other monetary funds	1,018,760	781,349
Total	4,262,803	3,948,297
Including: Total overseas deposits	442,342	329,639

Notes:

As at 31 December 2025, cash and cash equivalents included restricted cash of RMB1,018,760 thousand, including deposits at banks secured for bank guarantees and acceptance bills and frozen deposits.

As of December 31, 2025, the Company held deposits totaling RMB1,935,475 thousand with Chalco Finance Company Limited (hereinafter referred to as “Chalco Finance”), a related non-bank financial institution under the common control of Chinalco Group.

Details of restricted cash are set out below:

Item	31 December 2025	31 December 2024
Frozen Deposits	561,163	419,591
Bank’s Acceptance Bill Deposit	234,029	269,995
Letter of Guarantee Deposit	206,963	75,871
Letter of Credit Deposit	898	1,727
Other Deposit	15,707	14,165
Total	1,018,760	781,349

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.2 Bills receivable

Item	31 December 2025			31 December 2024		
	Gross carrying amount	Impairment of credit losses	Carrying amount	Gross carrying amount	Impairment of credit losses	Carrying amount
Bank acceptance bill	**269,546**	**–**	**269,546**	360,418	–	360,418

(1) Outstanding endorsed or discounted bills that have not matured as at 31 December 2025

Item	Amount not-derecognized as at 31 December 2025
Bank acceptance bills	**242,588**

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable

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

Item	31 December 2025	31 December 2024
Within 1 year	**7,246,119**	9,297,945
1 to 2 years	**4,462,667**	3,011,945
2 to 3 years	**1,812,783**	2,314,637
3 to 4 years	**1,658,560**	2,294,132
4 to 5 years	**1,553,746**	2,011,756
More than 5 years	**2,902,412**	1,962,842
Subtotal	**19,636,287**	20,893,257
Less: Impairment of credit losses	**4,007,745**	3,978,455
Total	**15,628,542**	16,914,802

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

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

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

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
Item	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	3,279,685	15.70	1,425,397	43.46	1,854,288
Impairment of credit losses on group basis	17,613,572	84.30	2,553,058	14.49	15,060,514
Including: Aging group	17,613,572	84.30	2,553,058	14.49	15,060,514
Total	20,893,257	100.00	3,978,455	19.04	16,914,802

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

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

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

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

Entity	31 December 2024 Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 5	607,026	35,272	5.81	Note
Company 1	489,062	293,437	60.00	Note
Company 4	286,115	22,155	7.74	Note
Company 7	267,361	53,472	20.00	Note
Company 8	144,624	28,255	19.54	Note
Others	1,485,497	992,806	66.83	Note
Total	3,279,685	1,425,397	43.46	–

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

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

Aging Group for Collective Provision

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

	31 December 2024		
	Gross carrying amount		
Aging	Amount	Impairment of credit losses	Expected credit loss rate (%)
Within 1 year	9,095,443	45,483	0.50
1 to 2 years	2,553,916	255,392	10.00
2 to 3 years	2,059,968	411,994	20.00
3 to 4 years	1,716,712	515,014	30.00
4 to 5 years	1,252,787	501,115	40.00
More than 5 years	934,746	824,060	88.16
Total	17,613,572	2,553,058	14.49

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

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

Item	Opening balance	Movement				Closing balance
		Accrued	Recover/reverse (Decrease)	Written off (Decrease)	Others	
Individual basis	1,425,397	171,380	119,222	44,415	139,844	1,572,984
Group:						
Aging group	2,553,058	31,044	–	9,640	–139,701	2,434,761
Total	3,978,455	202,424	119,222	54,055	143	4,007,745

(6) Significant Impairment of credit losses recovered or reversed in the current period are as follows:

Entity	Reason for reversal	Recovery method	Original basis for determining impairment of credit losses	Amount received or recovered
Company 9	The debt was recovered	Bank transfer	Individual basis	17,152
Company 10	The debt was recovered	Bank transfer,Third-party payment recovery	Individual basis	13,344
Company 6	The debt was recovered	Bank transfer,Third-party payment recovery	Individual basis	12,209
Company 11	The debt was recovered	Bank transfer,Asset repayment of debt	Individual basis	8,909
Company 5	The debt was recovered	Bank transfer,Third-party payment recovery	Individual basis	8,450
Total	–	–	–	60,064

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

(7) Actual accounts receivable written off during the current period

Item	Amount
Actual accounts receivable written off	54,055

Significant accounts receivables written off

Item	Nature	Amount	Reason	Procedure	Whether arise from connected transactions or not?
Company 12	Materials	19,207	Unrecoverable	Internal approval	No
Company 13	Engineering services	17,662	Unrecoverable	Internal approval	No
Company 14	Materials	7,546	Unrecoverable	Internal approval	No
Total	–	44,415	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

(8) As at 31 December 2025, accounts receivable from the five largest customers are listed as follows:

Entity	Gross carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 15	579,242	2.95	45,866
Company 16	579,076	2.95	50,663
Company 1	520,466	2.65	289,985
Company 2	371,687	1.89	149,747
Company 17	362,315	1.85	26,350
Total	2,412,786	12.29	562,611

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.3 Accounts receivable (Continued)

(9) Information on the top five entities with the largest ending balances of accounts receivable and contract assets by debtor

Entity	Accounts Receivable – Ending Balance	Contract Assets – Ending Balance	Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Provision for Bad Debts on Accounts Receivable and Provision for Impairment on Contract Assets
Company 18	297,956	865,994	1,163,950	4.21	6,326
Company 15	579,242	166,334	745,576	2.70	75,944
Company 16	579,076	82,783	661,859	2.39	51,077
Company 1	520,466	11,793	532,259	1.93	297,061
Company 2	371,687	35,471	407,158	1.47	162,343
Total	2,348,427	1,162,375	3,510,802	12.70	592,751

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.4 Financing receivables

Item	31 December 2025	31 December 2024
Bills receivable	171,098	321,003

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

Item	Amount derecognized as at 31 December 2025	Amount not derecognized as at 31 December 2025
Bank acceptance bills	961,904	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.5 Prepayments

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

Item	31 December 2025 Amount	31 December 2025 Percentage (%)	31 December 2024 Amount	31 December 2024 Percentage (%)
Within 1 year	**553,226**	**88.41**	345,672	83.35
1 to 2 years	**53,040**	**8.48**	58,805	14.18
2 to 3 years	**14,027**	**2.24**	8,771	2.11
More than 3 years	**5,460**	**0.87**	1,477	0.36
Total	**625,753**	**100.00**	414,725	100.00

(2) As at 31 December 2025, prepayments to the five largest suppliers are listed as follows:

Entity	Gross carrying amount as at 31 December 2025	Percentage of total prepayments (%)
Company 1	91,000	14.54
Company 2	45,506	7.27
Company 3	30,800	4.92
Company 4	23,067	3.69
Company 5	20,264	3.24
Total	210,637	33.66

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables

Item	31 December 2025	31 December 2024
Interests receivable	**6,440**	6,440
Dividends receivable	**3,752**	4,429
Other receivables	**2,283,060**	2,385,762
Less: Impairment of credit losses	**1,330,646**	1,290,934
Total	**962,606**	1,105,697

(1) Interests receivable

Item	31 December 2025	31 December 2024
Interests receivable	**6,440**	6,440
Less: Impairment of credit losses	**–**	–
Total	**6,440**	6,440

(2) Dividends receivable

Item	31 December 2025	31 December 2024
Sichuan Chuannan Subway Operating Ltd.	**3,752**	3,752
Chinalco Intelligent (Hangzhou) Security Science Research Institute Ltd.	**–**	189
Chinalco Eco-friendly Technology (Hunan) Ltd.	**–**	488
Subtotal:	**3,752**	4,429
Less: Impairment of credit losses	**–**	–
Total	**3,752**	4,429

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables

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

Item	31 December 2025	31 December 2024
Within 1 year	449,013	531,831
1 to 2 years	194,856	175,871
2 to 3 years	135,440	269,152
3 to 4 years	217,806	531,696
4 to 5 years	510,720	307,374
More than 5 years	775,225	569,838
Subtotal	2,283,060	2,385,762
Less: Impairment of credit losses	1,330,646	1,290,934
Total	952,414	1,094,828

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

② Categorized by nature is listed as follows:

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

Item	31 December 2024 Gross carrying amount	Impairment of credit losses	Carrying amount
Reimbursements	1,119,632	734,140	385,492
Retention funds or deposits	1,028,912	419,155	609,757
Financing provided to Party A and its related parties	146,710	99,520	47,190
Equity transfer payment	23,124	6,086	17,038
Others	67,384	32,033	35,351
Total	2,385,762	1,290,934	1,094,828

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of Credit Losses

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

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	428,993	0.50	2,138	426,855
Aging group	428,993	0.50	2,138	426,855
Total	428,993	0.50	2,138	426,855

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

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	296,481	14.20	42,102	254,379
Aging group	296,481	14.20	42,102	254,379
Total	296,481	14.20	42,102	254,379

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of Credit Losses (Continued)

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

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	885,853	90.67	803,170	82,683
Company 1	207,724	100.00	207,724	–
Company 2	207,229	100.00	207,229	–
Company 3	118,627	77.92	92,437	26,190
Company 4	55,065	100.00	55,065	–
Company 5	36,669	21.42	7,855	28,814
Others	260,539	89.38	232,860	27,679
Impairment of credit losses on group basis	671,733	71.94	483,236	188,497
Aging group	671,733	71.94	483,236	188,497
Total	1,557,586	82.59	1,286,406	271,180

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of Credit Losses (Continued)

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	524,618	0.50	2,622	521,996
Aging group	524,618	0.50	2,622	521,996
Total	524,618	0.50	2,622	521,996

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	–	–	–	–
Impairment of credit losses on group basis	352,680	15.54	54,815	297,865
Aging group	352,680	15.54	54,815	297,865
Total	352,680	15.54	54,815	297,865

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of Credit Losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	924,353	88.57	818,727	105,626
Company 1	207,964	100.00	207,964	–
Company 2	207,229	100.00	207,229	–
Company 3	139,627	66.20	92,437	47,190
Company 4	55,065	100.00	55,065	–
Company 5	36,669	21.42	7,855	28,814
Others	277,799	89.34	248,177	29,622
Impairment of credit losses on group basis	584,111	71.01	414,770	169,341
Aging group	584,111	71.01	414,770	169,341
Total	1,508,464	81.77	1,233,497	274,967

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

④ Movements in Impairment of credit losses of other receivables are listed as follows:

Impairment of credit losses	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at 1 January 2025	2,622	54,815	1,233,497	1,290,934
Balance as at 1 January 2025 in the current period	–860	–12,255	13,115	–
– Transfer to Stage II	–860	860	–	–
– Transfer to Stage III	–	–13,115	13,115	–
Additions	376	–458	71,542	71,460
Recoveries or reversals	–	–	24,106	24,106
Written-off	–	–	7,642	7,642
Balance as at 31 December 2025	2,138	42,102	1,286,406	1,330,646

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

④ Movements in the impairment of credit losses of other receivables are listed as follows: (Continued)

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

Entity	Recovery method	Amount reversed or recovered
Company 6	Transfer of claims	16,060
Company 7	Collection of debts	3,042
Total	–	19,102

⑤ Other receivables actually written off in the current period

Entity	Amount
Company 8	3,061
Company 9	2,645
Company 10	1,225
Company 11	250
Others	461
Total	7,642

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.6 Other receivables (Continued)

(3) Other receivables (Continued)

⑥ As at 31 December 2025, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Percentage in total other receivable (%)	Closing balance of impairment of credit losses
SHANDONG HOMERUN TIRES CO., LTD	Reimbursements	207,724	3 to 4 years, 4 to 5 years	9.10	207,724
SHARY INTERNATIONAL LIMITED	Reimbursements	207,229	3 to 4 years, more than 5 years	9.08	207,229
Shanghai Junzhi International Trade Co., LTD	Retention funds or deposits and its related parties	139,771	More than 5 years	6.12	139,771
Xinjiang Jiarun Resources Holding Co., Ltd	Financing provided to Party A and its related parties	118,627	More than 5 years	5.20	92,437
Hanzhong Aviation Smart New City Investment Group Co., Ltd	Retention funds or deposits	77,542	1 to 5 years	3.40	32,288
Total	–	750,893	–	32.90	679,449

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Inventories

(1) Classification of inventories

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

Note: The amount of property included in inventories for which title certificates are pending amounts to RMB1,222,580 thousand.

Item	Gross carrying amount	31 December 2024 Impairment for provision of inventories	Carrying amount
Raw materials	322,105	9,480	312,625
Work in progress	1,103,680	210,155	893,525
Stock goods	1,762,213	650,125	1,112,088
Turnover materials and spare parts	10,124	–	10,124
Others	840	–	840
Total	3,198,962	869,760	2,329,202

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.7 Inventories (Continued)

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

Item	Opening balance	Additions		Decreases			Closing balance
		Provision	Others	Reversed	Write-off	Others	
Raw materials	9,480	10	–	–	–	–	9,490
Work in progress	210,155	250	–	–	20,677	–	189,728
Stock goods	650,125	2,506	–	503	21,292	891	629,945
Total	869,760	2,766	–	503	41,969	891	829,163

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Contract assets

Item	31 December 2025	31 December 2024
Contract assets	8,013,605	7,294,889
Less: Impairment provision for contract assets	1,416,434	1,359,994
Total	6,597,171	5,934,895

(1) Impairment provision for contract assets

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

	As at 31 December 2024				
	Gross carrying amount		Impairment provision		
Item	Amount	Percentage (%)	Amount	Expected credit losses rate (%)	Carrying amount
Impairment provision on an individual basis	1,146,929	15.72	456,684	39.82	690,245
Impairment provision on a group basis	6,147,960	84.28	903,310	14.69	5,244,650
Including:					
Aging group	6,147,960	84.28	903,310	14.69	5,244,650
Total	7,294,889	100.00	1,359,994	18.64	5,934,895

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

Impairment of credit losses on an individual basis

	As at 31 December 2025			
Item	Gross carrying amount	Impairment provision	Expected credit losses rate (%)	Reason
Item 1	168,772	151,895	90.00	Note
Item 2	160,268	160,268	100.00	Note
Item 3	99,589	80,711	81.04	Note
Item 4	29,660	29,660	100.00	Note
Item 5	11,793	7,076	60.00	Note
Others	699,055	98,642	14.11	Note
Total	1,169,137	528,252	45.18	–

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

	As at 31 December 2024			
Item	Gross carrying amount	Impairment provision	Expected credit losses rate (%)	Reason
Item 1	168,772	151,895	90.00	Note
Item 2	160,268	160,268	100.00	Note
Item 6	36,472	357	0.98	Note
Item 7	30,610	30,208	98.69	Note
Item 4	29,660	29,660	100.00	Note
Others	721,147	84,296	11.69	Note
Total	1,146,929	456,684	39.82	–

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Contract assets (Continued)

(1) Impairment of credit losses (Continued)

Impairment provision on a group basis

Aging group

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

Item	As at 31 December 2024		
	Contract assets	Impairment provision	Expected credit losses rate (%)
Within 1 year	2,911,550	14,604	0.50
1 to 2 years	1,508,302	150,774	10.00
2 to 3 years	696,166	139,233	20.00
3 to 4 years	430,008	129,002	30.00
4 to 5 years	169,506	67,803	40.00
More than 5 years	432,428	401,894	92.94
Total	6,147,960	903,310	14.69

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.8 Contract assets (Continued)

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

Item	Openning balance	Movement				Closing balance
		Accrued	Reverse	Written-off	Others (Decrease)	
Contract assets	1,359,994	56,440	–	–	–	1,416,434

5.9 Non-current assets due within one year

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

Item	31 December 2025	31 December 2024
Long-term receivables due within 1 year	**431,602**	502,620
Less: Impairment of credit losses	**160,205**	155,441
Total	**271,397**	347,179

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.9 Non-current assets due within one year (Continued)

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

Item	Amount of bad debt allowance
Amount as 1 January 2025	155,441
Transfer to Long-term Receivables	4,764
Amount as 31 December 2025	160,205

5.10 Other current assets

Item	31 December 2025	31 December 2024
Deductible VAT input	**681,281**	572,679
Prepaid tax	**213,402**	182,104
Others	**21,589**	41,960
Total	**916,272**	796,743

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.11 Long-term receivables

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

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

Item	31 December 2024 Gross carrying amount	Impairment of credit losses	Carrying amount	Discount rate range
Long-term receivables from customers	2,729,529	931,720	1,797,809	Note
Subtotal	2,729,529	931,720	1,797,809	–
Less: Current portion of long-term receivables due within one year	502,620	155,441	347,179	Note
Total	2,226,909	776,279	1,450,630	–

Note: Discount in accordance with contractual interest rate.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.11 Long-term receivables (Continued)

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

Item	Impairment of credit losses
Amount as at 1 January 2025	776,279
Additions	12,192
Reverse	53,555
Transfer to non-current assets due within one year.	4,765
Amount as at 31 December 2025	730,151

5.12 Long-term equity investments

(1) Classification of long-term equity investment

Item	31 December 2024	Additions for the period	Reductions for the period	31 December 2025
Investment in joint ventures	67,988	9,252	100	77,140
Investment in associates	708,556	–	123,189	585,367
Subtotal	776,544	9,252	123,289	662,507
Less: Impairment provision	36,216	–	–	36,216
Total	740,328	9,252	123,289	626,291

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.12 Long-term equity investments (Continued)

(2) Long-term equity investments breakdown

Investee	Investment cost	Opening balance	Movements during this period: Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others	Closing Balance	Closing balance of provision for impairment
① Joint venture	79,200	67,988	-	-	9,252	-	-100	-	-	-	77,140	-
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,777	-	-	-58	-	-	-	-	-	8,719	-
Zhongji Sunward Technology Co., Ltd.	39,200	59,211	-	-	9,310	-	-100	-	-	-	68,421	-
② Associates	724,451	708,556	-	54,367	-61,445	-	-1,863	5,012	-	-502	585,367	36,216
Zhuzhou Tianqiao Crane Co., Ltd.	171,836	175,095	-	-	3,238	-	-	3,501	-	-	174,832	-
Taikang Haowen construction Co.,Ltd.	108,640	108,640	-	-	-	-	-	-	-	-	108,640	-
Loudi Haochuang development construction Co.,Ltd.	100,000	100,000	-	-	-	-	-	-	-	-	100,000	-
Others	343,975	324,821	-	54,367	-64,683	-	-1,863	1,511	-	-502	201,895	36,216
Total	803,651	776,544	-	54,367	-52,193	-	-1,963	5,012	-	-502	662,507	36,216

Note 1: In 2015, the Company and Shanhe Intelligent Equipment Co., Ltd ("Shanhe Equipment") jointly established Zhongji Sunward Technology Co., Ltd. ("Zhongji Shanhe"), in which the Company holds 49% equity interest. Pursuant to the Articles of Association of Zhongji Shanhe, neither Shanhe Equipment nor the Company can decide the major business activities of Zhongji Shanhe alone, i.e., both parties need to unanimously agree in order to make such decisions, and thus the Company and Shanhe Equipment jointly control Zhongji Shanhe.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.13 Other equity instrument investments

(1) Details of other equity instrument investments

Item	31 December 2025	31 December 2024
Yunnan Huineng Power Sales Co. Ltd.	27,584	20,830
Guizhou Aerospace Wujiang Electromechanical Equipment Co. Ltd.	5,390	8,612
Yunnan Zhonghui Energy Co. Ltd.	–	4,668
Others	7,999	9,050
Total	40,973	43,160

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

Item	Gains/losses in current period	Accumulated gains/losses as of 31 December 2025	Income from dividends recognized in the current period	Amount transferred from other comprehensive income to retained earnings	Reason for transfer in
Yunnan Huineng Power Sales Co. Ltd.	–3,409	2,421	10,163	–	–
Guizhou Aerospace Wujiang Electromechanical Equipment Co. Ltd.	–3,222	–4,582	–	–	–
Yunan Zhonghui Energy Co. Ltd.	–376	–	–	262	–
Others	–1,051	–62,800	–	–	–
Total	–8,058	–64,961	10,163	262	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.14 Investment properties

Item	1 January 2025	Increase: Procurement	Increase: Transfer from own-occupied real estate or inventory	Increase: Others	Decrease: Others	Decrease: Disposal	31 December 2025
I. Original Cost	1,228,940	–	168,759	31,416	1,413	–	1,427,702
1. Plant and buildings	1,046,589	–	168,759	31,416	1,413	–	1,245,351
2. Land use rights	182,351	–	–	–	–	–	182,351
II. Accumulated depreciation and amortization	226,148	30,879	1,463	–	–	–	258,490
1. Plant and buildings	177,599	26,039	1,463	–	–	–	205,101
2. Land use rights	48,549	4,840	–	–	–	–	53,389
III. Gross carrying amount	1,002,792	–	–	–	–	–	1,169,212
1. Plant and buildings	868,990	–	–	–	–	–	1,040,250
2. Land use rights	133,802	–	–	–	–	–	128,962
IV. Provision for impairment	6,946	–	–	–	–	–	6,946
1. Plant and buildings	6,946	–	–	–	–	–	6,946
2. Land use rights	–	–	–	–	–	–	–
V. Carrying amount	995,846	–	–	–	–	–	1,162,266
1. Plant and buildings	862,044	–	–	–	–	–	1,033,304
2. Land use rights	133,802	–	–	–	–	–	128,962

Note: The amount of investment properties failured to get certificate of ownership amounts to RMB122,580 thousand.

5.15 Fixed assets

Item	31 December 2025	31 December 2024
Fixed assets	**2,551,833**	2,398,697
Fixed assets to be disposed of	**–**	–
Total	**2,551,833**	2,398,697

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.15 Fixed assets (Continued)

(1) Fixed assets

① Fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Original Cost					
1. 1 January 2025	3,022,658	835,344	255,830	448,146	4,561,978
2. Increase	142,608	212,267	35,737	22,100	412,712
(1) Additions	3,702	211,428	35,737	20,214	271,081
(2) Transferred in from construction in progress	–	–	–	1,670	1,670
(3) Others	138,906	839	–	216	139,961
3. Decrease	118,187	12,175	11,778	2,006	144,146
(1) Disposals or write-off	7,628	12,175	9,549	1,981	31,333
(2) Others	110,559	–	2,229	25	112,813
4. 31 December 2025	3,047,079	1,035,436	279,789	468,240	4,830,544
II. Accumulated depreciation:					
1. 1 January 2025	938,879	654,055	208,263	358,084	2,159,281
2. Increase	81,833	30,589	10,389	23,902	146,713
(1) Provision	81,511	30,572	10,389	23,877	146,349
(2) Others	322	17	–	25	364
3. Decrease	7,101	11,511	10,842	1,913	31,367
(1) Disposals or write-off	5,637	11,511	8,734	1,892	27,774
(2) Others	1,464		2,108	21	3,593
4. 31 December 2025	1,013,611	673,133	207,810	380,073	2,274,627
III. Provision for impairment					
1. 1 January 2025	3,347	9	128	516	4,000
2. Increase	84	–	–	–	84
(1) Provision	84	–	–	–	84
3. Decrease	–	–	–	–	
(1) Disposals or write-off	–	–	–	–	
4. 31 December 2025	3,431	9	128	516	4,084
IV. Carrying amount					
1. 31 December 2025	2,030,037	362,294	71,851	87,651	2,551,833
2. 1 January 2025	2,080,432	181,280	47,439	89,546	2,398,697

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.15 Fixed assets (Continued)

(1) Fixed assets (Continued)

② Fixed assets in the process of applying for and handling registration or transfer of the title certificates

Item	Carrying amount	Reasons for failure to get certificate of ownership
Plant and Buildings	568,757	Processing

5.16 Construction in progress

Item	31 December 2025	31 December 2024
Construction in progress	80,082	49,873
Construction materials	–	–
Total	80,082	49,873

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.16 Construction in progress (Continued)

(1) Construction in progress

① Details of construction in progress

	31 December 2025			31 December 2024		
Item	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Yue Liang Wan health project	74,625	–	74,625	44,174	–	44,174
Others	6,336	879	5,457	6,578	879	5,699
Total	80,961	879	80,082	50,752	879	49,873

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.16 Construction in progress (Continued)

(1) Construction in progress (Continued)

② Movements of material construction in progress

Project	1 January 2025	Additions	Transferred out to fixed assets	Other decreases	Accumulated capitalized interest	Including: interest capitalized in the current period	31 December 2025
Yue Liang Wan health project	44,174	30,451	–	–	26,023	–	74,625
Others	6,578	3,429	1,670	2,001	–	–	6,336
Total	50,752	33,880	1,670	2,001	26,023	–	80,961

Project	Budget	Proportion of investment to budget %	Project progress	Sources of funding	Current interest capitalization rate %
Yue Liang Wan health project	498,000	93.70	93.70	Self-funding/loan	–
Others	–	–	–	–	–
Total	498,000	–	–	–	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.17 Right-of-use assets

Item	Plant and buildings	Land use rights	Total
I. Original Cost:	–	–	–
1. 1 January 2025	57,961	–	57,961
2. Increase	14,544	58	14,602
(1) Additions	14,544	58	14,602
3. Decrease	1,364	–	1,364
(1) Transfer	1,364	–	1,364
4. 31 December 2025	71,141	58	71,199
II. Accumulated depreciation	–	–	–
1. 1 January 2025	18,874	–	18,874
2. Increase	18,479	22	18,501
(1) Provision	18,479	22	18,501
3. Decrease	993	–	993
(1) Transfer	993	–	993
4. 31 December 2025	36,360	22	36,382
III. Provision for impairment	–	–	–
1. 1 January 2025	–	–	–
2. Increase	–	–	–
3. Decrease	–	–	–
4. 31 December 2025	–	–	–
IV. Carrying amount	–	–	–
1. 31 December 2025	34,781	36	34,817
2. 1 January 2025	39,087	–	39,087

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.18 Intangible assets

(1) Intangible assets

Item	Land use right	Patent right	Software	Franchise right	Others	Total
I. Original Cost						
1. 1 January 2025	834,031	258,126	201,114	712,510	1,544	2,007,325
2. Increase	–	818	16,233	17,952	–	35,003
(1) Additions	–	510	12,376	–	–	12,886
(2) Others	–	308	3,857	17,952	–	22,117
3. Decrease	65,380	–	23	–	–	65,403
(1) Disposal	65,380	–	–	–	–	65,380
(2) Others	–	–	23	–	–	23
4. 31 December 2025	768,651	258,944	217,324	730,462	1,544	1,976,925
II. Accumulated amortization						
1. 1 January 2025	271,133	257,092	150,977	–	430	679,632
2. Increase	18,394	125	10,210	–	34	28,763
(1) Provision	18,394	125	10,210	–	34	28,763
3. Decrease	20,646	–	–	–	–	20,646
(1) Disposal	20,646	–	–	–	–	20,646
4. 31 December 2025	268,881	257,217	161,187	–	464	687,749
III. Provision for impairment						
1. 1 January 2025	–	–	–	–	–	–
2. Increase	–	–	–	–	–	–
3. Decrease	–	–	–	–	–	–
4. 31 December 2025	–	–	–	–	–	–
IV. Carrying amount						
1. 31 December 2025	499,770	1,727	56,137	730,462	1,080	1,289,176
2. 1 January 2025	562,898	1,034	50,137	712,510	1,114	1,327,693

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.19 Development costs

Item	1 January 2025	Increase	Decrease	31 December 2025
Integrated management and control platform	3,823	–	3,823	–
Others	838	2,410	1,092	2,156
Total	4,661	2,410	4,915	2,156

5.20 Goodwill

(1) Original Cost

The name of the invested entity	1 January 2025	Additions for the period		Reductions for the period		31 December 2025
		Arising from business combination	Others	Disposal	Others	
China Nonferrous Metals Industry Huakun Engineering Construction Co., Ltd.	579	–	–	–	–	579
Kunming Kehui Electric Co., Ltd.	296	–	–	–	–	296
Total	875	–	–	–	–	875

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.21 Long-term deferred expenses

Item	1 January 2025	Increase	Decrease		31 December 2025
			Amortization	Others	
Rental of aluminum formwork	27,347	84,187	35,613	–	75,921
Site renovation costs	1,974	8,216	349	–	9,841
Rental cost of the underground garage of Twelfth Metallurgical Company	8,487	–	256	–	8,231
Fuping Steel Structure Factory	5,532	–	1,865	–	3,667
Others	1,220	2,850	1,420	–	2,650
Total	44,560	95,253	39,503	–	100,310

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.22 Deferred tax assets and deferred tax liabilities

(1) Unoffset deferred tax assets and deferred tax liabilities

Item	31 December 2025 Deductible/ taxable temporary differences	31 December 2025 Deferred tax assets/liabilities	31 December 2024 Deductible/ taxable temporary differences	31 December 2024 Deferred tax assets/liabilities
Deferred tax assets:				
Asset impairment provisions	6,231,209	1,108,075	6,417,609	1,050,054
Deductible tax losses	734,484	126,402	664,429	105,281
Retirement and termination benefits	330,077	60,885	367,614	69,546
Changes in fair value of other equity instrument investments	53,693	8,443	30,311	4,891
Lease impact	32,316	4,847	2,289	377
Others	78,752	11,888	95,620	14,587
Subtotal	7,460,531	1,320,540	7,577,872	1,244,736
Deferred tax liabilities:				
Appreciation of Asset valuation	248,942	49,918	257,755	51,416
Lease impact	33,437	5,016	3,468	505
Others	496,754	49,676	496,754	49,676
Subtotal	779,133	104,610	757,977	101,597

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.22 Deferred tax assets and deferred tax liabilities (Continued)

(2) Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

Item	Offset amount of deferred tax assets and liabilities at the end of the period	Deferred tax assets or liabilities after offset at the end of the period	Offset amount of deferred tax assets and liabilities at the end of last year	Deferred tax assets or liabilities after offset at the end of last year
Deferred tax assets	34,154	1,286,386	30,941	1,213,795
Deferred tax liabilities	34,154	70,456	30,941	70,656

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

Item	31 December 2025	31 December 2024
Deductible temporary differences	2,367,148	2,313,910
Including: Asset impairment provisions	2,333,439	2,082,037
Changes in fair value of other equity instrument investment	33,364	29,362
Retirement and termination benefits	345	202,511
Deductible losses	2,572,613	3,356,438
Total	4,939,761	5,670,348

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.22 Deferred tax assets and deferred tax liabilities (Continued)

(4) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years:

Year	31 December 2025	31 December 2024
2025	–	379,857
2026	357,984	350,689
2027	231,747	263,274
2028	147,427	358,171
2029	106,455	274,396
2030	467,146	542,573
2031	65,707	77,634
2032	316,435	307,395
2033	501,087	486,964
2034	120,308	315,485
2035	258,317	–
Total	2,572,613	3,356,438

Note: The deductible losses for which no deferred tax assets are recognized in the current period have decreased as a result of the deregistration of several of the Company's subsidiaries.

5.23 Other non-current assets

Item	31 December 2025	31 December 2024
Long-term contract assets	124,933	124,503
Aluminum formworks held for log-term rental	182,676	241,881
Assets held for disposal	47,583	27,946
Others	532	572
Subtotal	355,724	394,902
Less: Provision for impairment	20,543	20,541
Total	335,181	374,361

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.23 Other non-current assets (Continued)

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

Item	31 December 2024	Movement: Accrued	Movement: Reverse	Movement: Written off (Decrease)	Movement: Others	31 December 2025
Long-term contract assets	621	2	–	–	–	623
Others	19,920	–	–	–	–	19,920
Total	20,541	2	–	–	–	20,543

5.24 Restricted assets

Item	31 December 2025 Gross carrying amount	Carrying amount	Restriction types	Details of restriction
Cash and cash equivalents	**1,018,760**	**1,018,760**	**Deposits and frozen funds**	**Guarantee deposits, acceptance bill deposits and frozen funds**
Accounts receivable	**6,398**	**5,882**	**Pledge**	**Factoring of accounts receivable with recourse**

Item	31 December 2024 Gross carrying amount	Carrying amount	Restriction types	Details of restriction
Cash and cash equivalents	781,349	781,349	Deposits and frozen funds	Guarantee deposits, acceptance bill deposits and frozen funds
Accounts receivable	305	303	Pledge	Factoring of accounts receivable with recourse

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.25 Short-term loans

Item	31 December 2025	31 December 2024
Credit loans	939,339	984,074
Pledged loans	5,098	305
Total	944,437	984,379

Note: As at 31 December 2025, the company obtained short-term loans amounting to RMB5,098 thousand by pledging accounts receivable with a carrying value of RMB5,098 thousand, as well as all the rights and interests and revenues under the contracts to which the accounts receivable belonged.

5.26 Bills payable

Item	31 December 2025	31 December 2024
Commercial acceptance bills	–	–
Bank acceptance bills	3,241,980	3,343,445
Total	3,241,980	3,343,445

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.27 Accounts payable

Item	31 December 2025	31 December 2024
Within 1 year	6,436,194	7,687,083
1 to 2 years	2,111,284	1,233,807
2 to 3 years	467,589	592,116
More than 3 year	876,534	811,234
Total	9,891,601	10,324,240

Including: material accounts payable aged over 1 year

Item	31 December 2025	Reasons for non-repayment or non-carryover
Company 1	99,054	Payment conditions not satisfied yet
Company 2	81,133	Payment conditions not satisfied yet
Company 3	70,821	Payment conditions not satisfied yet
Company 4	27,638	Payment conditions not satisfied yet
Company 5	26,144	Payment conditions not satisfied yet
Total	304,790	–

Note: For account payables grouped by aging, the aging period is calculated from the date of recognition.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.28 Receipts in advance

Item	31 December 2025	31 December 2024
Lease	7,433	3,651

5.29 Contract liabilities

Item	31 December 2025	31 December 2024
EPC project general contracting and construction	2,788,066	2,899,397
Equipment manufacturing	702,271	868,615
Design consulting	854,716	790,519
Total	4,345,053	4,558,531

Including: material contract liabilities aged over 1 year

Item	31 December 2025	Reasons for non-repayment or non-carryover
Company 1	130,436	Project not completed
Company 2	122,573	Project not completed
Company 3	110,984	Project not completed
Company 4	78,198	Project not completed
Company 5	74,954	Project not completed
Total	517,145	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.30 Employee compensation payables

Item	1 January 2025	Accrued	Paid	31 December 2025
Short-term employee benefits	68,350	2,175,540	2,189,511	54,379
Post-employment benefits – defined contribution plans	14,761	289,570	297,880	6,451
Termination benefits	52,874	48,310	53,905	47,279
Total	135,985	2,513,420	2,541,296	108,109

(1) Short-term employee benefits

Item	1 January 2025	Accrued	Paid	31 December 2025
Salaries, bonuses, and allowances	30,518	1,617,350	1,630,952	16,916
Employee welfare	–	112,414	112,414	–
Social insurance	3,124	161,090	161,300	2,914
Including: 1. Medical insurance and Maternity insurance	2,863	134,531	134,726	2,668
2. Work-related injury insurance	261	10,759	10,782	238
3. Others	–	15,800	15,792	8
Housing fund	8,009	175,426	176,151	7,284
Trade union funds and employee education funds	26,699	47,989	48,150	26,538
Other short-term employee benefits	–	61,271	60,544	727
Total	68,350	2,175,540	2,189,511	54,379

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.30 Employee compensation payables (Continued)

(2) Defined contribution plans

Item	1 January 2025	Accrued	Paid	31 December 2025
Post-employment benefits	14,761	289,570	297,880	6,451
Including: 1. Basic pension insurance	9,168	223,291	228,765	3,694
2. Unemployment insurance	910	9,091	9,258	743
3. Annuity	4,683	57,188	59,857	2,014
Total	14,761	289,570	297,880	6,451

5.31 Taxes payable

Item	31 December 2025	31 December 2024
Value added tax	**102,354**	123,500
Corporate income tax	**81,284**	64,423
Individual icome tax	**26,152**	20,142
Urban maintenance and construction tax	**7,659**	5,301
Educational surcharges (including local education surcharge)	**5,326**	3,678
House property tax	**2,676**	2,380
Land use tax	**1,990**	1,829
Others	**3,885**	3,630
Total	**231,326**	224,883

5.32 Other payables

Item	31 December 2025	31 December 2024
Dividends payable	**32,948**	24,095
Other payables	**1,599,386**	1,506,661
Total	**1,632,334**	1,530,756

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.32 Other payables (Continued)

(1) Dividends payable

Item	31 December 2025	31 December 2024
Ordinary share dividend	**2,409**	2,409
Dividends on perpetual bonds classified as equity instruments	**30,539**	21,686
Total	**32,948**	24,095

(2) Other payables

Item	31 December 2025	31 December 2024
Guarantees and deposits payable	**847,029**	835,058
Temporary payment	**226,203**	193,426
Intercompany accounts	**199,845**	155,311
Others	**326,309**	322,866
Total	**1,599,386**	1,506,661

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

Entity	Closing balance	Reasons for non-repayment or non-carryover
Company 1	**33,988**	Payment conditions not satisfied yet
Company 2	**19,919**	Payment conditions not satisfied yet
Company 3	**19,310**	Payment conditions not satisfied yet
Company 4	**12,320**	Payment conditions not satisfied yet
Company 5	**11,552**	Payment conditions not satisfied yet
Total	**97,089**	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.33 Non-current liabilities due within one year

Item	31 December 2025	31 December 2024
Long-term loans due within one year	**2,107,753**	2,010,871
Lease liabilities due within one year	**14,703**	5,970
Total	**2,122,456**	2,016,841

5.34 Other current liabilities

Item	31 December 2025	31 December 2024
Pending VAT output	**1,565,833**	1,522,370
Endorsed or discounted Bills receivable but not yet matured	**242,588**	184,793
Provisions	**5,636**	8,797
Total	**1,814,057**	1,715,960

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.35 Long-term loans

Item	31 December 2025	31 December 2024	Interest Rate Range
Credit loans	**8,268,753**	8,479,071	Note
Pledged loans	**1,300**	–	Note
Guaranteed loans	**281,624**	326,124	Note
Subtotal	**8,551,677**	8,805,195	–
Less: long-term loans due within one year	**2,107,753**	2,010,871	Note
Total	**6,443,924**	6,794,324	–

Notes: As at 31 December 2025, the long-term loans rate range is 1.90% to 4.75%.

5.36 Lease liabilities

Item	31 December 2025	31 December 2024
Lease liabilities	**34,422**	36,252
Less: unrecognized financing expenses	**1,408**	2,204
Less: Reclassified to non-current liabilities due within 1 year	**14,703**	5,970
Total	**18,311**	28,078

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.37 Long-term employee compensation payables

Item	31 December 2025	31 December 2024
Post-employment benefits-net liabilities under defined benefit plan	**205,419**	494,271
Termination benefits	**310,398**	75,854
Subtotal	**515,817**	570,125
Less: Long-term employee compensation payable due within 1 year	**47,279**	52,874
Total	**468,538**	517,251

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

Present value of obligations of defined benefit plan

Item	31 December 2025	31 December 2024
I. Opening balance	**570,125**	581,835
II. Defined benefit cost included in current profit and loss	**9,617**	3,190
1. Current service cost	**3,540**	2,986
2. Past service cost	**–**	–11,778
3. Net interest	**6,076**	11,982
III. Defined benefit costs included in other comprehensive income	**–10,020**	52,491
1. Actuarial gain	**–10,020**	52,491
IV. Other changes	**–53,905**	–67,391
1. Benefits paid	**–53,905**	–67,391
V. Closing balance	**515,817**	570,125

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.37 Long-term employee compensation payables (Continued)

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

Net liabilities of defined benefit plan

Item	31 December 2025	31 December 2024
I. Opening balance	**570,125**	581,835
II. Defined benefit costs recognized in profit or loss for the period	**9,617**	3,190
III. Defined benefit costs recognized in other comprehensive income	**–10,020**	52,491
IV. Benefits paid in the period	**–53,905**	–67,391
V. Closing balance	**515,817**	570,125

(2) The key actuarial assumptions

Item	31 December 2025	31 December 2024
Discount rate	**2%**	1.75%
Mortality rate	**China Life Insurance Mortality Table (2010-2013)**	China Life Insurance Mortality Table (2010-2013)
Annual increase rate of medical benefits	**8.00%**	8.00%
Annual growth rate of pension benefits for beneficiaries	**4.50%**	4.50%

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.38 Deferred income

Item	1 January 2025	Additions	Reductions	31 December 2025
Government grants	62,482	15,509	12,650	65,341

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

5.39 Share capital (Unit: thousand share)

Item	1 January 2025	Increase/Decrease(+,-) New share issued	Bonus shares	Shares converted from provident fund	Others	Subtotal	31 December 2025
Aluminum Corporation of China	2,176,759	–	–	–	–	–	2,176,759
Luoyang Engineering&Research Institute for Nonferrous Metals Processing	86,925	–	–	–	–	–	86,925
National Council for Social Security Fund,PRC	36,316	–	–	–	–	–	36,316
Holders of overseas listed H shares	363,160	–	–	–	–	–	363,160
Public ordinary shareholders	322,676	–	–	–	2,000	2,000	324,676
Total	2,985,836	–	–	–	2,000	2,000	2,987,836

Note: Chinalco International completed the registration procedures for the reserved shares of the 2023 restricted stock incentive plan in June 2025. This issuance of reserved restricted stocks resulted in an increase of 2,000 thousand shares in the company's capital.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.40 Other equity instruments

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

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

Outstanding financial instruments	31 December 2024		Additions		Reductions		31 December 2025	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Postal Savings Bank of China-2025 First Medium Term Notes	–	–	20,000	2,000,000	–	–	20,000	2,000,000
Postal Savings Bank of China-2025 Second Medium Term Notes	–	–	18,000	1,800,000	–	–	18,000	1,800,000
Industrial Bank Renewable Trust Loan	10,000	969,000	–	–	10,000	969,000	–	–
Postal Savings Bank of China-2023 First Medium Term Notes	15,000	1,497,600	–	–	15,000	1,497,600	–	–
Postal Savings Bank of China-2023 Second Medium Term Notes	13,000	1,297,920	–	–	13,000	1,297,920	–	–
Total	38,000	3,764,520	38,000	3,800,000	38,000	3,764,520	38,000	3,800,000

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.41 Capital reserves

Item	1 January 2025	Increase	Decrease	31 December 2025
Equity premium	946,723	2,560	–	949,382
Other capital reserves	477,540	19,613	15,018	482,135
Total	1,424,263	22,173	15,018	1,431,418

Note 1： In 2023, the company's restricted stock incentive plan granted restricted stocks to the initial group of recipients, resulting in an increase of RMB19,613 thousand in capital reserve – share premium for the year.

Note 2： On May 26, 2025, the company granted 2 million restricted stocks to 21 eligible recipients who met the granting conditions, causing an increase of RMB2,560 thousand in share premium.

Note 3： Other equity changes of the invested entities in the year led to a decrease of RMB854 thousand in capital reserve – other capital reserves for the year.

Note 4： The company repaid the Industrial Bank renewable trust loan – debt financing plan, repaid the 2023 first half-year note of Postal Savings Bank, and repaid the 2023 second half-year note of Postal Savings Bank, resulting in a decrease of RMB14,164 thousand in capital reserve – other capital reserves for the year.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.42 Treasury shares

Item	1 January 2025	Increase	Decrease	31 December 2025
Treasury shares	63,443	4,560	–	68,003

5.43 Other comprehensive income

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

Item	1 January 2025	Movements during the period: Net-of-tax amount attributable to the Company	Movements during the period: Less: previously recognized amount transferred to retained earnings	31 December 2025
I. Items that will not be reclassified to profit or loss	2,339	2,112	–	4,451
1. Remeasurement of net defined benefit plan	42,668	8,021	–	50,689
2. Changes in fair value of other equity instrument investments	–40,329	–5,909	–	–46,238
II. Other comprehensive income reclassified into profit or loss	100,113	9,462	–	109,575
1. Translation differences arising from translation of foreign currency financial statements	100,113	9,462	–	109,575
Total other comprehensive income	102,452	11,574	–	114,026

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.43 Other comprehensive income (Continued)

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

	Movements during the period				
Item	Before-tax amount	Less: previously recognized amount transferred to profit or loss	Less: income tax expense	Net-of-tax amount attributable to non-controlling interests	Net-of-tax amount attributable to the Company
I. Items that will not be reclassified to profit or loss	1,962	–	959	–1,109	2,112
1. Remeasurement of net defined benefit plan	10,020	–	1,542	457	8,021
2. Changes in fair value of other equity instrument investments	–8,058	–	–583	–1566	–5,909
II. Other comprehensive income reclassified into profit or loss	9,462	–	–	–	9,462
1. Translation differences arising from translation of foreign currency financial statements	9,462	–	–	–	9,462
Total other comprehensive income	11,424	–	959	–1,109	11,574

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.44 Special reserve

Item	1 January 2025	Increase	Decrease	31 December 2025
Production safety fee	267,716	337,011	283,874	320,853

5.45 Surplus reserve

Item	1 January 2025	Increase	Decrease	31 December 2025
Statutory surplus reserve	229,735	–	–	229,735

5.46 Retained earnings

Item	Amount incurred in the current period	Amount incurred in the previous period
Retained earnings as at 31 December 2024 (before adjustment)	**–2,128,670**	–2,184,850
Total adjustments for opening retained earnings ("+" for increase; "–" for decrease)	**–**	–
Retained earnings as at 1 January 2025 (after adjustment)	**–2,128,670**	–2,184,850
Increase during the period	**257,605**	221,177
Add: Net profits for the period attributable to shareholders of the Company	**257,605**	221,177
Decrease during the period	**148,833**	164,997
Less: Appropriation for statutory surplus reserve	**–**	–
Dividend payable on perpetual bonds	**148,833**	164,997
Retained earnings as at 31 December 2025	**–2,019,898**	–2,128,670

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.47 Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Amount incurred in the current period Operating revenue	Operating Costs	Amount incurred in the previous period Operating revenue	Operating Costs
Operating activity	**22,879,089**	**19,779,856**	23,787,643	20,902,617
Other operating activities	**180,717**	**157,736**	215,612	170,243
Total	**23,059,806**	**19,937,592**	24,003,255	21,072,860

(2) Operating revenue and operating costs by major segments

Major segments	Amount incurred in the current period Revenue	Costs	Amount incurred in the previous period Revenue	Costs
Operating activities:				
EPC project general contracting and construction	**17,005,498**	**15,235,891**	19,222,738	17,320,790
Equipment manufacturing	**4,242,001**	**3,449,762**	2,918,573	2,435,937
Design consulting	**1,631,590**	**1,094,203**	1,646,332	1,145,890
Subtotal	**22,879,089**	**19,779,856**	23,787,643	20,902,617
Other operating activities:				
Sales of materials	**52,303**	**40,689**	41,608	38,872
Lease revenue	**60,292**	**28,985**	68,020	30,979
Others	**68,122**	**88,062**	105,984	100,392
Subtotal	**180,717**	**157,736**	215,612	170,243
Total	**23,059,806**	**19,937,592**	24,003,255	21,072,860

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.47 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating revenue

① Operating revenue for the period by reporting segment

	2025		
Segment	Revenue from contracts with clients	Lease income	Total
EPC project general contracting and construction	17,024,224	19,214	17,043,438
Equipment manufacturing	4,250,457	11,762	4,262,219
Design consulting	1,724,833	29,316	1,754,149
Total	22,999,514	60,292	23,059,806

② Operating revenue for the period by revenue recognition time

	2025			
Revenue recognition time	EPC project general contracting and construction	Design consulting	Equipment manufacturing	Total
Recognised at a point in time	–	–	3,359,020	3,359,020
Recognised over a period time	17,043,438	1,754,149	903,199	19,700,786
Total	17,043,438	1,754,149	4,262,219	23,059,806

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.47 Operating revenue and operating costs (Continued)

(3) Disaggregated information of operating income (Continued)

③ Details of operating revenue

Item	Amount incurred in the current period	Amount incurred in the previous period
Operating revenue	23,059,806	24,003,255
Less: Revenue not related to principal activities	180,717	215,612
Operating revenue net of revenue not related to principal activities and revenue lacking commercial substance	22,879,089	23,787,643

5.48 Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred in the previous period
House property tax	35,939	28,552
Urban maintenance and construction tax	23,497	22,906
Educational surcharges (including Local educational surcharges)	17,939	17,556
Stamp tax	16,578	20,730
Land use tax	13,208	13,424
Others	1,635	1,734
Total	108,796	104,902

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

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.49 Selling and distribution expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	90,239	95,361
Bidding service expense	14,481	1,269
External service expense	10,273	4,826
Travel expenses	8,985	9,798
Business expense	4,022	4,595
Depreciation and amortization	2,191	943
Consulting expense	1,777	3,452
Rental expense	1,650	2,009
Warehousing and logistics	1,045	873
Insurance expense	124	442
Sales service expense	83	235
Others	7,509	9,355
Total	142,379	133,158

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.50 General and administrative expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	679,656	594,054
Depreciation and amortization	97,702	100,585
Intermediary expenses	55,995	69,686
Office expenses	46,507	41,503
Travel expenses	35,674	36,489
Technical service expense	29,945	12,032
Business entertainment expense	13,879	20,500
Utilities expense	11,165	9,600
Repairs and maintenance expense	9,431	10,215
Service expense	8,427	9,484
Litigation expense	7,419	10,943
Rental expense	7,392	10,109
Publicity expense	5,245	1,448
Tax	2,975	2,865
Party development expenses	2,310	1,683
Others	50,856	55,970
Total	1,064,578	987,166

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.51 Research and development expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	**507,729**	482,615
Raw materials and main materials	**353,994**	407,604
Outsourced R&D expenses	**32,026**	49,665
Depreciation and amortization	**3,154**	6,532
Auxiliary expense	**9,344**	6,232
Fuel and power	**267**	1,299
Other expenses	**50,460**	7,085
Total	**956,974**	961,032

5.52 Finance expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Total interest expense	**277,267**	370,758
Interest expense – Lease liability	**1,586**	1,484
Less: interest capitalization	**14,019**	20,897
Less: interest income	**79,531**	120,962
Exchange gains or losses	**66,720**	–119,703
Interest expenses – Actuarial expense	**6,076**	11,982
Handling charges and others	**57,563**	73,141
Total	**314,076**	194,319

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.53 Other income

Item	Amount incurred in the current period	Amount incurred in the previous period
Income related	**12,454**	8,189
Gain from Debt Restructuring	**27**	501
Total	**12,481**	8,690

5.54 Investment income

Item	Amount incurred in the current period	Amount incurred in the previous period
Gain on long-term equity investment accounted for under the equity method	**–52,193**	18,056
Investment income from disposal of long-term equity investments	**–502**	–629
Investment income during the holding period of other equity instrument investments	**10,163**	986
Investment income from debt reorganization	**–11,408**	11,009
Others	**–629**	–6,083
Total	**–54,569**	23,339

5.55 Gains from change in fair value

Item	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	**–**	4,844

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Item	Amount incurred in the current period	Amount incurred in the previous period
Impairment of credit losses on accounts receivable	**–83,202**	–300,059
Impairment of credit losses on other receivables	**–47,354**	–46,282
Impairment of credit losses on long-term receivables	**41,363**	96,939
Total	**–89,193**	–249,402

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

Item	Amount incurred in the current period	Amount incurred in the previous period
Impairment losses on contract assets	**–56,440**	21,446
Impairment losses on inventories	**–2,263**	–23,744
Impairment losses on fixed assets	**–84**	–
Other impairment losses	**–2**	3,673
Total	**–58,789**	1,375

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

Item	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposals of fixed assets ("–" for loss)	**10,517**	72
Gains from disposals of intangible assets ("–" for loss)	**17,977**	30
Gain on disposal of non-current assets in debt reorganization ("–" for loss)	**–**	1
Total	**28,494**	103

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.59 Non-operating income

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring gain or loss for the period
Approved unpayable balances	85,671	140,295	85,671
Income from fines	5,576	8,965	5,576
Income from liquidated damages	4,178	1,517	4,178
Income from relocation compensation	–	3,533	–
Collections from court judgements	–	3,456	–
Others	19,331	9,495	19,331
Total	114,756	167,261	114,756

5.60 Non-operating expenses

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring gain or loss for the period
Penalty expenses	17,022	15,517	17,022
Compensation expenses	2,199	25,037	2,199
Loss on destruction and retirement of non-current assets	277	319	277
Payment of back taxes and late charges	–	11,129	–
Others	14,903	17,127	14,903
Total	34,401	69,129	34,401

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.61 Income tax expenses

(1) Details of income tax expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expense for the year calculated according to the tax law and relevant regulations	147,068	169,066
Deferred income tax expense	–73,775	–474
Total	73,293	168,592

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

Item	Amount incurred in the current period
Profits/losses before tax	454,190
Expected income tax expenses at applicable tax rate	68,128
Effect of different tax rates applied by subsidiaries	17,968
Adjustment to income tax of previous years	8,502
Profit or Loss from Joint Ventures and Associates Accounted for under the Equity Method	7,829
Effect of non-deductible costs, expenses and losses	44,683
Effect on opening balance of deferred tax due to changes in tax rate	–2,497
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in the previous period	–84,806
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this period	41,586
Effect of research and development expenses over-deduction	–40,325
Withholding Tax Discrepancies for Foreign Enterprise Owners	12,225
Total	73,293

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.62 Notes on cash flow statement

(1) Proceeds from other operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Recovery of Deposits and Security Deposits	101,742	117,190
Interest on demand deposits received	79,531	119,352
Received net amount of receivables and payables	69,383	–
Received provisional payment	32,777	–
Cash received for payment on behalf	24,144	27,908
Government grants received related to income	15,509	31,180
Others	186,257	144,174
Total	509,343	439,804

(2) Payment for other operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
R&D expense and intermediary fee paid	88,021	119,351
Service expense paid	63,209	27,846
Office expense paid	46,507	41,503
Travel expense paid	44,659	46,287
Bank handling fees paid	31,066	42,913
Hospitality expense paid	22,864	25,095
Leasehold storage and logistics fees paid	10,087	12,991
Litigation loss paid	7,419	10,943
Net repayment of provisional receipts	–	107,579
Net imprests and transactions paid	–	67,217
Others	153,515	78,555
Total	467,347	580,280

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.62 Notes on cash flow statement (Continued)

(3) Payments from other investing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Net Cash Outflows from Disposal of Operating Units	–	4,985

(4) Proceeds from other financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Proceeds from bond issurance	3,800,000	–

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.62 Notes on cash flow statement (Continued)

(5) Payment for other financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of principal and interest of lease obligation	**2,620**	4,739
Perpetual bond issuance cost	**8,010**	5,214
Guarantee fees and other Incidental costs	**29,324**	35,916
Total	**39,954**	45,869

(6) Changes in liabilities arising from financing activities

Item	Openning balance	Change in Cash		Change in non-cash		Closing balance
		Cash inflow	Cash outflow	Interest accrued	others	
Short-term loans	984,379	1,446,590	1,508,422	21,890	–	944,437
Long-term loans	6,794,324	2,772,500	1,222,745	207,598	–2,107,753	6,443,924
Long-term loans due within one year	2,010,871	–	2,057,064	46,193	2,107,753	2,107,753
Lease liability due within one year	5,970	–	2,620	324	11,029	14,703
Lease liability	28,078	–	–	1,262	–11,029	18,311
Total	9,823,622	4,219,090	4,790,851	277,267	–	9,291,128

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Item	Amount incurred in the current period	Amount incurred in the previous period
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	380,897	268,307
Add: Impairment losses on assets	58,789	–1,375
Impairment of credit losses	89,193	249,402
Depreciation of fixed assets	146,349	144,311
Depreciation of investment properties	30,879	27,422
Depreciation of right-of-use assets	18,501	11,760
Amortization of intangible assets	28,763	29,414
Amortization of long-term deferred expenses	39,503	44,211
Loss on disposal of fixed assets, intangible assets and other long-term assets ("–" for gains)	–28,494	103
Loss on scrapping of fixed assets ("–" for gains)	277	319
Loss on changes in fair value ("–" for gains)	–	–4,844
Finance expenses ("–" for income)	263,248	369,274
Investment loss ("–" for gains)	54,569	–23,339
Decrease in deferred tax assets ("–" for increase)	–72,591	–8,115
Increase in deferred tax liability ("–" for decrease)	–200	–987
Decrease in inventories ("–" for increase)	262,395	–81,330
Decrease in contract assets ("–" for increase)	–718,716	894,304
Share payment	19,613	10,397
Decrease of operating receivables ("–" for increase)	1,440,116	–1,889,391
Increase of operational payables ("–" for decrease)	–1,121,753	–2,734,161
Net cash flows from operating activities	891,338	–2,694,318

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Supplementary information on cash flow statement (Continued)

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

Item	Amount incurred in the current period	Amount incurred in the previous period
2. Material investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	–	–
Convertible bonds due within one year	–	–
New right-of-use assets in the current period	14,602	12,239
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,244,043	3,166,948
Less: Opening balance of cash	3,166,948	3,339,604
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase/decrease in cash and cash equivalents	77,095	–172,656

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.63 Supplementary information on cash flow statement (Continued)

(2) Net cash paid for acquisitions of subsidiaries during the period

Item	Amount
Cash or cash equivalents paid in the current period for business combinations occurring in the current period	–
Add: Cash or cash equivalents paid in the current period for business combinations occurring in prior periods	6,000
Net cash paid for acquisitions of subsidiaries	6,000

(3) Net cash received from disposal of subsidiaries during the period

Item	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	–
Less: Cash and cash equivalents held by subsidiaries at the date of loss of control	–
Add: Cash or cash equivalents received in the current period from disposal of subsidiaries in prior periods	3,624
Net cash received from disposal of subsidiaries	3,624

(4) Details of cash and cash equivalents

Item	31 December 2025	31 December 2024
1. Cash	3,244,043	3,166,948
Including: Cash in hand	232	1,514
Bank deposits available on demand	3,243,810	3,165,434
Other monetary funds available on demand	–	–
2. Cash equivalents	–	–
Including: Bond investments with a maturity of 3 months or less	–	–
3. Cash and cash equivalents as at 31 December 2025	3,244,043	3,166,948

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.64 Notes to statement of changes in shareholders' equity

(1) Shareholders' contributions and decrease of capital for the period – other decrease of RMB1,884 thousand, including:

① On May 26, 2025,the company granted 2 million restricted shares to 21 eligible incentive recipients, resulting in an increase of 4,560 thousand yuan in the treasury stock.

② This year, changes in other equity of the invested entity led to a decrease of 854 thousand in the capital reserve – other capital reserve, and a decrease of 454 thousand in the minority shareholders' equity.

③ The disposal of the non-wholly owned subsidiary, Chinalco Wancheng Shandong Construction Co., Ltd., resulted in a increase of RMB3,984 thousand in minority interests.

(2) Other decrease of RMB –148,833 thousand in retained earnings for the period is due from interest payments on perpetual bonds.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.65 Foreign currency translation

(1) Items in foreign currency

Item	Closing balance in foreign currency	Exchange rate	Closing balance translated into RMB
Cash and cash equivalents	–	–	549,579
Including: USD	23,342	7.0288	164,064
IDR	764,781,212	0.0004	319,679
INR	74,155	0.0780	5,784
VND	13,224,643	0.0003	3,967
MYR	680	1.7319	1,177
SAR	21	1.8680	39
HKD	294	0.9032	266
GNF	68,139,621	0.0008	54,512
PEN	7	2.0813	15
CDF	24,590	0.0031	76
Accounts receivable	–	–	1,526,166
Including: USD	193,595	7.0288	1,360,740
IDR	246,462,934	0.0004	103,022
VND	145,542,188	0.0003	43,663
INR	29,762	0.0780	2,321
MYR	9,481	1.7319	16,420
Accounts payable	–	–	850,956
Including: USD	79,167	7.0288	556,449
IDR	684,029,859	0.0004	285,924
VND	28,073,973	0.0003	8,040
INR	3,628	0.0780	283
MYR	150	1.7319	260
Other accounts receivable	–	–	943,307
Including: USD	94,244	7.0288	662,424
IDR	670,568,263	0.0004	280,298
MYR	361	1.7319	585
Other accounts payable	–	–	1,114
Including: USD	16	7.0288	111
IDR	2,157,893	0.0004	902
INR	1,295	0.0780	101

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5.65 Foreign currency translation (Continued)

(2) Foreign operations

Significant foreign entity	Principal place of business	local reporting currency	Selection basis
Chalieco Hong Kong Corporation Limited	Hong Kong, China	USD	Business income
China Aluminum International Guinea Co., Ltd.	The Republic of Guinea	RMB	Business income
China Aluminum International Guinea Development Co., Ltd.	The Republic of Guinea	RMB	Business income

5.66 Leases

(1) As the lessee

Item	Amount incurred in the current period
Interest expense of lease liability	**1,586**
Total cash outflows related to lease	**9,265**
Total	**10,851**

(2) As the lessor

1) For operating lease

Subsequent to balance sheet date	Closing balance
1st year	**66,895**
2nd year	**66,500**
3rd year	**65,943**
4th year	**65,594**
5th year	**61,484**
Above 5th year	**87,634**
Total	**414,050**

6. INTEREST IN OTHER ENTITIES

6.1 Interests in subsidiaries

(1) Material composition of the Company

Name	Business Type	Principal place of business	Place of incorporation	Business nature	Shareholding% Direct	Shareholding% Indirect	Acquisition method
China Nonferrous Metals Processing Technology Co., Ltd.	1	Luoyang, Henan	High-tech Zone, Luoyang City	Technical development and equipment sales	92.35	–	2
China Sixth Metallurgical Construction Co., Ltd.	1	Zhengzhou, Henan	Huaihe Road, Zhengzhou City	Construction projects	100.00	–	2
CINF Engineering Co., Ltd.	1	Changsha, Hunan	Furong District, Changsha City	Survey and design	64.90	–	2
Jiuye Construction Co., Ltd.	1	Xianyang, Shaanxi	Weicheng District, Xianyang City, Shaanxi Province	Engineering construction	73.17	–	3
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	1	Shenyang, Liaoning	Heping District, Shenyang City	Engineering survey and design	60.22	–	1
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	1	Taiyuan, Shanxi	Xinghualing District, Taiyuan City	Construction projects	100.00	–	2
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	1	Guiyang, Guizhou	Guanshanhu District, Guiyang City	Design consultancy	100.00	–	1
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd	1	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	60.30	–	2
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	1	Kunming, Yunnan	Panlong District, Kunming City	Engineering survey and design	67.00	–	2

Note:

1) Business type: 1. Domestic non-financial subsidiaries; 2. Domestic financial subsidiaries; 3. Overseas subsidiaries; 4. public institutions, and 5. infrastructure units.

2) Means of acquisition: 1. Incorporation; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

(2) Material non-wholly owned subsidiaries:

Name	Percentage of ownership interest held by non-controlling interests %	Profit or loss attributable to non-controlling shareholders during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests as at the end of the period
CINF Engineering Co., Ltd.	35.10	42,967	26,555	859,335
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	39.78	23,353	11,360	537,810
Kunming Prospecting Design Institute of China Nonferrous Metals Industry Co., Ltd	39.70	24,643	19,276	439,436
Jiuye Construction Co., Ltd.	26.83	11,076	–	233,039

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

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

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

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

	As at 31 December 2024					
Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CINF Engineering Co., Ltd.	3,616,173	970,745	4,586,918	2,056,849	137,613	2,194,462
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	1,993,640	288,235	2,281,875	905,349	55,140	960,489
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	1,729,392	172,693	1,902,085	742,965	72,503	815,468
Jiuye Construction Co., Ltd.	8,454,357	1,257,270	9,711,627	6,369,687	1,536,011	7,905,698

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.1 Interests in subsidiaries (Continued)

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

Name	Amount incurred in the current period Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CINF Engineering Co., Ltd.	**2,565,344**	**122,428**	**124,172**	**131,505**
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	**2,224,906**	**60,253**	**60,487**	**225,297**
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	**1,676,395**	**62,074**	**56,097**	**153,115**
Jiuye Construction Co., Ltd.	**3,217,673**	**33,534**	**33,071**	**–105,824**

Name	Amount incurred in the previous period Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CINF Engineering Co., Ltd.	2,451,939	113,896	100,928	95,791
Shenyang Aluminum and Magnesium Engineering and Research Institute Company	1,231,998	54,669	49,168	187,157
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	1,510,350	55,210	48,494	36,089
Jiuye Construction Co., Ltd.	4,472,055	10,685	11,961	–1,731,118

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.2 Changes in the scope of consolidation due to other reasons

6.2.1 Former subsidiaries no longer included in the scope of consolidation during current period

(1) Basic information of former subsidiaries

No.	Name	Place of incorporation	Business nature	Shareholding (%)	Voting rights (%)	Reason
1	Henan Liuye Trading Co., Ltd.	Zhongyuan, Zhengzhou	Trade	100.00	100.00	Deregister
2	Wenzhou Tonghui Construction Co., Ltd.	Longwan, Wenzhou	Construction	100.00	100.00	Deregister
3	Guangxi Tongrui Investment and Construction Co., Ltd.	Qingxiu, Nanning	Investment and Asset Management	100.00	100.00	Deregister
4	CHALCO International Investment Management (Shanghai) Co., Ltd.	Pudong New Area, Shanghai	Investment and Asset Management	100.00	100.00	Deregister

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates

(1) Material joint ventures or associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%) Direct	Indirect	Accounting treatment of investments in joint ventures or associates
① Joint ventures						
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	Shanghai	Shanghai	Investment company	40.00	–	Equity method
Zhongji Sunward Technology Co., Ltd.	Hunan	Hunan	Metallurgical equipment manufacturing	–	49.00	Equity method
② Associates						
Taikang Haowen construction Co.,Ltd.	Henan	Henan	Building construction	–	47.50	Equity method
Loudi Haochuang development construction Co.,Ltd.	Hunan	Hunan	Civil engineering construction	–	40.00	Equity method
Zhuzhou Tianqiao Crane Co., Ltd.	Hunan	Hunan	Manufacturing	3.80	–	Equity method

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures

Item	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership) As at 31 December 2025	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership) As at 31 December 2024	Zhongji Sunward Technology Co., Ltd. As at 31 December 2025	Zhongji Sunward Technology Co., Ltd. As at 31 December 2024
Current assets	**56,224**	69,748	**399,619**	293,294
Non-current assets	**9,990**	–	**7,817**	17,805
Total assets	**66,214**	69,748	**407,436**	311,099
Current liabilities	**8,466**	11,608	**268,274**	190,577
Non-current liabilities	**–**	–	**–**	–
Total liabilities	**8,466**	11,608	**268,274**	190,577
Net assets	**57,748**	58,140	**139,162**	120,522
Adjustment:	**–**	–	**–231**	–155
Carrying amount of equity investment in joint ventures	**8,719**	8,777	**68,421**	59,211
Fair value of equity investments with publicly quoted prices	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(2) Key financial information of material joint ventures (Continued)

	Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)		Zhongji Sunward Technology Co., Ltd.	
Item	**Amount incurred in the current period**	Amount incurred in the previous period	**Amount incurred in the current period**	Amount incurred in the previous period
Operating revenue	**–**	–	**–**	182,161
Finance expenses	**–**	4	**–**	–1
Income tax expenses	**–**	–	**249,217**	182,161
Net profit	**–2**	4	**–345**	–1
Other comprehensive income	**124**	–	**3,517**	478
Total comprehensive income	**357**	–436	**18,844**	8,278
Dividends received from joint ventures during the year	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

(3) Key financial information of material associates

Item	Taikang Haowen construction Co.,Ltd. As at 31 December 2025	Taikang Haowen construction Co.,Ltd. As at 31 December 2024	Loudi Haochuang development construction Co.,Ltd. As at 31 December 2025	Loudi Haochuang development construction Co.,Ltd. As at 31 December 2024	Zhuzhou Tianqiao Crane Co., Ltd. Closing balance (third-quarter report)	Zhuzhou Tianqiao Crane Co., Ltd. As at 31 December 2024
Current assets	**44,148**	49,752	**50,942**	49,103	**3,554,626**	3,294,655
Non-current assets	**817,798**	821,552	**606,192**	635,836	**1,094,973**	1,288,922
Total assets	**861,946**	871,304	**657,135**	684,939	**4,649,598**	4,583,578
Current liabilities	**58,170**	37,124	**24,335**	18,139	**2,019,667**	2,046,955
Non-current liabilities	**569,596**	600,000	**474,000**	508,000	**47,913**	116,499
Total liabilities	**627,766**	637,124	**498,335**	526,139	**2,067,580**	2,163,454
Net assets	**234,180**	234,180	**158,800**	158,800	**2,582,019**	2,420,124
Company's share of net assets	**108,640**	108,640	**100,000**	100,000	**174,832**	175,094
Adjustments	**–**	–	**–**	–	**–**	–
Carrying amount of interests in associates	**108,640**	108,640	**100,000**	100,000	**174,832**	175,094
Fair value of investments in associates which have quoted market price	**–**	–	**–**	–	**–**	–

6. INTEREST IN OTHER ENTITIES (CONTINUED)

6.3 Interests in joint ventures or associates (Continued)

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

Item	Taikang Haowen construction Co.,Ltd.		Loudi Haochuang development construction Co.,Ltd.		Zhuzhou Tianqiao Crane Co., Ltd.	
	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in first three quarters (of fiscal year)	Amount incurred in the previous period
Operating revenue	–	–	–	–	1,271,952	1,069,574
Net profit	–	–	–	–	–1,804	11,042
Other comprehensive income	–	–	–	–	6,509	–16,966
Total comprehensive income	–	–	–	–	80,436	–5,925
Dividends received from associates during this period	–	–	–	–	–	–

7. GOVERNMENT GRANTS

7.1 Government grants recognized in deferred revenue

Item	1 January 2025	Increase	Decrease	31 December 2025
Tongchuan New District Urban Roads + Underground Comprehensive Pipeline Corridor Overall Package PPP Project	51,900	–	–	51,900
Others	10,582	15,509	12,650	13,441
Total	62,482	15,509	12,650	65,341

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company's major financial instruments include cash at bank and on hand, bills receivable, accounts receivable, financing receivables, other receivables, non-current assets due within one year, other current assets, financial assets held for trading, other debt investments, long-term receivables, bills payable, accounts payable, other payables, short-term loans, non-current liabilities due within one year, long-term loans, bonds payable, lease liabilities, long-term payables. Details of various financial instruments have been disclosed in the relevant notes. Risks associated with the above financial instruments and risk management policies adopted by the Company to reduce these risks are set out below. Management manages and monitors these risk exposures to ensure that the above risks are controlled within the prescribed range.

8.1 Risk management objectives and policies

The primary risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other price risks).

The Company mitigates the risks associated with financial instruments through appropriate diversification of investments and business portfolios. Additionally, the Company has established corresponding risk management policies to reduce concentration risks related to a single industry, specific region, or particular counterparty.

(1) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from a counterparty's failure to meet its contractual obligations.

The Company's credit risk mainly involves cash at bank and on hand, bills receivable, accounts receivables, other receivables, long-term receivables. Specific measures to control this risk are as follows:

The Company's bank deposits are primarily held in state-owned banks and other large and medium-sized listed banks. The Company does not expect significant credit risk associated with these bank deposits.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(1) Credit risk (Continued)

For bills receivable, accounts receivable, other receivables, and long-term receivables, the Company has established policies to control credit risk exposure. The Company assesses the creditworthiness of customers based on their financial condition, credit history, and other factors such as current market conditions, and sets appropriate credit terms accordingly. The Company regularly monitors customer credit records. For customers with poor credit records, the Company employs measures such as written reminders, shortening credit terms, or canceling credit terms to ensure that the overall credit risk remains within manageable limits.

The debtors of the Company's accounts receivable are customers distributed across different industries and regions. The Company continuously conducts credit assessments on the financial condition of accounts receivable and, where appropriate, purchases credit guarantee insurance.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset as stated in the balance sheet. The Company has not provided any other guarantees that could expose it to additional credit risk.

Among the Company's accounts receivable, the receivables from the top five customers account for 12.29% (2024: 12.18%) of the total accounts receivable. Among the Company's other receivables, the receivables from the top five companies with the highest outstanding balances account for 32.91% (2024: 32.37%) of the total other receivables.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk

Liquidity risk refers to the risk that the Company is short of funds when performing its settlement obligations by delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains cash and cash equivalents at levels deemed sufficient by management and monitors them to meet operational needs and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank borrowings and ensures compliance with loan agreements. Additionally, the Company secures commitments from major financial institutions to provide adequate standby funding to meet both short-term and long-term financing needs.

The Company finances its working capital through funds generated from operating activities and borrowings from banks and other sources. As of the end of the period, the Company's unutilized bank borrowing facilities amounted to RMB40.3 billion (end of previous year: RMB40.0 billion).

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

The Company also considers negotiating with suppliers to extend payment terms through supplier financing arrangements or obtaining early funding by selling long-aged accounts receivable, thereby alleviating cash flow pressure.

The financial department continuously monitors the Company's short-term and long-term fund requirements to maintain adequate cash reserve. The Company utilizes multiple financing means including notes, bank borrowings and entrusted loans to maintain the balance between sustainability and flexibility of financing. The Company has obtained credit lines from several commercial banks with higher credit ratings to meet its demand for working capital and capital expenditure. Management monitors the use of bank borrowings and ensures compliance with loan agreements.

a. Market risk

Market risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate as market prices changes, including exchange rate risk, interest rate risk and other price risks.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

b. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arise from both recognized interest-bearing financial instruments and unrecognized financial instruments (e.g. certain loan commitments).

The Company's interest rate risk arises mainly from long-term interest-bearing debt such as long-term bank borrowings and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular reviews and monitoring.

The Company closely monitors the impact of interest rate changes on the Company's interest rate risk. The Company does not currently have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate exposure when required. An increase in interest rates could increase the cost of new interest-bearing debt as well as interest expense on the Company's outstanding interest-bearing debt with floating interest rates and have a material adverse effect on the Company's financial results. Management will make timely adjustments based on the most recent market conditions, which may be in the form of interest rate swaps arranged to reduce interest rate risk.

For financial instruments held at the balance sheet date that expose the Company to fair value interest rate risk, the effect on net income and shareholders' equity in the sensitivity analysis above is the effect of re-measuring the above financial instruments at the new interest rate, assuming that the change in interest rates occurs at the balance sheet date. For floating rate non-derivative instruments held at the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the change in the above interest rates on interest expense or income estimated on an annualized basis. The analysis for the prior year was based on the same assumptions and methodology.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.1 Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

c. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of financial instruments fluctuate due to changes in foreign exchange rates. The exchange rate risk mainly comes from financial instruments denominated in foreign currencies other than the functional currency.

Exchange rate risk mainly represents the exposure of the Company's financial position and cash flows to fluctuations in foreign exchange rates. Except for the subsidiary established in Hong Kong which holds assets denominated in Hong Kong dollars, there is only a small amount of Hong Kong market investment business, and the proportion of foreign currency assets and liabilities held by the Company to the overall assets and liabilities is insignificant. Therefore, the Company considers that the exposure to exchange rate risk is not material.

8.2 Capital management

The capital management policies of the Company are made to ensure the continuous operation of the Company, in order to provide returns to shareholders and benefits to other stakeholders and to maintain the optimum capital structure for minimizing capital costs.

In order to maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debts.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

8.2 Capital management (Continued)

The Company manages its capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts are calculated as the total borrowings and other liabilities (including Short-term loans, Long-term loans due within one year and Bond payable due within one year, Bonds payable and Long-term loans) less cash and cash equivalents listed in Cash Flow Statement. Total capital includes shareholders' equity attributable to the parent company and miniority interests.

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

Item	31 December 2025	31 December 2024
Short-term loans	**944,437**	984,379
Long-term loans due within one year	**2,107,753**	2,010,871
Long-term loans	**6,443,924**	6,794,324
Less: Cash and cash equivalents listed in Cash Flow Statement	**3,244,043**	3,166,948
Net debts	**6,252,071**	6,622,626
Total equity attributable to equity owners of the Company	**9,141,141**	8,845,065
Total capital	**15,393,212**	15,467,691
Gearing ratio	**40.62%**	42.82%

9. FAIR VALUE

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

As at 31 December 2025, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	–	–	212,071	212,071
Financing receivables	–	–	171,098	171,098
Financial assets classified as FVOCI	–	–	40,973	40,973

At the end of the reporting period, the Company's financial instruments measured at fair value were its subordinated shares in ABS and equity investments in small-scale entities, which do not have observable market quotations. The Company valuate such investments based on their future cash inflows. Under limited circumstances, if insufficient recent information is available to determine the fair value, or possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within the range of distribution, the cost may represent an appropriate estimate of the fair value within the distribution range.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

10.1 Information about the parent of the Company

Name	Registration place	Business nature	Registered capital (RMB0,000)	Shareholding percentage %	Percentage of voting rights %
Aluminum Corporation of China	PRC	Mineral resources (excluding oil and natural gas) development, nonferrous metal smelting and processing, related trading and engineering and technical services	2,520,000	72.85	75.76

The ultimate controlling party of the Company is Aluminum Corporation of China (which is owned and controlled by SASAC). On 31 December 2025, China Aluminum Group directly held 72.85% equity interest in the Company and indirectly held 2.91% equity interest in the Company through its subsidiary, Luoyang Institute. China Aluminum Group held in aggregate a 75.76% equity interest in the Company.

10.2 Information about the subsidiaries of the Company

For details about the material subsidiaries of the Company, refer to Note 6.1.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.3 Information about joint ventures and associates of the Company

For details about the material joint ventures and associates of the Company, refer to Note 6.3.

Other joint ventures or associates that had related-party transactions with the Company during the current period, or had balances resulting from related-party transactions with the Company in prior periods, are described below:

Name	Related party relationship
Yunnan Linshuang Expressway Co., Ltd.	An associate of the Company
Loudi Haochuang development construction Co.,Ltd.	An associate of the Company
Yunnan Miyu Expressway Investment and Development Co.,Ltd.	An associate of the Company
Yunnan Ningyong Expressway Co., Ltd.	An associate of the Company
Taikang Haowen construction Co.,Ltd.	An associate of the Company
Yunnan Linyun Expressway Co.,Ltd	An associate of the Company
Sichuan Chuannan Rail Transit Operation Co., Ltd.	An associate of the Company
Tongchuan Zhaojin Cadre College Construction Operation Management Co.,Ltd.	An associate of the Company
Guizhou Zhongcheng Education Construction Operation Management Co.,Ltd.	An associate of the Company
Guizhou Tongye Construction Development Co., Ltd.	An associate of the Company
Luoyang Huazhong Aluminum Co., Ltd.	An associate of the Company
CHALCO Shituo Intelligent Technology Co., Ltd.	An associate of the Company
Jiangsu CNPT-Rabily Industrial Co., Ltd.	An associate of the Company
Qinghai Chinalco Industrial Services Co.,Ltd.	An associate of the Company
Zhuzhou Tianqiao Crane Co., Ltd.	An associate of the Company
CHALCO Environmental Protection and Energy Saving Technology (Hunan) Co., Ltd.	An associate of the Company
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	A joint venture of the Company
Zhongji Shanhe Technology Co., Ltd.	A joint venture of the Company

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties

Name	Related party relationship
Zunyi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Zibo Dadi Real Estate Development Co., Ltd.	Ultimately controlled by the same parent
Chongqing Southwest Aluminum Electromechanical Equipment Engineering Co., Ltd.	Ultimately controlled by the same parent
Chongqing Guochuang Light Alloy Research Institute Co.,Ltd.	Ultimately controlled by the same parent
CHALCO Shanxi New Materials Co., Ltd.	Ultimately controlled by the same parent
Shanxi CHALCO China Resources Co., Ltd.	Ultimately controlled by the same parent
China Copper Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
China Copper Central China Copper Co., Ltd.	Ultimately controlled by the same parent
China Copper Southeast Copper Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shanxi New Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Asset Management Co., Ltd.	Ultimately controlled by the same parent
Chinalco Capital Holdings Co., Ltd.	Ultimately controlled by the same parent
CHALCO Zhongzhou New Material Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chinalco Zhongzhou Mining Co., Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Digital Dimension (Hangzhou) Engineering Design & Research Institute Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Intelligent Technology Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Zhengzhou Nonferrous Metals Research Institute Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Information Technology Co.,Ltd.	Ultimately controlled by the same parent
CHALCO New Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Southwest Aluminum Plate & Strip Co., Ltd.	Ultimately controlled by the same parent
Chalco Materials Co.,Ltd.	Ultimately controlled by the same parent
Chalco Materials Supply & Marketing Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group (Chongqing) Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Co., Ltd.	Ultimately controlled by the same parent
Chinalco Logistics Group Southeast Asia International Land Port Co., Ltd.	Ultimately controlled by the same parent
Chinalco Investment Development Co., Ltd.	Ultimately controlled by the same parent
Chalco Special Aluminum (Chongqing) Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Shanxi Aluminum Co., Ltd.	Ultimately controlled by the same parent
Chalco Shandong Co., Ltd.	Ultimately controlled by the same parent
Chinalco Shandong Advanced Materials Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
CHALCO Lubrication Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Ruimin Co.,Ltd.	Ultimately controlled by the same parent
CHALCO Qinghai Aluminum Power Co., Ltd.	Ultimately controlled by the same parent
Chalco Qingdao Light Metal Co.,Ltd.	Ultimately controlled by the same parent
CHALCO Inner Mongolia Resource Development Co., Ltd.	Ultimately controlled by the same parent
Chinalco Luoyang Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Luoyang Copper Processing Co., Ltd.	Ultimately controlled by the same parent
Chalco Mining Co.,Ltd.	Ultimately controlled by the same parent
Chinalco Science and Technology Research Institute Co., Ltd.	Ultimately controlled by the same parent
Chinalco Group Shanxi Jiaokou Xinghua Science and Technology Co., Ltd.	Ultimately controlled by the same parent
Chinalco Environmental Protection and Energy Saving Group Co., Ltd.	Ultimately controlled by the same parent
CHALCO Central China Copper Co., Ltd.	Ultimately controlled by the same parent
Chinalco Henan Luoyang Aluminum Processing Co., Ltd.	Ultimately controlled by the same parent
Chalco International Trade Co.,Ltd.	Ultimately controlled by the same parent
CHALCO Insurance Brokers (Beijing) Co., Ltd.	Ultimately controlled by the same parent
Chalco (Shanghai) Carbon Co.,Ltd.	Ultimately controlled by the same parent
China Changcheng Aluminum Co.,Ltd.	Ultimately controlled by the same parent
China Copper Industry Co., Ltd	Ultimately controlled by the same parent
Aluminum Corporation of China Hong Kong Co., Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Guinea Co., Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Limited	Ultimately controlled by the same parent
Zhengzhou Chinalco Construction and Development Co., Ltd.	Ultimately controlled by the same parent
Zhengzhou Yinjian Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Zhengzhou Aluminum City Labor Service Company	Ultimately controlled by the same parent
Yunnan Zhonghui Energy Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yuntong Zinc Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Zexin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Yongxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Logistik investment Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Runxin Aluminum Industry Co, Ltd	Ultimately controlled by the same parent
Yunnan Yunlv Lvyuan Huibang Engineering Technology Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Huixin Economic and Trade Co., Ltd.	Ultimately controlled by the same parent
Yunnan Yunlv Haixin Aluminum Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Yunnan Yuanxin Carbon Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Yongchang Lead & Zinc Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Kunming Heavy Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Jinshui Property Management Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Metallurgical Group Co., Ltd.	Ultimately controlled by the same parent
Yunnan Wenshan Aluminum Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Mineral Resources Exploration and Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Technology Development Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Copper Co., Ltd.	Ultimately controlled by the same parent
Yunnan Copper Senior Technical School	Ultimately controlled by the same parent
Yunnan Copper Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Copper (Group) Co., Ltd.	Ultimately controlled by the same parent
Yunnan Aluminium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Lancang Lead Mining Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Keli Environmental Protection Co.,Ltd.	Ultimately controlled by the same parent
Yunnan Jinding Zinc Industry Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Non-Ferrous Metal Co., Ltd.	Ultimately controlled by the same parent
Yunnan Diqing Mining Development Co., Ltd.	Ultimately controlled by the same parent
Yunnan Defu Environmental Protection Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chuxiong Mining and Metallurgy Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Comprehensive Resource Utilization Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong Zinc & Germanium Co., Ltd.	Ultimately controlled by the same parent
Yunnan Chihong International Germanium Co., Ltd.	Ultimately controlled by the same parent
Yuxi Yuntong Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Yuxi Mining Co, Ltd	Ultimately controlled by the same parent
Yuxi Dahongshan Mining Co, Ltd	Ultimately controlled by the same parent
Yimen Copper Co.,Ltd.	Ultimately controlled by the same parent
Yiliang Chihong Mining Co.,Ltd.	Ultimately controlled by the same parent
New Barag Right Banner Yishengyuan Mining Co., Ltd.	Ultimately controlled by the same parent
New Barag Right Banner Rongda Mining Co., Ltd.	Ultimately controlled by the same parent
Southwest Aluminum (Group) Co., Ltd.	Ultimately controlled by the same parent
Xizang Xinhu Mining Co.,Ltd.	Ultimately controlled by the same parent
Xizang Jinlong Mining Co.,Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Northwest Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Suzhou New Changguang Thermal Energy Technology Co.,Ltd.	Ultimately controlled by the same parent
Shanxi CHALCO Industrial Service Co., Ltd..	Ultimately controlled by the same parent
Shanxi Jinzheng Construction Project Management Co.,Ltd.	Ultimately controlled by the same parent
Shanxi Huaxing Aluminum Co., Ltd.	Ultimately controlled by the same parent
Shandong Yixing Carbon New Material Co.,Ltd.	Ultimately controlled by the same parent
Shandong Shanlv Environmental Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Shandong Aluminum Vocational College	Ultimately controlled by the same parent
Shandong Aluminum Co., Ltd.	Ultimately controlled by the same parent
Qujing Yunlv Yuxin Aluminum Co., Ltd	Ultimately controlled by the same parent
Qinghai Hongxin Mining Co.,Ltd.	Ultimately controlled by the same parent
Qingdao Boxin Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Pingguo Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Coal Industry Co.,Ltd.	Ultimately controlled by the same parent
Ningxia Wangwa Coal Industry Co.,Ltd.	Ultimately controlled by the same parent
Ningde Yuntong Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Inner Mongolia Huayun New Materials Co., Ltd.	Ultimately controlled by the same parent
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd	Ultimately controlled by the same parent
Liangshan Mining Co.,Ltd.	Ultimately controlled by the same parent
Lanzhou Aluminum Co., Ltd	Ultimately controlled by the same parent
Lasa Tianli Mining Co.,Ltd.	Ultimately controlled by the same parent
Kunming Zhengji Real Estate Co.,Ltd.	Ultimately controlled by the same parent
Kunming Metallurgical Research Institute Co.,Ltd.	Ultimately controlled by the same parent
Jinlv Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Hunan Changkan Business Management Co., Ltd.	Ultimately controlled by the same parent
Hulunbeier Chihong Mining Co.,Ltd.	Ultimately controlled by the same parent
Honghe Yuntong Real Estate Development Co.,Ltd.	Ultimately controlled by the same parent
Heqing Yixin Aluminum Co.,Ltd.	Ultimately controlled by the same parent
Henan Chinalco Equipment Co., Ltd.	Ultimately controlled by the same parent
Henan Chinalco Construction Engineering Co., Ltd.	Ultimately controlled by the same parent
Henan Changxing Industrial Co., Ltd.	Ultimately controlled by the same parent
Henan Changcheng IT Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Henan Jiuli Technology Co., Ltd.	Ultimately controlled by the same parent
Henan Huahui Nonferrous Engineering Design Co., Ltd.	Ultimately controlled by the same parent
Hangzhou Knight Valve Co.,Ltd.	Ultimately controlled by the same parent
Harbin Dongqing Special Materials Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huaren Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Guizhou Huajin Aluminum Co., Ltd.	Ultimately controlled by the same parent
Guiyang Aluminum & Magnesium Asset Management Co.,Ltd.	Ultimately controlled by the same parent
Guangxi Chinalco Construction Supervision and Consulting Co.,Ltd.	Ultimately controlled by the same parent
Guangxi Huasheng Advanced Materials Co., Ltd.	Ultimately controlled by the same parent
Fushun Aluminium Co., Ltd.	Ultimately controlled by the same parent
Northeast Light Alloy Co., Ltd.	Ultimately controlled by the same parent
Chuxiong Dianzhong Nonferrous Metals Co.,Ltd.	Ultimately controlled by the same parent
Chifeng Yuntong Non-Ferrous Metal Co.,Ltd.	Ultimately controlled by the same parent
Chibi Changcheng Carbon Products Co.,Ltd.	Ultimately controlled by the same parent
Chihong Industrial Development (Shanghai) Co.,Ltd.	Ultimately controlled by the same parent
Beijing Aluminum Nengqingxin Environmental Technology Co., Ltd.	Ultimately controlled by the same parent
Baotou Chinalco technology service development Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminium Co., Ltd.	Ultimately controlled by the same parent
Anhui Huaju New Materials Co., Ltd.	Ultimately controlled by the same parent
Baotou Aluminum (Group) Co., Ltd.	Ultimately controlled by the same parent
Guizhou Guilv Modern Urban Service Co., Ltd.	Ultimately controlled by the same parent
Guizhou Aluminum Plant Co., Ltd.	Ultimately controlled by the same parent
Henan Zhongzhou Aluminum Plant Co., Ltd.	Ultimately controlled by the same parent
Huili Wulong Fumin Mining Co., Ltd.	Ultimately controlled by the same parent
Liangshan Fuding Mining Co., Ltd.	Ultimately controlled by the same parent
Liangshan Copper Co., Ltd.	Ultimately controlled by the same parent
Ningxia Ningdian Logistics Co., Ltd.	Ultimately controlled by the same parent
Ningxia Yinxing Energy Co., Ltd.	Ultimately controlled by the same parent
Qinghai CHALCO Aluminum Plate and Strip Co., Ltd.	Ultimately controlled by the same parent
Shanxi Jinlv Leasing Co., Ltd.	Ultimately controlled by the same parent
Shanxi 12th Metallurgical Housing Leasing Co., Ltd.	Ultimately controlled by the same parent
Suzhou Nonferrous Metals Research Institute Co., Ltd.	Ultimately controlled by the same parent
Tianjin CHALCO Real Estate Investment Co., Ltd.	Ultimately controlled by the same parent
Yunnan Provincial Metallurgical Hospital	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Yunnan Provincial Quality Supervision and Inspection Station for Nonferrous Metals and Products	Ultimately controlled by the same parent
Yunnan Copper Real Estate Property Service Co., Ltd.	Ultimately controlled by the same parent
Yunnan Xinping Jinhui Mining Development Co., Ltd.	Ultimately controlled by the same parent
Aluminum Corporation of China Group High-end Manufacturing Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Beijing) Bidding Management Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Rizhao) Mineral Resources Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Shandong) Light Alloy Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Xiong'an) Mining Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Yunnan) Green Advanced Aluminum-based Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO (Zhengzhou) Aluminum Co., Ltd.	Ultimately controlled by the same parent
CHALCO Southeast Materials Institute (Fujian) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shared Services (Tianjin) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Overseas Development Co., Ltd.	Ultimately controlled by the same parent
CHALCO Testing Technology (Zhengzhou) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Longxi) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Luoyang) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Aluminum Foil (Yunnan) Co., Ltd.	Ultimately controlled by the same parent
CHALCO Green Materials (Zhaotong) Aluminum-based New Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Financial Leasing Co., Ltd.	Ultimately controlled by the same parent
CHALCO Ruimin (Fujian) New Materials Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shanxi Lvliang Mining Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Beijing) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Chengdu) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Hangzhou) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Shuwei (Kunming) Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Iron Ore Holdings Co., Ltd.	Ultimately controlled by the same parent
CHALCO Changcheng Testing Technology Co., Ltd.	Ultimately controlled by the same parent
CHALCO Intelligent (Hangzhou) Safety Science Research Institute Co., Ltd.	Ultimately controlled by the same parent
China Copper (Tangshan) Mineral Products Co., Ltd.	Ultimately controlled by the same parent
Chongqing Xilv Enterprise Management Service Co., Ltd.	Ultimately controlled by the same parent
Chongqing Southwest Aluminum Minsheng Industrial Co., Ltd.	Ultimately controlled by the same parent
Zhuhai Changye Asset Management Co., Ltd.	Ultimately controlled by the same parent

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.4 Information about other related parties (Continued)

Name	Related party relationship
Taiyuan China Nonferrous 12th Metallurgical Real Estate Development Co., Ltd.	Associates of China Aluminum Group
Yunnan Sotong Yunlv Carbon Materials Co., Ltd.	Associates of China Aluminum Group
Sichuan Liwu Copper Co., Ltd.	Associates of China Aluminum Group
Yunnan Simao Shanshui Copper Co., Ltd.	Associates of China Aluminum Group
Peking University Healthcare Zibo Hospital Co., Ltd.	Associates of China Aluminum Group
Baotou Sendu Carbon Co., Ltd.	Associates of China Aluminum Group
CHALCO Guizhou Industrial Service Co., Ltd.	Associates of China Aluminum Group
Qinghai Haiyuan Aluminum Co., Ltd.	Associates of China Aluminum Group
Guangxi Hualei New Materials Co., Ltd.	Joint Ventures of China Aluminum Group
Guangxi Huayin Aluminum Co., Ltd.	Joint Ventures of China Aluminum Group
Guizhou CHALCO Aluminum Co., Ltd.	Associates of China Aluminum Group
Kansanshi Copper Smelting Co., Ltd.	Associates of China Aluminum Group
Yuxi Chenxing Mining and Metallurgy Technology Development Co., Ltd.	Associates of China Aluminum Group
Yunnan Gold Co., Ltd.	Associates of China Aluminum Group
Li Yihua	Chairman and Executive Director
Hu Weixi	Non-executive Director
Liu Changkui	Non-executive Director
Taofulun	Executive Director, Secretary of the Board and Chief Financial Officer
Liu Jing	Executive Director and General Manager
Liu Dongjun	Employee Representative Director
Xiao Zhixiong	Independent Non-executive Director
Zhang Ting'an	Independent Non-executive Director
Tong Pengfang	Independent Non-executive Director
Han Ziyang	Deputy General Manager
Bai Jie	Deputy General Manager and General Counsel
Zhou Dongfang	Deputy General Manager

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	For the year ended 31 December 2025 Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Procurement of Main Materials and Auxiliary Materials	Market price	1,096,694	34.88
Joint Ventures of the Company	Engineering, Construction and Supervision Services	Market price	37,374	0.24
Subsidiaries of China Aluminum Group	Engineering, Construction and Supervision Services	Market price	31,467	0.20
Joint Ventures of the Company	Procurement of Main Materials and Auxiliary Materials	Market price	13,918	0.44
Subsidiaries of China Aluminum Group	Logistics Services and Other Businesses	Market price	6,044	6.86
Subsidiaries of China Aluminum Group	Engineering Design and Consulting	Market price	1,382	0.14
Joint Ventures of China Aluminum Group	Procurement of Main Materials and Auxiliary Materials	Market price	1,621	0.05
Associates of China Aluminum Group	Logistics Services and Other Businesses	Market price	5	0.01

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

① Purchase of goods/receiving of services (Continued)

			For the year ended 31 December 2024	
Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	Procurement of main materials and auxiliary materials	Market price	126,241	0.71
Joint ventures of China Aluminum Group	Procurement of main materials and auxiliary materials	Market price	34,219	1.40
Subsidiaries of China Aluminum Group	Back-up service and other business	Market price	16,999	12.94
Associates of the Company	Engineering, Construction, Supervision	Market price	15,592	0.09
Subsidiaries of China Aluminum Group	Engineering, Construction, Supervision	Market price	15,504	0.09
Associates of the Company	Back-up service and other business	Market price	662	0.46

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

② Sales of goods/rendering of services

Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	For the year ended 31 December 2025 Amount	Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	EPC project general contracting	Market price	4,829,986	28.31
Associates of the company	EPC project general contracting	Market price	974,075	5.71
Subsidiaries of China Aluminum Group	Design consulting	Market price	435,325	27.67
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	Market price	444,225	10.51
Joint venture of China Aluminum Group	EPC project general contracting	Market price	169,947	1.00
Joint venture of China Aluminum Group	Provide equipment manufacturing and sales	Market price	46,568	1.10
Joint venture of China Aluminum Group	Design and consulting	Market price	23,020	1.46
Subsidiaries of China Aluminum Group	Back-up service and other business	Market price	13,959	11.59
Associates of China Aluminum Group	Provide equipment manufacturing and sales	Market price	1,929	0.05
Associates of China Aluminum Group	Design and consulting	Market price	1,716	0.11
Associates of China Aluminum Group	EPC project general contracting	Market price	608	-
Joint venture of the Company	Design consulting	Market price	377	0.02
Associates of the Company	Back-up service and other business	Market price	6	0.005

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(1) Purchases/sales (Continued)

② Sales of goods/rendering of services (Continued)

Related party	Nature of transaction	Pricing Method and Decision-Making Procedure of Related Party Transaction	For the year ended 31 December 2025 Amount	For the year ended 31 December 2025 Percentage to the same type of transaction (%)
Subsidiaries of China Aluminum Group	EPC project general contracting	Market price	5,114,597	26.32
Associates of the Company	EPC project general contracting	Market price	706,933	3.64
Subsidiaries of China Aluminum Group	Design and consulting	Market price	604,192	41.83
Subsidiaries of China Aluminum Group	Provide equipment manufacturing and sales	Market price	289,627	9.95
Joint venture of China Aluminum Group	EPC project general contracting	Market price	140,687	0.72
Joint venture of China Aluminum Group	Provide equipment manufacturing and sales	Market price	110,229	3.79
Joint venture of Chian Aluminum Group	Design consulting	Market price	45,182	3.13
Subsidiaries of China Aluminum Group	Back-up service and other business	Market price	39,822	37.57
Associates of China Aluminum Group	EPC project general contracting	Market price	4,060	0.02
Associates of China Aluminum Group	Provide equipment manufacturing and sales	Market price	3,449	0.12
Associates of China Aluminum Group	Design and consulting	Market price	2,495	0.17
Associates of the Company	Design and consulting	Market price	1,953	0.14
Joint venture of the Company	Design and consulting	Market price	495	0.03
Associates of the Company	Back-up service and other business	Market price	271	0.26
Associates of China Aluminum Group	Back-up service and other business	Market price	16	0.02

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(2) As the Leases

① As the lessor

Name of lessee	Name of lessor	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
China Aluminum International (Tianjin) Construction Co., Ltd.	China Aluminum Shared Services (Tianjin) Co., Ltd.	Buildings	4,953	8,817
China Aluminum Great Wall Construction Co.,Ltd.	China Aluminum (Zhengzhou) Aluminum Co., Ltd.	Land Lease	846	423
Jiuye Construction Co., Ltd.	Baotou Aluminum (Group) Co., Ltd.	Buildings	833	1,173
CHALIE Southern Engineering Co., Ltd.	CHALIE Environmental Protection and Ecological Technology (Hunan) Co., Ltd.	Buildings	533	–
CHALIE Shandong Engineering Technology Co., Ltd.	Shanxi Huaxing Aluminum Co., Ltd.	Buildings	458	–
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	China Aluminum Bidding Co., Ltd.	Buildings	210	210
China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	Chinalco Intelligent (Hangzhou) Safety Science Research Institute Co.,Ltd.	Buildings	143	–
Kunming Nonferrous Metallurgical Design and Research Institute Co., Ltd.	Kunming Zhengji Real Estate Co., Ltd.	Buildings	82	–
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	Guizhou Zhongcheng Education Construction Operation Management Co., Ltd.	Buildings	51	34
CHALIE International (Tianjin) Construction Co., Ltd.	Tianjin Aluminum Real Estate Investment Co., Ltd.	Buildings	19	–
Jiuye Construction Co., Ltd.	Guizhou Zhongcheng Education Construction Operation and Management Co., Ltd.	Buildings	7	–

Note: The pricing of related party transactions negotiated between the parties by reference to market price.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(2) As the Leases (Continued)

② As the lessee

Name of lessor	Name of lessee	Type of assets leased	Lease expenses recognized in the current period	Lease expenses recognized in the previous period
Yunnan Metallurgical Group Co., Ltd.	Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	Buildings	9,229	8,083
CHALCO Shandong Company Limited	CHALCO Shandong Engineering Technology Co., Ltd.	Buildings	3,861	1,281
Luoyang Nonferrous Metal Processing Design and Research Institute Co., Ltd	China Nonferrous Metals Processing Technology Co., Ltd.	Buildings	3,002	2,922
Aluminum Corporation of China Limited	Changsha Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	Buildings	43	–
Yunnan Jinding Zinc CO., Ltd	Yunnan Jinji'an Construction Consulting and Supervision Co., Ltd.	Buildings	42	–
Hunan Changkan Trading & Development Co., Ltd.	Changsha Survey, Design and Research Institute of China Nonferrous Metals Co., Ltd.	Buildings	-	2,946
Suzhou Research Institute of Nonferrous Metals Co., Ltd.	China Nonferrous Metals Technology Co., Ltd.	Buildings	-	920

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.5 Transactions with related parties (Continued)

(3) Guarantee

As the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Yunnan Ningyong Expressway Co. Ltd	3,626,149	31 Oct 2019	20 Apr 2049	No
Yunnan Linyun Expressway Co. Ltd	2,710,550	31 Oct 2019	31 Dec 2048	No
Yunnan Linshuang Expressway Co. Ltd	1,854,845	4 Nov 2020	19 Oct 2046	No
Mian County Urban Rural Infrastructure Construction Co., Ltd	6,033	20 Oct 2015	19 Oct 2027	No

(4) Funding from related party

Related party	Amount of funding/deposit	Inception date	Maturity date	Interest expense/ interest income	Remarks
Funds received:					
Chinalco Finance Company Limited	3,160,200	19 May 2023	24 Sep 2027	106,681	Credit loan
Provide deposit service:					
Chinalco Finance Company Limited	1,935,475	–	–	9,009	Deposits at banks

(5) Remuneration of key management personnel

The Company has 14 key management personnel as of 31 December 2025, while 13 key management personnel as of 31 December 2024. Details about remuneration is as follows:

Item	For the year ended 31 December 2025	For the year ended 31 December 2024
Remuneration of key management personnel	**8,575**	5,763

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.6 Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	As at 31 December 2025 Gross carrying amount	As at 31 December 2025 Impairment of credit losses	As at 31 December 2024 Gross carrying amount	As at 31 December 2024 Impairment of credit losses
Accounts receivable	Subsidiaries of China Aluminum Group	1,926,032	214,271	1,662,781	208,045
Accounts receivable	Joint ventures of the company	1,823,474	147,277	1,449,312	62,105
Accounts receivable	Joint ventures of China Aluminum Group	74,479	2,892	93,837	2,882
Accounts receivable	Associates of China Aluminum Group	10,830	2,585	25,096	3,557
Accounts receivable	Joint ventures of the Company	225	23	255	1
Other receivables	Subsidiaries of China Aluminum Group	93,595	24,567	85,458	17,570
Other receivables	Associates of China Aluminum Group	21,972	6,046	21,183	5,917
Other receivables	Associates of the Company	27,835	2,715	27,575	1,461
Other receivables	Associates of the Company	4,192	353	1,007	255
Other receivable	Associate of the Company	–	–	8	–
Prepayments	Subsidiaries of China Aluminum Group	9,200	–	11,029	–
Prepayments	Joint ventures of the Company	9,115	–	480	–
Dividends receivable	Subsidiaries of China Aluminum Group	–	–	189	–
Dividends receivable	Subsidiaries of China Aluminum Group	–	–	488	–

(2) Payables to related parties

Item	Related party	As at 31 December 2025	As at 31 December 2024
Accounts payable	Subsidiaries of China Aluminum Group	134,660	79,926
Accounts payable	Joint ventures of the Company	8,484	–
Accounts payable	Associates of the Company	5,788	–
Accounts payable	Joint ventures of China Aluminum Group	–	29,225
Accounts payable	Associates of China Aluminum Group	–	646
Other payables	Subsidiaries of China Aluminum Group	26,556	33,116
Other payables	Associates of the Company	1,079	1,483
Other payables	Joint ventures of China Aluminum Group	81	81
Other payables	Associates of China Aluminum Group	1	235

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

10.7 Contract assets and contract liabilities of related parties

(1) Contract assets

Related party	As at 31 December 2025 Gross carrying amount	As at 31 December 2025 Impairment of credit losses	As at 31 December 2024 Gross carrying amount	As at 31 December 2024 Impairment of credit losses
Joint ventures of China Aluminum Group	8,491	111	17,144	321
Associates of China Aluminum Group	3,034	303	4,750	1,731
Associates of the Company	380,206	51,619	1,167,409	89,321
Subsidiaries of China Aluminum Group	777,575	91,474	666,671	79,988

(2) Contract liabilities

Related party	As at 31 December 2025	As at 31 December 2024
Subsidiaries of China Aluminum Group	972,701	953,931
Joint ventures of China Aluminum Group	78,054	115,723
Associates of the Company	1,465	7,368
Joint Ventures of the Company	100	–
Associates of China Aluminum Group	652	1,605

11. SHARE-BASED PAYMENT

11.1 Overview of Share-based Payment

Categories of Grantees	Grants during the period		Exercises during the period		Vesting during the period		Lapses during the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management Personnel	2,000	4,560	–	–	–	–	–	–
Total	2,000	4,560	–	–	–	–	–	–

Restricted Share Incentive Plan

At the 21th Meeting of the 4th Session of the Board of Directors and the 17th Meeting of the 4th Session of the Supervisory Committee held on June 18,2024,the Company reviewed and approved the Proposal on the Initial Grant of Restricted Shares to Grantees under the 2023 Restricted Share Incentive Plan (the "Incentive Plan"). The Company determined June 18, 2024 as the initial grant date and granted 27,158,300 restricted shares at a grant price of RMB2.37 per share to 240 grantees who met the grant conditions.

During the process of completing the payment and capital verification after the initial grant date, 1 grantee voluntarily forfeited a portion of the restricted shares granted, and 3 grantees no longer met the grant conditions due to job adjustments and were therefore excluded from the grant. As a result, the actual number of grantees was 237, and the actual number of restricted shares granted was 26,769,600. Except for the above adjustments, the actual grant under the Incentive Plan is consistent with the restricted share grant approved at the 21th meeting of the 4th Board of Directors held on June 18, 2024.

On July 26, 2024, the Company completed the registration of the initial grant of restricted shares under the 2023 Incentive Plan with the China Securities Depository and Clearing Corporation Limited Shanghai Branch. The Company granted 26,769,600 restricted shares in this initial grant, representing 93.05% of the total restricted shares granted and 0.90% of the Company's total share capital before the grant. Additionally, 2,000,000 restricted shares were reserved for future grants, representing 6.95% of the total restricted shares granted and 0.07% of the Company's total share capital before the grant.

On May 26, 2025, the Company held the 28th Meeting of the 4th Session of the Board of Directors and the 22nd Meeting of the 4th Session of the Board of Supervisors, at which the Proposal on the Proposed Grant of Reserved Restricted Shares to Incentive Objects under the Company's 2023 Restricted Stock Incentive Plan was reviewed and adopted. It was determined that May 26, 2025 shall be the reserved grant date, and 2 million restricted shares shall be granted for the first time to 21 incentive objects meeting the grant conditions at a grant price of 2.28 yuan per share.

11. SHARE-BASED PAYMENT (CONTINUED)

11.1 Overview of Share-based Payment (Continued)

Restricted Share Incentive Plan (Continued)

On June 13, 2025, the Company completed the grant registration of the reserved restricted shares under the 2023 Incentive Plan at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The number of restricted shares reserved and granted this time is 2 million shares, accounting for 6.95% of the total number of restricted shares granted and 0.07% of the Company's total share capital prior to the grant.

A total of 21 persons are eligible for the reserved grant under this Incentive Plan, who are management personnel and core technical (business) backbones employed by the Company (including its branches and controlled subsidiaries) at the time of the Company's announcement of this Plan. They do not include the principals of central enterprises administered by the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), nor do they include independent directors, external directors, supervisors of the Company, or shareholders or actual controllers who individually or collectively hold 5% or more of the Company's shares, as well as their spouses, parents and children. Subject to the fulfillment of relevant performance assessment targets by the aforesaid incentive objects, the lock-up period and the schedule for the release of lock-up restrictions in each period for the restricted shares granted under this Incentive Plan are set out in the table below:

Release Schedule	Release Dates	Percentage of Shares Eligible for Release Relative to the Total Shares Granted
First Release Period for Initial and Reserved Grants.	From the first trading day after the 24-month anniversary of the respective grant registration date to the last trading day within the 36-month period from the grant registration date.	40%
Second Release Period for Initial and Reserved Grants	From the first trading day after the 36-month anniversary of the respective grant registration date to the last trading day within the 48-month period from the grant registration date.	30%
Third Release Period for Initial and Reserved Grants	From the first trading day after the 48-month anniversary of the respective grant registration date to the last trading day within the 60-month period from the grant registration date.	30%

11. SHARE-BASED PAYMENT (CONTINUED)

11.2 Equity-settled Share-based Payments

Method for Determining the Fair Value of Equity Instruments on the Grant Date	The pricing reference date for the grant price of the initial restricted share grant is the announcement date of the draft 2023 Restricted Share Incentive Plan.
Key Inputs for Determining the Fair Value of Equity Instruments on the Grant Date	The grant price shall not be lower than the par value of the shares and shall not be lower than the higher of the following: ① 50% of the average trading price of the Company's shares on the 1 trading day prior to the announcement date of the plan, which is RMB2.35 per share; ② 50% of the average trading price of the Company's shares over the 20 trading days prior to the announcement date of the plan, which is RMB2.37 per share.
Basis for Determining the Number of Vested Equity Instruments.	Determined based on the performance conditions and estimated attrition rate for each release period.
Reasons for significant differences between current and prior period estimates.	Inapplicable
Cumulative amount of equity-settled share-based payments recognized in capital surplus.	30,010

11.3 Share-based payment expense for the period

Categories of Grantees	Equity-settled share-based payment expense	Cash-settled share-based payment expenses
Management Personnel	19,613	–
Total	19,613	–

12. COMMITMENTS AND CONTINGENCIES

12.1 Significant commitments

The Company and Yunnan Transportation Investment Construction Group Co., Ltd. ("Yunnan Transportation Investment") jointly formed a non-government equity investor to work together with the local governments to invest in and establish three project companies, namely Yunnan Ningyong Expressway Co., Ltd. ("Ningyong Expressway"), Yunnan Linyun Expressway Co., Ltd. ("Linyun Expressway") and Yunnan Linshuang Expressway Co., Ltd. ("Linshuang Expressway"), for the construction and operation of the said expressways under PPP mode. The shareholding of the Company, Yunnan Transportation Investment and the investment vehicle designated by the local governments in the three PPP project companies was 30%, 40% and 30% respectively.

The capital structure of each project company is as follow:

The investment vehicle designated by local government contributed 30% of total project investment (of which RMB30 million is the registered capital and the rest is capital reserve). The Company and Yunnan Transportation Investment respectively contributed RMB30 million and RMB40 million as paid-in registered capital.

Meanwhile, the Company and Yunnan Transportation Investment provide credit enhancement for the difference between the total investment and the capital contribution in proportion to their relative shareholding (3:4), and are liable for the financing for the operation period on a 42.86%:57.14% basis. Each shareholder is liable for the financing for the operation period of the project company according to their shareholding proportion.

According to the relevant agreements, the Company is required to provide credit enhancement up to RMB4.559 billion, RMB3.19 billion and RMB2.086 billion (up to RMB9.835 billion in total) for investment loans granted to Ningyong Expressway, Linyun Expressway and Linshuang Expressway respectively, and issue a letter of undertaking for deficiency. The letter of undertaking for deficiency should be signed up to the above amounts respectively after negotiation with relevant creditors.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.1 Significant commitments (Continued)

As of balance sheet date, the Company has actually issued the letter of undertaking and provided credit enhancement as follows:

Ningyong Expressway was granted a credit line of RMB11 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB9.347 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB8.460 billion, and the Company has provided credit enhancement for RMB3.626 billion of the loan.

Linyun Expressway was granted a credit line of RMB10.1 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB6.0 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB6.324 billion, and the Company has provided credit enhancement for RMB2.711 billion of the loan.

Linshuang Expressway was granted a credit line of RMB9.9 billion by the bank, and the Company has issued a letter of undertaking for deficiency as to RMB4.323 billion or 42.86% of the credit line. The bank has actually granted a loan of RMB4.323 billion, and the Company has provided credit enhancement for RMB1.855 billion of the loan.

12. COMMITMENTS AND CONTINGENCIES

12.2 Contingencies

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact

① The Company as the plaintiff

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Panzhou Municipal People's Government; Guizhou Hongcai Investment Group Co., Ltd.; Panzhou Ancient City Development and Management Co., Ltd.	Administrative Agreement Disputes	50,090.00	The case is currently in the second instance proceedings.
Jiuye Construction Co., Ltd.	Xi'an University of Technology.	Construction project contract disputes	22,294.16	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Egypt Luojia Industrial Group Co., Ltd.	Construction project contract disputes	20,547.30	Accepted and pending by the Arbitration Commission.
China Nonferrous Twelfth Metallurgical Construction Co., Ltd.	Gui'an New Area University Town Zhiyin Project Development Co., Ltd.; Guizhou Gui'an Development Group Co., Ltd.; Guizhou Gui'an Real Estate Investment Co., Ltd.	Construction project contract disputes	15,900.34	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Ruzhou Xinyuan Investment Co., Ltd.	Construction project contract disputes	12,636.72	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Guizhou Qiya Aluminum Industry Co., Ltd.;Qiya Group Co., Ltd.	Construction project contract disputes	11,825.21	The case is currently in the first instance proceedings.
Changsha Nonferrous Metallurgical Design & Research Institute Co., Ltd.	Guizhou Energy & Mineral Manganese Industry Group Co., Ltd.;Southwest Energy & Mineral Group Co., Ltd.	Construction project contract disputes	10,540.22	The case is currently in the first instance proceedings.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies (Continued)

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)

① The Company as the plaintiff (Continued)

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
Jiuye Construction Co., Ltd.	Baotou Affordable Housing Development, Construction and Investment Co., Ltd.	Construction project contract disputes	10,075.06	The case is currently in the first instance proceedings.
Jiuye Construction Co., Ltd.	Shanghai Baoxian Industrial Co., Ltd.	Construction project contract disputes	9,797.23	The case is currently in the first instance proceedings.
Metallurgical Construction Shenyang Xinyijiang ReaCo., Ltd.	Estate Development Co., Ltd	Construction project contract disputes	9,579.25	The case is currently in the first instance proceedings.
China Nonferrous Twelfth Metallurgical Construction Co., Ltd.	Shanxi Zhongzi Yuansheng Real Estate Co., Ltd.	Construction project contract disputes	7,802.00	The case is currently in the first instance proceedings.
Shenyang Aluminum & Magnesium Design & Research Institute Co., Ltd.	Panjin Hetai Real Estate Development Co., Ltd.	Construction Project Contract Disputes	7,710.49	The case is currently in the second instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Baofang Carbon Materials Technology Co., Ltd.	Construction project contract disputes	7,475.84	The case is currently in the first instance proceedings.
China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Guizhou Hongcai Investment Group Co., Ltd.;Guizhou Hongcai Real Estate Co., Ltd.;Guizhou Hongcai Real Estate Development Co., Ltd.	Construction project contract disputes	7,361.68	The case is currently in the first instance proceedings.
China Nonferrous Twelfth Metallurgical Construction Co., Ltd.	Luohe Shengxu Real Estate Development Co., Ltd.; Henan Ronghe Real Estate Development Co., Ltd.	Construction project contract disputes	6,474.67	The case is currently in the first instance proceedings.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies (Continued)

(1) Contingent liabilities arising from pending arbitration and pending litigation and related financial impact (Continued)

② The Company as the defendant

Plaintiff	Defendant	Cause	Amount claimed (RMB ten thousand)	Progress of the case
Nuclear Industry East China Construction Engineering Group Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	17,599.91	The case is currently in the first instance proceedings.
Yunnan Chengsu Construction Engineering Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.; Ltd.; Guizhou Qiya Aluminum Industry Co., Ltd.; Aluminum Corporation of China International Engineering Co., Ltd.; Qiya Group Co., Ltd.	Construction project contract disputes	10,890.79	The case is currently in the first instance proceedings.
Yunnan Linshuang Expressway Co., Ltd.	Aluminum Corporation of China International Engineering Co., Ltd.; China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Other Resolution Disputes	10,572.00	The case is currently in the first instance proceedings.
Guizhou Xinyuankun Construction Labor Service Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.; Guizhou Qingshuijiang Urban Investment Group Co., Ltd.	Construction project contract disputes	9,607.20	The case is currently in the first instance proceedings.
Zhongtian Transportation Construction Investment Group Co., Ltd.	China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd.	Construction project contract disputes	7,908.00	The case is currently in the first instance proceedings.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

12.2 Contingencies (Continued)

(2) Contingent liabilities arising from guarantee provided to other entities and related financial effects

As at 31 December 2025, the Company provided guarantees for the following loans:

Name of the guaranteed entity	Guarantee	Amount	Period	Remarks
Yunnan Ningyong Expressway Co., Ltd.	Loan guarantee	3,626,149	2053-12-23	–
Yunnan Linyun Expressway Co., Ltd.	Loan guarantee	2,710,550	2053-12-23	–
Yunnan Linshuang Expressway Co., Ltd.	Loan guarantee	1,854,845	2054-05-06	–
Mian County Urban Rural Infrastructure Construction Co., Ltd	Loan guarantee	6,030	2027-10-19	–
Total	–	8,197,574	–	–

13. POST BALANCE SHEET DATE EVENTS

As at 27 March 2026 (the date on which the report is approved by the Board of Directors), the Company has no other events after the balance sheet date to be disclosed.

14. OTHER SIGNIFICANT MATTERS

14.1 Important debt restructuring

(1) Disclosure Information of debtors

Debt restructuring method	Book value of debt	Debt restructuring gain amount	Increase in share capital and other equity
Settlement of debt with cash at an amount lower than the carrying amount of the debt	**21,964**	**2,644**	**–**
Settlement of debt by transfer of non-cash assets	**1,202**	**27**	**–**
Modification of other terms of debt	**84,673**	**–715**	**–**

(2) Disclosures by the Creditor

Types of Debt Restructuring	Carrying Amount of Claims	Amount of Losses from Debt Restructuring	Increase in Long-term Equity Investments or Equity Instrument Investments	Proportion of the Debtor's Total Shares Held
Settlement of claims with cash at an amount lower than the carrying amount of the claims	73,558	13,447	–	–
Settlement of claims by receiving non-cash assets	142,715	–110	–	–

14. OTHER SIGNIFICANT MATTERS (CONTINUED)

14.2 Segment reporting

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

(1) Design consulting business segment focuses on mining, mineral processing and engineering design for the energy, chemical and environmental protection industries;

(2) EPC project general contracting and construction business segment focuses on metallurgical industry, municipal utilities and steel structures;

(3) The Equipment Manufacturing segment focuses on customized core metallurgical and processing equipment, environmental protection equipment, mechanical and electronic equipment, industrial automation systems and mine safety monitoring and emergency response intelligent systems.

(1) Segment profit or loss, assets and liabilities

Item	Design consulting At the end of current period	EPC project general contracting and construction At the end of current period	Equipment manufacturing At the end of current period	Total At the end of current period
Operating revenue	1,754,149	17,043,438	4,262,219	23,059,806
Operating cost	1,186,060	15,281,081	3,470,451	19,937,592
Impairment losses on assets	4,461	–58,471	–4,779	–58,789
Impairment of credit losses	20,651	–139,842	29,998	–89,193
Operating profits/(losses)	203,824	–70,269	240,280	373,835
Profit/(losses) before income tax	203,493	11,945	238,752	454,190
Income tax expenses	43,007	–7,872	38,158	73,293
Net profit/(losses)	160,486	19,817	200,594	380,897
Total assets	8,230,990	26,285,824	6,029,683	40,546,497
Total liabilities	4,326,586	22,461,193	4,617,577	31,405,356
Depreciation expense	30,587	130,204	34,938	195,729
Amortization expense	7,347	54,379	6,540	68,266

15. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

15.1 Accounts receivable

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

Aging	31 December 2025 Gross Carrying amount	31 December 2025 Impairment of credit losses	31 December 2024 Gross Carrying amount	31 December 2024 Impairment of credit losses
Within 1 year	539,911	1,122	674,228	7,679
1 to 2 years	159,395	13,218	281,812	41,697
2 to 3 years	190,949	32,809	151,608	27,538
More than 3 years	835,767	423,765	735,539	419,314
Total	1,726,022	470,914	1,843,187	496,228

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

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

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

15.1 Accounts receivable (Continued)

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

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	762,441	41.37	422,274	55.38	340,167
Impairment of credit losses on group basis	1,080,746	58.63	73,954	6.84	1,006,792
Including:					
Aging group	698,591	37.90	73,954	10.59	624,637
Accounts receivable from subsidiaries	382,155	20.73	–	–	382,155
Total	1,843,187	100.00	496,228	26.92	1,346,959

Impairment of credit losses on an individual basis:

	31 December 2025			
Name	Gross carrying amount	Impairment of credit losses	Expected credit loss rate (%)	Reasons
Company 1	**475,877**	**285,526**	**60.00**	**Note**
Company 2	**140,543**	**28,255**	**20.10**	**Note**
Company 3	**78,706**	**52,320**	**66.48**	**Note**
Company 4	**32,429**	**32,429**	**100.00**	**Note**
Company 5	**14,761**	**14,761**	**100.00**	**Note**
Total	**742,316**	**413,291**	**–**	**–**

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

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

15.1 Accounts receivable (Continued)

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

Accounts receivable for which provision for bad debts is made based on credit risk characteristics portfolio

Portfolio items: Aging portfolio

Aging	31 December 2025 Gross carrying amount Amount	Percentage (%)	Provision for bad debts	31 December 2024 Gross carrying amount Amount	Percentage (%)	Provision for bad debts
Within 1 year	**224,314**	**62.86**	**1,121**	521,301	74.62	2,607
1 to 2 years	**81,457**	**22.83**	**8,146**	92,846	13.29	9,285
2 to 3 years	**1,983**	**0.56**	**397**	17,386	2.49	3,477
More than 3 years	**49,108**	**13.76**	**47,959**	67,058	9.60	58,585
Total	**356,862**	**100.00**	**57,623**	698,591	100.00	73,954

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

Item	Openning balance	Movement Accrued	Revocer/ reverse (Decrease)	Written off (Decrease)	Others	Closing balance
Individual basis	422,273		8,982	–	–	**413,291**
Group:	73,955	–16,332	–	–	–	**57,623**
Portfolio of credit risk characteristics	73,955	–16,332	–	–	–	**57,623**
Total	496,228	–16,332	8,982	–	–	**470,914**

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

15.1 Accounts receivable (Continued)

(4) Accounts receivable from the five largest customers are listed as follows:

Entity	Carrying amount	Percentage in total accounts receivable (%)	Impairment of credit losses
Company 1	520,466	30.15	289,985
Company 6	200,270	11.60	–
Company 7	166,121	9.62	–
Company 8	147,239	8.53	736
Company 2	140,543	8.14	28,255
Total	1,174,639	68.04	318,976

15.2 Other receivables

Item	31 December 2025	31 December 2024
Interests receivable	**351,190**	356,888
Dividends receivable	**494,525**	502,313
Other receivables	**5,622,260**	6,419,660
Less: Impartment of credit losses	**33,173**	32,701
Total	**6,434,802**	7,246,160

(1) Interests receivable

Item	31 December 2025	31 December 2024
Entrusted loans	**351,190**	356,888
Subtotal	**351,190**	356,888
Less: Impartment of credit losses	**–**	–
Total	**351,190**	356,888

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

15.2 Other receivables (Continued)

(2) Dividends receivable

Investee	31 December 2025	31 December 2024	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable within 1 year	11,924	88,386	–	–
Including:				
(1) China Nonferrous Metals Processing Technology Co., Ltd	11,924	–	Not paid yet	No
(2) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	–	22,660	–	–
(3) CINF Engineering Co., Ltd.	–	30,014	–	–
(4) Chinalco Southwest Construction Investment Co., Ltd.	–	19,712	–	–
(5) China Aluminum International Yunnan Aluminum Application Engineering Co., Ltd.	–	16,000	–	–

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

15.2 Other receivables (Continued)

(2) Dividends receivable (Continued)

Investee	31 December 2025	31 December 2024	Reason for unrecovery	Impairment? (Y/N)
Dividends receivable more than 1 year	**482,601**	413,927	–	–
Including:				
(1) China Nonferrous Metal Changsha Survey and Design Institute Co., Ltd.	**15,899**	15,899	Not paid yet	No
(2) Jiuye Construction Co., Ltd.	**144,168**	144,168	Not paid yet	No
(3) Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	**22,660**	–	Not paid yet	No
(4) CINF Engineering Co., Ltd.	**30,014**	–	Not paid yet	No
(5) Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	**38,990**	38,990	Not paid yet	No
(6) China Sixth Metallurgical Construction Co., Ltd.	**185,870**	169,870	Not paid yet	No
(7) China Aluminum International Technology Development Corporation Limited	**45,000**	45,000	Not paid yet	No
Subtotal	**494,525**	502,313	–	–
Less: Impairment of credit losses	**–**	–	–	–
Total	**494,525**	502,313	–	–

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

15.2 Other receivables (Continued)

(3) Other receivables

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

Aging	31 December 2025	Impairment of credit losses	31 December 2024	Impairment of credit losses
Within 1 year	5,229,676	22,555	6,157,814	22,553
1 to 2 years	141,634	248	60,152	301
2 to 3 years	56,199	140	86,125	2,557
More than 3 years	194,751	10,230	115,569	7,290
Total	5,622,260	33,173	6,419,660	32,701

② Other receivables and impairment of credit losses by category are listed as follows:

Classified by impairment of credit losses method:

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

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② Other receivables and impairment of credit losses by category are listed as follows: (Continued)

	31 December 2024				
	Gross carrying amount		Impairment of credit losses		
Type	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Impairment of credit losses on an individual basis	90,223	1.41	22,556	25.00	67,667
Impairment of credit losses on group basis	6,329,437	98.59	10,145	0.16	6,319,292
Including:					
Aging group	30,308	0.47	10,145	33.47	20,163
Accounts receivable from subsidiaries	6,299,129	98.12	–	–	6,299,129
Total	6,419,660	100.00	32,701	0.51	6,386,959

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② Other receivables and impairment of credit losses by category are listed as follows: (Continued)

Impairment of credit losses on group basis:

Grouped items: Aging group

	31 December 2025			31 December 2024		
	Gross carrying amount	Percentage (%)	Impairment of credit losses	Gross carrying amount	Percentage (%)	Impairment of credit losses
Within 1 year	6,118	23.23	30	5,559	18.34	28
1 to 2 years	2,219	8.42	222	2,747	9.06	275
2 to 3 years	675	2.56	135	12,763	42.12	2,552
More than 3 years	17,333	65.79	10,230	9,239	30.48	7,290
Total	26,345	100.00	10,617	30,308	100.00	10,145

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

② Other receivables and impairment of credit losses by category are listed as follows: (Continued)

Grouped items: Other receivables from subsidiaries

Item	31 December 2025 Gross carrying amount	31 December 2025 Impairment of credit losses	31 December 2024 Gross carrying amount	31 December 2024 Impairment of credit losses
Accounts receivable from subsidiaries	**5,505,692**	**–**	6,299,129	–
Total	**5,505,692**	**–**	6,299,129	–

③ Impairment of credit losses

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

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on group basis	**5,139,452**	**–**	**30**	**5,139,422**
Aging group	**6,118**	**0.50**	**30**	**6,088**
Accounts receivable from subsidiaries	**5,133,334**	**–**	**–**	**5,133,334**
Total	**5,139,452**	**0.27**	**30**	**5,139,422**

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

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

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on group basis	197,834	0.18	357	197,477
Aging group	2,894	12.34	357	2,537
Accounts receivable from subsidiaries	194,940	–	–	194,940
Total	197,834	0.18	357	197,477

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

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,223	25.00	22,556	67,667
Impairment of credit losses on group basis	194,751	5.25	10,230	184,521
Aging group	17,333	59.02	10,230	7,103
Accounts receivable from subsidiaries	177,418	–	–	177,418
Total	284,974	11.50	32,786	252,188

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the first stage as at 31 December 2024

Item	Gross carrying amount	Expected credit loss rate over the next 12 months (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on group basis	6,067,715	–	28	6,067,687
Aging group	5,559	0.50	28	5,531
Accounts receivable from subsidiaries	6,062,156	–	–	6,062,156
Total	6,067,715	–	28	6,067,687

Impairment of credit losses in the second stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on group basis	146,153	1.93	2,827	143,326
Aging group	15,510	18.23	2,827	12,683
Accounts receivable from subsidiaries	130,643	–	–	130,643
Total	146,153	1.93	2,827	143,326

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

③ Impairment of credit losses (Continued)

Impairment of credit losses in the third stage as at 31 December 2024

Item	Gross carrying amount	Lifetime expected credit loss rate (%)	Impairment of credit losses	Carrying amount
Impairment of credit losses on an individual basis	90,223	25.00	22,556	67,667
Impairment of credit losses on group basis	115,569	6.31	7,290	108,279
Aging group	9,239	78.90	7,290	1,949
Accounts receivable from subsidiaries	106,330	–	–	106,330
Total	205,792	14.50	29,846	175,946

④ Movements in the impairment of credit losses of other receivables are listed as follows:

Impairment of credit losses	Stage I Expected credit losses over the next 12 months	Stage II Lifetime expected credit losses (no credit impairment)	Stage III Lifetime expected credit losses (credit impaired)	Total
Balance as at January 1, 2025	28	2,827	29,846	32,701
Balance as at January 1, 2024 in the current period	–402	184	218	–
– Transfer to Stage II	–402	402	–	–
– Transfer to Stage III	–	–218	218	–
Additions	404	–2,654	2,722	472
Balance as at December 31, 2025	30	357	32,786	33,173

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

15.2 Other receivables (Continued)

(3) Other receivables (Continued)

⑤ As at 31 December 2025, other receivables from the five largest customers are listed as follows:

Entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Balance of impairment of credit losses
China Sith Metallurgical Construction Co,. Ltd	Advance	211,049	Within 1 year; 1-2 years; 3-4years	3.75	–
China Aluminum Great Wall Construction Co,. Ltd	Advance	90,223	Within 1 year; 1-2 years; 2-3years; 3-4years	1.60	22,556
PT.CNTIM Construction Indonesia	Advance	77,213	Within 1 year	1.37	–
China Nonferrous Metals Processing Technology Co., Ltd	Others	67,600	More than 5 years	1.20	–
CHALLECO HONG KONG CORPORATION LIMITED	Advance	55,528	Within 1 year	0.99	–
Total	–	501,613	–	8.91	22,556

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

15.3 Long-term equity investments

Item	31 December 2024	Additions for the period	Reductions for the period	31 December 2025
Investment in subsidiaries	9,105,939	1,820,500	1,773,626	**9,152,813**
Investment in joint ventures	8,778	–	59	**8,719**
Investment in associates	249,474	–	62,278	**187,196**
Subtotal	9,364,191	1,820,500	1,835,963	**9,348,728**
Less: Impairment provision	387,947	–	–	**387,947**
Total	8,976,244	1,820,500	1,835,963	**8,960,781**

(1) Investment in subsidiaries

Investee	1 January 2025	Additions for the period	Reductions for the period	31 December 2025	Impairment provision in the current period	Impairment provision Closing balance
Guiyang Aluminium Magnesium Design & Research Institute Co., Ltd.	652,710	1,857	–	654,567	–	–
Shenyang Aluminum and Magnesium Engineering and Research Institute Company Limited	353,332	1,823	–	355,155	–	–
CINF Engineering Co., Ltd.	578,590	2,922	–	581,512	–	–
China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd.	2,106,931	856,005	–	2,962,936	–	–
Chalieco Trading Co., Ltd.	200,000	–	–	200,000	–	200,000
Tianjin 12th Metallurgical Engineering Co., Ltd.	590,887	–	590,887	–	–	–
China Sixth Metallurgical Construction Co., Ltd.	1,203,990	1,822	–	1,205,812	–	–
China Nonferrous Metals Processing Technology Co., Ltd.	721,411	551,840	550,000	723,251	–	–

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

15.3 Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	1 January 2025	Additions for the period	Reductions for the period	31 December 2025	Impairment provision in the current period	Impairment provision Closing balance
China Aluminum International Technology Development Corporation Limited	60,000	–	–	60,000	–	–
Wenzhou Tongrun Construction Co., Ltd.	600	–	–	600	–	–
Wenzhou Tonghui Construction Co., Ltd.	27,000	–	27,000	–	–	–
China Aluminum International Investment Management (Shanghai) Co., Ltd.	505,739	–	505,739	–	–	–
Chalieco Hong Kong Corporation Limited	65,572	–	–	65,572	–	–
China Aluminum International Engineering (India) Private Limited	5,942	–	–	5,942	–	–
Guangxi Tongrui Investment Construction Co., Ltd.	50,000	–	50,000	–	–	–
Jiuye Construction Co., Ltd.	623,529	400,662	–	1,024,191	–	–
China Aluminum International Aluminum Application Engineering Co., Ltd.	144,500	–	–	144,500	–	–
Qingdao Xinfu Gongchuang Asset Management Co., Ltd.	9,000	–	–	9,000	–	–
China Aluminum Shandong Engineering Technology Corporation Limited	488,118	409	–	488,527	–	187,947

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

15.3 Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	1 January 2025	Additions for the period	Reductions for the period	31 December 2025	Impairment provision in the current period	Impairment provision Closing balance
Kunming Prospecting Design Institute Of China Nonferrous Metals Industry Co., Ltd	364,504	1,972	–	366,476	–	–
Kunming Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd.	140,296	715	50,000	91,011	–	–
Chinalco Southwest Construction Investment Co., Ltd.	213,217	402	–	213,619	–	–
Chalieco Guinea Company Sarlu	71	–	–	71	–	–
Chalieco Guinea Development Company Limited	–	71	–	71	–	–
Total	9,105,939	1,820,500	1,773,626	9,152,813	–	387,947

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

15.3 Long-term equity investments (Continued)

(2) Investment in joint ventures & associates

Investee	Investment cost	1 January 2025	Movements during the year ended 31 December 2024								31 December 2025	Impairment provision Closing balance
			Increase in investment	Decrease in investment	Investment gain or loss recognised under equity method	OCI	Other equity movements	Cash dividends or profits declared	Loss allowance	Others		
(1) Joint venture	40,000	8,778	–	–	–59	–	–	–	–	–	8,719	–
Shanghai Fengtong Equity Investment Fund Partnership (Limited Partnership)	40,000	8,778	–	–	–59	–	–	–	–	–	8,719	–
(2) Associates	221,836	249,474	–	52,192	–6,585	–	–	3,501	–	–	187,196	–
Yunnan Ningyong Expressway	15,000	12,279	–	–	–12,279	–	–	–	–	–	–	–
Yunnan Linyun Expressway Co., Ltd.	15,000	24,029	–	–	24,029	–	–	–	–	–	–	–
China Aluminum Tendering	5,000	23,175	–	52,192	29,017	–	–	–	–	–	–	–
Yunnan Linshuang Expressway Co., Ltd.	15,000	14,896	–	–	–2,532	–	–	–	–	–	12,364	–
Zhuzhou Tianqiao Crane Co., Ltd	171,836	175,095	–	–	3,238	–	–	3,501	–	–	174,832	–
Total	261,836	258,252	–	52,192	–6,644	–	–	3,501	–	–	195,915	–

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

15.4 Operating revenue and operating costs

Major segments	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Revenue	**Costs**	Revenue	Costs
Principal activities:				
EPC project general contracting and construction	**273,425**	**304,788**	989,084	938,162
Design consulting	**325,487**	**120,736**	421,541	153,879
Equipment manufacturing	**167,804**	**127,952**	–	–
Subtotal	**766,716**	**553,476**	1,410,625	1,092,041
Other operating activities:				
Lease	**798**	**353**	1,617	–
Others	**49,588**	**17,255**	24,570	1,874
Subtotal	**49,386**	**17,608**	26,187	1,874
Total	**816,102**	**571,084**	1,436,812	1,093,915

15.5 Investment income

Item	For the year ended 31 December 2025	For the year ended 31 December 2024
Gain on long-term equity investment accounted for under the cost method	**133,672**	74,990
Gain on long-term equity investment accounted for under the equity method	**–6,644**	12,921
Interest on Perpetual Bonds	**95,951**	88,090
Others	**77,951**	75,768
Total	**300,930**	251,769

16. SUPPLEMENTARY INFORMATION

16.1 Breakdown of non-recurring profit and loss for the period

Item	For the year ended 31 December 2025	Remarks
Gain or loss on disposal of non-current assets	28,494	–
Government subsidies recorded in current P&L (except government subsidies closely rated to business operations granted continuously in a fixed amount or quota according to the unified national standards)	12,650	–
Financing fee from non-financial enterprises recorded in profit or loss	32,357	–
Reversal of impairment of credit losses for receivables and contract assets tested for impairment on an individual basis	195,783	–
Gains or losses on debt restructuring	–11,381	–
Other non-operating income and expenses other than above items	80,355	–
Other profit and loss items correspond with the definition of non-recurring gains and losses.	–	
Total non-recurring profit and loss	338,258	–
Less: The impact of income tax	65,220	–
Net non-recurring profit and loss	273,038	–
Less: The impact on non-controlling interests	77,229	–
Non-recurring profit and loss attributable to ordinary shareholders of the company	195,809	–

16.2 Net asset yield and earnings per share

Profit for the reporting period	Weighted average net assets yield (%)	Earnings per share Basic	Earnings per share Diluted
Net profit attributable to ordinary shareholders	3.85%	0.0364	0.0364
Net profit attributable to ordinary shareholders net of non-recurring gain or loss	–3.08%	–0.0292	–0.0291

China Aluminum International Engineering Corporation Limited
27 March 2026

SECTION X FIVE-YEAR PERFORMANCE SUMMARY

Unit: '000 Yuan

Item	2025	2024	2023	2022	2021
Total assets	**40,546,497**	41,156,527	40,943,803	47,391,289	60,022,757
Total equity	**9,141,141**	8,845,065	7,254,500	10,455,057	16,364,723
Revenue	**23,059,806**	24,003,255	22,337,171	23,697,329	23,898,723
Profit before tax	**454,190**	436,899	-2,944,897	284,975	-936,420
Earnings per share (RMB)	**0.04**	0.02	-0.90	0	-0.41
Return on net assets (%)	**3.85**	2.46	-41.87	1.53	-6.51

Chairman: LI Yihua

Date of submission approved by the Board: 27 March 2026

INFORMATION ON AMENDMENT

☐ Applicable ✓ Not applicable