创新实业
CHUANGXIN INDUSTRIES

# 創新實業集團有限公司
# CHUANGXIN INDUSTRIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 02788

## GLOBAL OFFERING


Joint Sponsors, Overall Coordinators,
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司

华泰国际 HUATAI INTERNATIONAL

# IMPORTANT

*If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.*

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CHUANGXIN INDUSTRIES

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

*(Incorporated in the Cayman Islands with limited liability)*

## GLOBAL OFFERING

| | | |
|---|---|---|
| **Number of Offer Shares under the Global Offering** | : | **500,000,000 Shares (subject to the Over-allotment Option)** |
| **Number of Hong Kong Offer Shares** | : | **50,000,000 Shares (subject to reallocation)** |
| **Number of International Offer Shares** | : | **450,000,000 Shares (subject to reallocation and the Over-allotment Option)** |
| **Maximum Offer Price** | : | **HK$10.99 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565% (payable in full on application, subject to refund)** |
| **Nominal value** | : | **US$0.000005 per Share** |
| **Stock code** | : | **02788** |

***Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers***

CICC 中金公司 华泰国际 HUATAI INTERNATIONAL

***Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers***

UOBKayHian 招银国际 CMB INTERNATIONAL

***Joint Bookrunners and Joint Lead Managers***

中銀國際 BOCI 資信環球·中航資本國際 AVIC INTERNATIONAL 南華證券投資有限公司 South China Securities Limited

***Joint Lead Managers***

富途證券 FUTU Securities International 老虎證券 利弗莫尔证券 LIVERMORE HOLDINGS LIMITED



A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, November 20, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Thursday, November 20, 2025 (Hong Kong time). The Offer Price will be not more than HK$10.99 and is currently expected to be not less than HK$10.18 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Thursday, November 20, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$10.99 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, an SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price as finally determined is less than HK$10.99.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" of this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements under the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

**ATTENTION**

**We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.**

**This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.innovationigi.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.**

November 14, 2025

**IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES**
**FULLY ELECTRONIC APPLICATION PROCESS**

The Company has adopted a fully electronic application process for the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **www.innovationigi.com**.

The Company will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above. Please refer to "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for.

| No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application |
|---|---|---|---|---|---|---|---|
| | *HK$* | | *HK$* | | *HK$* | | *HK$* |
| 500 | 5,550.42 | 8,000 | 88,806.67 | 70,000 | 777,058.39 | 1,000,000 | 11,100,834.16 |
| 1,000 | 11,100.84 | 9,000 | 99,907.51 | 80,000 | 888,066.73 | 2,000,000 | 22,201,668.30 |
| 1,500 | 16,651.25 | 10,000 | 111,008.34 | 90,000 | 999,075.07 | 3,000,000 | 33,302,502.46 |
| 2,000 | 22,201.66 | 15,000 | 166,512.51 | 100,000 | 1,110,083.41 | 4,000,000 | 44,403,336.60 |
| 2,500 | 27,752.08 | 20,000 | 222,016.68 | 200,000 | 2,220,166.84 | 5,000,000 | 55,504,170.76 |
| 3,000 | 33,302.50 | 25,000 | 277,520.85 | 300,000 | 3,330,250.25 | 6,000,000 | 66,605,004.90 |
| 3,500 | 38,852.92 | 30,000 | 333,025.02 | 400,000 | 4,440,333.65 | 7,000,000 | 77,705,839.06 |
| 4,000 | 44,403.34 | 35,000 | 388,529.20 | 500,000 | 5,550,417.08 | 8,000,000 | 88,806,673.20 |
| 4,500 | 49,953.75 | 40,000 | 444,033.37 | 600,000 | 6,660,500.49 | 9,000,000 | 99,907,507.36 |
| 5,000 | 55,504.16 | 45,000 | 499,537.53 | 700,000 | 7,770,583.90 | 10,000,000 | 111,008,341.50 |
| 6,000 | 66,605.01 | 50,000 | 555,041.71 | 800,000 | 8,880,667.32 | 20,000,000 | 222,016,683.00 |
| 7,000 | 77,705.85 | 60,000 | 666,050.05 | 900,000 | 9,990,750.74 | 25,000,000(1) | 277,520,853.76 |

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable, we will issue an announcement to be published on the websites of the Company at* ***www.innovationigi.com*** *and the Stock Exchange at* ***www.hkexnews.hk.***

**Date**[(1)]

Hong Kong Public Offering commences . . . . . . . . . . . . . . . . . . . . . . . . . 9:00 a.m. on Friday, November 14, 2025

Latest time for completing electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[(2)] . . . . . . . . . . . . . . . 11:30 a.m. on Wednesday, November 19, 2025

Application lists open[(3)] . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 11:45 a.m. on Wednesday, November 19, 2025

Latest time for (a) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[(4)] . . . . . . . . . . . . . . . . . . . . . . . . . . . . 12:00 noon on Wednesday, November 19, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **electronic application instruction** on your behalf through HKSCC's FINI system in accordance with your instruction to apply for the Hong Kong Offer Shares, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close[(3)] . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 12:00 noon on Wednesday, November 19, 2025

Expected Price Determination Date[(5)] . . . . . . . . . . . . . . . . . . . . . on or before 12:00 noon on Thursday, November 20, 2025

(1) Announcement of the Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published of the website of Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.innovationigi.com**[(6)] on or before . . . . . . . . . . . . . . . . . 11:00 p.m. on Friday, November 21, 2025

(2) Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document or business registration numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be published on the website of the Stock Exchange at **www.hkexnews.hk** and on the Company's website at **www.innovationigi.com**, at or before ......... 11:00 p.m. on Friday, November 21, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from .................. 11:00 p.m. on Friday, November 21, 2025 to 12:00 midnight on Thursday, November 27, 2025

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on ............ Monday, November 24, 2025, Tuesday, November 25, 2025, Wednesday, November 26, 2025 and Thursday, November 27, 2025

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before(7) ................... Friday, November 21, 2025

**White Form** e-Refund payment instructions/ refund checks in respect of (i) wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and (ii) wholly or partially unsuccessful applications under the Hong Kong Public Offering to be dispatched on or before(8)(9) .................... Monday, November 24, 2025

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on................ Monday, November 24, 2025

*Notes:*

(1) All times refer to Hong Kong local time, except as otherwise stated.

(2) You will not be permitted to submit your application through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, November 19, 2025 the application lists will not open and close on that day. Please see "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements."

(4) Applicants who apply for Hong Kong Offer Shares by instructing your **broker** or **custodian** who is a HKSCC Participant to submit electronic application instruction on your behalf through HKSCC's FINI system should see "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels."

(5) The Price Determination Date is expected to be on or before Thursday, November 20, 2025 and, in any event, not later than 12:00 noon on Thursday, November 20, 2025. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us by 12:00 noon on Thursday, November 20, 2025, the Global Offering will not proceed and will lapse.

(6) None of the website set out in this section or any of the information contained on the website forms part of this prospectus.

(7) The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

(8) **White Form** e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(9) Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of Share Certificates and Refund of Application Monies."

**The above expected timetable is a summary only. You should see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering and the procedures for application for the Hong Kong Offer Shares.**

**If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.**

**IMPORTANT NOTICE TO INVESTORS**

*This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.*

*You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Underwriters, any of their respective directors, officers, representatives or advisors or any other person involved in the Global Offering.*

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# CONTENTS

*This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.*

## OVERVIEW

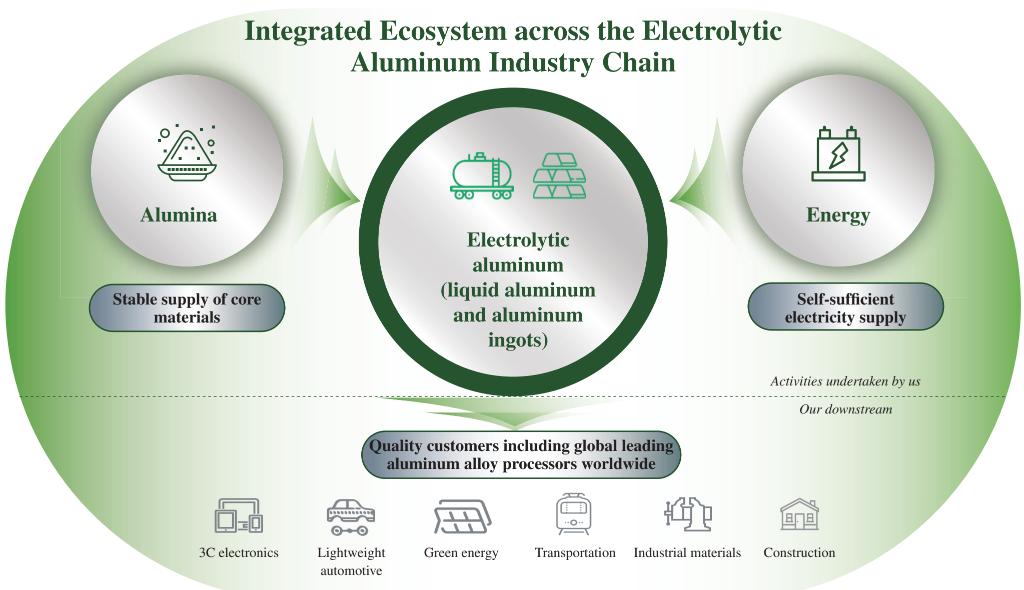
### Today's Chuangxin Industries

We focus on alumina refining and aluminum smelting within the upstream of the aluminum industry chain. The aluminum industry chain mainly consists of upstream aluminum production and downstream aluminum alloy processing. Upstream aluminum production primarily comprises three stages: bauxite mining, alumina refining and aluminum smelting. According to CRU, refining and smelting represent the most value-added segments in the aluminum industry chain, based on added value per ton of aluminum.

Our business mainly comprises the production and sales of electrolytic aluminum as well as alumina and other related types of products. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the revenue from sales of electrolytic aluminum accounted for 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue, respectively, and the revenue from sales of alumina and other related types of products accounted for 2.0%, 7.1%, 12.2%, 7.6% and 21.1% of our total revenue, respectively.

According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source. Our subsidiary, Inner Mongolia Chuangyuan, was awarded the accolade of "National Green Factory" by China's Ministry of Industry and Information Technology (the "**MIIT**") in 2024.

Since 2012, we have strategically established our presence and dedicated in business development in Huolinguole, Inner Mongolia and Binzhou, Shandong Province, which are geographically advantageous in terms of the availability of scarce resources. We benefit from the low electricity prices enabled by our electricity generation capability and Inner Mongolia's abundant power resources. We also benefit from the geographical proximity of our aluminum smelter to the downstream aluminum consumption base in North and East China and of our alumina refinery to the import ports and transshipment ports for bauxite. As of December 31, 2024, we had achieved a high rate of self-sufficiency in alumina and electricity supply, which is strategically and economically critical for the production of electrolytic aluminum and for maintaining strong results of operations in comparison with some of our peers. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, we had an alumina self-sufficiency rate of approximately 47%, 90%, 84%, 98% and 70%, respectively, and an electricity self-sufficiency rate of approximately 81%, 81%, 88%, 84% and 87%, respectively. We have built a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain that covers "energy — alumina refining — aluminum smelting."




We prioritize sustainable development, with a long-term goal of achieving a green transition in our operations. We are continuously developing an integrated ecosystem across the electrolytic aluminum industry chain. We are dedicated to consolidating our cost advantages and investing in research and development to continuously enhance our competitiveness and market recognition. To realize our long-term goal of achieving a green transition, we strive to reduce carbon emissions in the electrolytic aluminum industry chain.

**Our Key Milestones**

We started our business with the construction planning of our aluminum smelter in Huolinguole, Inner Mongolia in 2012. We have been focusing on completing our capabilities across the electrolytic aluminum industry chain and are now an aluminum industry group covering energy to alumina refining and aluminum smelting.

In December 2017, Phase I of the aluminum smelting project, with a designed production capacity of 400.0 kt, commenced operations. This marks the beginning of our aluminum smelting. In December 2018, we constructed a coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW, around our aluminum smelter. Since then, this power plant has consistently supplied stable electricity for our electrolytic aluminum production. In February 2019, our alumina refining project commenced operations at our alumina refinery in Binzhou, Shandong Province, with a designed production capacity of 800.0 kt. This marks the beginning of our efforts to achieve high alumina self-sufficiency. In October 2020, Phase II of the aluminum smelting project, with a designed production capacity of 400.0 kt, commenced operations at our aluminum smelter. This further expands our aluminum smelting capacity. In November 2022, our project of aluminum-based new material commenced operations at our alumina refinery, containing a production capacity of 400.0 kt of alumina. This further expands our alumina refining capacity. In July 2023, to increase our green energy proportion, we started the construction of a green energy power generation project in Inner Mongolia, constructing a wind power plant with an installed capacity of 400.0 MW and a solar power plant with an installed capacity of 110.0 MW. The wind power plant, as of the Latest Practicable Date, had been operational and connected to the grid. For the solar power plant, as of the same date, the majority of the capacity had been installed and some had been operational and connected to the grid. We expect the remaining installed capacity to be operational and connected to the grid by the end of December 2026.

## OUR RELATIONSHIP WITH INNOVATION NEW MATERIAL

Innovation New Material, a company controlled by Mr. Cui, therefore our connected person, is listed on the Shanghai Stock Exchange (stock code: 600361.SH) and was our largest customer in 2023, 2024 and the five months ended May 31, 2025. We have mainly been engaged in the upstream production of electrolytic aluminum in liquid form and aluminum ingots, and Innovation New Material focuses on the downstream processing of aluminum alloy. In early 2023, Innovation New Material launched new manufacturing sites near the industry park of our Company in Inner Mongolia, with an annual production capacity of 1.22 mt, and we have been providing electrolytic aluminum in liquid form to Innovation New Material since then. Short-distance transportation of liquid aluminum benefits both us, as an upstream electrolytic aluminum manufacturer, and Innovation New Material, as a downstream aluminum alloy processor. This is extremely cost-efficient and therefore it is in the best interests of our Company, and our shareholders as a whole, to sell the electrolytic aluminum in liquid form to Innovation New Material. See "Connected Transactions — Non-exempt Continuing Connected Transactions — Provision of Products and Services Framework Agreement — Reasons for the Transactions" for details.

Revenue from Innovation New Material in 2022, 2023, 2024 and the five months ended May 31, 2025 amounted to RMB0.2 million, RMB10,891.8 million, RMB11,608.9 million and RMB4,315.9 million, respectively, and accounted for 0.0%, 78.8%, 76.6% and 59.8% of our total revenue for the same respective periods. Our sales of liquid aluminum to Innovation New Material and its subsidiaries are conducted in the ordinary and usual course of our business, and our Directors confirm that the terms of such transactions are determined on arm's-length terms and are no less favorable to us than terms offered by Independent Third Parties. Our Directors believe that the sales of the majority of our liquid aluminum to Innovation New Material and its subsidiaries do not indicate any undue reliance by us on our Controlling Shareholders and their close associates, and that such sales are beneficial to our Company and our Shareholders. Despite Innovation New Material being our largest customer in 2023, 2024 and the five months ended May 31, 2025, we have independent access to customers. We sell to both our connected person, Innovation New Material, and independent third-party customers, primarily including trading companies and production companies.

Our Company co-invested with our Controlling Shareholders' close associates, namely Innovation Group and Innovation New Material, in the Saudi Project. Our Directors believe that the co-investment into the Saudi Project is beneficial to the Company and our Shareholders as a whole and does not indicate any undue reliance on, or direct competition with, our Controlling Shareholders' close associates. See "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Operational Independence — Co-investment into the Saudi Project with Innovation Group and Innovation New Material" for details.

## OUR STRENGTHS

We believe that the following strengths contribute to our success:

- Strategic focus on geographical areas with advantages in scarce resources, building a sustainable competitive edge in resources.

- Distinct advantages in preparing for the transition to green power aluminum.

- A self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain, ensuring strong risk resilience and steadiness of raw material supplies.

- Industry-leading cost advantages leading to swiftly unleashed profitability.

- Active implementation of globalization strategies.

- Our chairman's vision and the management team's outstanding operational expertise guide us toward sustainable and steady growth.

See "Business — Our Strengths."

## OUR STRATEGIES

We intend to pursue the following strategies to further grow our business:

- Fully explore wind and solar energy to establish a stable green power aluminum business.

- Proactively expand into overseas markets and increase overseas production capacities as a response to the belt and road Initiative (the "BRI").

- Optimize the energy structure and raw material supply and improve the production techniques to strengthen our costs advantages.

- Complete our capabilities across the aluminum industry chain to resist risks and maintain steadiness of raw material supplies during cyclical fluctuations.

- Improve environmental and social responsibility performance to maintain sustainability.

See "Business — Our Strategies."

**OUR PRODUCTS**

We provide electrolytic aluminum products as well as alumina and other related types of products. Our electrolytic aluminum products primarily include liquid aluminum and aluminum ingots. Aluminum is a silvery-white, ductile and corrosion-resistant metal with a wide range of applications across various industries, such as 3C electronics, lightweight automotive, green energy, transportation, industrial materials and construction. According to CRU, China has the largest electrolytic aluminum market globally, with an industry size of approximately RMB897 billion in 2024, representing approximately 71% of global industry size. Our liquid aluminum and aluminum ingots meet the National Standard GB/T 1196-2023 promulgated by the PRC government.

We also provide alumina, a white crystalline substance that serves as a key raw material in the production of electrolytic aluminum. According to CRU, approximately 94% of alumina is consumed in aluminum smelting. Our alumina refining achieved an alumina output of approximately 706.2 kt, 1,546.1 kt, 1,539.9 kt, 665.3 kt and 664.5 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, with a rate of alumina self-sufficiency reaching approximately 84% in 2024. Our alumina meets the national standards promulgated by the PRC government, namely, GB/T 24487-2009 and GB/T 24487-2022. We produce alumina in-house. After meeting the internal demand for alumina in our aluminum smelting process, we sell alumina externally as one of our major products. In line with market practice, we also procure high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers. Compared to such high-lithium salt alumina, the alumina we produce contains relatively low levels of lithium salt, which is comparable with most alumina commodity in the market, according to CRU.

The following table sets forth our revenue breakdown by product for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum | 12,881.9 | 95.5 | 12,502.3 | 90.5 | 12,883.7 | 85.0 | 5,276.0 | 89.7 | 5,523.2 | 76.6 |
| – Liquid aluminum | 363.2 | 2.7 | 10,841.4 | 78.5 | 11,579.7 | 76.4 | 5,276.0 | 89.7 | 4,305.5 | 59.7 |
| – Aluminum ingots | 12,518.7 | 92.8 | 1,660.9 | 12.0 | 1,304.0 | 8.6 | – | – | 1,217.7 | 16.9 |
| Alumina and other related types of products | 270.6 | 2.0 | 977.4 | 7.1 | 1,849.5 | 12.2 | 449.5 | 7.6 | 1,523.7 | 21.1 |
| – Alumina | 68.1 | 0.5 | 626.6 | 4.6 | 1,647.8 | 10.9 | 408.4 | 6.9 | 1,338.6 | 18.6 |
| – Other related types of products[(1)] | 202.5 | 1.5 | 350.8 | 2.5 | 201.7 | 1.3 | 41.1 | 0.7 | 185.1 | 2.6 |
| Others[(2)] | 337.2 | 2.5 | 335.0 | 2.4 | 430.0 | 2.8 | 157.7 | 2.7 | 166.6 | 2.3 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

*Notes:*

(1) Mainly include aluminum hydroxide.

(2) Mainly include scrap and other materials, electricity and steam supply.

The revenue contribution from alumina increased from 0.5% of our total revenue in 2022 to 10.9% of our total revenue in 2024, and increased from 6.9% of our total revenue in the five months ended May 31, 2024 to 18.6% of our total revenue in the same period of 2025, as we attached a high importance to a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain and strategically increased our production capacity of alumina products. The revenue contribution from alumina was also affected by the fluctuations in the average market prices of alumina during the Track Record Period. During the Track Record Period, the CRU China alumina price was RMB2,936 per ton, RMB2,906 per ton, RMB4,030 per ton, RMB3,393 per ton and RMB3,517 per ton in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis."

Our revenue from aluminum ingots increased significantly, from nil in the five months ended May 31, 2024 to RMB1,217.7 million in the same period of 2025, primarily due to (i) an increase in sales of our aluminum ingots to independent third parties. Such customers were primarily existing customers; and (ii) a decrease in our sales of liquid aluminum to related parties to reduce the proportion of connected transactions. Our revenue from alumina increased significantly, from RMB408.4 million in the five months ended May 31, 2024 to RMB1,338.6 million in the same period of 2025, primarily due to our increase in sales of alumina to independent third parties as we increased our procurement of high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers.

We generate electricity at our power plants for electrolytic aluminum production. We sell surplus self-generated electricity after meeting the internal demand for electricity, while also procuring electricity, primarily green electricity, from the grid, to ensure a stable and reliable power supply that mitigates the potential fluctuations in our self-generated electricity while increasing our green power usage. In addition, the electricity generated by our Binzhou thermal power plant is not recorded as electricity generated by our proprietary power plant but as electricity procured from suppliers. This is mainly because our Binzhou thermal power plant is connected to the grid and, in accordance with applicable PRC laws and regulations, our power plant connected to the grid is required to first sell the generated electricity to the grid before we can subsequently source electricity from the grid for our production needs. See "Business — Electricity Supply — Our Thermal Power Supply." The prices at which we sell our surplus self-generated electricity are primarily benchmarked to the local market prices, which can be adjusted by the local government authorities.

Steam is produced as a by-product at our power plants during electricity generation and we also use steam in our production. We sell surplus self-generated steam after meeting the internal demand for steam, while also procuring a small amount of steam from third parties during the examination periods of our power plants when steam generation is halted to ensure continuous production. We determine the pricing at which we sell our surplus self-generated steam primarily by taking into consideration the cost of sales.

We have obtained the necessary license for selling electricity. See "Business — Licenses, Permits and Approvals." As advised by our PRC Legal Advisor, no license or permit is required for our sales of steam.

## OUR PRODUCTION

Our advanced production capabilities, substantial output and sustainable production practices position us to effectively meet the large-scale demand for our products from downstream customers. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source.

**Our Production Capabilities**

Our aluminum smelter is located in Huolinguole, Inner Mongolia, and our alumina refinery is located in Binzhou, Shandong Province. According to CRU, the industry average electrolytic aluminum production per capita in China was between approximately 260 tons and 280 tons. During the Track Record Period, our electrolytic aluminum production per capita was between approximately 590 tons and 670 tons.

As of the Latest Practicable Date, we had obtained regulatory approvals for (i) production quota of 788.1 kt per year of electrolytic aluminum, for which the associated production line had been built and was in use, (ii) production capacity of 1,200 kt per year of alumina, for which the associated production line had been built and was in use, (iii) production capacity of 2,980 kt per year of aluminum hydroxide, for which the associated production lines for 1,480 kt had been built and were in use and the other 1,500 kt had commenced pilot production in December 2024, which had increased to full operation in April 2025, (iv) production capacity of 2,000 kt per year of alumina calcined from aluminum hydroxide, for which the associated production line had been constructed as of the date of this prospectus and will begin pilot production in November 2025, and (v) production capacity of 4,000 kt per year of alumina calcined from aluminum hydroxide, for which we had no plan to construct the associated production line as of the same date. Aluminum hydroxide is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. During the Track Record Period, our aluminum hydroxide produced was primarily calcined to produce alumina in-house and was also separately sold to external customers. Our projected total annual production capacity of alumina, assuming (a) all of the above capacities from (ii) to (iv) are fully operational, and (b) we calcine aluminum hydroxide to produce alumina as planned, will be at least 3,000 kt.

The following table sets forth the details of our production capacity and the relevant metrics of our major products for the periods indicated:

| | Year ended December 31, | | | | | | | | | | | | Five months ended May 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | | 2023 | | | | 2024 | | | | 2024 | | | | 2025 | | | |
| | Designed production capacity[(1)] | Actual production volume | Capacity utilization rate[(2)] | Regulatory approvals for annual production quota and capacity[(3)] | Designed production capacity[(1)] | Actual production volume | Capacity utilization rate[(2)] | Regulatory approvals for annual production quota and capacity[(3)] | Designed production capacity[(1)] | Actual production volume | Capacity utilization rate[(2)] | Regulatory approvals for annual production quota and capacity[(3)] | Designed production capacity[(1)] | Actual production volume | Capacity utilization rate[(2)] | Regulatory approvals for annual production quota and capacity[(3)] | Designed production capacity[(1)] | Actual production volume | Capacity utilization rate[(2)] | Regulatory approvals for annual production quota and capacity[(3)] |
| | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* |
| Aluminum smelting . . . . | 788.1 | 744.1 | 94.4 | 788.1 | 788.1 | 757.9 | 96.2 | 788.1 | 788.1 | 755.4 | 95.6 | 788.1 | 326.0 | 315.6 | 96.8 | 788.1 | 326.0 | 310.7 | 95.3 | 788.1 |
| Alumina refining . . . . . | 800.0 | 706.2 | 88.3 | 800.0 | 1,200.0 | 1,546.1 | 128.8 | 1,200.0 | 1,200.0 | 1,539.9 | 128.3 | 7,200.0 | 518.7 | 665.3 | 128.3 | 1,200.0 | 515.3 | 664.5 | 129.0 | 7,200.0 |

*Notes:*

(1) The designed capacity for the aluminum smelter is the pre-designed production output that may be achieved under normal production conditions and product specifications specified in the design documents and technical documents. It is calculated based on the assumption that each factory's main product is produced 24 hours a day, 365 days a year and for 151 days for the five months ended May 31, 2024 and 2025. For the alumina refinery, this is calculated based on the assumption that each factory's main product is produced 24 hours a day, 347 days a year and for 149 days for the five months ended May 31, 2024 and 2025, deducting the days for the annual examination of alumina refining equipment, during which production temporarily halts. The annualized designed production volume in the five months ended May 31, 2025 (namely, the annual designed production capacity in 2025) remained at 788.1 kt and 1,200 kt for aluminum smelting and alumina refining, respectively.

(2) The capacity utilization rate is calculated by dividing the actual production volume for the period indicated by the annualized designed production capacity for the period indicated.

(3) Regulatory approval for annual electrolytic aluminum production quota refers to the approved annual cap in production volume for electrolytic aluminum, including liquid aluminum and aluminum ingots. Regulatory approval for annual alumina production capacity refers to the approved annual cap in production volume for alumina.

The designed capacity for both electrolytic aluminum and alumina is identical with the regulatory approval for annual production quota and capacity in each period, except for those for alumina in 2024 and the five months ended May 31, 2024 and 2025, because (i) the initial design of the production sites and production lines factored in policy requirements; and (ii) for any surplus approved production quota that exceeds our designed production quota, we actively engaged in the trading thereof for additional capital. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022 — Other Gains."

The designed capacity for the aluminum smelter is the pre-designed production output that may be achieved under normal production conditions and product specifications contained in the design documents and technical documents. The actual production volume of alumina in 2023 and 2024 exceeded the designed production capacity in the respective periods, primarily because our alumina refining efficiency improved as we renovated and upgraded the production equipment and improved our operational efficiency through more refined management. Specifically, we improved certain operational procedures, equipment and workflow within the production process, thereby optimizing the processes of material handling, impurity removal and electrolysis, among other things. We did not obtain regulatory approval for additional production capacity before exceeding the relevant capacity in 2023. According to PRC laws and regulations, an increase in production capacity of 30.0% or more is considered a significant change in the constructed project, which necessitates the submission of a change application to the original regulatory authorities to obtain re-approval. Companies who commence construction without re-approval may face penalties such as being ordered to suspend production and fines. As advised by our PRC Legal Advisor, according to PRC laws and regulations as well as the written confirmations from the relevant competent regulatory authorities we obtained during the period from October 2024 to January 2025, including Wudi Development and Reform Commission (無棣縣發展和改革局), Wudi Sub-branch of Binzhou Municipal Ecological and Environment Bureau (濱州市生態環境局無棣分局) and Wudi Emergency Management Bureau (無棣縣應急管理局), our increase in actual production capacity in 2023 and 2024 did not exceed 30.0% in the respective periods, which does not constitute a significant change; furthermore, since it does not constitute non-compliance, no relevant administrative penalties can be imposed on our Group.

To more effectively control and manage our production capacity utilization, we continuously monitor our capacity utilization rate and timely obtain regulatory approval for additional production capacity in anticipation of potential increases in the demand for our alumina products. In 2024, we secured the regulatory approval for a total of 6,000 kt per year production capacity of alumina calcined from aluminum hydroxide, among which (i) we started the construction of the relevant production line with 2,000 kt of designed production capacity in February 2025 and were in the process of construction as of the Latest Practicable Date, and (ii) we had no plan for the construction of the remaining 4,000 kt approved production capacity as of the same date. This 6,000 kt regulatory approval serves to expand our current production capabilities and control the utilization rate, and also serves as a strategic reserve for our future alumina production. This strategic reserve is expected to provide us with a competitive edge by allowing for increased output in response to market demand spikes, without any delay caused by waiting for new approvals. Furthermore, it supports our long-term planning and stability, giving us the flexibility to expand production in a compliant manner. We expect to complete the construction of the relevant production line with 2,000 kt of designed production capacity in the fourth quarter of 2025. We expect to commence the pilot production at this production line by the end of 2025. In view of our expected increase in alumina production capacity, we plan to further expand the sales of alumina to downstream customers centered around our alumina refinery in Binzhou, Shandong Province, rather than purchasing additional electrolytic aluminum quota and consuming the increased alumina output at our aluminum smelter.

As confirmed by our PRC Legal Advisor, the approval procedures of production capacity for alumina and alumina calcined aluminum hydroxide are essentially the same. In terms of the production process, the former allows for the holder of such approval to produce alumina through the Bayer process all the way from bauxite, while the latter allows for producing alumina from aluminum hydroxide, an intermediate in the Bayer process. See "Business — Our Production — Our Production Process — Alumina Products" for details.

## ELECTRICITY SUPPLY

The aluminum smelting process requires a continuous and stable electricity supply. Electricity costs represent a major portion of production costs for all electrolytic aluminum companies. According to CRU, in 2024, electricity costs accounted for approximately 36% of the total production costs for aluminum smelting companies in China. Leveraging the abundant natural resources in Huolinguole, Inner Mongolia, we have established power plants and electricity generation facilities that utilize thermal power and are in the process of building power plants and electricity generation facilities that utilize green electricity sources to provide a stable electricity supply at low cost. Our rate of electricity self-sufficiency was approximately 88% in 2024, significantly higher than the industry average of approximately 57% in the same period, according to CRU. Our rate of electricity self-sufficiency was approximately 87% in the five months ended May 31, 2025. We also procure electricity, including green electricity, from the grid to ensure a stable and reliable power supply that mitigates the potential fluctuations in our self-generated electricity while increasing our green power usage.

## OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers mainly consisted of nonferrous metal processing and manufacturing enterprises and traders. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB5,507.5 million, RMB12,018.8 million, RMB13,132.6 million and RMB5,751.4 million, respectively, and accounted for 40.8%, 87.0%, 86.6% and 79.7% of our total revenue for the same respective periods. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB1,598.1 million, RMB10,891.8 million, RMB11,608.9 million and RMB4,315.9 million, respectively, and accounted for 11.8%, 78.8%, 76.6% and 59.8% of our total revenue for the same respective periods. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence — Sales of Electrolytic Aluminum in Liquid Form to Innovation New Material."

During the Track Record Period, our suppliers mainly consisted of suppliers of raw materials such as bauxite, carbon anodes, coals, alumina and electricity. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB4,349.1 million, RMB3,459.7 million, RMB3,928.4 million and RMB2,503.0 million, respectively, and accounted for 42.2%, 36.0%, 39.9% and 41.8% of our total purchases for the same respective periods. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB1,259.7 million, RMB914.0 million, RMB1,069.1 million and RMB984.6 million, respectively, and accounted for 12.2%, 9.5%, 10.9% and 16.4% of our total purchases for the same respective periods.

## COMPETITION

We primarily compete with a number of domestic and overseas companies focused on the aluminum smelting, alumina refining and the sale of electrolytic aluminum and alumina and other related types of products. According to CRU, the global consumption of electrolytic aluminum is expected to grow at a CAGR of 1.6% from 2025 to 2028. China's annual demand gap for electrolytic aluminum is expected to exceed one mt and last until 2034, primarily due to an annual electrolytic aluminum production capacity cap of approximately 45 mt imposed by the MIIT.

Market participants compete based on their operational capabilities, production infrastructure improvement and access to electricity as well as raw materials. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source. According to CRU, our ability to manage cash costs of aluminum per ton was among the top 5% of all aluminum smelting companies in China and competitive on a global scale, ranking among the top 30% in 2024 (comparing our cash costs to the industry average cash costs in China and on a global scale in 2024). Leveraging our experience in the electrolytic alumina industry, our preparation for the transition to green aluminum and our relatively lower cost of electricity compared to the national average, we believe we are able to continue to seize the potential in the target market through our access to electricity and raw materials, quality green power aluminum and globalization strategies.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

### Summary of Consolidated Statements of Results of Operations

The following table sets forth a summary of our results of operations in absolute amounts and as a percentage of revenue for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | *(unaudited)* | | | |
| **Revenue** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |
| Cost of sales | (11,448.6) | (84.9) | (11,478.4) | (83.1) | (10,886.7) | (71.8) | (4,242.9) | (72.1) | (5,780.9) | (80.1) |
| **Gross profit** | **2,041.1** | **15.1** | **2,336.3** | **16.9** | **4,276.5** | **28.2** | **1,640.3** | **27.9** | **1,432.7** | **19.9** |
| Other income | 93.5 | 0.7 | 97.9 | 0.7 | 55.2 | 0.4 | 19.8 | 0.3 | 22.8 | 0.3 |
| Other expenses | (7.5) | (0.1) | (20.9) | (0.1) | (11.2) | (0.1) | (2.5) | 0.0 | (6.9) | (0.1) |
| Listing expenses | – | – | – | – | (16.4) | (0.1) | – | – | (4.7) | (0.1) |
| Other gains and losses | 206.0[(1)] | 1.5 | 5.2 | 0.0 | 18.5 | 0.1 | 10.8 | 0.2 | 6.9 | 0.1 |
| Selling and marketing expenses | (2.8) | (0.0) | (0.3) | (0.0) | (0.6) | (0.0) | (0.1) | 0.0 | (0.9) | 0.0 |
| Administrative expenses | (218.6) | (1.5) | (206.0) | (1.5) | (279.0) | (1.9) | 101.2 | (1.7) | (145.6) | (2.0) |
| Impairment (losses) gains under expected credit loss model, net of reversal | (2.1) | (0.0) | (0.0) | (0.0) | 0.4 | 0.0 | 0.4 | 0.0 | 0.8 | 0.0 |
| Share of results of joint ventures | – | – | – | – | (0.9) | (0.0) | – | – | (7.0) | (0.1) |
| Finance costs | (1,061.9) | (7.9) | (939.7) | (6.8) | (761.6) | (5.0) | (366.5) | (6.2) | (262.4) | (3.6) |
| **Profit before tax** | **1,047.7** | **7.8** | **1,272.5** | **9.2** | **3,280.9** | **21.6** | **1,201.1** | **20.4** | **1,035.6** | **14.3** |
| Income tax expenses | (134.8) | (1.0) | (191.9) | (1.4) | (651.4) | (4.3) | (201.6) | (3.4) | (180.2) | (2.5) |
| **Profit and total comprehensive income for the year/period** | **912.9** | **6.8** | **1,080.6** | **7.8** | **2,629.5** | **17.3** | **999.4** | **17.0** | **855.5** | **11.9** |
| Profit and total comprehensive income for the year/period attributable to: | | | | | | | | | | |
| Owners of the Company | 881.3 | 6.5 | 1,003.5 | 7.2 | 2,056.2 | 13.6 | 879.9 | 15.0 | 756.0 | 10.5 |
| Non-controlling interests | 31.6 | 0.3 | 77.1 | 0.6 | 573.3 | 3.7 | 119.5 | 2.0 | 99.5 | 1.4 |

*Note:*

(1) In 2022, our other gains and losses primarily consisted of (i) gain on disposal of intangible assets, mainly representing the gain from the sales of our aluminum production quota; (ii) net gain on disposal of property, plant and equipment, mainly representing the loss from the disposal of certain production equipment; and (iii) gain on disposal of derivative financial instruments, mainly the futures products we held for the purposes of hedging the fluctuations in the market prices of aluminum ingots.

### Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use EBITDA (*Non-IFRS measure*) as an additional financial measure, which is not required by or presented in accordance with IFRS. We believe that this Non-IFRS measure facilitate comparisons of operating performance from period to period and company to company. We believe that this Non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of EBITDA (*Non-IFRS measure*) may not be comparable to similarly titled measures presented by other companies. The use of such Non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define EBITDA (*Non-IFRS measure*) as profit and total comprehensive income for the period adjusted for (i) depreciation of property, plant and equipment, (ii) depreciation of right-of-use assets, (iii) amortization of intangible assets, (iv) net finance costs, and (v) income tax expense. The following table reconciles EBITDA (*Non-IFRS measure*) to our profit and total comprehensive income for the period presented in accordance with IFRS for the periods indicated:

| | Year ended December 31, | | | Five months ended May 31, | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | | | *(RMB in millions)* | | |
| | | | | *(unaudited)* | |
| **Reconciliation of profit and total comprehensive income for the year/period to EBITDA *(Non-IFRS measure)*** | | | | | |
| Profit for the year/period | 912.9 | 1,080.6 | 2,629.5 | 999.4 | 855.5 |
| Add: | | | | | |
| – Depreciation of property, plant and equipment | 462.6 | 546.9 | 617.1 | 233.1 | 323.4 |
| – Depreciation of right-of-use assets | 201.8 | 162.8 | 71.4 | 52.5 | 18.0 |
| – Amortization of intangible assets | 75.0 | 71.3 | 71.6 | 29.7 | 29.8 |
| – Net finance costs | 971.8 | 890.8 | 743.1 | 357.2 | 260.4 |
| – Income tax expenses | 134.8 | 191.9 | 651.4 | 201.6 | 180.2 |
| **EBITDA *(Non-IFRS measure)*** | **2,758.9** | **2,944.3** | **4,784.1** | **1,873.5** | **1,667.4** |

Our profit for the period decreased by 14.4%, from RMB999.4 million in the five months ended May 31, 2024 to RMB855.5 million in the same period of 2025 due to a decrease in gross profit as a result of the increase in market prices of certain key raw materials. See "Financial Information — Period-to-period Comparison of Results of Operations — Five Months ended May 31, 2025 Compared with Five Months ended May 31, 2024."

Our profit for the period increased significantly from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024, mainly attributable to an increase in the gross profit due to (i) an increase in the ASP of electrolytic aluminum and alumina, driven by an increase in the average market price; and (ii) a decrease in the price of certain raw materials. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023."

Our profit for the year increased by 18.4% from RMB912.9 million in 2022 to RMB1,080.6 million in 2023, mainly attributable to an increase in the gross profit due to a decrease in the market prices of certain key raw materials. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022."

See "Financial Information — Description of Major Components of Our Results of Operations."

The following table sets forth the revenue, sales volume and ASP of our major products for the periods indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic aluminum . . . . . . . . | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Liquid aluminum . . . . . . . . . | 19.0[4] | 363.2[4] | 19,110.5 | 671.3 | 10,841.4 | 16,148.8 | 679.0 | 11,579.7 | 17,053.6 | 315.4 | 5,276.0 | 16,725.6 | 243.6[3] | 4,305.5 | 17,675.3 |
| – Aluminum ingots . . . . . . . . . | 714.1 | 12,518.7 | 17,530.1 | 101.7 | 1,660.9 | 16,331.4 | 73.6 | 1,304.0 | 17,717.4 | – | – | – | 68.5 | 1,217.7 | 17,777.5 |
| Alumina[2] . . . . . . . . . . . . . | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |
| – Sales to independent third parties . . | 27.0 | 68.1 | 2,522.2 | 295.4 | 626.6 | 2,121.2 | 444.5 | 1,647.8 | 3,707.1 | 135.9 | 408.4 | 3,005.2 | 460.7 | 1,338.6 | 2,905.6 |
| – Intragroup sales . . . . . . . . . | 679.3 | 1,706.8 | 2,512.7 | 1,268.3 | 3,166.3 | 2,496.5 | 1,095.1 | 3,760.0 | 3,433.6 | 528.0 | 1,538.2 | 2,913.0 | 199.5 | 601.2 | 3,013.2 |

*Notes:*

(1) The ASP is calculated by dividing the revenue (excluding value-added tax) by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) The volume of our liquid aluminum sold decreased from 315.4 kt in the five months ended May 31, 2024 to 243.6 kt in the same period in 2025, primarily because we proactively increased the production and sales volume of aluminum ingots to independent third parties to further broaden our customer base, therefore leading to decreased sales volume of liquid aluminum.

(4) The volume of liquid aluminum in 2022 was low compared to that in the subsequent years/periods, primarily because we sold liquid aluminum in 2022 as an additional revenue stream and our main business focus was producing and selling aluminum ingots back in 2022. We have been providing a stable supply of liquid aluminum to Innovation New Material since its commencement of operations in Inner Mongolia in early 2023. See "Relationship With Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence."

***Product Prices during the Track Record Period***

We mainly determine the price of our electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market (上海有色金屬網), which, as confirmed by CRU, indicates the market-assessed price of electrolytic aluminum traded in China typically used by market players. As confirmed by CRU, benchmarking sales prices of electrolytic aluminum products against the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market is in line with industry norm. See "Business — Sales, Marketing and Customer Services — Pricing and Payment" and "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis."

During the Track Record Period, the ASP of our products fluctuated in line with the fluctuations in relevant market prices. Both the global market price of electrolytic aluminum and the market price of electrolytic aluminum in China decreased in 2023 from 2022, mainly due to the disruption arising from the Russia-Ukraine war, with Europe experiencing significant economic headwinds and China experiencing an economic slowdown. The market prices subsequently increased in 2024 as the global electrolytic aluminum market showed a deficit of 35 kt, and remained relatively stable in early 2025. Both the global market price of alumina and the market price of alumina in China remained relatively stable in 2022 and 2023, and subsequently surged in 2024 due to a global supply deficit mainly attributable to (i) several alumina production disruption incidents as several refineries in Australia, India and Brazil faced bauxite and energy supply constraints; (ii) temporary disruption to Guinea bauxite shipments; and (iii) China's persistent high demand for alumina. The market prices slightly decreased in early 2025 due to a shift in market balance from a deficit in 2024 to a surplus in 2025 mainly attributable to (i) the fact that most of the aforementioned disruptions seen in 2024 have been gradually resolved towards the end of 2025 and in early 2025; and (ii) new refinery capacity is expected to come online in 2025 and 2026. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" and "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis" for detailed analyses on the price changes of electrolytic aluminum and alumina. Similar to the market prices, the ASP of our electrolytic aluminum decreased in 2023 from 2022, subsequently increased in 2024 and remained relatively stable in early 2025. The ASP of our alumina remained relatively stable in 2022 and 2023, subsequently surged in 2024 and slightly decreased in early 2025.

During the Track Record Period, the ASP of our electrolytic aluminum products appeared to be slightly lower than the SHFE spot price. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" for details. This discrepancy arises primarily because (i) our ASP excludes the 13% value-added tax, which is included in the SHFE spot price; and (ii) the SHFE spot price reflects solely aluminum ingot prices, whereas our ASP represents both aluminum ingots and liquid aluminum sold to customers. We mainly determine the price of electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market as discussed above, and make adjustments taking into account the reasonable costs, such as the processing and transportation costs. Our liquid aluminum is typically priced lower than our aluminum ingot products due to the comparatively lower processing and transportation costs associated with selling liquid aluminum. According to CRU, the price of liquid aluminum is usually lower than aluminum ingots. This is mainly because liquid aluminum is directly released from the aluminum smelter without the need for further casting and cooling. In addition, its transportation range is limited due to the high temperature required during transportation. In contrast, aluminum ingots undergo processes such as cooling in molds at the production sites and provide greater market liquidity, justifying a higher price.

The ASP of our liquid aluminum products is higher than that of our aluminum ingot products in 2022. This is because we only sold a relatively small amount of liquid aluminum products in 2022, mostly in the first quarter, whereas we sold a relatively large amount of aluminum ingot products throughout the year. In 2022, the market prices of electrolytic aluminum generally decreased throughout the year, as confirmed by CRU, resulting in the ASP of our liquid aluminum products being higher than that of our aluminum ingot products. Similarly, the ASP of our alumina products sold to independent third parties varied from the ASP of those sold intragroup in 2022, 2023 and 2024. This variance was primarily because we only sold a small amount of alumina products to independent third parties at limited times of 2022, 2023 and 2024. The market prices for alumina fluctuated in 2022 and 2023 and surged in 2024, resulting in the ASP of our alumina products sold to independent third parties differing from those sold intragroup.

During the Track Record Period, the ASP of our alumina products appeared to be slightly lower than the average market price of alumina, namely the CRU China alumina price, in China. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis." This discrepancy is primarily because (i) our ASP excludes the 13% value-added tax, which is included in the market average; and (ii) the CRU China alumina price averages alumina prices in multiple regions, including Henan, Shanxi, Guangxi, Guizhou and Shandong Provinces. According to CRU, the market prices in each province, including Shandong Province, where we sold most of our alumina products, differ from the average prices in other provinces tracked by CRU due to regional differences in production costs, transportation expenses as well as supply and demand dynamics. Market prices in Shandong Province are generally slightly lower than those in other provinces monitored by CRU China. This is mainly because Shandong Province is a key region for alumina production in China, resulting in a relatively more stable supply, lower transportation expenses due to proximity to alumina refineries, and lower production costs due to economies of scale.

**Cost of Sales**

Our cost of sales was RMB11,448.6 million, RMB11,478.4 million, RMB10,886.7 million, RMB4,242.9 million and RMB5,780.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily comprised (i) the cost of raw materials, mainly representing the procurement costs for coal, bauxite, carbon anode, alumina and other raw materials; (ii) the cost of outsourced electricity; (iii) depreciation; and (iv) staff costs.

The following table sets forth a breakdown of our cost of sales by product in absolute amount and as a percentage of our total cost of sales for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum | 11,144.6 | 97.3 | 10,472.6 | 91.2 | 9,414.5 | 86.5 | 3,829.5 | 90.3 | 4,213.1 | 72.9 |
| Alumina and other related types of products | 253.6 | 2.2 | 916.5 | 8.0 | 1,269.9 | 11.7 | 342.2 | 8.1 | 1,490.6 | 25.8 |
| Others[(1)] | 50.4 | 0.5 | 89.3 | 0.8 | 202.3 | 1.8 | 71.2 | 1.6 | 77.2 | 1.5 |
| **Total** | **11,448.6** | **100.0** | **11,478.4** | **100.0** | **10,886.7** | **100.0** | **4,242.9** | **100.0** | **5,780.9** | **100.0** |

*Note:*

(1) Mainly include scrap and other materials, electricity and steam supply.

The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of the total cost of sales for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Raw materials[1] | | | | | | | | | | |
| Coal | 3,122.1 | 27.3 | 3,106.9 | 27.1 | 2,639.6 | 24.2 | 1,071.7 | 25.3 | 988.4 | 17.1 |
| Bauxite | 907.2 | 7.9 | 2,401.4 | 20.9 | 2,790.2 | 25.6 | 1,066.4 | 25.1 | 1,744.4 | 30.7 |
| Carbon anode | 2,122.2 | 18.5 | 1,680.1 | 14.6 | 1,254.5 | 11.5 | 534.4 | 12.6 | 581.0 | 10.1 |
| Alumina | 2,302.3 | 20.1 | 877.4 | 7.6 | 783.0 | 7.2 | 219.8 | 5.2 | 795.7 | 13.8 |
| Other materials[2] | 476.0 | 4.2 | 770.1 | 6.7 | 484.0 | 4.5 | 204.8 | 4.8 | 214.2 | 3.7 |
| Electricity (outsourcing) | 881.3 | 7.7 | 918.5 | 8.0 | 874.5 | 8.0 | 356.9 | 8.4 | 365.1 | 6.3 |
| Depreciation | 711.6 | 6.2 | 735.4 | 6.4 | 643.3 | 5.9 | 255.0 | 6.0 | 336.8 | 5.8 |
| Staff cost | 333.4 | 2.9 | 309.5 | 2.7 | 347.2 | 3.2 | 142.4 | 3.4 | 148.6 | 2.6 |
| Others[3] | 592.5 | 5.2 | 679.1 | 6.0 | 1,070.4 | 9.9 | 391.5 | 9.2 | 576.7 | 9.9 |
| **Total** | **11,448.6** | **100.0** | **11,478.4** | **100.0** | **10,886.7** | **100.0** | **4,242.9** | **100.0** | **5,780.9** | **100.0** |

*Notes:*

(1) Carbon anodes, coal and alumina are raw materials used to produce electrolytic aluminum. Bauxite is the raw material used to produce alumina.

(2) Mainly include steam, liquid alkali and aluminum fluoride.

(3) Mainly include equipment costs, maintenance costs and environmental protection costs.

### Gross Profit and Gross Profit Margin

We had gross profit of RMB2,041.1 million, RMB2,336.3 million, RMB4,276.5 million, RMB1,640.3 million and RMB1,432.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our gross profit margin was 15.1%, 16.9%, 28.2%, 27.9% and 19.9% in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum[1] | 1,737.3 | 13.5 | 2,029.7 | 16.2 | 3,469.2 | 26.9 | 1,446.5 | 27.4 | 1,310.1 | 23.7 |
| – Liquid aluminum | 83.5 | 23.0 | 1,783.3 | 16.4 | 3,149.7 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| – Aluminum ingots | 1,653.8 | 13.2 | 246.4 | 14.8 | 319.5 | 24.5 | – | – | 267.0 | 21.9 |
| Alumina and other related types of products | 17.0 | 6.3 | 60.9 | 6.2 | 579.6 | 31.3 | 107.3 | 23.9 | 33.1 | 2.2 |
| – Alumina | (0.1) | (0.1) | 40.7 | 5.7 | 511.4 | 31.0 | 97.2 | 23.8 | 36.6 | 2.7 |
| – Other related types of products[2] | 17.1 | 8.4 | 20.2 | 7.8 | 68.2 | 33.8 | 10.1 | 24.6 | (3.5) | (1.9) |
| Others[3] | 286.8 | 85.1 | 245.7 | 73.3 | 227.7 | 53.0 | 86.5 | 54.9 | 89.4 | 53.7 |
| **Total** | **2,041.1** | **15.1** | **2,336.3** | **16.9** | **4,276.5** | **28.2** | **1,640.3** | **27.9** | **1,432.6** | **19.9** |

*Notes:*

(1) The amounts represent the gross profit and gross profit margin corresponding to sales to external customers for each product. For alumina sold intra-Group, we use it to produce electrolytic aluminum further sold to customers. Therefore the gross margin corresponding to the intra-Group sales of alumina was absorbed in the gross profit of the sales of electrolytic aluminum.

(2) Mainly include aluminum hydroxide.

(3) Mainly include scrap and other materials, electricity and steam supply.

Our gross profit decreased from RMB1,640.3 million in the five months ended May 31, 2024 to RMB1,432.7 million in the same period of 2025. Our gross profit margin decreased from 27.9% in the five months ended May 31, 2024 to 19.9% in the same period of 2025, primarily due to an increase in the prices of certain raw materials. The CRU China Bauxite price increased from approximately RMB528 per ton in the five months ended May 31, 2024 to approximately RMB720 per ton in the same period of 2025, according to CRU. The CRU China Bauxite price has increased in 2025, primarily due to (i) the strong demand for bauxite in alumina production in China; and (ii) the reliance on bauxite supply from Guinea in China. The market price of bauxite from Guinea was relatively high, mainly due to (i) the long shipping distance; (ii) the high quality of bauxite; and (iii) political and economic instability in Guinea. See "Industry Overview — Bauxite and Other Raw Material Analysis (Global and China) — Bauxite Price Analysis."

Our gross profit increased significantly from RMB2,336.3 million in 2023 to RMB4,276.5 million in 2024. Our gross profit margin increased significantly from 16.9% in 2023 to 28.2% in 2024, primarily because of (i) an increase in ASP of electrolytic aluminum and alumina, mainly due to the increase in their average market price, driven by the increase in market demand. The annual average SHFE cash price of electrolytic aluminum increased from RMB18,678 per ton in 2023 to RMB19,949 per ton in 2024, according to CRU. The annual average CRU China alumina price increased from approximately RMB2,906 per ton in 2023 to approximately RMB4,030 per ton in 2024, according to CRU; and (ii) a decrease in the price of certain raw materials. The annual average of the CRU CFR South China coal price decreased from RMB801 per ton in 2023 to RMB735 per ton in 2024, according to CRU. The annual average CRU China carbon anode price decreased from RMB5,156 per ton in 2023 to RMB4,114 per ton in 2024, according to CRU.

Our gross profit increased by 14.5% from RMB2,041.1 million in 2022 to RMB2,336.3 million in 2023. Our gross profit margin increased from 15.1% to 16.9% in the same period, primarily benefited from a decrease in the market price of certain key raw materials. The annual average of the CRU China carbon anode price decreased from RMB6,799 per ton in 2022 to RMB5,156 per ton in 2023, according to CRU. The annual average of the CRU CFR South China coal price decreased from RMB1,124 per ton in 2022 to RMB801 per ton in 2023, according to CRU. The caustic soda delivered price decreased from RMB3,645 per ton in 2022 to RMB2,887 per ton in 2023, according to CRU.

**Summary of Consolidated Statements of Financial Position**

The following table sets forth a summary of selected information from our consolidated statements of financial position as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| **Total non-current assets** | 12,071.5 | 12,312.3 | 14,535.6 | 15,762.8 |
| **Total current assets** | 9,418.2 | 7,241.2 | 3,784.2 | 5,180.4 |
| **Total assets** | 21,489.7 | 19,553.5 | 18,319.8 | 20,943.2 |
| **Total current liabilities** | 15,705.1 | 9,881.4 | 8,738.2 | 10,902.1 |
| **Net current liabilities** | (6,286.9) | (2,640.2) | (4,954.0) | (5,721.7) |
| **Total non-current liabilities** | 3,855.4 | 6,223.2 | 7,255.3 | 6,859.3 |
| **Total liabilities** | 19,560.5 | 16,104.6 | 15,993.5 | 17,761.4 |
| **Net assets** | 1,929.2 | 3,448.9 | 2,326.3 | 3,181.8 |

We had a net current liabilities position during the Track Record Period. This was primarily due to the capital-intensive nature of our industry, which requires bank and other borrowings to support our business operation. We have implemented, and will continue to implement, various measures to improve our net current liabilities position. See "Financial Information — Liquidity and Capital Resources — Current Assets and Liabilities."

Our net current liabilities decreased significantly from RMB6,286.9 million as of December 31, 2022 to RMB2,640.2 million as of December 31, 2023. The decrease was primarily due to (i) a decrease in bank and other borrowings, mainly as a result of the change in our borrowing structure. See "Financial Information — Indebtedness — Bank and Other Borrowings;" and (ii) a decrease in trade, bills and other payables, mainly due to a decrease in bills payables under note financing arrangements as we reduced the use of financing arrangements for bill payables. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables."

Our net current liabilities increased from RMB2,640.2 million as of December 31, 2023 to RMB4,954.0 million as of December 31, 2024. The increase was primarily due to a decrease in amounts due from related parties, mainly due to a decrease in amounts due from Innovation Group, mainly as a result of the offset of considerations among related parties as part of the Reorganization, which had been settled as of December 31, 2024. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Amounts Due from Related Parties." Such a decrease was partially offset by a decrease in trade, bills and other payables, mainly as a result of a decrease in bills payables under the note financing arrangement, resulting from the settlement of payables. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables."

Our net current liabilities increased from RMB4,954.0 million as of December 31, 2024 to RMB5,721.7 million as of May 31, 2025. The increase was primarily due to (i) an increase in bank and other borrowings. See "— Indebtedness — Bank and Other Borrowings;" and (ii) an increase in trade, bills and other payables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables." Such an increase was partially offset by an increase in inventories. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Inventories."

Our net assets increased by 78.8% from RMB1,929.2 million as of December 31, 2022 to RMB3,448.9 million as of December 31, 2023, corresponding to the increase in our equity in 2023, primarily reflecting (i) our profit and total comprehensive income for the year of RMB1,080.6 million; and (ii) a capital injection from a non-controlling interest.

Our net assets decreased by 32.5% from RMB3,448.9 million as of December 31, 2023 to RMB2,326.3 million as of December 31, 2024, corresponding to the increase in our equity in 2024, primarily reflecting the acquisition of equity interest in Inner Mongolia Chuangyuan of RMB3,032.5 million, partially offset by the profit and total comprehensive income for the year of RMB2,629.5 million.

Our net assets increased by 36.8% from RMB2,326.3 million as of December 31, 2024 to RMB3,181.8 million as of May 31, 2025, corresponding to the increase in our equity in the five months ended May 31, 2025, primarily reflecting our profit and total comprehensive income for the period of RMB855.5 million.

### Summary of the Consolidated Statements of Cash Flows

The following table sets forth our cash flow for the periods indicated:

| | Year ended December 31, | | | Five months ended May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Net cash flows generated from operating activities | 1,869.1 | 4,554.2 | 3,461.8 | 832.9 |
| Net cash flows (used in)/generated from investing activities | (664.6) | 1,632.1 | (2,426.5) | (1,942.8) |
| Net cash flows (used in)/generated from financing activities | (1,434.0) | (5,761.1) | (1,443.0) | 1,404.4 |
| **Net increase/(decrease) in cash and cash equivalents** | **(229.5)** | **425.2** | **(407.7)** | **294.5** |
| **Cash and cash equivalents at the beginning of the year** | **388.4** | **158.9** | **584.1** | **176.4** |
| **Cash and cash equivalents at end of year** | **158.9** | **584.1** | **176.4** | **470.9** |

See "Financial Information — Liquidity and Capital Resources — Cash Flow."

## KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

| | Year ended December 31, | | | Five months ended May 31, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | | | *(unaudited)* | |
| Gross profit margin (%)[1] | 15.1 | 16.9 | 28.2 | 27.9 | 19.9 |
| Net profit margin (%)[2] | 6.8 | 7.8 | 17.3 | 17.3 | 11.9 |
| EBITDA margin (Non-IFRS measure) (%)[3] | 20.5 | 21.3 | 31.6 | 31.8 | 23.1 |
| Return on equity (%)[4] | 62.0 | 40.2 | 91.1 | 34.6 | 31.1 |

*Notes:*

(1) Gross profit margin equals gross profit for the year or period divided by revenue for the same year or period and multiplied by 100%. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022 — Gross Profit and Gross Profit Margin", "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023 — Gross Profit and Gross Profit Margin" and "Financial Information — Period-to-period Comparison of Results of Operations — Five Months ended May 31, 2025 Compared with Five Months ended May 31, 2024 — Gross Profit and Gross Profit Margin" for a discussion on the changes in gross profit margin during the Track Record Period.

(2) Net profit margin equals profit or total comprehensive income for the year or period divided by revenue for the year or period and multiplied by 100%.

(3) EBITDA margin (Non-IFRS measure) equals EBITDA (Non-IFRS measure) for the year or period divided by revenue for the year or period and multiplied by 100%.

(4) Return on equity equals profit or total comprehensive income for the year or period divided by the average of the beginning and ending total equity for the year or period and multiplied by 100%.

Our net profit margin remained relatively stable at 6.8% and 7.8% in 2022 and 2023, respectively. Our EBITDA margin (Non-IFRS measure) remained relatively stable at 20.5% and 21.3% in 2022 and 2023, respectively.

Our net profit margin increased significantly from 7.8% in 2023 to 17.3% in 2024. Our EBITDA margin (Non-IFRS measure) increased from 21.3% in 2023 to 31.6% in 2024. The increases in net profit margin and EBITDA margin (Non-IFRS measure) were primarily due to an increase in gross profit. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023 — Gross Profit and Gross Profit Margin."

Our net profit margin decreased from 17.3% in the five months ended May 31, 2024 to 11.9% in the same period of 2025. Our EBITDA margin (non-IFRS measure) decreased from 31.8% in the five months ended May 31, 2024 to 23.1% in the same period of 2025. The decreases in net profit margin and EBITDA margin (non-IFRS measure) were primarily due to a decrease in gross profit margin. See "— Period-to-period Comparison of Results of Operations — Five Months ended May 31, 2025 compared with Five Months ended May 31, 2024 — Gross Profit and Gross Profit Margin."

Our return on equity decreased from 62.0% in 2022 to 40.2% in 2023, primarily due to an increase in equity in 2023, which was mainly due to the capital injection from a non-controlling interest into Shandong Chuangyuan of RMB439.0 million. Our return on equity increased from 40.2% in 2023 to 91.1% in 2024, primarily due to an increase in profit for the period from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024, primarily as a result of an increase in gross profit. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023 — Gross Profit and Gross Profit Margin." Our return on equity remained relatively stable at 34.6% in the five months ended May 31, 2024 and 31.1% in the same period of 2025.

## USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$10.58 per Share (being the mid-point of the indicative Offer Price range of HK$10.18 and HK$10.99 per Share), we estimate that we will receive net proceeds of approximately HK$5,113.2 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below: (i) approximately 50.0% of the net proceeds, or HK$2,556.6 million, is expected to be used for expanding overseas production capacity, including the construction of an aluminum smelter and the purchase and installation of production equipment; (ii) approximately 40.0% of the net proceeds, or HK$2,045.3 million, is expected to be used for our green energy projects, including the construction of green power plants and the purchase and installation of equipment; and (iii) approximately 10.0% of the net proceeds, or HK$511.3 million, is expected to be used for working capital and general corporate uses. See "Future Plans and Use of Proceeds."

## RISK FACTORS

Our business and the Global Offering involve certain risks as set out in "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- Our revenue relies on the market price of electrolytic aluminum and alumina, which is affected by factors beyond our control.

- We procure key raw materials, including bauxite, coal, carbon anodes and alumina from suppliers. If we fail to obtain sufficient raw materials that meet our quality standards, at reasonable prices or at all, or if we fail to maintain relationships with major suppliers, our business, financial condition and results of operations will be materially and adversely affected.

- If we encounter shortage in electricity or if our electricity costs significantly increase, our production process and product supply would be impacted.

- If we fail to properly plan production capacity in accordance with the electrolytic aluminum quota and alumina production capacity, we may not be able to comply with relevant regulatory requirements. We may not be able further expand our production capacity to capture market opportunities due to certain objective factors.

- We may not be able to complete our production expansion and energy transformation projects as expected.

- Our success depends on our strong relationships with major customers. A significant portion of our revenue in 2023 and 2024 and the five months ended May 31, 2025 was derived from a connected person.

- Failure to manage our future growth or profitability effectively may materially and adversely affect our business operations and prospects.

See "Risk Factors."

## IMPORT TARIFFS IN THE U.S.

In August 2018, the U.S. imposed 25% tariffs on Chinese aluminum products. On March 12, 2025, the U.S. imposed an additional 25% tariff on aluminum products from all countries, which was subsequently doubled to 50%, effective from June 4, 2025. This series of tariff increases on aluminum products is expected to have a limited direct impact on China's electrolytic aluminum industry because China has a relatively small export of electrolytic aluminum and aluminum products to the U.S. According to the statistics of the General Administration of Customs of the People's Republic of China, China only exported 1.7 kt of aluminum ingots to the U.S. in 2024, which accounted for less than 0.01% of China's total electrolytic aluminum production in the same year. In terms of downstream products, China exported 260 kt of aluminum products to the U.S. in 2024, accounting for approximately 4% of China's total aluminum product export during the same year. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Competitive Landscape Analysis — Key development trends in the aluminum industry — Uncertainty on the US tariff." This series of tariff increases on aluminum products is expected to have a limited direct impact on our operations and financial condition because all of our products were sold in the domestic market during the Track Record Period.

Beginning in February 2025, tariff policies, especially those imposed by the U.S. government, have been rapidly evolving and subject to further negotiations among countries. According to CRU, it is estimated that any tariff on imports from China imposed by the U.S. government might hinder the export of all Chinese products to the U.S. In 2024, China exported 6.3 mt of aluminum products overseas. However, for aluminum-made components contained in various downstream end-uses, China's export values are difficult to measure. In this case, tariff policies imposed by the U.S. on imports may indirectly affect the global consumption of all goods made in China, which includes the Chinese aluminum products as well as products containing aluminum-made components. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Competitive Landscape Analysis — Key development trends in the aluminum industry — Uncertainty on the US tariff." However, such reduced demand for Chinese aluminum products as well as products containing aluminum-made components, if any, is unlikely to have a material adverse effect on our operations or financial condition, because, to the best of our knowledge, substantially all of our customers' products were sold in the domestic market during the Track Record Period. Nonetheless, any further aggressive tariff policies imposed by the U.S. on foreign imports, as well as unofficial announcements on social media or during public speeches by President

Trump and other government officials, can influence the growth of the global economy and the level of consumption, thereby indirectly impacting the overall pricing in the global aluminum industry. This may create a challenging environment for all the players in the industry, including us. See "Risk Factors — Our business and financial condition could be adversely affected by trade tariffs or other trade barriers." We will continue to closely monitor the latest policies on tariffs that may be imposed by the US government.

## REGULATORY DEVELOPMENTS IN CHINA

In recent years, there have been significant regulatory developments in China that impact the aluminum industry. To optimize production capacity structure, in January 2018, the MIIT officially introduced the Scheme of Aluminum Capacity Swap, which keeps China's total electrolytic aluminum capacity at the 2017 level of approximately 45 mt per year. Further, in 2024, China's State Council issued the 2024-2025 Action Plan for Energy Saving and Carbon Reduction (《2024-2025年節能降碳行動方案》), which set the objective to achieve 25% use of green energy in the electrolytic aluminum industry by 2025.

The above regulatory developments in China aim to expedite the transition of China's aluminum industry towards low-cost, environmentally friendly aluminum. In 2024, China had already reached the annual electrolytic aluminum production capacity of approximately 45 mt, necessitating that new electrolytic aluminum producers buy aluminum production quotas from the existing producers. In addition, as all aluminum smelters must use at least 25% green power by the end of 2025, smelters that have high production costs and use traditional power tend to sell their quotas to those using green power.

In light of the production capacity cap set by the MIIT and a growing global demand for electrolytic aluminum, we actively pursue a globalization strategy, aiming to construct an integrated electrolytic aluminum industry chain project in Saudi Arabia to capture market opportunities. We plan to build an integrated green energy system with our proprietary power plants to maximize green power supply, enhance energy efficiency and reduce both electricity costs and carbon emissions. By the end of 2026, we aim to achieve an over 50% proportion of green energy utilized, significantly exceeding the 25% requirement for the electrolytic aluminum industry by 2025 according to China's 2024-2025 Action Plan for Energy Saving and Carbon Reduction (《2024-2025年節能降碳行動方案》). This strategy allows us to capture the growing demand for green power aluminum in domestic and overseas markets.

Furthermore, according to the Circular on the Weight of Responsibilities for Renewable Energy-generated Power Consumption in 2025 and the Relevant Matters (《關於2025年可再生能源電力消納責任權重及有關事項的通知》) promulgated by the General Office of the NDRC and the Comprehensive Department of the National Energy Administration (the "NEA") on July 1, 2025, in order to help achieve peak carbon neutrality and promote the high-quality development of renewable energy, a new target for the proportion of green power consumption in the electrolytic aluminum industry has been set. Specifically, the proportion of green power consumption in the electrolytic aluminum industry in Inner Mongolia in 2025 is expected to be 30.7% and the expected proportion of green power consumption in the electrolytic aluminum industry in 2026 is 31.7%. The achievement of the proportion of green electricity consumption by enterprises in electrolytic aluminum industry shall be calculated based on green certificates and the proportion of green electricity consumption by enterprises in 2025 will be assessed by relevant government authorities.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business has continued to expand subsequent to the Track Record Period. In particular, our sales of alumina increased by 13.4%, from 1,149.3 kt in the nine months ended September 30, 2024 to 1,303.6 kt in the same period of 2025. In addition, our sales of electrolytic aluminum remained relatively stable with a slight increase of 1.2% from 576.7 kt in the nine months ended September 30, 2024 to 583.7 kt in the same period of 2025. Our confirmed order of aluminum ingots accounted for RMB3,082.0 million in the nine months ended September 30, 2025. Our confirmed order of alumina accounted for RMB5,156.7 million in the nine months ended September 30, 2025. Since June 2025 up to the date of this prospectus, the ASP of our electrolytic aluminum products remained relatively stable, in line with the trend in the market prices of electrolytic aluminum during the same period. The ASP of our electrolytic aluminum products in the month of September 2025 was approximately 3% higher than that in the five months ended May 31, 2025. Since June 2025 up to the date of this prospectus, the ASP of our alumina products decreased, in line with the industry trend in the market prices of alumina during the same period. The ASP of our alumina in the month of September 2025 was approximately 11% lower than that in the five months ended May 31, 2025.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our financial or trading position or prospects since May 31, 2025, being the end date of the periods reported in the Accountants' Report in Appendix I to this prospectus, and there has been no event since May 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

## OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Cui, through his wholly owned subsidiary, Bloomsbury Holding, is entitled to control the exercise of 100% voting rights of the issued Shares of the Company.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Cui, through Bloomsbury Holding, will be entitled to control the exercise of 75% voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Cui and Bloomsbury Holding will remain as the Controlling Shareholders of our Company immediately upon completion of the Global Offering.

There is clear business delineation between our Group and our Controlling Shareholders' close associates. See "Relationship with Our Controlling Shareholders".

We have entered into and are expected to continue to have certain transactions with our connected persons after the Listing which will constitute our partially exempt and non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon Listing. See "Connected Transactions".

## GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Global Offering has been completed and 500,000,000 Shares are issued pursuant to the Global Offering; and (ii) the Over-allotment Option is not exercised.

| | Based on the Offer Price of HK$10.18 per Offer Share | Based on the Offer Price of HK$10.99 per Offer Share |
|---|---|---|
| Market capitalization of our Shares[(1)] | HK$20,360 million | HK$21,980 million |
| Unaudited pro forma adjusted consolidated net tangible assets per Share[(2)] | HK$1.82 | HK$2.02 |

*Notes:*

(1) The calculation of market capitalization is based on 2,000,000,000 Shares expected to be in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised.

(2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after making the adjustments referred to in Appendix II to this prospectus.

## DIVIDEND

No dividend was declared or paid by our Company in 2022, 2023 and the five months ended May 31, 2025. In 2024, one of our subsidiaries declared and paid a cash dividend of RMB330.0 million.

We are an exempted company incorporated under the laws of the Cayman Islands. Under the Cayman Companies Act and the Articles of Association, our Company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. We have no fixed dividend policy, and the declaration and payment of any dividends in the future will be determined by our Board of Directors in its discretion. In addition, our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. A decision to declare or to pay any dividends in the future, and the amount of any such dividends, will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and other factors that our Board may consider important. We do not have a pre-determined dividend payout ratio. There can be no assurance that dividends of any amount will be declared or distributed in any year.

## LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. During the Track Record Period, our listing expenses were nil, nil, RMB16.4 million and RMB4.7 million in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. We expect to incur listing expenses of approximately RMB161.2 million (HK$176.8 million), comprising: (i) underwriting fees of RMB113.5 million (HK$124.5 million); and (ii) non-underwriting-related expenses of RMB47.7 million (HK$52.4 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB27.6 million (HK$30.2 million); and (b) other fees and expenses of RMB20.2 million (HK$22.1 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$10.58 per Offer Share (being the mid-point of the Offer Price range), approximately RMB32.9 million (HK$36.1 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB128.3 million (HK$140.8 million) of which has been or is expected to be deducted from equity upon the completion of the Global Offering. The listing expenses are expected to represent approximately 3.3% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$10.58 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2025.

*In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in "Glossary of Technical Terms".*

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| "%" | per cent |
| "affiliate" | with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person |
| "AFRC" | the Accounting and Financial Reporting Council of Hong Kong |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Audit Committee" | the audit committee of our Board |
| "Beijing Chuangyuan" | Beijing Chuangyuan Zhixin Trading Co., Ltd. (北京創源智新商貿有限公司), a limited company established under the laws of the PRC on May 9, 2024, and an indirectly wholly-owned subsidiary of our Company |
| "Bloomsbury Holding" | Bloomsbury Holding Limited, a limited liability company incorporated under the laws of BVI on June 28, 2023, which is wholly owned by Mr. Cui |
| "Board" or "Board of Directors" | the board of directors of our Company |
| "Brentford Management" | Brentford Management Pte. Ltd., a limited company established under the laws of Singapore on September 10, 2024, and a wholly-owned subsidiary of our Company |
| "Business Day" | a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal business to the public |
| "BVI" | the British Virgin Islands |
| "Capital Market Intermediaries" | the capital market intermediaries as named in "Directors and Parties Involved in the Global Offering" |

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| "Cayman Companies Act" | the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time |
| "CCASS" | the Central Clearing and Settlement System established and operated by HKSCC |
| "China" or "PRC" | the People's Republic of China, and for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan |
| "Chuangyuan Alloy" | Inner Mongolia Chuangyuan Alloy Co., Ltd. (內蒙古創源合金有限公司), a limited company established under the laws of the PRC on January 28, 2019, and an indirectly wholly-owned subsidiary of our Company |
| "Chuangyuan Intelligent Power" | Inner Mongolia Chuangyuan Intelligent Power Co., Ltd. (內蒙古創源智慧電能有限公司), a limited company established under the laws of the PRC on June 4, 2018, and an indirectly wholly-owned subsidiary of our Company |
| "Chuangyuan New Material" | Inner Mongolia Chuangyuan New Material Co., Ltd. (內蒙古創源新材料有限公司), a limited company established under the laws of the PRC on January 13, 2022, and an indirectly wholly-owned subsidiary of our Company |
| "Chuangyuan Resources Recycling" | Inner Mongolia Chuangyuan Resources Recycling Co., Ltd. (內蒙古創源物資再生利用有限公司), a limited company established under the laws of the PRC on July 26, 2018, and an indirectly wholly-owned subsidiary of our Company |
| "Chuangyuan Supply Chain Management" | Inner Mongolia Chuangyuan Supply Chain Management Co., Ltd. (內蒙古創源供應鏈管理有限公司) (formerly known as Inner Mongolia Industrial Trade Co., Ltd. (內蒙古騰信工貿有限公司)), a limited company established under the laws of the PRC on June 27, 2023, and an indirectly wholly-owned subsidiary of our Company |

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| "Chuangyuan Wind Power" | Inner Mongolia Chuangyuan Wind Power Co., Ltd. (內蒙古創源風電有限公司), a limited company established under the laws of the PRC on July 20, 2018, and an indirectly wholly-owned subsidiary of our Company |
| "Chuangyuan Xinchuang" | Beijing Chuangyuan Xinchuang Metal Materials Design & Research Co., Ltd. (北京創源新創金屬材料設計研究有限公司), a limited company established under the laws of the PRC on October 23, 2025, and an indirectly wholly-owned subsidiary of our Company |
| "close associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Companies (Winding Up and Miscellaneous Provisions) Ordinance" | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company", "our Company" or "the Company" | Chuangxin Industries Holdings Limited (創新實業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on July 4, 2023 |
| "Compliance Advisor" | Gram Capital Limited |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Connected Transaction Control Committee" | the connected transaction control committee of our Board |
| "connected transaction(s)" | has the meaning ascribed to it under the Listing Rules |
| "Controlling Shareholder(s)" | has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Cui and Bloomsbury Holding, and a Controlling Shareholder shall mean each or any one of them |
| "core connected person(s)" | has the meaning ascribed to it under the Listing Rules |

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| "Corporate Governance Code" | the Corporate Governance Code set out in Appendix C1 to the Listing Rules |
| "CRU Report" | the report commissioned by our Company and independently prepared by CRU, a summary of which is set out in "Industry Overview" |
| "CRU" | CRU International Limited, the industry consultant of our Company |
| "CSRC" | the China Securities Regulatory Commission (中國證券監督管理委員會) |
| "Director(s)" | the director(s) of our Company |
| "EIT Law" | Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time |
| "Exchange Participant" | a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange |
| "Extreme Conditions" | extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public's ability to resume work or brings safely concern for a prolonged period |
| "FINI" | "Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings |
| "General Rules of HKSCC" | the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures |

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| "Global Offering" | the Hong Kong Public Offering and the International Offering |
| "green power" | energy that is generated from renewable, environmentally-friendly sources |
| "Group", "our Group", "we", "our" or "us" | our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be) |
| "Guide for New Listing Applicants" | the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time) |
| "HK" or "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "HK$" or "Hong Kong dollars" or "HK dollars" or "Hong Kong cents" | Hong Kong dollars and cents respectively, the lawful currency of Hong Kong |
| "HKSCC EIPO" | the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is an HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf |
| "HKSCC Nominees" | HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC |
| "HKSCC Operational Procedures" | the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force |

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| "HKSCC Participant" | a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant |
| "HKSCC" | Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| "Hong Kong Offer Shares" | 50,000,000 Shares (subject to reallocation as described in "Structure of the Global Offering") initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering |
| "Hong Kong Public Offering" | the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee), on and subject to the terms and conditions described in "Structure of the Global Offering — The Hong Kong Public Offering" |
| "Hong Kong Share Registrar" | Computershare Hong Kong Investor Services Limited |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| "Hong Kong Takeovers Code" or "Takeovers Code" | Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC |
| "Hong Kong Underwriters" | the underwriters listed in "Underwriting — Hong Kong Underwriters", being the underwriters of the Hong Kong Public Offering |
| "Hong Kong Underwriting Agreement" | the underwriting agreement dated November 13, 2025, relating to the Hong Kong Public Offering and entered into by, among others, Mr. Cui, Bloomsbury Holding Limited, the Joint Sponsors, the Overall Coordinators, and the Hong Kong Underwriters and our Company as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses" in this prospectus |

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| "IFRS" | International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board |
| "Independent Third Party(ies)" | person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of our Company and our connected persons as defined under the Listing Rules |
| "Inner Mongolia Chuangyuan" | Inner Mongolia Chuangyuan Metal Co., Ltd. (內蒙古創源金屬有限公司), a limited company established under the laws of the PRC on May 10, 2012, and an indirectly wholly-owned subsidiary of our Company |
| "Innovation Group" | Shandong Innovation Group Co., Ltd. (山東創新集團有限公司), a limited company established under the laws of the PRC on August 13, 2013, a company held by Mr. Cui and his associates, namely Yang Aimei, Geng Hongyu and Wang Wei as to 71.82%, 11.82%, 8.18% and 8.18%, respectively, thus our connected person |
| "Innovation New Material" | Innovation New Material Technology Co., Ltd. (創新新材料科技股份有限公司), a limited company established under the laws of the PRC on June 7, 1996 and listed on the Shanghai Stock Exchange (stock code: 600361.SH), a subsidiary of Innovation Group which is held by Innovation Group and Mr. Cui as to 32.46% and 15.54%, respectively, thus our connected person. The other shareholders of Innovation New Materials include enterprises, institutions and natural persons, each of them holding less than 5% of the shares |
| "International Offer Shares" | 450,000,000 Shares (subject to reallocation and the exercise of the Over-allotment Option as described in "Structure of the Global Offering") initially offered by our Company pursuant to the International Offering |

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| "International Offering" | the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in "Structure of the Global Offering — The International Offering" |
| "International Underwriters" | the international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering |
| "International Underwriting Agreement" | the underwriting agreement relating to the International Offering expected to be entered into on or about November 20, 2025 by, among others, our Company, the Overall Coordinators and the International Underwriters, as further described in "Underwriting — International Offering" |
| "Joint Bookrunners" | the joint bookrunners as named in "Directors and Parties Involved in the Global Offering" |
| "Joint Global Coordinators" | the joint global coordinators as named in "Directors and Parties Involved in the Global Offering" |
| "Joint Lead Managers" | the joint lead managers as named in "Directors and Parties Involved in the Global Offering" |
| "Joint Sponsors" | the joint sponsors as named in "Directors and Parties Involved in the Global Offering" |
| "Kanghong New Material" | Inner Mongolia Kanghong New Material Co., Ltd. (內蒙古康鴻新材料有限公司), a limited company established under the laws of the PRC on May 25, 2023, and an indirectly wholly-owned subsidiary of our Company |
| "Keyou New Energy" | Inner Mongolia Chuangyuan Keyou New Energy Co., Ltd. (內蒙古創源科右新能源有限公司), a limited company established under the laws of the PRC on November 11, 2022, and an indirectly wholly-owned subsidiary of our Company |

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| "Kingston Management" | Kingston Management Pte. Ltd., a limited company established under the laws of Singapore on September 26, 2024, and an indirectly wholly-owned subsidiary of our Company |
| "Latest Practicable Date" | November 6, 2025, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus |
| "Listing Date" | the date, expected to be on or about November 24, 2025, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time |
| "Listing" | the listing of the Shares on the Main Board of the Stock Exchange |
| "M&A Rules" | the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by MOFCOM, SASAC, SAT, CSRC, SAMR and SAFE, as amended, supplemented or otherwise modified from time to time |
| "Macau" | the Macau Special Administrative Region of the People's Republic of China |
| "Main Board" | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange |
| "Memorandum" or "Memorandum of Association" | the first amended and restated articles of association of our Company (as amended from time to time), conditionally adopted on November 9, 2025 with effect from the Listing Date, a summary of which is set out in Appendix III to this prospectus |
| "MIIT" | Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) |

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| "MOFCOM" | Ministry of Commerce of the PRC (中華人民共和國商務部) |
| "Mr. Cui" | Mr. CUI Lixin (崔立新), Chairman of the Board, Non-executive Director, our founder and one of our Controlling Shareholders |
| "NDRC" | National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) |
| "Nomination Committee" | the nomination committee of our Board |
| "Offer Price" | the final offer price per Offer Share (exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee), expressed in Hong Kong dollars, at which the Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and the International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in "Structure of the Global Offering — Pricing and Allocation" |
| "Offer Share(s)" | the Hong Kong Offer Share(s) and/or the International Offer Share(s), as the context may require |
| "Ordinary Share(s)" or "Share(s)" | ordinary shares in the share capital of our Company with par value of US$0.000005 each |
| "Overall Coordinators" | the overall coordinators as named in "Directors and Parties Involved in the Global Offering" |
| "Over-allotment Option" | the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 75,000,000 additional Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus |

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| "Phineas Management" | Phineas Management Limited, a limited liability company incorporated under the laws of Hong Kong on September 15, 2023, and a wholly-owned subsidiary of our Company |
| "PRC Legal Advisor" | Commerce & Finance Law Offices, the legal advisor to our Company as the laws of the PRC |
| "Principal Share Registrar" | Campbells Corporate Services Limited |
| "prospectus" | this prospectus being issued in connection with the Hong Kong Public Offering |
| "province" | a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC |
| "Regulation S" | Regulation S under the U.S. Securities Act |
| "Remuneration Committee" | the remuneration committee of our Board |
| "Reorganization" | the corporate reorganization of our Group in preparation for the Listing as described in "History, Reorganization and Corporate Structure" |
| "RMB" or "Renminbi" | Renminbi, the lawful currency of the PRC |
| "SAFE Circular 37" | the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) issued by SAFE |
| "SAFE" | State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable |
| "SAMR" | State Administration for Market Regulation of the PRC (中國國家市場監督管理總局) (formerly known as State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局) |

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| "SAR" | Saudi Arabian Riyal, the lawful currency of Saudi Arabia |
| "SASAC" | State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會) |
| "SAT" | State Administration of Taxation of the PRC (中國國家稅務總局) |
| "Saudi Project Co-Investors" | the investors co-invested with the Company into the Saudi Project, including Innovation Group, Innovation New Material and Independent Third Party investors |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "SFO" or "Securities and Futures Ordinance" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| "Shandong Chuangyuan" | Shandong Chuangyuan New Material Technology Co., Ltd. (山東創源新材料科技有限公司) (formerly known as Shandong Luyu Bochuang Aluminum Co., Ltd. (山東魯渝博創鋁業有限公司), a limited company established under the laws of PRC on November 12, 2018, which is held by our Group and Innovation Group as to 58.5% and 41.5%, respectively |
| "Shandong Suotong" | Shandong Suotong Innovation Carbon Materials Co., Ltd. (山東索通創新炭材料有限公司), in which Innovation Group holds approximately 22.05% |
| "Shareholder(s)" | holder(s) of Shares |
| "Singapore" | Republic of Singapore |
| "Sponsor-Overall Coordinators, Overall Coordinators and Joint Global Coordinators" | China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited |
| "Stabilizing Manager" | China International Capital Corporation Hong Kong Securities Limited |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |

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| "subsidiary(ies)" | has the meaning ascribed to it in section 15 of the Companies Ordinance |
| "substantial shareholder(s)" | has the meaning ascribed to it in the Listing Rules |
| "Track Record Period" | the years ended December 31, 2022, 2023 and 2024, and the five months ended May 31, 2025 |
| "Underwriters" | the Hong Kong Underwriters and the International Underwriters |
| "Underwriting Agreements" | the Hong Kong Underwriting Agreement and the International Underwriting Agreement |
| "U.S."or "United States" | the United States of America |
| "U.S. Securities Act" | the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder |
| "US$", "USD" or "U.S. dollars" | United States dollars, the lawful currency of the United States |
| "White Form eIPO" | the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting the application online through the designated website of **White Form eIPO Service Provider** at **www.eipo.com.hk** |
| "White Form eIPO Service Provider" | Computershare Hong Kong Investor Services Limited |

*This glossary of technical terms contains explanations of certain terms used in this Prospectus in connection with our Group and our business. The meaning of these terms may not necessarily correspond to standard industry meaning or the usage of these terms.*

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| "alloy" | a composite metal formed by fusing two or more metals and occasionally other materials |
| "alumina" | aluminum oxide, the primary material for electrolytic aluminum smelting |
| "alumina refining" | the process of extracting aluminum oxide from bauxite ore |
| "aluminum alloy" | a type of alloy, the major component of which is aluminum |
| "aluminum hydroxide" | a white crystalline compound formed in the Bayer process of alumina refining process, can be calcined into alumina |
| "aluminum ingots" | the standardized solid form of aluminum that has been cast into a convenient shape for storage, transportation, and further processing |
| "aluminum smelting" | the electrolytic reduction process required to produce electrolytic aluminum from alumina |
| "ASP" | average selling price |
| "bauxite" | a mineral, a mixture of hydrated aluminum oxides usually containing oxides of iron and silicon in varying quantities, characteristically composed of small, round concretions |
| "Bayer process" | the principal industrial method for refining bauxite to produce alumina developed by Carl Josef Bayer |
| "BRI" or "Belt and Road Initiative" | the trading policy of the PRC Government aimed at linking China to the world and to facilitate the trading between China and its neighbouring Asian and European countries along the new silk road |

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| "bt" | billion tons, a unit of mass equal to 1,000,000,000 metric tons |
| "CAGR" | compound annual growth rate |
| "carbon anodes" | a broad family of essentially pure carbon materials that can be tailored to vary widely in their strength, density, conductivity, pore structure, and crystalline development |
| "cash cost" | the direct costs involved in the smelting process |
| "caustic soda" | a white solid ionic compound consisting of sodium cations and hydroxide anions, used as the primary lixiviant for the bauxite slurry dissolution |
| "CCIC" | China Certification & Inspection (Group) Co., Ltd., a company that provides certification and inspection services in China |
| "CFR" | Cost and Freight |
| "China Emissions Trading Scheme" | a market-based approach to controlling pollution by providing economic incentives for reducing the emissions of pollutants |
| "Class I resource area" | the areas with the richest and highest-quality resources |
| "Class II resource area" | the areas with rich and high-quality natural resources |
| "CNAS" | China National Accreditation Service for Conformity Assessment, the national accreditation body of China responsible for the accreditation of various types of organizations |
| "East China" | a region in China mainly consisting of seven provincial administrative regions, namely Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, and Shandong |
| "EBITDA" | Earnings Before Interest, Taxes, Depreciation, and Amortization |
| "electricity cost of aluminum smelting" | the cost of all electricity used for producing electrolytic aluminum |

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| "electrolytic aluminum labor productivity per capita" | the production of electrolytic aluminum per worker at an aluminum smelter, where "worker" includes all personnel employed at our aluminum smelter |
| "GB 25465-2010" | a Chinese national standard that specifies the discharge limits, monitoring, and control requirements for water and air pollutants generated during the production processes of enterprises in the aluminum industry |
| "GB/T 1196-2023" | a Chinese national standard that specifies the requirements for aluminum ingots produced by the alumina-cryolite molten salt electrolysis method |
| "GB/T 24487-2009" | a Chinese national standard that outlines the requirements for alumina used in various applications, including the production of aluminum metal through the electrolytic process. Such standard was superseded by GB/T 24487-2022 in October 2022 |
| "GB/T 24487-2022" | a Chinese national standard that includes revisions and updates to the technical requirements, classification of alumina grades, and other specifications |
| "GB/T24001-2016/ ISO14001:2015" | a Chinese national standard that specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance |
| "grid" | an interconnected network that delivers electricity from producers to consumers |
| "Hall-Héroult process" | the primary industrial method for smelting aluminum and involves dissolving alumina in molten cryolite |
| "industry average electrolytic aluminum labor productivity per capita" | the average production of electrolytic aluminum per worker in aluminum smelters in China, where "worker" includes all personnel employed by the smelter |
| "kcal" | kilocalorie, a unit of measurement for energy |
| "kg" | the base unit of mass in the international system of units |
| "km" | a unit of length in the international system of units, equal to one thousand meters |

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| "kt" | kilo ton, a unit of mass equal to 1,000 metric tons |
| "kWh" | kilowatt hours, a unit for measuring electrical power, meaning one kilowatt of power for one hour |
| "LCOE" | levelized cost of energy, a measure used to assess and compare the cost-effectiveness of different methods of electricity generation |
| "LME cash price" | the spot price for per tonne of electrolytic aluminum traded on London Metal Exchange (LME), stated in USD |
| "mt" | million ton, a unit of mass equal to 1,000,000 metric tons |
| "MW" | megawatt |
| "MWh" | megawatt hour, a unit of measurement that describes the amount of energy produced by one megawatt over the course of one hour |
| "North China" | a region in China mainly consisting of five provincial administrative regions, namely Beijing, Tianjin, Hebei, Shanxi, and Inner Mongolia |
| "northern port cluster" | a series of ports located along the northern coastal region of China |
| "perfluorocarbon" or "PFC" | man-made chemical compounds of carbon and fluorine |
| "proportion of green energy utilized" | the percentage of green energy utilized compared to our total energy utilized in our proprietary electricity generation |
| "rate of alumina self-sufficiency" | the percentage of alumina produced in-house which is consumed at our aluminum smelter, compared to our total alumina consumption |
| "rate of electricity self-sufficiency" | the percentage of electricity generated at our proprietary power plants compared to our total electricity consumption |
| "red mud" | the residue left after extracting alumina from bauxite using the Bayer process, consisting of impurities and solid waste materials |

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| "SGS" | Société Générale de Surveillance, a Swiss multinational company that provides inspection, verification, testing, and certification services |
| "SHFE cash price" | the spot price for per ton of electrolytic aluminum future contract delivered in the immediate month, traded on Shanghai Future Exchange (SHFE) and stated in RMB |
| "sq.m." | square meter |
| "the Saudi Project" | the integrated electrolytic aluminum industry chain project in Saudi Arabia in which we invest |
| "ton" | the metric ton, a unit of weight, with one metric ton equal to 1,000 kilograms or 2,204.6 pounds |
| "utilization hours" | the total number of hours that a power plant operates at its full capacity, namely the hours of electricity generation, over a specific period |
| "3C electronics" | computer, communication and consumer electronics. It involves the production of electronic devices from the segments of computers, communication and entertainment |

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- general political and economic conditions, including those related to the PRC;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and Hong Kong and the industry and markets in which we operate.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

*An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this prospectus.*

## RISKS RELATED TO OUR BUSINESS AND INDUSTRY

### Our revenue relies on the market price of electrolytic aluminum and alumina, which is affected by factors beyond our control.

Our business is sensitive to fluctuations in the prices of electrolytic aluminum and alumina. The prices of electrolytic aluminum and alumina are determined by supply and demand dynamics in the global market, which are beyond our control. These dynamics are primarily influenced by factors such as electrolytic aluminum and alumina end market demands, global mine production, changes in demand and supply of the global electrolytic aluminum and alumina market and global and PRC economic conditions and industrial demand. The demand for our electrolytic aluminum and alumina products is driven by their applications in downstream markets, including 3C electronic products, lightweight automotive, green energy, transportation, industrial materials and construction industries. The demand in these end markets depends on our customers' ability to develop, produce and sell end products, as well as the acceptance of these products by end customers. In addition, technological advancements may lead to the replacement of electrolytic aluminum with alternative materials in downstream industries. Consequently, changes in demand for our electrolytic aluminum and alumina products are reflected in their market prices. According to CRU, the annual average of the SHFE cash price of electrolytic aluminum was RMB19,945 per ton, RMB18,678 per ton, RMB19,949 per ton, RMB19,659 per ton and RMB20,270 per ton in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the annual average of the CRU China alumina price was RMB2,936 per ton, RMB2,906 per ton, RMB4,030 per ton, RMB3,393 per ton and RMB3,517 per ton in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. The fluctuation of such prices was mostly due to global economic conditions and changes in demand and supply of the global electrolytic aluminum and alumina market. The market demand and supply influenced by global economic conditions and fluctuations in the market prices of electrolytic aluminum and alumina could affect our results of operations.

**We procure key raw materials, including bauxite, coal, carbon anodes and alumina from suppliers. If we fail to obtain sufficient raw materials that meet our quality standards, at reasonable prices or at all, or if we fail to maintain relationships with major suppliers, our business, financial condition and results of operations will be materially and adversely affected.**

We procure key raw materials, including bauxite, coal, carbon anodes and alumina, from suppliers. We rely on our suppliers to provide us with adequate raw materials that meet our standards. Any disruption to the supply of adequate raw materials to meet our needs could impair our ability to manufacture products as scheduled. Moreover, we expect our demand for raw materials to increase as we expand our production capacity, and we cannot guarantee that current suppliers will have the capacity to meet our standards and demand in the future. If our relationship with key suppliers deteriorates or terminates, or if our key suppliers face operational difficulties that hinder their ability to provide raw materials on time and of consistent quality, our ability to deliver products to customers promptly could be impacted. In such cases, we cannot assure you that we will be able to identify an alternative qualified supplier in a timely manner or at all, which would materially and adversely affect our business, financial condition and results of operations.

We did not experience any shortage in the supply of raw materials during the Track Record Period. However, we cannot guarantee that we will not experience any shortage in the supply of raw materials in the future. Any shortage in the supply of raw materials in the future could materially and adversely affect our business, financial condition and results of operations. In addition, if we fail to obtain sufficient raw materials that meet our quality standards, we may be unable to find alternative sources of supply at a reasonable price, in a timely manner, on satisfactory terms or at all. We cannot assure you that there will be no raw material supply shortage in the future. Such events could materially and adversely affect our business, financial condition and results of operations.

In addition, the prices of our raw materials may fluctuate. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our cost of sales primarily consisted of raw materials, accounting for 78.0%, 76.9%, 73.0%, 73.0% and 75.4% of our total cost of sales, respectively. Our cost of sales remained relatively stable at RMB11,448.6 million in 2022 and RMB11,478.4 million in 2023. Our cost of sales decreased by 5.2% from RMB11,478.4 million in 2023 to RMB10,886.7 million in 2024, primarily due to a decrease in the cost of raw materials. Our cost of sales increased by 36.2% from RMB4,242.9 million in the five months ended May 31, 2024 to RMB5,780.9 million in the five months ended May 31, 2025, generally reflecting our revenue growth of 22.6% but also reflecting a more significant increase in the cost of raw materials. If we fail to obtain raw materials at reasonable prices, our cost of sales will be significantly affected. Such events could materially and adversely affect our business, financial condition and results of operations. Any increase in the price of raw materials in the future may be significantly higher than the increase in the market price of our products, and the increase in the market price of our products may not compensate for the increase in the prices of raw materials. As a result, our business performance and results of operations could be materially and adversely affected.

**Our gross profit and gross profit margin may fluctuate subject to price volatility of our products and raw materials.**

Our gross profit and gross profit margin are exposed to risks arising from the price volatility of our products and raw materials. Both our sales prices and our procurement costs are influenced by market prices of the relevant products and raw materials. See "— Our revenue relies on the market price of electrolytic aluminum and alumina, which is affected by factors beyond our control" and "— We procure key raw materials, including bauxite, coal, carbon anodes and alumina from suppliers. If we fail to obtain sufficient raw materials that meet our quality standards, at reasonable prices or at all, or if we fail to maintain relationships with major suppliers, our business, financial condition and results of operations will be materially and adversely affected." Fluctuations in these prices do not always move in the same direction. During the Track Record Period, we have observed varying trends in raw material and product prices, which impacted our gross margins. For example, the gross profit margin of our alumina and other related types of products decreased from 23.9% in the five months ended May 31, 2024 to 2.2% in the same period of 2025, primarily due to (i) the increase in prices of certain key materials, in particular bauxite, while the increase in prices cannot be passed on to alumina customers, mainly as a result of the surplus in alumina supply in the market; and (ii) the decrease in market price of alumina in 2025. See "Financial Information — Period-to-period Comparison of Results of Operations — Five Months Ended May 31, 2025 compared with Five Months Ended May 31, 2024 — Gross Profit and Gross Profit Margin." There is no assurance that we will be able to pass on rising costs to our customers, which could further squeeze our profitability. If we are unable to effectively manage these pricing dynamics, our financial performance may be materially and adversely affected.

**If we encounter shortage of electricity or if our electricity costs significantly increase, our production process and product supply would be impacted.**

Our business requires a continuous and stable electricity supply. According to CRU, the industry average of electricity consumption for aluminum smelting was 13,670.0 kWh per ton in 2024. We have established proprietary power plants and electricity generation facilities that utilize thermal power and are in the process of building power plants and electricity generation facilities that utilize green electricity sources to provide a stable electricity supply at low cost. Our proprietary thermal power plant in Huolinguole supplied approximately 8,188 million kWh, 8,350 million kWh, 8,959 million kWh, 3,592 million kWh and 3,665 million kWh of electricity for our aluminum production in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 81.3%, 81.4%, 87.8%, 84.2% and 87.4% of our total electricity consumption for the same periods, respectively. The cost of electricity consumption of current coal-fired thermal power generation in our Huolinguole aluminum smelter was RMB0.37 per kWh in 2024 and RMB0.33 per kWh in the five months ended May 31, 2025. We cannot assure you that there will be no interruption to our proprietary power plants and electricity generation facilities that could result in a major impact on our electricity supply.

In addition, as we procure coal to generate electricity and our coal procurement comprises a large proportion of our cost of sales, we may experience increased electricity costs and impacts in electricity supply if coal prices increase. Our cost of coal amounted to RMB3,122.1 million, RMB3,106.9 million, RMB2,639.6 million, RMB1,071.7 million and RMB988.4 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 27.3%, 27.1%, 24.2%, 25.3% and 17.1% of our cost of sales in the same periods, respectively. However, coal prices might increase in the future due to factors that are out of our control, such as low supply and high market demand for coal. Our cost of electricity procurement amounted to RMB881.3 million, RMB918.5 million, RMB874.5 million, RMB356.9 million and RMB365.1 million, in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 7.7%, 8.0%, 8.0%, 8.4% and 6.3% of our cost of sales in the same periods, respectively. See "Business — Electricity Supply — Electricity Procurement." Our electricity suppliers may raise their prices of electricity in the future. If there is a significant increase in our electricity costs, an insufficient electricity supply to satisfy our production needs, or any disruption in our relationship with electricity suppliers, our production process and product supply would be impacted.

**If we fail to properly plan production capacity in accordance with the electrolytic aluminum quota and alumina production capacity, we may not be able to comply with relevant regulatory requirements. We also may not be able to further expand our production capacity to capture market opportunities due to certain objective factors.**

The electrolytic aluminum industry in China is subject to production quota requirements. The alumina industry in China is subject to approved production capacity requirements. Electrolytic aluminum and alumina manufacturers should plan their production in accordance with their obtained production quota for electrolytic aluminum and approved production capacity for alumina. Our aluminum smelter is located in Huolinguole, Inner Mongolia, and our alumina refinery is located in Binzhou, Shandong Province. We have obtained regulatory approvals for an annual production quota of 788.1 kt of electrolytic aluminum and an approved production capacity of 1,200 kt of alumina. The average annual capacity utilization rate of our aluminum smelting was more than 94% and the average annual capacity utilization rate of our alumina refining was more than 88% in each period of the Track Record Period. See "Business — Our Production — Our Production Capabilities." We are required to plan our production in accordance with our production quota obtained and our approved production capacity. We cannot guarantee that we will always be able to fulfill the production requirements for electrolytic aluminum and alumina. Any failure to properly plan our production could result in overproduction, potentially leading to administrative penalties, such as production suspension and fines.

In addition, due to objective factors such as production quota requirements in the electrolytic aluminum industry and the approved production capacity requirement in the alumina industry in China, we may not be able to expand our production capacity promptly, or at all, to capture market opportunities, which could affect our growth in revenue and profit.

**Any interruption, damage or loss of our production facilities could materially and adversely affect our business, financial condition and results of operations.**

Any interruption, damage or loss of our production facilities resulting from natural disasters or other factors, such as floods, fire and earthquakes, could be costly and time-consuming to repair and could disrupt our operations. In such event, we would be forced to cease our production to repair our production facilities and equipment, which we believe would be difficult to fully repair in a relatively short period of time given the highly specialized and large-scale nature of our aluminum product manufacturing business. We may incur significant additional costs and experience a disruption in the supply of our products in such a situation.

In addition, our electrolyzers contain liquid aluminum. Should our production facilities suspend operations for any reason, such liquid aluminum would solidify due to low temperatures. As a result, it would take extra time and costs to recommence operations. Our alumina refining equipment is subject to annual examination, necessitating a temporary production halt until the inspection is complete. The estimated production output of alumina during our annual examination, calculated based on the actual production output of alumina in 2024, is 35.5 kt, representing approximately 2% of our actual production output of alumina in 2024. Any extended disruption in our operations would have a material adverse impact on our ability to produce sufficient quantities of products and may require us to incur additional expenses in order to produce sufficient quantities. Any disruption in our operations may impair our ability to meet customer demand and cause customers to cancel purchase orders, which could materially and adversely affect our business, financial condition and results of operations.

**We may not be able to complete our production expansion and energy transformation projects as expected.**

We have expanded, and intend to continue to expand, our operations and complete energy transformation projects, and such expansion and construction of projects have placed, and will continue to place, substantial demands on our managerial, operational, financial, technological and other resources. We invested in an integrated electrolytic aluminum industry chain project with expected annual production capacity of 500.0 kt in Saudi Arabia. See "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers — Investment During Track Record Period" and "Business — Our Strengths — Active Implementation of Globalization Strategies." In addition, we are constructing wind power plants and solar power plants totaling a projected installed capacity of 1,750.0 MW. See "Business — Electricity Supply — Our Green Power Supply."

However, we might not be able to complete our construction projects as expected. The success of our expansion projects may depend on factors beyond our control, such as the progress of construction conducted by the third-party construction companies, local laws and regulations, government support, including in the form of tax benefits, and customer demand for our expanded production capacity. For example, we may encounter delay in the procurement of essential materials or components for the construction projects. We may also face unforeseen hurdles in obtaining necessary approvals and permits or complying with environmental regulations. In addition, our financial condition and business operations could impact our ability to invest in critical infrastructure and technology needed for the construction of aluminum smelters in overseas markets or wind power and solar power plants. As a result, there is a risk that we may not be able to complete our production expansion and energy transformation projects as expected.

**Our success depends on our strong relationships with major customers. A significant portion of our revenue in 2023, 2024 and the five months ended May 31, 2025 was derived from a connected person.**

During the Track Record Period, our customers mainly consisted of nonferrous metal processing and manufacturing enterprises and traders. Revenue from our largest customer in 2023, 2024 and the five months ended May 31, 2025, Innovation New Material, a company controlled by Mr. Cui and therefore a connected person of our Company, amounted to RMB10,891.8 million, RMB11,608.9 million and RMB4,315.9 million, respectively, accounting for 78.8%, 76.6% and 59.8% of our total revenue for the same respective periods. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence — Sales of Electrolytic Aluminum in Liquid Form to Innovation New Material." Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB5,507.5 million, RMB12,018.8 million, RMB13,132.6 million and RMB5,751.4 million, respectively, and accounted for 40.8%, 87.0%, 86.6% and 79.7% of our total revenue for the same respective periods. According to CRU, where upstream and downstream manufacturers within the same group are located in proximity to each other, they usually prioritize entering into transactions with each other before entering into transactions with independent third parties. If these customers' demand for our electrolytic aluminum products does not increase in line with our business expansion or if such demand decreases, we will have to look for alternative customers for our electrolytic aluminum products. However, we may be unable to find alternative customers for our aluminum products at commercially acceptable prices, on satisfactory terms, in a timely manner or at all, which would have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that this relationship will continue in the future without any disruption. Our business, financial condition and results of operations depend on our ability to continue working with these customers, obtaining purchase orders and the financial condition and commercial success of our customers, as well as factors influencing the development of the electrolytic aluminum industry. Any disruptions in our production, defects in our products or other issues might affect our relationship with customers, resulting in a deterioration of our major customer relationships. Any material delay, reduction or cancellation of purchase orders from our major customers could cause our sales to decline significantly, materially and adversely affecting our results of operations. We cannot assure you that our customers will continuously place orders with us in the future or at the same levels as in prior periods. Our customers may terminate their purchase agreements with us or significantly change, reduce, delay or cancel their purchase orders at any time.

Our business, financial condition and results of operations also depend on our customers' success. We cannot assure you that the financial condition and commercial success of our customers will not deteriorate. We cannot assure you that our major customers will not become insolvent or unable to pay for the products supplied by us. The occurrence of any of these events, especially with respect to our major customers, would result in a material adverse effect on our business, financial condition and results of operations.

**Failure to manage our future growth or profitability effectively may materially and adversely affect our business operations and prospects.**

Our historical results of operations and financial performance may not be indicative of our future performance, and we cannot assure you that our business will be able to maintain the growth rate we achieved in the past. Our future growth and profitability are dependent upon factors such as aluminum prices, costs of raw materials and growth of the end-user market for aluminum. The price of our products and sales of our products are sensitive to fluctuations in price and demand in the electrolytic aluminum and alumina industry. Our growth may decline due to a variety of other risks and uncertainties, such as a shortage in the supply of bauxite. We also face intensive competition in the electrolytic aluminum and alumina industry. Moreover, expansion in production bases and construction of new projects may increase the complexity of our operations and place a significant strain on our managerial, operational, financial and human resources. We cannot assure you that our future growth will align with the growth in the electrolytic aluminum and alumina industry. We also cannot assure you that we will be able to effectively manage our growth or to implement all such business systems, operation procedures and control measures effectively, which could burden our growth and materially and adversely affect our business operations, financial condition, results of operations and prospects.

**We are exposed to risks related to the stability of the global supply chain.**

Supply of bauxite, one of the major raw materials for alumina refining, relies on imports from overseas. We procured high-quality bauxite primarily from Guinea and Australia with high aluminum levels and low silica content at competitive prices during the Track Record Period. Our cost of bauxite was RMB907.2 million, RMB2,401.4 million, RMB2,790.2 million, RMB1,066.4 million and RMB1,774.4 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Cost of Sales." The cost of bauxite procurement is sensitive to the stability of the global supply chain, which may lead to significant cost increases due to adverse weather conditions, international trade restrictions, international transportation disruption and the political and economic instability in overseas regions such as Guinea and Australia. For example, our gross profit margin decreased from 27.9% in the five months ended May 31, 2024 to 19.9% in the same period of 2025, primarily due to an increase in the prices of bauxite. The CRU China Bauxite price increased from approximately RMB528 per ton in the five months ended May 31, 2024 to approximately RMB720 per ton in the same period of 2025, according to CRU, partly due to the reliance on bauxite supply from Guinea in China and the political and economic instability in Guinea. See

"Industry Overview — Bauxite and Other Raw Material Analysis (Global and China) — Bauxite Price Analysis." In addition, disruptions in international transportation caused by an unstable global supply chain may delay the delivery of bauxite to us, which could lead to delays in our aluminum smelting process and hinder our ability to fulfill customer orders on schedule. As a result, changes in the stability of the global supply chain may affect our bauxite procurement, which would have a material adverse effect on our business, financial condition and results of operations. As of the Latest Practicable Date, we had not experienced any trading restrictions on bauxite that would have a material impact on our results of operations or financial condition.

We invested in and will start the construction of, an integrated electrolytic aluminum industry chain project in Saudi Arabia, with a designed annual production capacity of 500.0 kt of electrolytic aluminum. See "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers — Investment During Track Record Period." The project in Saudi Arabia is subject to international trade relationships, affecting the stability of the global supply chain. Changes in international trade relationships may cause difficulties in the import of materials, international transportation disruptions and labor shortages. Any material adverse changes in the stability of the global supply chain could lead to delays, increased costs or even the suspension of the projects, which would have a material adverse effect on our business, financial condition and results of operations.

**We may not be successful in executing our business plans and strategies effectively, and our business, financial condition and results of operations may be materially and adversely affected.**

We may not be successful in executing our business plans and strategies effectively or at all. Unforeseen factors which could hinder us in the execution of our business plans and strategies include, among others, unpredictable market developments, increased competition, changes in the macroeconomy and supply chain disruptions. Unforeseen market changes can shift demand for our products, making it difficult to forecast sales and adjust our strategies accordingly. Changes in the macroeconomy can significantly impact the development of aluminum companies as such changes will affect the prices of raw materials and end-user markets, which then affect our production costs and demand for our products. In addition, disruptions in our supply chain, whether due to logistical challenges, natural disasters or geopolitical factors, can hinder our ability to deliver products on time and maintain operational efficiency, potentially resulting in customer dissatisfaction, cancelation of orders or breach of contracts.

**We are subject to a variety of risks, including those in relation to the change in power usage pattern, our comparative advantages, energy and water supply reliability, government approvals and permits, downstream customer demand, as well as labor and employment, associated with the Saudi Project.**

We intend to expand into overseas markets and increase overseas production capabilities. Specifically, we intend to allocate 50% of the net proceeds from the Global Offering to the Saudi Project. See "Business — Our Strategies — Proactively Expand into Overseas Markets and Increase Overseas Production Capacities as a Response to the Belt and Road Initiative (the "BRI")" and "Future Plans and Use of Proceeds." In particular, our Saudi Project is subject to several risks that could adversely affect its success and our overall financial performance. These risks include: (i) change in power usage pattern. We primarily self-generate both green and thermal power domestically, but will rely on procured electricity from external resources in Saudi Arabia. This reliance on external power suppliers exposes us to potential price volatility and supply interruptions not faced in our domestic operations; (ii) impact of comparative advantage in the region. A key advantage of our operations in China is access to relatively lower electricity costs. Our Group has an average electricity cost of aluminum smelting, namely the power process cost under CRU cash cost, of approximately RMB5,439 per ton, RMB5,266 per ton and RMB4,786 per ton of electrolytic aluminum produced in 2022, 2023 and 2024, respectively. This is significantly lower than China's industry average of approximately RMB6,153 per ton, RMB6,039 per ton and RMB5,878 per ton during the same periods, respectively. However, aluminum producers in Saudi Arabia also benefits from low energy costs, primarily due to its access to abundant oil and gas reserves, according to CRU. The cost of electricity consumption of current coal-fired thermal power generation in our Huolinguole aluminum smelter was RMB0.37 per kWh in 2024 and RMB0.33 per kWh in the five months ended May 31, 2025. The cost of electricity consumption for industries with heavy energy consumption in Saudi Arabia is approximately 12 Halalah/kWh, equivalent to approximately 0.032 USD/kWh, according to information published by Saudi Electricity Company. As a result, we may lose one of the key comparative advantages of our operations in China, namely our relatively lower electricity costs, in Saudia Arabia as all aluminum producers in Saudi Arabia can benefit from the local low energy costs; (iii) energy and water supply reliability. The operations of aluminum projects rely on a stable and consistent supply of electricity and water. Disruptions to these utilities, whether due to weather-related events or infrastructure limitations, could significantly impact production. Saudi Arabia faces challenges related to water scarcity and the reliability of its power grid. Power outages and water shortages could lead to production delays and increased costs; (iv) government approvals and permits. The production and trading of electrolytic aluminum require various approvals and permits from the Saudi government. If we experience delays in obtaining the necessary approvals and permits from the Saudi government, this could significantly delay or even prevent the successful operation of the project, impacting our operational and financial projections; (v) downstream customer demand. The success of aluminum projects depends on sufficient demand from downstream customers for our electrolytic aluminum products. While the Saudi Arabian aluminum market is projected to grow, there is a risk that sufficient purchase commitments may not materialize, impacting the Saudi Project's financial viability. Securing offtake agreements with key customers will be crucial, and the failure to do so could adversely affect the Saudi Project's revenue; and (vi) labor and employment. If we cannot effectively recruit and retain a skilled workforce in Saudi Arabia or fail to do so in compliance with applicable local laws and regulations, we may face operational and legal challenges. These and other unforeseen challenges could materially and negatively impact the revenue from, the profitability of and operational success of our Saudi Project. As a result, if we are unable to navigate these challenges effectively, there could be a significant adverse impact on our business, financial condition and results of operations.

**If disruptions to our transportation network occur or our transportation costs substantially increase, we may be unable to deliver our products or raw materials in a timely manner and our operating expenses could increase.**

Disruptions to the transportation network may cause delays in delivery of our products and raw materials, significantly increasing our operating expenses. The transportation network is subject to disruptions from various sources, such as operational inefficiency, labor disputes, port strikes, wars and natural disasters, which affect the timely delivery of our products to customers. Transportation of liquid aluminum is considered hazardous and there are strict conditions regarding safe handling and may be delayed due to the lack of governmental approval of transportation routes, unavailability of specially adapted vehicles for transporting liquid aluminum and adverse weather conditions such as heavy snow. If our delivery time increases unexpectedly, our ability to deliver our aluminum products on time would be materially and adversely affected, resulting in delay or loss of revenue. In addition, leakage of liquid aluminum during transportation can lead to significant environmental damage and pose significant health risks to humans. Liquid aluminum is sensitive to temperature fluctuation and inadequate temperature control may lead to changes in material properties. In addition, if fuel prices increase, our transportation costs would likely increase as well. A prolonged transportation disruption or a significant increase in the cost of transportation could materially and adversely affect our business, financial condition and results of operations.

**We may not be able to obtain additional capital in the future, on favorable terms or at all.**

Our production expansion and energy transformation require significant financial investment. As we continue to grow our business, our future capital requirements may be substantial. To meet these needs, we may need to raise additional funds. Our construction and development plans may change due to evolving circumstances, business development, unforeseen contingencies or new opportunities, which could result in us not being able to implement our plans within our budget. If our plans do change, we may need to seek additional external financing to meet our capital expenditure requirements. This could include commercial bank borrowings or the issuance of equity or debt securities. If we decide to raise additional funds through debt, our interest and debt repayment obligations will increase and we may be subject to additional covenants that could limit our ability to access cash flows from operations. We cannot assure you that we will be able to raise adequate financing to fund our future capital requirements on commercially acceptable terms in time, or at all.

**Unsatisfactory performance of or defects in our products, or failure to maintain an effective quality management system, may harm our reputation, lead to product returns or recalls and materially and adversely affect our business, financial condition and results of operations.**

We value customer experience and are committed to attentive customer service. We employ a comprehensive system to ensure that our customers receive prompt and effective assistance. See "Business — Sales, Marketing and Customer Service — Customer Service." Unsatisfactory performance of or defects in our products, or failure to maintain an effective quality management system, may harm our reputation and lead to product returns or recalls. Product returns and recalls would divert our resources and management's attention and materially and adversely affect our results of operations and financial condition. Moreover, the consequences of unsatisfactory performance of or defects in our products may be severe and we may be subject to claims for contract breaches or be liable to financial compensations. In addition, causes of unsatisfactory performance of or defects in, our products, or failure to maintain a quality control system, may be sophisticated and sometimes beyond our control. If our product performance fails to meet our customers' expectations, we may also be subject to litigation, lose customers, suffer negative publicity, and our business, financial condition and results of operations could be adversely affected.

**We face competition in the electrolytic aluminum industry. If we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.**

The industry in which we currently operate is competitive. Companies are competing with each other with respect to cost control, location of production bases, regulatory compliance, technology and available capacity. Global aluminum production is highly consolidated. According to CRU, in 2024, the world's top five producers supplied approximately 22 mt, which was equivalent to approximately 30% of global electrolytic aluminum production. The top 25 producers supplied approximately 51 mt, which was equivalent to approximately 71% of global electrolytic aluminum production. China had 14 out of the world's top 25 electrolytic aluminum producers, who in total contributed approximately 30 mt of electrolytic aluminum production in 2024. Competition in our industry may intensify as new competitors enter our existing or new markets. Threats from new entrants could be disruptive to the near-term and medium-term supply-demand equilibrium. In addition, our competitors may have a longer operating history and greater financial, technical and other resources, enabling them to achieve more efficient cost management. As a result, these competitors may be able to devote more resources to the cost control, promotion and sale of their products. Competition could also have an adverse impact on the demand for our aluminum products, which in turn affects our growth and market share. We cannot assure you that we will continue to compete successfully in the future. If we cannot keep up with other competitors in the market, our business, financial condition and results of operations may be materially and adversely affected. Furthermore, other alternatives to our products, such as magnesium alloy, fiberglass and secondary aluminum, may become more economically attractive as global commodity prices shift. Such an event could have a material adverse effect on the competitiveness of our business.

**We are exposed to changes in current and expected demands of our electrolytic aluminum and alumina products.**

The demands for our electrolytic aluminum and alumina products are driven by their applications in downstream markets, including 3C electronic products, lightweight automotive, green energy, transportation, industry materials and construction industries. The prices of electrolytic aluminum and alumina are determined by factors which are beyond our control. For example, technological advancements, changes in laws and regulations and overall economic conditions affect the demand for electrolytic aluminum and alumina. In addition, the demand in these end markets relies on our customers' ability to develop, produce and sell end products, as well as the acceptance of these products by end customers. A decline in demand or activity within these industries could reduce the purchases made by our customers, affecting our business, results of operations and financial condition. In addition, failing to anticipate industry trends in the end markets we serve could have a material and adverse effect on our future prospects.

**Our success relies on key management and other qualified personnel with specialized skills.**

Our success relies on our key management and other qualified personnel, as each of them possesses specialized management and technical skills as well as experience in the electrolytic aluminum industry. This includes expertise in finance, strategic business development and sales and marketing, all of which are vital to our business's success. If one or more of our key management and other qualified personnel are unable or unwilling to continue their employment with us, we may not be able to identify and recruit suitable replacements in a timely manner. Furthermore, recruiting and retaining capable personnel, particularly experienced engineers and technicians familiar with our production processes, is important to maintain the quality of our products and improve our production processes. If we are unable to retain or attract key management and qualified personnel, our business, financial condition and results of operations may be materially and adversely affected.

**Our performance depends on our relationship with employees. Any material deterioration in labor relations, shortage of labor or material increase in labor costs may have a material adverse effect on our business, financial condition and results of operations.**

We believe that we have a good working relationship with our employees and have not experienced any material work stoppages, strikes or other major labor problems during the Track Record Period. There is no assurance that any of such events will not arise in the future. Our performance is dependent upon our relationship with employees. To ensure the quality of our product, we need to implement effective training programs to ensure consistently high-quality performance by our employees. A deterioration in labor relations may result in a decrease in employees' quality of performance, customers' dissatisfaction with our products and loss of labor. Our labor costs in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025 amounted to RMB333.4 million, RMB309.5 million, RMB347.2 million, RMB142.4 million and RMB148.6 million, respectively, accounting for 2.9%, 2.7%, 3.2%, 3.4% and 2.6%

of our total cost of sales for the same respective periods. We may need to divert extra resources and management's attention to implement effective training programs for new labor to ensure consistently high-quality performance and this could increase our labor costs. In addition, if we cannot consistently provide attractive job opportunities, we may experience a potential shortage of labor and we may be unable to find skilled employees on time, resulting in potential delay in our production. As a result, any material deterioration in labor relations, shortage of labor, or significant increase in labor costs may have a material adverse effect on our business, financial condition and results of operations.

**We recorded net current liabilities during the Track Record Period.**

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, we recorded net current liabilities of approximately RMB6,286.9 million, RMB2,640.2 million, RMB4,954.0 million, RMB5,721.7 million and RMB6,774.6 million, respectively. See "Financial Information — Liquidity and Capital Resources — Current Assets and Liabilities." We may record net current liabilities in the future. Having significant net current liabilities could constrain our operational flexibility and adversely affect our ability to expand our business and make necessary capital expenditures. There is no assurance that our operations will generate sufficient cash inflow to finance all our activities and cover all our working capital requirements. If we do not generate sufficient cash flow from our operations to meet our present and future financial needs, we may need to rely on additional external financing for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our development and expansion plans, and our business, financial condition and results of operations may be adversely affected.

**We are subject to the risk of inventory price declines.**

Our inventories consisted of raw materials, work-in-progress, finished goods and spare parts and others. As of December 31, 2022, 2023, 2024 and May 31, 2025, our inventory amounted to approximately RMB1,761.0 million, RMB1,255.1 million, RMB1,577.7 million and RMB2,253.3 million, accounting for 18.7%, 17.3%, 41.7% and 43.5% of our current assets, respectively. However, if market demand decreases unexpectedly, we might have surplus inventories. We had write-down of inventories of RMB5.4 million in 2022. Due to fluctuations in our raw materials, work-in-progress, finished goods and spare parts and others, our inventories may be subject to impairment from time to time, which may materially and adversely affect our financial condition and results of operations.

**We are exposed to risks relating to warehousing and third-party logistics service providers.**

We engaged third-party warehousing and logistics service providers during the Track Record Period to transport raw materials as well as finished goods by road and combined sea-rail transportation. See "Business — Procurement and Supply Chain Management — Warehousing and Logistics." We had warehousing and logistics expenses of RMB611.6 million, RMB639.6 million, RMB735.2 million, RMB333.0 million and RMB276.7 million in

2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. A significant disruption to the operation of the warehouses, whether as a result of natural disasters, public health incidents, labor shortages, fires or other causes, or any unexpected and adverse changes in the storage conditions of the warehouses, could disrupt our operations, which may cause delay in product deliveries or even damage our products, ultimately leading to a loss of sales. In addition, we may fail to find proper warehousing service providers in a timely manner, on favorable terms, or at all. In such an event, we may be subject to the risk of increased warehousing costs or disrupted operations. In addition, our dependence on third-party logistics service providers could expose us to potential service disruptions or inefficiencies. If these providers fail to meet their service obligations due to operational issues, financial difficulties or other unforeseen circumstances, our ability to transport raw materials from suppliers or deliver products to customers in a timely and cost-effective manner may be impacted, which could cause a decline in product sales and loss of revenue. We are also subject to the risk of increased logistics costs. Any of these events could have a material and adverse impact on our business, financial condition and results of operations.

**We may incur impairment losses on our intangible assets which could negatively affect our financial condition and results of operations.**

Our intangible assets primarily consisted of aluminum production quota, power generation capacity indicators and computer software. We had intangible assets of RMB3,359.8 million, RMB3,288.5 million, RMB3,217.7 million and RMB3,187.9 million as of December 31, 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. During the Track Record Period, we did not record any impairment loss on our intangible assets. There is no assurance that we will not incur impairment losses on our intangible assets. Any significant impairment of our intangible assets could have a material adverse effect on our business, financial condition and results of operations.

**Any negative publicity and allegation involving us may damage our reputation and adversely affect our business and results of operations.**

We highly value our reputation to sustain and grow our business operations. However, we are exposed to the risk that our employees, customers, suppliers or other business partners may raise malicious harassment, complaints or allegations against us, our directors, senior management or employees. Any negative publicity in any form of media following such complaints or allegations, regardless of whether the court rules in our favor or not, may damage our reputation. This could materially and adversely impact our business and results of operations.

**If the preferential tax treatments become unavailable, our results of operations and financial condition may be adversely affected.**

We currently benefit from certain preferential tax treatments granted by the PRC government. During the Track Record Period, one of our subsidiaries was subject to the applicable preferential income tax rate of 15%. The impact of preferential income tax rates applicable to subsidiaries amounted to RMB90.8 million, RMB115.9 million, RMB153.7 million, RMB90.4 million and RMB71.6 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. The tax effect of additional deductions on environmental protection equipment expenditures amounted to RMB37.2 million, RMB11.6 million, RMB19.1 million, RMB8.0 million and nil in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. See Note 11 of the Accountants' Report in Appendix I to this prospectus for details of our income tax expense. However, any expiration or change of these preferential tax treatments could adversely affect our operating results. We cannot assure you that the PRC policies on preferential tax treatments will remain unchanged or that the current preferential tax treatments we enjoy will not be canceled. However, we cannot assure you that we will continue to enjoy similar preferential tax treatment in the future. If any of our subsidiaries ceases to be entitled to preferential tax treatment, this may lead to an increase in our income tax expenses, which would adversely affect our results of operations.

**If our customers, suppliers, other business partners or current or former employees engage in illegal, fraudulent, improper or unethical conduct, such as bribery and corruption, we may be subject to potential liability and negative publicity, and our reputation as well as our business could be harmed.**

We are exposed to the risk that our customers, suppliers, other business partners we have contracted or current or former employees may engage in illegal, fraudulent, improper or unethical conduct. Misconduct by these individuals and institutions could include intentional, reckless and/or negligent conduct that violates the relevant laws and regulations. Such misconduct could also involve fraud, corruption, bribery, tax evasion and other illegal practices. There is no assurance that there will be no such misconduct, arising from actions taken by business partners and current or former employees without our knowledge. We may not be able to identify and deter misconduct by such foregoing persons, and the precautions we take to detect and prevent such misconduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with relevant laws or regulations. If this occurs, we and/or our relevant business partners and current or former employees may be subject to investigations, administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses. If we are associated with potential liabilities and negative publicity resulting from illegal, fraudulent, improper or unethical conduct, or allegations of such conduct, by our employees and business partners, our brands and reputation, business and results of operations will be affected.

**Our bill discounting transactions during the Track Record Period may be subject to penalties from the relevant regulatory authorities.**

During the Track Record Period, certain of our subsidiaries had bill discounting transactions with certain non-bank institutions who did not comply with the Discounter's Qualification Requirement. We have ceased all our Non-compliant Bill Discounting since November 21, 2023. See "Business — Legal Proceedings and Compliance Matters — Non-compliant Bill Discounting." Although there are no explicit PRC laws and regulations to impose administrative or criminal liability on us for these transactions that is without the purpose to obtain funds by fraudulence, we cannot assure you that the relevant regulatory authorities will not impose penalties on us retrospectively for the previous bill discounting. Any such penalties could adversely affect our business, financial condition and results of operations.

**We may be subject to complaints, disputes and lawsuits in the ordinary course of our business.**

We may be subject to disputes and lawsuits during our business operation. These proceedings could result in significant liabilities for us. In addition, we may also receive complaints from other parties involved in our business operations, such as customers, suppliers, joint venture parties, employees, logistics service providers, inspection service providers, construction service providers, research institutes and organizations, bill issuers and banks. These disputes could lead to legal proceedings against us and could potentially damage our reputation, give rise to significant liabilities and divert our resources and management's attention. Additionally, compliance issues that arise during our operations may subject us to administrative proceedings, resulting in unfavorable outcomes, liabilities and delays in our production or product launch schedules. The outcomes of these legal proceedings are uncertain, and any negative outcome could have a material adverse impact on our business, financial condition and prospects.

Furthermore, there is a potential risk of product liability claims if our products cause any damage due to defects. A successful product liability claim against us could require us to pay significant damages. Defending against product liability claims, whether successful or not, can be costly and time-consuming. As at the Latest Practicable Date, we had not been exposed to any significant product liability claims which had material adverse impacts on our business operations. We do not maintain any product liability insurance. If our products fail to meet the required specifications or quality standards, our business could be materially and adversely affected. We cannot assure you that we will not face product liability claims in the future. Such claims, regardless of their merit, could generate negative publicity and have a material adverse effect on the marketability of our products, our reputation and, ultimately, our business, financial condition and results of operations.

**We may not be able to protect our intellectual property rights or may be subject to infringement claims of third parties' intellectual property rights, which could harm our ability to compete and our business operation.**

Our success depends in part upon our intellectual proprietary rights and know-how. However, we may not be able to adequately protect such intellectual proprietary rights. In addition, any attempt to enforce our intellectual property rights, even if successful, could result in costly and prolonged litigation, divert our management's attention and adversely affect our financial performance. Failure to adequately protect our intellectual property may materially and adversely affect our results of operations as our competitors would be able to utilize such property without having to incur the costs of developing it, thus potentially reducing our relative profitability. Also, if we fail to effectively protect our brand name from inappropriate use by third parties in ways that adversely affect our brand name, our reputation could suffer damage, which in turn could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we may be subject to claims that our technology infringes the intellectual property rights of other parties. Even without merit, such claims could result in costly and prolonged litigation, divert management's attention, damage our reputation and materially and adversely affect our business, financial condition and results of operations.

**Our business operation and project construction are subject to various permits, licenses, approvals and/or qualifications and the loss of or failure to obtain or renew any or all of these permits, licenses, approvals and/or qualifications may materially and adversely affect our business, financial condition and results of operations.**

To operate our business in the PRC, we need to obtain the necessary permits, licenses, approvals and qualifications. We are required to obtain regulatory approvals for the annual production quota or capacity for electrolytic aluminum as well as alumina and other related types of products. Failure to obtain approval for our production may lead to administrative penalties or other liabilities pursuant to relevant laws. In addition, we are required to obtain the necessary approvals and other relevant permits from the relevant regulatory authorities for project construction.

As of the Latest Practicable Date, two out of six of our thermal electricity generators are in the process of obtaining such approvals from the relevant regulatory authorities, which involve obtaining power generation capacity indicators, being included in the national plan and obtaining project approval. Failure to obtain such approvals may result in administrative penalties, including being ordered to cease operation of these generators and/or fines. As of the Latest Practicable Date, we are in the process of obtaining approvals from the relevant authorities for the acquisition of power generation capacity indicators. If the relevant regulatory authorities introduce new laws and regulations, we may be required to obtain further approvals or to meet other additional regulatory requirements. Failure to obtain the relevant permits, approvals and others may materially and adversely affect our business, financial condition and results of operations.

**Our business and financial condition could be adversely affected by trade tariffs or other trade barriers.**

Recently, the U.S. has imposed tariffs, indicating the potential for further trade barriers. Beginning in February 2025, a baseline 10% tariff was imposed on all imports from China, followed by successive adjustments in March and April 2025. As of the date of this prospectus, under the May 12 Geneva Economic Announcement jointly issued by the U.S. and China, Chinese imports faced a 30% effective tariff rate down from an earlier peak of 145% in April 2025, with reciprocal tariffs suspended until November 10, 2025. The aforementioned tariff policies have been rapidly evolving and subject to further negotiations among various countries. We cannot predict how tariff policies in various countries may further evolve nor anticipate any potential impacts of subsequent developments in such policies on our business. In addition, despite little direct impact on the electrolytic aluminum industry in China, the aggressive tariff policy imposed by the U.S., and even unofficial announcements on social media or during public speeches by President Trump and other government officials, might create uncertainty in the downstream market, thereby indirectly reducing the demand for China's upstream electrolytic aluminum products. See "Summary — Import Tariffs in the U.S." These developments could have a material adverse effect on global economic conditions and the stability of global financial markets, which may affect our ability to obtain financing and the cost at which we obtain financing. Any of these factors could have an adverse effect on our business, financial condition and results of operations.

**If we fail to maintain effective internal controls, our business, financial results and reputation could be materially and adversely affected.**

We have put in place a set of internal control and risk management procedures to address various potential operational, financial, legal and market risks identified in relation to our operations, including our use of bank bills. See "Business — Risk Management and Internal Control." We need to maintain effective internal controls during our business operations. As we continue to expand, we need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our business, financial results and reputation. Our efforts in improving our internal control system may not eliminate all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business, financial results and reputation may be affected.

**Failure to pay social insurance and housing provident funds for our employees in accordance with applicable laws and regulations may subject us to penalties.**

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan should be calculated based on the actual income of our employees, together with the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. Any failure to make timely and adequate social welfare contributions for our employees may trigger an order of correction from competent authorities requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties. During the Track Record Period, we did not pay social insurance and housing provident fund contributions in full for our employees based on the actual income of the relevant employees. Furthermore, according to the Interpretation (II) of the Supreme People's Court on issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. See "Business — Legal Proceedings and Compliance Matters — Social Insurance and Housing Provident Funds" for details. There can be no assurance that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us, which may adversely affect our financial position and results of operations.

**We may not have sufficient insurance to cover our business risks.**

Risks associated with our production include damage to production facilities, environmental pollution, transportation damages and delays, industrial damages and risks posed by natural disasters, any or all of which may result in losses to us. Our principal insurance policies primarily include pension insurance, medical insurance, unemployment insurance, employment injury insurance and employer's liability insurance, liability insurance of safe production and vehicle insurance, which we believe cover the major risks in our daily operations. Our insurance plans align with our needs. We may be unable to obtain or maintain insurance policies covering risks associated with natural disasters, business interruptions or environmental damages arising from our production activities. Therefore, if we incur any loss which is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our financial condition and results of operations could be adversely affected.

**Our performance may suffer from business disruptions associated with information technology, system implementations or catastrophic losses affecting our IT systems.**

Information technology systems are essential to competitiveness and efficient operations. Our information systems may be vulnerable to damage or interruption from factors beyond our control, including computer viruses, acts of hacking, vandalism, power outages, fire or other natural disasters. Any significant failure of our information technology system, or loss or leakage of confidential information could result in transaction errors, process inefficiencies and loss of sales, which could further harm our reputation and materially and adversely affect our business, financial condition and results of operations.

**We are subject to national and local environmental, health and safety policies, laws and regulations. Any material deficiencies in our efforts regarding environment protection and occupational safety may result in additional costs and damage our reputation.**

As part of our normal operations, we discharge pollutants such as dust, sulfur dioxide, carbon monoxide and other chemicals as a result of our production. Our emissions are mainly waste water, exhaust gas and solid waste generated from power plants, production bases and daily activities in residential areas. We are required to comply with national and local environmental, health and safety policies, laws and regulations. These policies, laws and regulations may include restrictions or guidelines for companies with high energy consumption and high emissions, proposed plans for production reductions, or requirements to adopt energy-efficient machinery and equipment or upgrade existing ones to reduce energy consumption and carbon emissions. See "Regulatory Overview — PRC Laws, Regulations and Policy Documents Related to the Electrolytic Aluminum and Alumina Industries — Energy Conservation and Environmental Protection." Non-compliance with such laws and regulations would result in fines or punishments from the governmental authorities against us and damage our reputation. In addition, we participate in activities that could be risky and hazardous. This includes working with high-temperature materials and settings, using strong electric currents and managing dangerous products. Due to these activities, we face various dangers, such as leaks from hot liquids, equipment breakdowns, industrial incidents, fires and explosions. These hazards can lead to severe outcomes, including personal injuries or fatalities, damage to property or production facilities and environmental contamination.

As the PRC government increases its awareness of environmental protection and occupational safety measures, we expect to be subject to additional requirements in the future. In addition, we expect that compliance with additional requirements in the future will require additional capital expenditures and result in higher operating costs, which may materially and adversely affect our business, financial condition and results of operations. Any failure by us to comply with the national and local environmental, health and safety polices, laws and regulations such as those controlling the use of, or adequately restricting the discharge of, hazardous substances and emissions, limiting the consumption of energy or maintaining workplace safety, could subject us to potential significant monetary damages, fines or administrative, civil or criminal liabilities, which could disrupt, limit or even result in the suspension of our operations.

**Any natural disasters, health epidemics and other outbreaks could significantly disrupt our operations.**

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, outbreaks of a widespread health epidemic or pandemic, or other events such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. These events could cause damage or disruptions to commerce and the global economy, affecting the aluminum prices and our business, as we are sensitive to fluctuations in aluminum prices. Such events could make the demand for aluminum more volatile, make it difficult for us to produce or deliver products to our customers or to receive raw materials from our suppliers. Our revenue and profitability could be materially reduced if a natural disaster, health epidemic, pandemic or other outbreak harms the global or PRC economy in general. In the event of natural disasters, health epidemics and other outbreaks, we could suffer substantial losses, require long recovery time and experience expenditure in order to resume operations.

## RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

**Failure to respond to changes in the economic or social conditions or government policies in the jurisdictions where we operate, as well as the global economy, could affect our business, financial condition and results of operations.**

A substantial proportion of our business operations are conducted in the PRC. In addition, we plan to operate our business in Saudi Arabia. See "Business — Our Strategies — Proactively Expand into Overseas Markets and Increase Overseas Production Capacities as a Response to the Belt and Road Initiative (the "BRI")." Accordingly, our business, financial condition and results of operations are subject to economic and social conditions and government policies in these markets.

Relevant factors of the global economy that could affect our business include consumer, corporate and government spending, business investment, level of economic development and resource allocation. Nevertheless, new laws, rules and regulations relevant to our businesses may be introduced in the future, or the current applicable regulations may otherwise be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. In particular, any change in the applicable laws, rules and regulations could require us to obtain additional licenses, permits, approvals or certificates, increase our operational expenses or result in the invalidation of licenses, permits, approvals or certificates we currently have.

Newly promulgated laws and regulations may be subject to further variations in application, interpretation and implementation. As a result, we may not be aware in a timely manner that we have violated certain policies and rules. There can be no assurance that we can adapt to the evolving regulatory environment swiftly enough or in a cost-efficient manner, failure of which may adversely affect our operations and lead to substantial compliance costs. Meanwhile, we may need to implement changes in our facilities, equipment, personnel or services to comply with the latest laws and regulations, and such may increase our capital expenditures and operating expenses, thereby adversely affecting our business, financial condition and results of operations.

**The approval, filing or other requirements of the CSRC or other PRC government authorities may be required under PRC laws and we cannot predict whether we will be able to complete such procedures for our Future Offerings.**

On July 6, 2021, PRC government authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions enhanced administration and supervision on overseas listing of China-based companies and proposed to take effective measures in relation to these companies, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC-based overseas-listed companies.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and five supporting guidelines, which came into effect on March 31, 2023. The Trial Measures require that where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities issuance and listing. We will file with CSRC within a specific time limit as required by the Trial Measures for Overseas Listing. See "Regulatory Overview — Regulations Related to Overseas Securities Offering and Listing by Domestic Companies" in this prospectus. However, if we fail to complete the filing procedure or the filing documents submitted contain any misrepresentation, misleading statement or material omission, our ability to complete the proposed offering may be restricted. Additionally, we may be subject to orders to rectify, warnings and fines, and our controlling shareholder, actual controller, the person directly in charge and other directly responsible persons may also be subject to fines. Any such events could materially and adversely impact our business and results of operations.

**You may have limited recourse in effecting service of legal process or enforcing foreign judgments against us, our Directors and our senior management.**

We are an exempted company incorporated in the Cayman Islands with limited liability, with substantially all of our assets located in mainland China. In addition, all of our Directors and senior management currently reside in China. As a result, it may be difficult for our investors to directly effect service of legal process within Hong Kong or elsewhere outside China upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, China only has treaties with limited number of other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Mutual Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件安排的安排) (the "2006 Arrangement"). According to such arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"). The 2019 Arrangement became effective on January 29, 2024 after the Supreme People's Court promulgated judicial interpretations and relevant procedures were completed in Hong Kong. The 2019 Arrangement supersedes the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect.

**Our payment of dividends is subject to restrictions under applicable laws and regulations.**

As our Company is a holding company, we rely on dividends from our subsidiaries for cash requirements, including servicing any debts our Group may incur. Under the laws of the PRC, dividends may be paid only out of our PRC subsidiaries' distributable profits. Distributable profits are defined as profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our PRC subsidiaries may not have sufficient, if any, distributable profits to distribute dividends or other payments to our Company. Any distributable profits not distributed in a given period are retained and available for distribution in subsequent periods. Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, our PRC subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that period as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a material adverse impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

**Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.**

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. We recorded net foreign exchange losses of RMB0.1 million, RMB11 thousand, RMB0.3 million, nil and net foreign exchange gains of RMB0.5 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. The proceeds from the Global Offering will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our proceeds from the Global Offering. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our Shares in foreign currencies. There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable cost in China, and we have not utilized, and may not in the future utilize, any such instrument. All of these factors could materially and adversely affect our business, financial condition and results of operations, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

**The remittance of Renminbi into and out of the PRC and government regulations on currency conversion may affect our ability to pay dividends and other obligations, and affect the value of your investment.**

The PRC government requires the convertibility of Renminbi into foreign currencies must be subject to certain regulatory procedures, and under certain circumstances, remittances out of China are also subject to certain regulatory procedures. We receive all of our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency or otherwise satisfy our foreign currency-denominated obligations.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we are not able to obtain sufficient foreign currencies to satisfy our foreign currency demands due to regulatory procedures, we may not be able to pay dividends in foreign currencies to our Shareholders.

**Our operations are subject to PRC tax laws and regulations.**

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could have an impact on our future prospects, business, results of operations and financial condition.

**We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, and our global income might be subject to 25% PRC income tax.**

We are an exempted company incorporated in the Cayman Islands with limited liability. We conduct our business through our PRC subsidiaries. Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "EIT Law"), an enterprise established outside China with "de facto management bodies" within China is considered a "resident enterprise", and thus will be treated in a manner similar to a Chinese enterprise for PRC EIT purposes and be subject to an EIT at the rate of 25% on their global income. The implementing rules of the EIT Law define "de facto management bodies" as "management bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise.

On April 22, 2009, the SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》, "Circular 82"), as amended on December 29, 2017, which sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by Chinese enterprises or Chinese enterprise groups is located within China. Under Circular 82, a foreign enterprise controlled by a Chinese enterprise or Chinese enterprise group is considered as a PRC resident enterprise if all of the conditions apply. The conditions are the following: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) key properties, accounting books, the company seal and minutes of board meetings and shareholders' meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The SAT has subsequently provided further guidance on the implementation of Circular 82.

The tax resident status of an enterprise is subject to determination by the Chinese tax authorities. As all of the operational management of our Company is currently based in China, we may be deemed to be "PRC resident enterprises" for the purpose of the EIT Law. In the circumstance that our Company is determined as a PRC resident enterprise by the Chinese tax authorities, our global income will be subject to income tax at a uniform rate of 25%. Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

**You may be subject to PRC withholding tax on dividends from us and PRC income tax on any gain realized on the transfer of our Shares.**

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides otherwise, PRC withholding tax at a rate of 10% is normally applicable to dividends from a PRC source paid to investors that are "non-resident enterprises" which do not have an establishment or place of business in China, or which have such establishment or place of business but whose relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is generally subject to 10% PRC income tax if such gain is regarded as income derived from sources within China.

Under the PRC Individual Income Tax law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to PRC income tax at a rate of 20% for individuals. Any PRC tax may be reduced or exempted under applicable tax treaties or similar arrangements. If we are treated as a PRC resident enterprise, dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, may be treated as income derived from sources within China and, as a result, be subject to the PRC income taxes described above. It is unclear whether non-Chinese Shareholders of our Company would be able to claim the benefits of any tax treaties between their country of tax residence and China and if we are required under the EIT Law to withhold Chinese income tax on our dividends payable to our Shareholders, or if our Shareholders are required to pay Chinese income tax on the transfer of the Shares, the returns on our Shareholders' investment in our Shares will be reduced. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected.

**Regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries.**

Any loans we provided to our PRC subsidiaries, either as shareholder loans or as an increase in registered capital are subject to PRC regulations and must be registered with relevant PRC governmental authorities. In addition, the increasing of capital contributions to our PRC subsidiaries is subject to the registration with relevant government authorities in China. As of the Latest Practicable Date, no loans have been provided to our PRC subsidiaries by offshore holding companies. For future loans provided to our PRC subsidiaries by offshore holding companies, if any, we may not be able to complete the necessary reporting or registrations on time, or at all, for future capital contributions or foreign loans to our PRC subsidiaries. If we fail to complete such reporting or registration, our ability to use the proceeds of this Offering and to capitalize our PRC operations may be adversely affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

**There is uncertainty with respect to the indirect transfers of equity interests in our Chinese resident enterprises through transfers made by our Shareholders or our non-Chinese holding companies.**

On February 3, 2015, the SAT promulgated the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告) ("Circular 7"), which replaced certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on Equity Transfers of Non-resident Enterprises (國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知) ("Circular 698"). Circular 7 provided comprehensive guidelines relating to, and also heightened the Chinese tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise ("Chinese Taxable Assets"). For example, Circular 7 specifies that where a non-resident enterprise transfers Chinese Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, and such transfer is deemed for the purpose of avoiding EIT payment obligations and without any other bona fide commercial purpose, the transfer may be reclassified by the Chinese tax authorities as a direct transfer of Chinese Taxable Assets.

Although Circular 7 contains certain exemptions, it is unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of China involving Chinese Taxable Assets, or whether the Chinese tax authorities will classify such transaction by applying Circular 7. Therefore, the Chinese tax authorities may deem any transfer of our Shares by our Shareholders that are non-resident enterprises, or any future acquisitions by us outside of China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional Chinese tax reporting obligations or tax liabilities.

## RISKS RELATING TO THE GLOBAL OFFERING

**There has been no prior public market for our Shares, and the liquidity and market price of our Shares may be volatile.**

Prior to completion of the Global Offering, there has been no public market for our Shares. We have applied to the Stock Exchange for the listing of, and permission to deal in, our Shares. The liquidity and market price of our Shares may be volatile as we cannot assure you that an active and liquid trading market for our Shares will be developed or be maintained after the Global Offering. The market price of our Shares could vary significantly as a result of a number of factors, some of which are beyond our control. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering. In the event of a drop in the market price of our Shares, you could lose a substantial part or all of your investment in our Shares.

**The trading price of our Shares may be volatile, which could result in substantial losses to you.**

The trading price of our Shares could fluctuate widely in response to factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows and investments, changes in our pricing policies and expenditures, regulatory developments, demand for our services, unexpected business interruptions resulting from natural disasters or power shortages, our ability to obtain or maintain regulatory approval for our operations, relationships with our suppliers, movements or activities of key personnel or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange with significant operations and assets in China have experienced price volatility and fluctuations in trading volume in the past, and it is possible that our Shares may be subject to fluctuations in price and volume not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

**You will incur immediate dilution and may experience further dilution in the future.**

The Offer Price is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value upon such purchases. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the payment of creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

**Future issues, offers, or sale of our Shares may adversely affect the prevailing market price of our Shares and our ability to raise future capital at a favorable time and price.**

The market price of our Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a favorable time and price which we deem appropriate. Moreover, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

**We may be unable to declare dividends on our Shares in the future.**

No dividend was declared or paid by our Company in 2022, 2023 and the five months ended May 31, 2025. In 2024, one of our subsidiaries declared and paid a cash dividend of RMB330.0 million. Our historical dividends may not be indicative of our future dividend policy. There can be no assurance that future dividends will be declared or paid. We cannot guarantee when and in what form dividends will be paid on our Shares following the Global Offering. Any future determination to pay dividends will be made at the discretion of our Board of Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. For details, see "Financial Information — Dividends."

**If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.**

The trading market of our Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts, who cover us, downgrade our Shares or publish negative opinions about us, the market price of our Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose our visibility in the financial markets, which, in turn, could cause the market price or trading volume of our Shares to decline.

**Investors may experience difficulties in enforcing Shareholder rights.**

We are an exempted company incorporated in the Cayman Islands with limited liability, and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. The rights of our Shareholders to take legal actions against us and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedents in the Cayman Islands, and from English common law, which has persuasive but not binding authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under the Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong, the United States or other jurisdictions where investors may reside. In particular, the Cayman Islands has a less developed body of securities law than in Hong Kong. As a result of all the above, our Shareholders may have more difficulty in exercising their rights in the face of actions taken by our executive officers, Directors or Controlling Shareholders than they would as shareholders of a Hong Kong company, a United States company or companies incorporated in other jurisdictions.

**Certain facts, forecasts and other statistics contained in this prospectus are derived from various official government sources.**

Certain facts, forecasts and statistics in this prospectus, particularly the section headed "Industry Overview," relating to the PRC and global economy and the industry in which we operate are obtained from official government publications that we believe are reliable. Our Directors believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. They do not believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by our Group, the Joint Sponsors or any other party involved in the Global Offering and no representation is given as to its accuracy or completeness. You should consider how much weight or importance such facts or statistics carry and should not place undue reliance on them.

**Our Controlling Shareholders have a substantial influence over our Company, and their interests may not be aligned with the interests of our other Shareholders.**

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the Global Offering (assuming the Over allotment Option is not exercised), our Controlling Shareholders will be entitled to control the exercise of 75% voting rights of the enlarged issued share capital of our Company. This concentration of ownership may discourage, delay, or prevent a change in control of our Company, potentially depriving other shareholders of the opportunity to receive a premium for their Shares in the event of a sale. It could also potentially lower the price of our Shares. These circumstances may occur even if opposed by other shareholders. Additionally, the interests of our Controlling Shareholders may differ from those of our other shareholders. It is possible that our Controlling Shareholders may use their significant influence to engage in transactions or make decisions that conflict with the best interests of our other shareholders.

**Forward-looking statements contained in this prospectus are subject to risks and uncertainties.**

This prospectus contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate," "believe," "could," "estimate," "expect," "may," "ought to," "should" or "will" or similar terms. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors in our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by us that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. See "Forward-looking Statements."

**You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.**

You are strongly advised to read the entire prospectus carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this prospectus.

Prior to the completion of the Global Offering, there may be press and media coverage regarding our Group and the Global Offering. Our Directors would like to emphasize to prospective investors that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our Shares. In making decisions as to whether to invest in our Shares, prospective investors should rely only on the financial, operational and other information included in this prospectus. By applying to purchase our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and the Global Offering. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.

In preparation for the Global Offering, we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

## WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive Directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and our Company's head office is situated in the PRC; (ii) our executive Directors and senior management team principally reside in the PRC; and (iii) the management and operation of our Company have mainly been under the supervision of our executive Directors and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operation located in the PRC, our Company considers that it would be more practical for its executive Directors and senior management to remain ordinarily resident in the PRC where the Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

1. Authorized representatives: we have appointed Mr. Zhang Jianxiang ("**Mr. Zhang**"), an executive Director, deputy general manager and joint company secretary of our Company and Ms. Wong Hoi Ting ("**Ms. Wong**"), our joint company secretary, as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Mr. Zhang ordinarily resides in the PRC, possesses valid travel documents, and is able to renew such travel documents when they expire in order to visit Hong Kong. Ms. Wong ordinarily resides in Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See the section headed "Corporate Information" in this prospectus for more information about our Authorized Representatives.

2. Directors: to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of each of our Directors (i.e. mobile phone number, office phone number, email address and fax number (as applicable)). In the event that any Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange.

3. Compliance advisor: we have appointed Gram Capital Limited as our Compliance Advisor (the "**Compliance Advisor**") in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of our Company with the Stock Exchange during the period from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the Listing. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

## WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a Member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles they played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to the Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time but in any event not exceeding three years from the date of listing (the "**Waiver Period**") and on the following conditions: (i) the relevant company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by our Company.

We have appointed Mr. Zhang as one of the joint company secretaries of our Company. See "Directors and Senior Management — Board of Directors" in this prospectus for further biographical details of Mr. Zhang.

Mr. Zhang has over 18 years of experience in the metal industry and financial management but personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Wong, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Zhang for an initial period of three years from the Listing Date to enable Mr. Zhang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See "Directors and Senior Management — Joint Company Secretaries" in this prospectus for further biographical details of Ms. Wong.

The following arrangements have been, or will be, put in place to assist Mr. Zhang in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

(a) Mr. Zhang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company's Hong Kong legal advisers on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;

(b) Ms. Wong will assist Mr. Zhang to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(c) Ms. Wong will communicate regularly with Mr. Zhang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Wong will work closely with, and provide assistance for, Mr. Zhang in discharging his duties as a company secretary, including organizing our Company's Board meetings and Shareholders' general meetings; and

(d) Prior to expiry of Mr. Zhang's initial term of appointment as the company secretary of our Company, we will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Zhang's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. The waiver was granted for a three-year period commencing from the Listing Date (the "**Waiver Period**"), on the condition that Ms. Wong, as a joint company secretary of our Company, will work closely with, and provide assistance to Mr. Zhang, in the discharge of his duties as a joint company secretary during the Waiver Period. Such waiver will be revoked immediately if and when (i) Mr. Zhang ceases to be assisted by a person with qualifications under Rule 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by us. We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Mr. Zhang, having had the benefit of Ms. Wong's assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

## WAIVERS IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue to have certain transactions after the Listing which will constitute our partially exempt and non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us waivers in relation to certain continuing connected transactions between us and certain connected persons under Chapter 14A of the Listing Rules. See the sections headed "Connected Transactions — Partially Exempt Continuing Connected Transactions" and "Connected Transactions — Non-exempt Continuing Connected Transactions" in this prospectus.

## CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF SHARES BY A CORNERSTONE INVESTOR WHO IS A CONNECTED CLIENT

Paragraph 1C(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 1B of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

CICC Financial Trading Limited ("**CICC FT**") has entered into a cornerstone investment agreement with the Company, China International Capital Corporation Hong Kong Securities Limited ("**CICCHKS**") and Huatai Financial Holdings (Hong Kong) Limited. CICC FT and China International Capital Corporation Limited ("**CICCL**") will enter into a series of cross border delta-one OTC swap transactions (the "**OTC Swaps**") with each other and their ultimate clients (including 景林全球基金, 景林景泰全球私募證券投資基金 and 景林致遠私募基金, the "**CICC FT Ultimate Clients (Greenwoods)**"), respectively, pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the OTC Swaps, while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods). CICC FT, CICCL and CICCHKS, a Joint Sponsor, an Overall Coordinator and a Underwriter of the Global Offering, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit CICC FT (in connected with the OTC Swaps) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide for New Listing Applicants:

(a) any Offer Shares to be allocated to CICC FT will be held on behalf of independent third parties;

(b) the cornerstone investment agreement of CICC FT does not contain any material terms which are more favorable to CICC FT than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to CICC FT by virtue of its relationship with CICCHKS, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the cornerstone investment agreement;

(d) CICC FT confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with CICCHKS, other than the assured entitlement under the relevant cornerstone investment agreement;

(e) each of the Company, the Overall Coordinators and CICC FT has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(f) details of the cornerstone investment and details of the allocations will be disclosed in "Cornerstone Investors" section of this prospectus and the allotment results announcement.

## DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## CSRC FILING

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), we are required to complete the filing procedures with the CSRC in connection with the Listing. We have submitted the filing to the CSRC on January 15, 2025, which was accepted by the CSRC on February 21, 2025. The CSRC filing was announced completed on October 17, 2025.

## GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus set out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and any of the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

The Offer Price is expected to be fixed among the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Thursday, November 20, 2025 and, in any event, not later than 12:00 noon on Thursday, November 20, 2025 (unless otherwise determined between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company). If, for any reason, the Offer Price is not agreed among us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), by 12:00 noon on Thursday, November 20, 2025, the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, see "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

## PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set forth in "How to Apply for Hong Kong Offer Shares" in this prospectus.

## STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in "Structure of the Global Offering" in this prospectus.

## OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in "Structure of the Global Offering" in this prospectus. Assuming that the Over-allotment Option is exercised in full, our Company may be required to allot and issue up to an aggregate of 75,000,000 additional Shares.

## RESTRICTIONS ON OFFERS AND SALE OF THE SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

## APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the Over-allotment option).

Assuming the Global Offering becomes unconditional at or before 8:00 a.m. on Monday, November 24, 2025 (Hong Kong time), dealings in the Shares on the Stock Exchange are expected to commence on Monday, November 24, 2025. The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares will be 02788. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

## SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained by our principal share registrar, Campbells Corporate Services Limited, in the Cayman Islands, and our Hong Kong register of members will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the Hong Kong register of members of our Company in Hong Kong.

Dealings in the Shares registered in our Hong Kong register will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty of 0.10% on the higher of the consideration for, or the market value of, the Shares is charged to the purchaser on every purchase and to the seller on every sale of the Shares. In other words, a total of 0.20% is currently payable on a typical sale and purchase transaction of the Shares.

## PROFESSIONAL TAX ADVICE RECOMMENDED

Professional investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in, our Shares (or exercising rights attaching to them) under the laws of Hong Kong and the place of their operations, domicile, residence, citizenship or incorporation. None of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, us, any of our or their respective directors, officers, agents, employees, advisers or representatives, or any other parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchasing, holding or disposing of, or dealing in, our Shares (or exercise of any rights attaching to them).

## EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in RMB or US$ have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates: RMB1.00: HK$1.0971 and US$1.00: HK$7.7745.

No representation is made that any amounts in RMB or US$ were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

## ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

## LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail, provided that if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises marked with "*" are provided for identification purposes only.

## DIRECTORS

### Chairman of the Board and non-executive Director

| | | |
|---|---|---|
| Mr. Cui Lixin (崔立新先生) | Building 6,<br>Innovation 4th Industrial Park<br>Middle section of Yuehe 6th Road<br>Zouping Economic and Technological Development Zone<br>Zouping, Shandong<br>PRC | Chinese |

### Executive Directors

| | | |
|---|---|---|
| Mr. Cao Yong (曹勇先生) | Room 2105, Unit 3, Building 1<br>No. 199, Middle Section of Tianfu Avenue<br>Chengdu, Sichuan<br>PRC | Chinese |
| Mr. Zhang Jianxiang (張建鄉先生) | Room 501, Unit 2, Building 6<br>Innovation International Community<br>Zouping, Shandong<br>PRC | Chinese |
| Ms. Zhang Yue (張悅女士) | Room 801, Unit 1, Building 8<br>Innovation International Community<br>Zouping, Shandong<br>PRC | Chinese |
| Mr. Fu Qian (伏騫先生) | Room 1401, Unit 3, Building 22<br>Zhongnan Century City Community<br>Guangrao, Dongying, Shandong<br>PRC | Chinese |

**Independent non-executive Directors**

| | | |
|---|---|---|
| Mr. Liu Yanzhao (劉言昭先生) | Room 202, Unit 3, Building 7<br>Jitai Huabin Jiayuan<br>No. 509, Huanghe 10th Road<br>Binzhou, Shandong<br>PRC | Chinese |
| Ms. Zheng Juan (鄭娟女士) | Room 302, Unit 1, Building 5<br>No. 513, Huanghe 8th Road<br>Bincheng District<br>Binzhou, Shandong<br>PRC | Chinese |
| Ms. Shen Lingyan (申凌燕女士) | Room 1703, Building 15<br>Huayuan Zha North Lane<br>Chaoyang District<br>Beijing<br>PRC | Chinese |

*For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this prospectus.*

## PARTIES INVOLVED IN THE GLOBAL OFFERING

| | |
|---|---|
| **Joint Sponsors** | **China International Capital Corporation Hong Kong Securities Limited**<br>29/F One International Finance Centre<br>1 Harbour View Street<br>Central<br>Hong Kong |
| | **Huatai Financial Holdings (Hong Kong) Limited**<br>62/F, The Center<br>99 Queen's Road Central<br>Hong Kong |
| **Sponsor-Overall Coordinators and Overall Coordinators** | **China International Capital Corporation Hong Kong Securities Limited**<br>29/F One International Finance Centre<br>1 Harbour View Street<br>Central<br>Hong Kong |
| | **Huatai Financial Holdings (Hong Kong) Limited**<br>62/F, The Center<br>99 Queen's Road Central<br>Hong Kong |
| **Joint Global Coordinators** | **China International Capital Corporation Hong Kong Securities Limited**<br>29/F One International Finance Centre<br>1 Harbour View Street<br>Central<br>Hong Kong |
| | **Huatai Financial Holdings (Hong Kong) Limited**<br>62/F, The Center<br>99 Queen's Road Central<br>Hong Kong |

**UOB Kay Hian (Hong Kong) Limited**
6/F Harcourt House
39 Gloucester Road
Hong Kong

**CMB International Capital Limited**
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**Joint Bookrunners**

**China International Capital Corporation Hong Kong Securities Limited**
29/F One International Finance Centre
1 Harbour View Street
Central
Hong Kong

**Huatai Financial Holdings (Hong Kong) Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

**UOB Kay Hian (Hong Kong) Limited**
6/F Harcourt House
39 Gloucester Road
Hong Kong

**CMB International Capital Limited**
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**BOCI Asia Limited**
26/F, Bank of China Tower
1 Garden Road
Hong Kong

**AVICT Global Asset Management Limited**
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West
Tsim Sha Tsui
Hong Kong

**South China Securities Limited**
28/F, Bank of China Tower
No.1, Garden Road
Central
Hong Kong

**Joint Lead Managers**

**China International Capital Corporation Hong Kong Securities Limited**
29/F One International Finance Centre
1 Harbour View Street
Central
Hong Kong

**Huatai Financial Holdings (Hong Kong) Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

**UOB Kay Hian (Hong Kong) Limited**
6/F Harcourt House
39 Gloucester Road
Hong Kong

**CMB International Capital Limited**
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**BOCI Asia Limited**
26/F, Bank of China Tower
1 Garden Road
Hong Kong

**AVICT Global Asset Management Limited**
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West
Tsim Sha Tsui
Hong Kong

**South China Securities Limited**
28/F, Bank of China Tower
No.1, Garden Road
Central
Hong Kong

**Futu Securities International (Hong Kong) Limited**
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

**Tiger Brokers (HK) Global Limited**
23/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

**Livermore Holdings Limited**
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

**Capital Market Intermediaries**

**China International Capital Corporation Hong Kong Securities Limited**
29/F One International Finance Centre
1 Harbour View Street
Central
Hong Kong

**Huatai Financial Holdings (Hong Kong) Limited**
62/F, The Center
99 Queen's Road Central
Hong Kong

**UOB Kay Hian (Hong Kong) Limited**
6/F Harcourt House
39 Gloucester Road
Hong Kong

**CMB International Capital Limited**
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**BOCI Asia Limited**
26/F, Bank of China Tower
1 Garden Road
Hong Kong

**AVICT Global Asset Management Limited**
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West
Tsim Sha Tsui
Hong Kong

**South China Securities Limited**
28/F, Bank of China Tower
No.1, Garden Road
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Hong Kong

**Futu Securities International (Hong Kong) Limited**
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

**Tiger Brokers (HK) Global Limited**
23/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

**Livermore Holdings Limited**
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

**Legal Advisors to the Company**

*As to Hong Kong and U.S. laws:*
**Clifford Chance**
27/F, Jardine House
One Connaught Place
Central
Hong Kong

*As to PRC law:*
**Commerce & Finance Law Offices**
12-15/F, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

*As to Cayman Islands law:*
**Campbells**
3002-04, 30/F
Gloucester Tower, The Landmark
15 Queen's Road, Central
Hong Kong

**Legal Advisors to the Joint Sponsors and the Underwriters**

*As to Hong Kong and U.S. laws:*
**Freshfields**
55th Floor, One Island East
Taikoo Place, Quarry Bay
Hong Kong

*As to PRC law:*
**Jingtian & Gongcheng**
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District, Beijing
PRC

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|---|---|
| **Reporting Accountants** | **Deloitte Touche Tohmatsu**<br>*Certified Public Accountants*<br>*Registered Public Interest Entity Auditor*<br>35/F, One Pacific Place<br>88 Queensway<br>Hong Kong |
| **Industry Consultant** | **CRU International Limited**<br>1st Floor, MidCity Place<br>71 High Holborn<br>London, WC1V 6EA<br>UK |
| **PRC Litigation Counsel** | **Shandong Tianjian Law Firm**<br>No.139 Guangchang East Road<br>Zouping, Shandong<br>PRC |
| **Receiving Banks** | **CMB Wing Lung Bank Limited**<br>45 Des Voeux Road Central<br>Hong Kong<br><br>**Bank of China (Hong Kong) Limited**<br>1 Garden Road<br>Hong Kong<br><br>**Industrial and Commercial Bank of China (Asia) Limited**<br>33/F., ICBC Tower<br>3 Garden Road<br>Central<br>Hong Kong |

| | |
|---|---|
| **Registered Office** | Floor 4, Willow House<br>Cricket Square, Grand Cayman KY1-9010<br>Cayman Islands |
| **Head Office and Principal Place of Business in China** | Zone C<br>Southwest Industrial Park<br>Huolinguole, Inner Mongolia<br>PRC |
| **Principal Place of Business in Hong Kong** | Room 3601<br>East, Cheung Kong Center II<br>10 Harcourt Road<br>Central<br>Hong Kong |
| **Company's Website** | www.innovationigi.com<br>*(The information on the website does not form part of this prospectus)* |
| **Joint Company Secretaries** | **Mr. Zhang Jianxiang (張建鄉先生)**<br>Room 501, Unit 2, Building 6<br>Innovation International Community<br>Zouping, Shandong<br>PRC<br><br>**Ms. Wong Hoi Ting (黃凱婷女士)**<br>*(ACG, HKACG)*<br>31/F, Tower Two, Times Square<br>1 Matheson Street, Causeway Bay<br>Hong Kong |
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| **Audit Committee** | Mr. Liu Yanzhao *(Chairman)*<br>Mr. Cui Lixin<br>Ms. Shen Lingyan |

| | |
|---|---|
| **Nomination Committee** | Ms. Shen Lingyan *(Chairman)*<br>Mr. Cui Lixin<br>Ms. Zheng Juan |
| **Remuneration Committee** | Ms. Zheng Juan *(Chairman)*<br>Mr. Liu Yanzhao<br>Ms. Shen Lingyan |
| **Connected Transaction Control Committee** | Mr. Liu Yanzhao *(Chairman)*<br>Mr. Zhang Jianxiang<br>Ms. Zheng Juan |
| **Compliance Advisor** | **Gram Capital Limited**<br>Room 1209, 12/F., Nan Fung Tower<br>88 Connaught Road Central<br>Hong Kong |
| **Hong Kong Share Registrar** | **Computershare Hong Kong Investor Services Limited**<br>Shops 1712-1716, 17th Floor<br>Hopewell Centre<br>183 Queen's Road East<br>Wanchai<br>Hong Kong |
| **Cayman Islands Principal Share Registrar and Transfer Office** | **Campbells Corporate Services Limited**<br>Floor 4<br>Willow House<br>Cricket Square, Grand Cayman<br>KY1-9010, Cayman Islands |
| **Principal Banks** | **Bank of Jinzhou**<br>**Lingyun Branch**<br>No. 27, Section 2, Central Avenue<br>Linghe District<br>Jinzhou, Liaoning<br>PRC<br><br>**Industrial and Commercial Bank of China**<br>**Huolinguole Branch**<br>Zhusihua Avenue<br>Huolinguole, Inner Mongolia<br>PRC |

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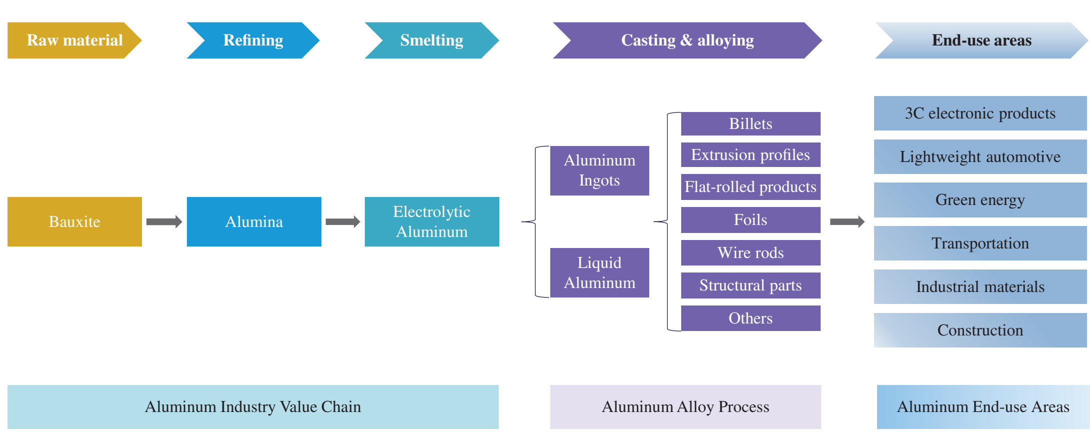
## INTRODUCTION

Aluminum is the second-largest consumed metal in the world after steel. By property, aluminum is interchangeable between different product forms and its ingot form is standardized and exchanged globally.

Aluminum can be divided into electrolytic aluminum (also called primary aluminum) and secondary aluminum (also called recycled aluminum) by source of production. Electrolytic aluminum represents most of the aluminum production and consumption, with a consumption share of approximately 70% globally and approximately 78% in China in 2024. Secondary aluminum is energy-saving and applicable for most aluminum end-uses. In 2024, approximately 30% of global aluminum consumption was secondary, while the ratio in China was slightly lower at approximately 22%. The raw materials used to produce electrolytic aluminum mainly include bauxite, which is refined into alumina and then electrolyzed into electrolytic aluminum. Based on the market prices of bauxite, alumina and electrolytic aluminum in 2024 and the conversion rate of each (roughly 2.5 tons of bauxite is required for each ton of alumina, and roughly 1.9 tons of alumina is required per ton of aluminum), the value is spread along the aluminum industry value chain, with 13% in bauxite, 25% in refining and 62% in smelting. The refining and smelting stages together account for approximately 87% of the whole value chain. The following diagram sets forth the key stages in the value chain:

**Diagram of electrolytic aluminum value chain**




*Source: CRU*

**Bauxite mining**

Bauxite ore is the main aluminum-containing ore with abundant reserve. Globally, the proven bauxite reserves of roughly 30 billion tons are sufficient for over 90 years at the current rate of extraction. Approximately 90% of the world's bauxite production is open-cast, making mining relatively low-cost and straightforward. Bauxite ore typically contains 30% to 60% of alumina.

**Alumina refining**

Bauxite ore is processed into alumina at alumina refineries predominantly using the Bayer process. The Bayer process consists of four stages: dissolution, separation, decomposition and calcination. This process results in alumina, also known as aluminum oxide, in the form of white powder. Alumina could be used as the feedstock for electrolytic aluminum smelting and in various chemical applications. Approximately 94% of alumina is consumed for electrolytic smelting.

In this industry overview, alumina refers to alumina used in electrolytic aluminum smelting process only.

**Electrolytic aluminum smelting**

Alumina is processed into electrolytic aluminum through an electrolytic process. In this process, the electric current passes through the carbon anode to the cathode, and alumina is fed into a bath of molten cryolite and dissolved. Upon completion of the smelting process, electrolytic aluminum could be in the form of ingots or liquid aluminum and then transferred to the aluminum alloy processing plants.

**Aluminum alloying**

Electrolytic aluminum is taken to the aluminum alloy processing plants either in liquid or ingot form. In this stage, impurities are removed from the electrolytic aluminum and sometimes metals, such as manganese, magnesium, copper and silicon, are added to produce a range of aluminum alloys, such as billets, extrusion profiles, flat-rolled products, foils, wire rods and structural parts. In cases where an aluminum alloy processing plant is located close to a smelter, electrolytic aluminum can be transferred in liquid form from the smelter to aluminum processing plants directly. In cases where the downstream alloy processing plant is not located close to any smelter, electrolytic aluminum is sold to the downstream buyers in the ingot form. In this process, it is common for traders to participate in electrolytic aluminum trading. They usually buy the aluminum ingots from the electrolytic aluminum producers before re-selling to downstream buyers.

**Aluminum end-use**

After being processed into aluminum alloys, aluminum could be widely applied in various end-use areas, such as 3C electronics products, lightweight automotive, green energy, transportation, industrial materials and construction.

- **3C electronics products:** aluminum is extensively used in 3C electronics products, namely computer, communication and consumer electronics products, for its lightweight nature, durability and high conductivity. Aluminum's high thermal conductivity is ideal for heat sinks, ensuring cooling in electronic devices. Meanwhile, it serves as the casings and frames for laptops, smartphones and tablets, offering structural protection.

- **Lightweight automotive:** aluminum has been widely used in the transport industry, notably lightweight automotive given its property of high strength and lightweight. Automotive manufacturers can reduce vehicle weight using aluminum for components such as the body, chassis and battery houses. In recent years, the popularity of electrical vehicles (EVs) has boosted the trend of lightweight automotive.

- **Green energy:** aluminum's high conductivity, low power loss and high durability allow it to transmit power over long distances with little energy loss and high reliability. Therefore, aluminum is widely used in electrical transmission components, such as cables, connectors and wiring harnesses. In recent years, aluminum demand has risen with the increasing need for green energy (notably solar photovoltaics and wind power), which poses an increasing demand for electrical transmission. Besides, aluminum is also used as a core structural material in wind turbines and solar power frames.

- **Transportation:** aluminum is widely applied in transportation sector such as aerospace and rail transport. Given its high strength, lightweight and durability, aluminum is also used as a core structural material in aircraft and train bodies.

- **Industrial materials:** aluminum serves as a critical industrial material in many areas. For example, it is used in manufacturing equipment, industrial machinery and tools due to its machinability. Meanwhile, aluminum is widely used in wires and cables given its conductivity.

- **Construction materials:** aluminum has been traditionally used in the construction sector due to its high malleability, durability and lightweight. It is used in structural elements such as roofs, bridges and modular construction. The lightweight nature of aluminum reduces the load on the foundation, especially for high-rise buildings and long-span structures. It is also used in curtain walls, window frames and doors given its high strength and corrosion resistance.

- **Aluminum applied in other sectors:** aluminum could also be widely applied in other sectors such as packaging products in food, beverage, and pharmaceutical industries.

## ELECTROLYTIC ALUMINUM PRODUCTION SUMMARY (GLOBAL AND CHINA)

Global aluminum production is highly consolidated. In 2024, the world's top five producers supplied approximately 22 mt, which was equivalent to approximately 30% of global electrolytic aluminum production. The top 25 producers supplied approximately 51 mt, which was equivalent to approximately 71% of global electrolytic aluminum production.

**Production and share of top global electrolytic aluminum producers, 2024**

| | 2024 cumulative production (mt) | Share of world's total supply (%) |
|---|---|---|
| Top 5 producers | 22 | 30 |
| Top 10 producers | 34 | 47 |
| Top 25 producers | 51 | 71 |
| Top 50 producers | 64 | 88 |
| **World total** | **73** | **100** |

*Source: CRU, Industry sources*

*Note:* "Top producers" are ranked in terms of electrolytic aluminum production

**China** currently dominates the world's electrolytic aluminum production. It has 14 out of the world's top 25 electrolytic aluminum producers in 2024. These 14 aluminum producers in total contributed approximately 30 mt in 2024. It is important to note that China's MIIT introduced the Scheme of Aluminum Capacity Swap ("《關於電解鋁企業通過兼併重組等方式實施產能置換有關事項的通知》(工信部原[2018]12號)") as part of the supply-side reform in aluminum in 2018, stating that any new capacity must be a swap of existing capacity. Hence, China's total electrolytic aluminum capacity has been strictly kept at the 2017 level of roughly 45 mt per year. As such, China's electrolytic aluminum capacity is expected to converge to the 45 mt of annual electrolytic aluminum production capacity cap over the forecast period. With the cap, China is expected to produce approximately 57% of global electrolytic aluminum in 2028, compared with that of 59% in 2024.

**Outside of China**, major producers are mainly in India, Russia, the United Arab Emirates (UAE), Australia, Norway and Canada. India is home to two of the world's top 25 largest producers. Russia owns one of the top five largest producers, which largely adopts hydropower as the source of power. UAE has one aluminum producer which ranks ninth globally in terms of production. Four Western producers are listed among the world's top 25 largest producers, contributing 12% of the global production. Under both environmental and cost pressures, western producers focus more on the development of decarbonization technologies in the smelting process, with less emphasis on expanding their existing capacity.

Benefiting from rapid economic development and sufficient raw materials, the Middle East has the potential to become the next capacity-growing spots. The smelters in the Middle East are among the most competitive in terms of cost, primarily due to the region's low electricity prices. In 2024, four (out of six) operating electrolytic aluminum smelters in the Middle East had cash costs among the lowest 25% globally. Besides the advantage in electricity prices, Saudi Arabia's production is backed by the robust aluminum demand. Under the state-led Vision 2030 initiatives, Saudi Arabia has announced its ambitious infrastructure investment pipeline and is projected to spend over USD1 trillion by 2030. This comprehensive investment will cover a wide range of infrastructure construction, from mining hubs, financial centers, economic development zones to green energies and public transportation, which all involve massive aluminum demand in Saudi Arabia.

## ELECTROLYTIC ALUMINUM CONSUMPTION SUMMARY (GLOBAL AND CHINA)

Global electrolytic aluminum consumption was 73 mt in 2024, and consumption is highly associated with the economic scale. In 2024, the largest five economies in total consumed 56 mt of electrolytic aluminum (equivalent to 77%), and the largest ten economies in total consumed 59 mt (equivalent to 81%) of electrolytic aluminum. Under the vast economic development, the Middle East and Southeast Asia are regions with substantial growth potential in aluminum consumption. Between 2025 and 2028, their electrolytic aluminum demands are forecast to grow at a CAGR of 4.6% and 3.0%, respectively.

**Consumption and share of top global electrolytic aluminum consumers, 2024**

| | 2024 cumulative consumption (mt) | Share of world's total consumption (%) |
|---|---|---|
| Top five economies | 56 | 77 |
| Top ten economies | 59 | 81 |
| **World total** | **73** | **100** |

*Source: CRU*

*Note:*

1. The top five and ten largest economies are calculated based on 2024 GDP, which includes US, China, Germany, Japan, India, UK, France, Italy, Brazil and Canada.

**China** dominates the electrolytic aluminum consumption in 2024 with 45 mt (equivalent to 62% of global consumption). In recent years, energy transition, lightweight automotive and electrification have supported the growth of electrolytic aluminum demand in China. CRU forecasts the transport sector and electrical sector to replace the construction sector as the two largest end-use sectors for aluminum products by 2028, driven by the following factors:

- Recent developments in EVs support the demand for lightweight automotive. On average, each EV consumes 0.28 tons of aluminum, 47% more than that of an ICE (Internal Combustion Engine). China is the world's largest consumer and producer of EVs. Its EV production rose from 1.1 million in 2018 to 12.6 million in 2024 and is forecast to further grow to 19.5 million in 2028. China's expanding EV production is expected to add about 1.9 mt of new aluminum demand, supporting growth in the transport sector. CRU forecasts that the transport sector will consume approximately 11.4 mt of aluminum products in 2028, making it the largest aluminum end-use sector in China.

- The growing green energy sector is supporting aluminum growth. Aluminum is used in power cables, solar PVs and wind power equipment. With the global development of green energy, notably solar and wind power, aluminum demand in the electrical sector is forecast to grow at a CAGR of approximately 2% from 2025 to 2028 globally. Much of the growth will be in Asia as around 85% of green energy equipment is manufactured in Asia, including China, and then exported. In addition, aluminum is forecast to partially substitute copper in power cable production. Both copper and aluminum are good conductors of electricity, but copper is nearly four times more expensive than aluminum. With the copper/aluminum pricing ratio continuing to rise, aluminum is gradually replacing some copper in cables for cost advantage, adding aluminum's usage in electrical transition. CRU forecasts that the electrical sector will consume approximately 10.4 mt of aluminum products in China in 2028.

**China aluminum product demand by end-use proportion (%) and CAGR (%), 2018-2028E**

| | 2018 | 2024 | 2028E | CAGR (2018-2024) | CAGR (2025E-2028E) |
|---|---|---|---|---|---|
| Transport | 17 | 19 | 20 | 5 | 3 |
| Electrical | 12 | 18 | 19 | 13 | 2 |
| Construction | 31 | 23 | 19 | (2) | (1) |
| Others[1] | 40 | 40 | 42 | 4 | 2 |
| **Total** | **100** | **100** | **100** | **4** | **2** |

*Source: CRU*

*Note:*

(1) Others primarily include foil stock for food, beverage and pharmaceutical packaging; consumer durables such as 3C electronics, household appliances and kitchenware; and machinery and equipment, where it is incorporated into components such as frames, housings and heat sinks.

## BAUXITE AND OTHER RAW MATERIAL ANALYSIS (GLOBAL AND CHINA)

### Bauxite market analysis

Bauxite reserve is abundant but highly concentrated. In 2024, about 74% of the world's proven reserves are concentrated in six countries, namely Guinea, Australia, Vietnam, Brazil, Jamaica and Indonesia, among which Guinea and Australia are the world's two largest bauxite producers.

**Global bauxite reserve and supply, 2024, mt**

| | Guinea | Australia | Vietnam | Brazil | Jamaica | Indonesia | Rest of world | **Total** |
|---|---|---|---|---|---|---|---|---|
| Reserve | 7,400 | 3,500 | 3,100 | 2,700 | 2,000 | 2,800 | 7,500 | **29,000** |
| Supply | 130 | 104 | 4 | 33 | 6 | 32 | 141 | **450** |

*Source: United States Geological Survey (USGS)*

China has a bauxite reserve of 680 mt and produced 61 mt in 2024. At the current ratio of supply, China's domestic bauxite reserve could only sustain around 11 years of bauxite production. Hence China is the world's largest bauxite importer. Its bauxite import in 2024 was 159 mt and is forecast to reach 192 mt in 2028. West Africa, notably Guinea, is China's largest bauxite importing source. Bauxite import from West Africa is forecast to increase from 112 mt in 2024 to 147 mt in 2028.

**China bauxite import by trade partners, 2024 & 2028E, mt**

| | 2024 | 2028E |
|---|---|---|
| West Africa | 112 | 147 |
| Australia | 40 | 36 |
| Indonesia | 0 | 0 |
| Rest of world | 7 | 9 |
| **Total** | **159** | **192** |

*Source: CRU, General Administration of Customs of the People's Republic of China (GACC)*

### Bauxite price analysis

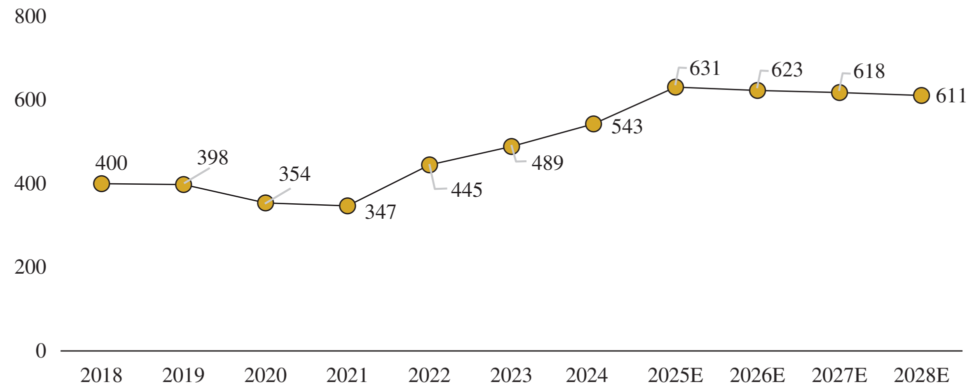
The main benchmark prices for the bauxite contract have traditionally been based on key production regions, namely the FOB (Free on Board) bauxite prices in Guinea's Boke, Brazil's Trombetas, and Australia's Weipa. With strong growth in bauxite shipments to China, CIF (Cost, Insurance and Freight) China, which includes the bauxite cost, insurance, and freight fee, has become another important benchmark, particularly in the third-party market. CRU China bauxite price is collected and forecast based on the weighted average price of imported bauxite reported by the China Custom. The refinery's actual bauxite purchasing price varies according to the specific importing country, grade, transporting cost, and other fees.

Bauxite is a type of commodity. Its prices are mostly influenced by market demand and supply dynamics. However, bauxite resources are unevenly spread geographically. The main bauxite consumers, such as China, heavily rely on imported bauxite. Imported bauxite constituted approximately 77% of China's total bauxite demand in 2024. As such, any production or transportation disruption led by geopolitical events or supply chain disruption might lead to fluctuations in bauxite prices.

Bauxite demand is primarily driven by alumina production, which ultimately depends on the demand in China's aluminum market. Affected by the public health incident and the introduction of the 45 mt of annual electrolytic aluminum production capacity cap, China's alumina production volume shrank from approximately 72 mt in 2018 to approximately 69 mt in 2020 due to weak demand for aluminum, leading to a weak demand for bauxite during this period. As such, CRU China bauxite price declined from RMB400 per ton in 2018 to RMB354 per ton in 2020. Backed by the recovery of China's alumina market, CRU China bauxite price has rebounded since 2021 and reached RMB489 per ton in 2023. In June 2023, Indonesia imposed the bauxite export ban. As such, Guinea and Australia became China's main bauxite importers, representing approximately 70% and 25% of China's total imports in 2024, respectively. In addition, the soaring alumina prices in 2024 were driven by issues in relation to raw material supply, including damage to Jamaica's port conveyor system in the third quarter of 2024 which disrupted bauxite exports, customs authorities suspending shipments from Guinea Alumina Corporation and a force majeure on bauxite shipments from Juruti Port, both in the fourth quarter of 2024. The impact of these disruptions on the supply of bauxite gradually lessened towards the end of 2024 and early 2025. Meanwhile, in 2024, the bauxite import demand in China reached over 150 mt, pushing the CRU China bauxite price to RMB543 per ton.

Although the aforementioned impacts of disruptions on the supply of bauxite were gradually resolved, CRU China bauxite price is forecast to remain strong, backed by China's burgeoning import demand. China's bauxite demand is forecast to stabilize at approximately 227 mt under the 45 mt of annual electrolytic aluminum production capacity cap, and the supply is forecast to rely more heavily on imports. As most of the new alumina refineries in China are using imported bauxite, China's total bauxite import is expected to increase from approximately 159 mt in 2024 to approximately 192 mt in 2028, and over 76% of the imports are expected to come from Guinea. As a result of the increasing use of bauxite imported from overseas, CRU China bauxite price is forecast to rise significantly to approximately RMB611 per ton in 2028.

**CRU China Bauxite price, 2018-2028E, RMB/t**




*Source: CRU, General Administration of Customs of the People's Republic of China (GACC)*

*Note:* CRU China bauxite price is based on the CIF China bauxite price plus the 13% value-added tax.

**Other raw material analysis**

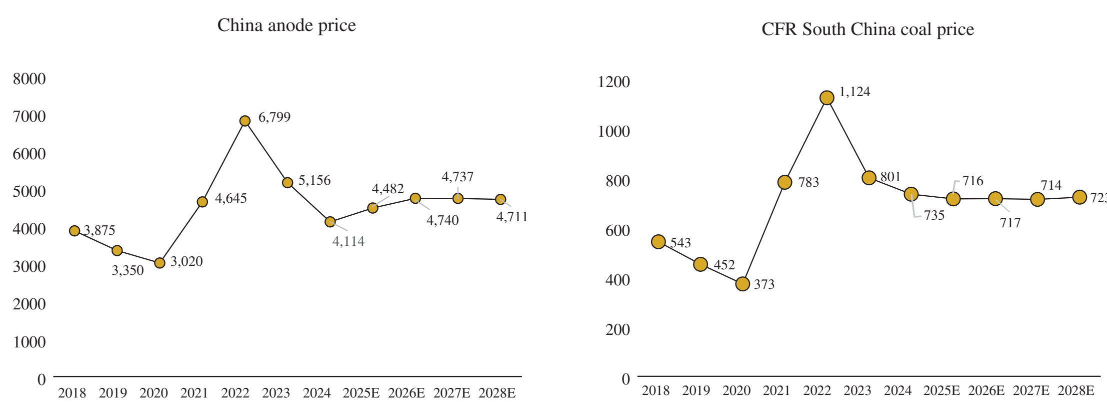
Apart from bauxite, carbon anode and thermal coal are two key raw materials used during the smelting process.

Carbon anodes are primarily composed of calcined petroleum coke and coal tar pitch. Calcined petroleum coke, the key feedstock, is a byproduct of crude oil refining, making its price highly dependent on crude oil fluctuations. Coal tar pitch, used as a binder in anode production, is influenced by coal availability.

The prices of carbon anodes are largely driven by raw material costs — especially calcined petroleum coke and coal tar pitch — as well as demand from aluminum smelting. In 2022, soaring energy prices led to the increased costs of these raw materials, pushing CRU China's carbon anode price to a peak of RMB6,799 per ton. Subsequently, as new carbon anode production capacity came online and energy prices declined, prices of carbon anodes dropped to RMB4,114 per ton in 2024. Looking ahead, prices of carbon anodes are forecast to remain above RMB4,000 per ton, supported by strong aluminum smelting demand in China as the industry approaches its 45 mt of annual electrolytic aluminum production capacity cap.

Coal is burned to generate steam for electricity power generation. Electricity costs constitute approximately 36% of the electrolytic aluminum production cost in 2024. The industry average electricity self-sufficiency rate was 59.0%, 57.2% and 54.5% in 2022, 2023 and 2024, respectively. In 2024, approximately 57% of electricity in China was generated by coal. The actual purchase prices of coal vary based on the coal grade and the distance to the coal resources. Power plants with access to local resources will likely benefit from a lower coal prices. In this report, CRU CFR (Cost and Freight) South China coal price is used to track China's coal price. The coal price is predominantly influenced by the supply-demand dynamic. The CFR South China coal price plunged from RMB543 per ton in 2018 to RMB373 per ton in 2020, because of a reduced demand during the public health incident. However, a rebound occurred in 2021, with prices surging to RMB783 per ton amid China's economic resurgence and constrained coal supplies. In 2022, there was further upward pressure as the demand for coal-fired power intensified. Globally, the Russia-Ukraine conflict escalated natural gas prices, prompting a shift toward coal-based electricity generation. Domestically, a summer drought in 2022 curtailed hydro-power output, further amplifying reliance on coal. Under the ongoing energy transition, CRU forecasts China's thermal coal demand to peak in 2025. China's coal-fired power generation is forecast to decrease from 5,464 terawatt-hour in 2024 to 5,115 terawatt-hour in 2028, with its share of power generation declining from approximately 57% to 44% over the same period. Consequently, CRU forecasts the CFR South China coal price to decrease from RMB735 per ton in 2024 to RMB723 per ton in 2028.

**CRU China carbon anode and thermal coal price, 2018-2028E, RMB/t**




*Source: CRU, General Administration of Customs of the People's Republic of China (GACC), Industry sources*

*Note:* CRU uses the CFR (Cost and Freight) South China 5,500 kcal/kg NAR coal as the benchmark to forecast China's coal price trend.

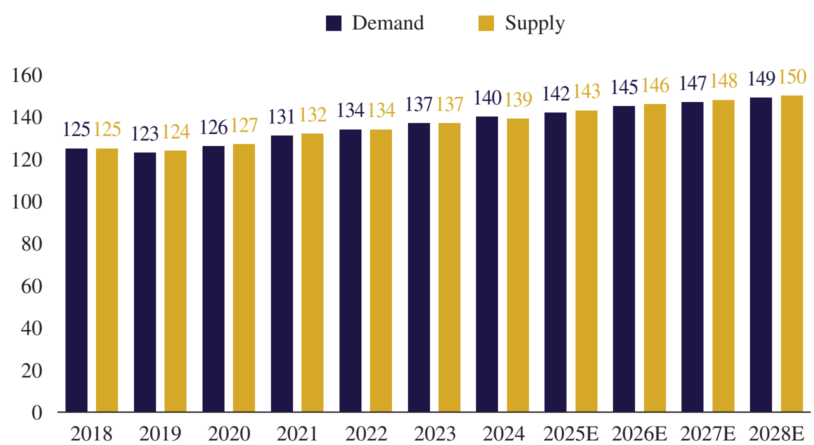
## ALUMINA ANALYSIS (GLOBAL AND CHINA)

### Alumina market analysis

Alumina demand is directly driven by growing downstream electrolytic aluminum production. Backed by a robust global electrolytic aluminum market, CRU expects global alumina demand to rise from 142 mt in 2025 to 149 mt in 2028, representing a CAGR of 1.6%. China is the world's largest alumina consumer. China's alumina demand took up 59% of the global demand in 2024. From the supply side, global production is forecast to increase from 143 mt in 2025 to 150 mt in 2028, representing a CAGR of 1.5%. China is the world's largest alumina producer. China's alumina production took up 60% of the global production in 2024. China, India and Indonesia are the three largest alumina production drivers, collectively forecast to account for 95% of the production growth between 2024 and 2028.

Between 2018 and 2023, the global alumina market stayed balanced with the supply slightly higher than the demand. Given the global alumina production disruption in 2024, a market deficit of over 1 mt occurred in 2024 globally. In the future, the ramp-up of alumina production will fulfil the current alumina market deficit. Therefore, the global alumina market is forecast to recover from the current deficit position and stay at a one mt surplus by 2028.

**Global alumina demand and supply, 2018-2028E, mt**



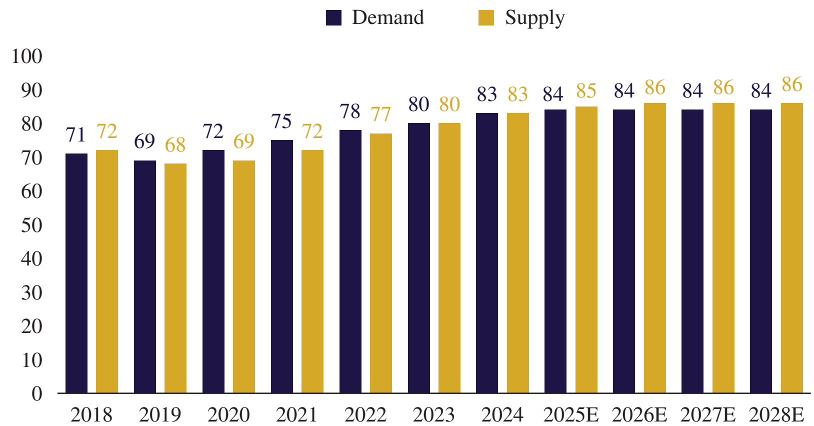

| **Alumina demand and supply CAGR (%)** | CAGR (2018-2024) | CAGR (2025E-2028E) |
|---|---|---|
| Global demand | 2.0 | 1.6 |
| Global supply | 1.9 | 1.5 |

*Source: CRU*

Under the 45 mt of annual electrolytic aluminum production capacity cap, China's alumina demand is forecast to converge mildly to 84 mt in 2028, which is equal to the volume required for 45 mt of electrolytic aluminum production capacity, and then plateau over the long term.

China's alumina production is expected to rise mildly in correspondence. CRU forecasts China's alumina production to increase by one mt from 2025 to 2028.

**China alumina demand and supply 2018-2028E, mt**



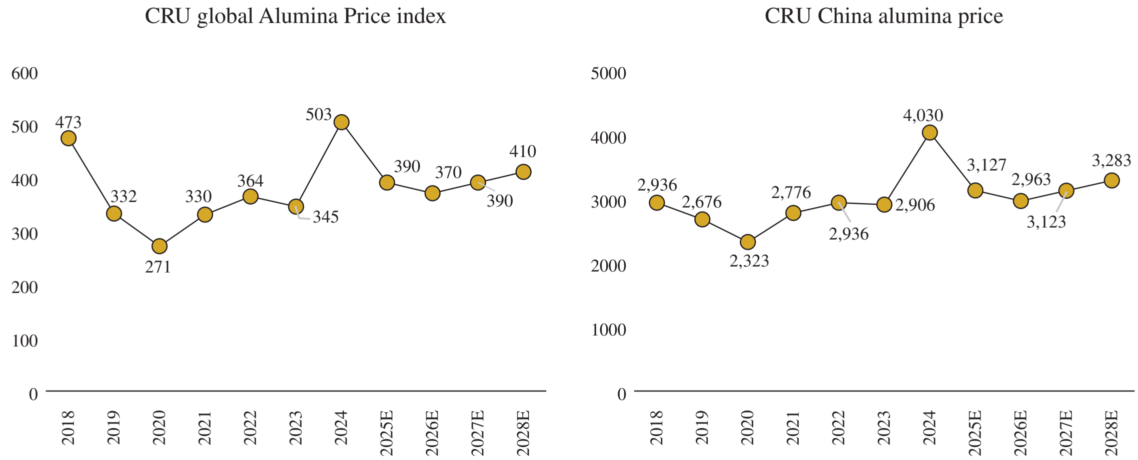

| **Alumina demand and supply CAGR (%)** | CAGR (2018-2024) | CAGR (2025E-2028E) |
|---|---|---|
| China demand | 2.6 | 0.3 |
| China supply | 2.6 | 0.4 |

*Source: CRU*

**Alumina price analysis**

Historically, the purchasing price for alumina has been agreed upon as a percentage of LME aluminum price. However, in recent years, the benchmark for the alumina prices has gradually transformed to third-party references or indices, such as CRU global alumina price, also known as API (Alumina Price Index), in the international market. In China, alumina buyers refer more to the average price collected by domestic authoritative third parties, such as Aladdiny, Baiinfo and Antaike.

**CRU global and China alumina price, 2018-2028E, USD/t & RMB/t**




*Source: CRU, Industry sources*

*Note:* CRU global alumina price is tax-excluded and CRU China alumina price includes the 13% value-added tax.

Alumina is an intermediate product in the aluminum value chain. Its prices are primarily influenced by raw material availability and aluminum market fundamentals.

In 2018, global alumina production tightened due to sanctions on Rusal, an Alcoa strike and the shutdown of the Alunorte refinery. Consequently, the CRU Global Alumina Price Index surged to USD473 per ton. However, between 2019 and 2023, the global alumina production witnessed surplus as public health crises weakened global demand. This led CRU's global alumina prices to stabilize within a relatively low range of USD271 to USD364 per ton. Amid surging energy costs driven by inflation and recovering aluminum demand, alumina prices climbed from USD271 per ton in 2020 to USD345 in 2023.

In 2024, alumina prices soared due to a global supply deficit. This was attributable to (i) several alumina production disruption incidents as several refineries in Australia, India and Brazil faced bauxite and energy supply constraints. Specifically, an alumina refinery in Kwinana, Australia closed down in August 2024; an alumina refinery in India experienced shipment delays in the second quarter of 2024 due to logistical disruptions in India; there was a force majeure on bauxite shipments from Brazil's Juruti Port due to a stranded vessel in November 2024; and there was a force majeure on alumina refineries in Yarwun and Queensland, Australia in May 2024 due to restricted local gas supply; (ii) temporary disruption to Guinea bauxite shipments as discussed above; and (iii) China's persistent high demand for alumina as its electrolytic aluminum production reached a new high in 2024. By the end of 2024, the CRU Global Alumina Price Index had reached a record high of USD720 per ton, the highest nominal level in over 35 years of CRU's price reporting. Simultaneously, CRU China's alumina price rose to RMB5,763 per ton. As a result, there was a global alumina deficit of one mt in 2024, with average alumina prices reaching USD503 per ton globally and RMB4,030 per ton in China.

After 2024, CRU Global and CRU China alumina prices have declined sharply, averaging USD475 per ton and RMB3,635 per ton for the first four months of 2025, respectively. The price plunge is due to a shift in market balance from a deficit in 2024 to a surplus in 2025. On the supply side, (i) most of the temporary alumina production disruptions seen in 2024 have been resolved in 2025, the temporary disruptions in bauxite shipment have been gradually resolved and global alumina production was sufficient to cover the resilient demand in 2025; and (ii) new refinery capacity is expected to come online, in 2025 and 2026, partially because many market players were drawn by the rising alumina market prices since the end of 2024, prompting them to establish new alumina refining production lines or expand existing ones in China and Indonesia. CRU forecasts global alumina production to increase by approximately 4 mt in 2025, versus demand growth of approximately 2 mt. Consequently, the global alumina market is forecast to enter in a modest surplus in 2025, and alumina prices are forecast to retreat from 2024 highs, averaging USD390 per ton globally and RMB3,127 per ton in China by 2025. Alumina prices are primarily determined by market demand and supply, and are determined only in a limited way by the cost of its raw material, such as bauxite. Therefore, while bauxite prices increased in 2025, this did not translate into higher alumina prices in China and globally.

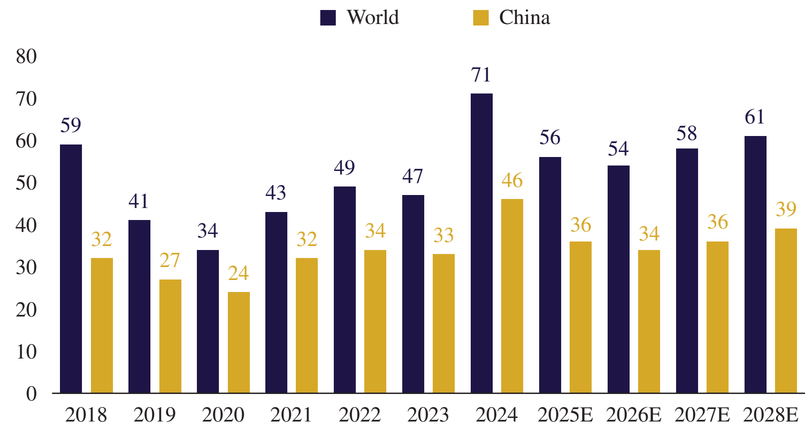
Over the forecast period, alumina prices are expected to remain strong, staying above the levels in 2020 due to rising bauxite prices and increasing global demand for electrolytic aluminum. CRU alumina price is forecast to average USD410 per ton globally and RMB3,283 per ton in China by 2028. However, any further production disruptions could trigger another price surge, as seen in 2024.

**Alumina industry size analysis**

By industry size, China dominates the global alumina market with a share of 66% in 2024. From 2018 to 2024, its industry size rose from USD32 billion to USD46 billion, driven by soaring alumina prices in 2024. In the future, China's alumina industry size is forecast to decline to USD39 billion in 2028 with the retreat of alumina prices. China's share of alumina industry size is expected to decline from 66% in 2024 to 64% in 2028, led by the plateauing of China's alumina demand under the 45 mt of annual electrolytic aluminum production capacity cap.

Driven by both rises in alumina prices and demand, the global alumina industry size excluding China is expected to expand from USD20 billion in 2025 to USD22 billion in 2028. Southeast Asia and India are the two regions leading the global alumina industry growth as a list of new alumina projects is expected to be commissioned there.

**Global and China alumina industry size, 2018-2028E, USD Billion**




| Alumina industry size CAGR (%) | CAGR (2018-2024) | CAGR (2025E-2028E) |
|---|---|---|
| China | 7 | 3 |
| Rest of World | (2) | 4 |
| **Total world** | **3** | **3** |

*Source:* *CRU*

*Note:* Global alumina industry size = Global alumina demand * CRU global alumina price; China alumina industry size = China alumina demand * CRU China alumina price.

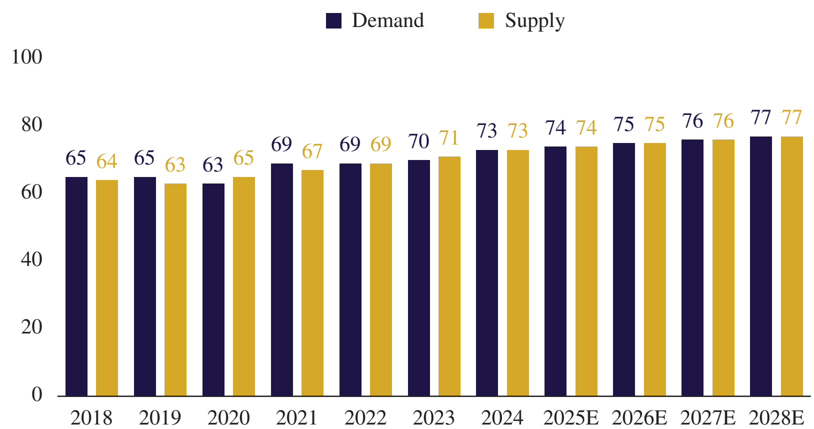
## ELECTROLYTIC ALUMINUM ANALYSIS (GLOBAL AND CHINA)

### Electrolytic aluminum market outlook

Global electrolytic aluminum demand has grown at a 3.4% CAGR during 2013-2024, primarily driven by demand from Asia, notably China (20 mt growth from China, out of 22 mt globally). Going forwards, CRU expects global aluminum demand to grow from 74 mt in 2025 to 77 mt in 2028, representing a slower CAGR of 1.6%. China, India, the US and Europe are expected to be the four largest growing forces, contributing a total of two (out of three) mt growth in electrolytic aluminum consumption.

At the same time, CRU forecasts the global aluminum production to grow from 74 mt in 2025 to 77 mt in 2028 (1.6% CAGR), with China contributing less than one mt. Outside China, the production growth is expected to be 3 mt over 2024-2028 and most of this increase will be from India, Indonesia and the Middle East.

**Global electrolytic aluminum demand and supply, 2018-2028E, mt**



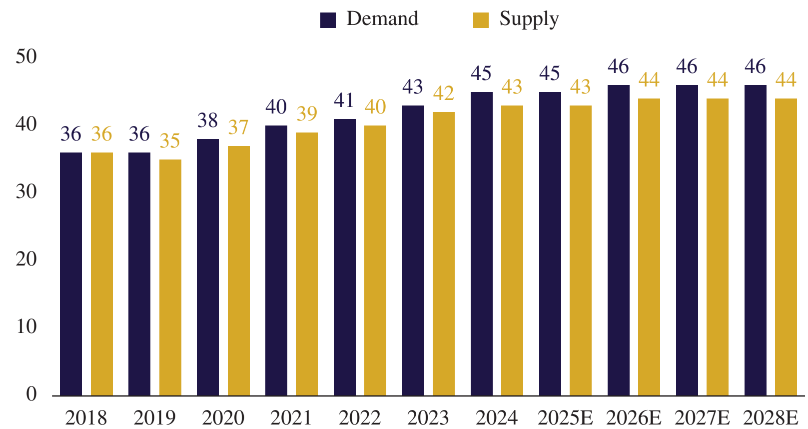

| Share of electrolytic aluminum demand by country (%) | 2024 | 2028E |
|---|---|---|
| China | 62 | 59 |
| US | 7 | 7 |
| India | 4 | 4 |
| Germany | 2 | 2 |
| Rest of world | 26 | 27 |
| **Total world** | **100** | **100** |

*Source: CRU*

Backed by its robust industrialization and modernization process, China experienced significant electrolytic aluminum consumption growth for the first two decades of this century. Its consumption rose from 3 mt in 2000 to 45 mt in 2024 at 12.0% CAGR. CRU forecasts China's electrolytic aluminum demand to rise mildly from 45 mt in 2024 to close to 46 mt in 2028.

With rising demand, China's production also increased from 2 mt in 2000 to 43 mt in 2024 at 13.6% CAGR. Under the 45 mt of annual electrolytic aluminum production capacity cap, China's supply growth slowed and switched to being a net importer in recent years. Meanwhile, Inner Mongolia, Yunnan and Xinjiang are overtaking Shandong as China's largest electrolytic aluminum production bases, benefiting from their abundant green and affordable power resources. In the future, the 45 mt to 46 mt consumption compared with the 43 mt to 44 mt production forecast will mean a sustained deficit of over one to two mt each year.

**China electrolytic aluminum demand and supply, 2018-2028E, mt**




| **Share of electrolytic aluminum production by province (%)** | 2024 | 2028E |
|---|---|---|
| Yunnan | 12 | 18 |
| Inner Mongolia | 15 | 17 |
| Xinjiang | 14 | 14 |
| Shandong | 17 | 11 |
| Rest of China | 42 | 40 |
| **Total China** | **100** | **100** |

*Source: CRU*

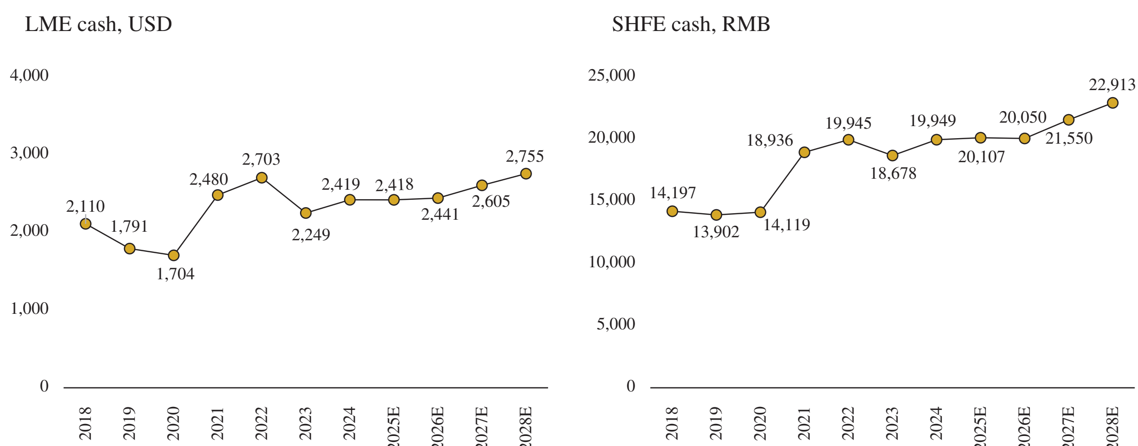
### Electrolytic aluminum price analysis

The London Metal Exchange ("LME") aluminum cash price is in US dollars per ton of electrolytic aluminum on LME deliverable in two days. The Shanghai Future Exchange ("SHFE") aluminum cash price is in RMB per ton of electrolytic aluminum on SHFE deliverable in the immediate month.

Given the commodity nature of aluminum, the LME cash price and the SHFE cash price are highly correlated, except for some deviations led by hedging, logistics and geopolitical events.

The average price of electrolytic aluminum quoted on the website of Shanghai Metals Market (上海金屬網) reflects daily trading prices for electrolytic aluminum, based on surveys and data collected from consumers, producers and traders across the Chinese market. The SHFE cash price, on the other hand, tracks the spot prices per ton of electrolytic aluminum traded on the Shanghai Futures Exchange (SHFE) under future contracts, referring to the spot price per ton of electrolytic aluminum delivered in the immediate month. As confirmed by CRU, it is accurate to refer to the SHFE cash price for analysis of the market price, even though we use the price quoted on the Shanghai Metals Market as an indicator for market price in our operations for the following reasons: (i) the SHFE cash price is a public price index published by official resources with authority, namely the Shanghai Futures Exchange; (ii) the Shanghai Metals Market is only available to paid subscribers and not easily accessible for market research; (iii) it is in line with industry norms to use the SHFE cash price as an indicator for the aluminum market price when conducting industry analysis. On the other hand, the price quoted on the Shanghai Metals Market is the market price indicator typically used by market players in China; and (iv) the price difference between the two prices is typically limited to between RMB20 and RMB50 per ton of electrolytic aluminum traded with occasional outliers, and is unlikely to cause confusion or lead to ineffective analysis.

**LME and SHFE price, 2018-2028E, USD & RMB**




*Source: CRU, SHFE, LME*

*Note:* LME price is tax-excluded and SHFE cash price includes the 13% value-added tax.

The aluminum market price presents cyclicity, which is fundamentally driven by changing market demand and supply dynamics as well as political, economic and environmental alterations across major aluminum producers and consumers.

The global aluminum market remained bearish between 2013 and 2015, with the LME price declining from USD1,845 per ton to USD1,661 per ton. The dampening price was superseded from a persistently weak global demand since 2011 due to the European debt crisis and the ramping up of new production capacity of Chinese electrolytic aluminum producers. Following the trough around 2015, the aluminum market entered a period of relative recovery. In 2018, the global aluminum market revealed a market deficit of over one mt. This brought SHFE and LME prices to RMB14,197 per ton and USD2,110 per ton in 2018, respectively. The global health incident during 2020 and 2021 had a profound effect on the aluminum market. In 2020, the global aluminum market revealed a surplus of two mt due to economic contractions. This led to a decrease in the LME price to USD1,704, which remained bearish until mid-2021. In 2021, both SHFE and LME prices soared, given the friction related to the public health incidents on supply chains and ultra-expansionary monetary policies across the globe. After 2022, both SHFE and LME prices retreated due to the disruption arising from the Russia-Ukraine war, with Europe experiencing significant economic headwinds and China experiencing an economic slowdown. In 2024, both SHFE and LME prices recovered as the global electrolytic aluminum market revealed a deficit of 35 kt.

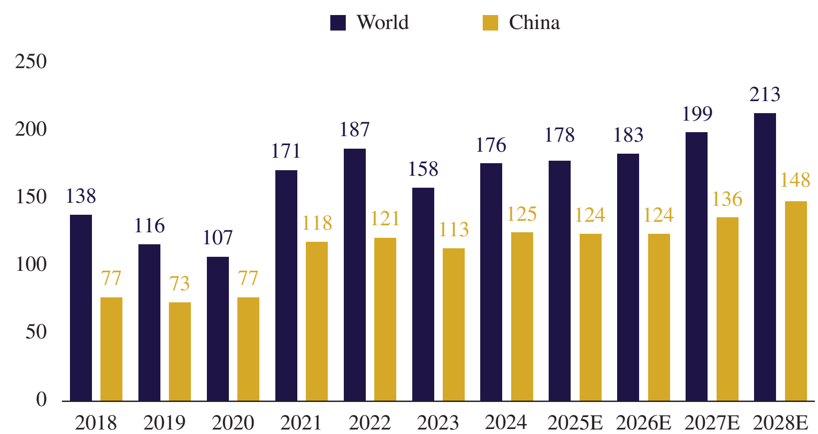
Over the forecast period, CRU expects the electrolytic aluminum prices to rise mildly under a tighter demand-supply balance. From the demand side, the key growth drivers including energy transition, electrification and lightweight automotive are forecast to paint a positive outlook, especially for China. From the supply side, China's 45 mt of annual electrolytic aluminum production capacity cap and Western producers' hesitancy to invest in the new aluminum smelting capacity indicate a relatively slow growth in aluminum production, which pushes up the electrolytic aluminum prices. Hence, CRU forecasts the SHFE and LME prices to rise from RMB20,107 per ton and USD2,418 per ton in 2025 to RMB22,913 per ton and USD2,755 per ton, respectively, in 2028, at a CAGR of 4.5% and 4.4%, respectively.

Alumina and electrolytic aluminum are expected to show different price trends between 2025 and 2028, given their differences in market demand and supply fundamentals. More specifically, the global alumina market deficit for 2024 is expected to be resolved with the commissioning of new alumina projects. Over the forecast period, the alumina market is expected to enter a small surplus of between 200 and 400 kt. As such, the price of alumina is forecast to decrease from 2024's high point and stay relatively flat. On the other hand, for electrolytic aluminum, its global market is forecast to remain in a tight balance position, given the downstream burgeoning demand, the nearing of the 45 mt production capacity cap set by the relevant government authorities in China and Western producers' hesitancy to invest in new capacity. For China, an electrolytic aluminum market deficit over one mt will be sustained until 2028. As such, the electrolytic aluminum price is forecast to rise mildly.

**Electrolytic aluminum industry size analysis**

China is currently dominant in the electrolytic aluminum industry and is expected to maintain this leadership position. China's industry size is expected to grow from USD125 billion in 2024 to USD148 billion in 2028, representing 71% and 69% of the global industry size, respectively. The decline in China's share is mainly due to the slow peaking of China's electrolytic aluminum production over the forecast period.

**Global and China Electrolytic Aluminum Industry Size, 2018-2028E, USD Billion**




| Electrolytic aluminum industry size CAGR (%) | CAGR (2018-2024) | CAGR (2025E-2028E) |
|---|---|---|
| China | 8 | 6 |
| Rest of World | (3) | 7 |
| **Total world** | **4** | **6** |

*Source: CRU*

*Note:* Global electrolytic aluminum industry size = Global electrolytic aluminum demand * LME price; China electrolytic aluminum industry size = China electrolytic aluminum demand * SHFE price.

***Government policies that drive the growth of the market***

On March 28, 2025, the MIIT issued the Aluminum Industry High Quality Development Initiative 2025-2027 (《鋁產業高質量發展實施方案(2025-2027年)》). In this initiative, the government outlines key regulatory requirements aimed at promoting high-quality development in the aluminum industry. For electrolytic aluminum, the initiative confirms that the current annual electrolytic aluminum production capacity cap of approximately 45 mt will remain in effect. The renewable energy target for electrolytic aluminum smelting has been raised from 25% by 2025 to 30% by 2027. New aluminum smelting projects are encouraged to use electrolysis cell technology with a capacity of 500 kiloamperes and above. According to CRU, stricter renewable energy requirements will help aluminum smelters move away from traditional coal-fired areas to regions with green energy sources, such as Inner Mongolia, Yunnan and Xinjiang. Aluminum smelters that do not meet these renewable energy standards or fail to adopt the 500 kiloamperes technology may be phased out. The initiative also promotes the expansion of downstream applications for electrolytic aluminum, encouraging its use as an alternative to copper, steel and wood in certain applications. This shift is expected to strengthen China's overall electrolytic aluminum consumption. Additionally, China encourages aluminum companies to enhance cooperation with resource-rich countries and increase participation in the global supply chain.

China's electrolytic aluminum production cap of 45 Mt is binding, whereas there is no binding national production quota for alumina. This is because alumina is a midstream intermediate product with demand directly tied to electrolytic aluminum production, and its refining process is less value-added than smelting. Instead of a quota, China is optimizing the alumina industry through strict regulations. Under the Aluminum Industry High-Quality Development Initiative 2025-2027, new alumina projects must be prudentially constructed, meeting rigorous standards for raw materials, environmental protection and red mud utilization rate. For example, new alumina refining capacity will not be allowed in key areas of air pollution control and the utilization rate of red mud needs to be 15% or above.

**Competitive Landscape Analysis**

***Electrolytic aluminum smelter production ranking***

Within CRU's tracked database, our Group is the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China with a market share of approximately 1.8%. The five largest electrolytic aluminum producers in total produced approximately 20 mt in 2024, representing approximately 46% of China's total electrolytic aluminum market share.

Among CRU's tracked database, our Group has the fourth-largest electrolytic aluminum production base in North China with a market share of approximately 9.7% (based on production output in 2024).

**Top 5 China electrolytic aluminum producers'(1) market share (%), 2024**

| Ranking | Producer | Production (kt) | Market Share (%) |
|---|---|---|---|
| 1 | Producer A(2) | 5,892 | 13.7 |
| 2 | Producer B(3) | 5,134 | 11.9 |
| 3 | Producer C(4) | 3,700 | 8.6 |
| 4 | Producer D(5) | 2,987 | 6.9 |
| 5 | Producer E(6) | 2,150 | 5.0 |

*Source: CRU, industry sources*

*Notes:*

(1) In the CRU database, the electrolytic aluminum producer refers to the electrolytic aluminum production company.

(2) Producer A is a private vertically integrated aluminum producer established in China. The company mainly operates in the production of bauxite, alumina, electrolytic aluminum and fabricated products. The company is publicly listed on the Hong Kong Stock Exchange.

(3) Producer B is a Chinese state-owned vertically integrated aluminum producer established in China. The company mainly operates in the production of bauxite, alumina, electrolytic aluminum, carbon anode and coal. The company is publicly listed on the Hong Kong Stock Exchange.

(4) Producer C is a private vertically integrated aluminum producer established in China. The company mainly operates in the production of alumina, electrolytic aluminum and aluminum products. The company is not publicly traded on any stock exchange.

(5) Producer D is a Chinese state-owned enterprise specializing in energy. The company mainly operates in hydropower, thermal power, nuclear power, new energy and aluminum production. Its aluminum segment is listed on the Shenzhen Stock Exchange.

(6) Producer E is a private diversified company established in China. The company mainly operates in the agricultural and chemical sectors. The company is not publicly traded on any stock exchange.

***Electrolytic aluminum smelter cash cost ranking***

CRU models the cash costs of global electrolytic aluminum smelters, including smelters in China. The average cash cost for an electrolytic smelter is approximately USD2,275 per ton globally and approximately USD2,460 per ton for China in 2024. According to CRU, our ability to manage the cash costs of aluminum per ton was among the top 5% of all aluminum smelting companies in China.

The cash cost is the direct costs involved in the smelting process. CRU cash cost of producing electrolytic aluminum includes alumina costs, power process cost, labor costs, fuel process costs, carbon cash costs, maintenance process and other supply costs, bath material costs, pot relining costs, casthouse cash costs, and carbon emission costs.

Electricity costs and cost of alumina are the two largest cost items for electrolytic aluminum production cost, accounting for approximately 36% and 46% of total electrolytic aluminum production costs in China in 2024, respectively. Costs of alumina usually do not vary significantly due to the nature of the commodity, leaving electricity costs as the biggest differentiating factor in cost efficiency. Electricity costs depend on both the electricity consumption of aluminum per ton and the electricity price where the smelter is located. In 2024, our Group reported an electricity consumption of 13,366 kWh per ton of electrolytic aluminum produced, which was lower than the industry average of 13,670 kWh per ton. In the five months ended May 31, 2025, our Group reported an electricity consumption of 13,314 kWh per ton of electrolytic aluminum produced. In addition, our Group has benefitted from the low electricity prices enabled by its electricity generation capability and Inner Mongolia's abundant power resources. In 2024, our Group reported a cost of electricity consumption of current coal-fired thermal power generation of RMB0.37/kWh, which is lower than the national average of RMB0.43/kWh. In the five months ended May 31, 2025, our Group reported a cost of electricity consumption of current coal-fired thermal power generation of RMB0.33 per kWh. Benefitting from the advantages in the efficiency of electricity consumption and the electricity price, our Group has an average electricity cost of aluminum smelting, namely the power process cost under CRU cash cost, of approximately RMB5,439 per ton, RMB5,266 per ton and RMB4,786 per ton of electrolytic aluminum produced in 2022, 2023 and 2024, respectively. This is significantly lower than China's industry average of approximately RMB6,153 per ton, RMB6,039 per ton and RMB5,878 per ton during the same periods, respectively. Other minor factors contributing to our cash cost control ability include lower labor costs due to our high labor production efficiency. During the Track Record Period, our Group's electrolytic aluminum production per capita was between approximately 590 tons and 670 tons, which was over two times higher than that of the industry average during the same period. Our Group's cash cost in 2024 was approximately RMB15,112 per ton, significantly lower than China's average of approximately RMB17,700 per ton, according to CRU. Our Group's cash cost in the five months ended May 31, 2025 was approximately RMB14,791.7 per ton.

**Entry barrier analysis**

In the electrolytic aluminum industry, existing major producers usually get to keep their competitive position for a relatively long period, as barriers to entry are relatively high, including the following:

***Policy barriers***

Constructing a new alumina refinery or electrolytic aluminum smelter requires regulatory approvals and compliance with industrial policies at both national and municipal levels.

There is no specific quota on China's total alumina production capacity. Any new refinery project requires obtaining approvals from the local authorities or the National Development and Reform Commission (NDRC), depending on the project size. Under the Action Plan for Energy Saving and Decarbonization (2024-2025) (《2024-2025年節能降碳行動方案》(國發[2024]12號)), the Chinese authority emphasizes the need to control new refining capacity for alumina.

There is a 45 mt cap in China's annual electrolytic aluminum production capacity for aluminum smelters. Therefore, new entrants need to either replace or acquire existing capacity.

***High capital investment barriers***

Alumina refineries and electrolytic aluminum smelters are capital-intensive. CRU estimates the average unit capital expenditure for China's recent investment in greenfield smelter projects is approximately USD1,349 per ton. The costs include infrastructure construction, associated environmental control systems, as well as the purchase of equipment and facilities, such as power plants, water treatment systems and steam generation systems. In addition, compliance with environmental regulations — especially regarding emissions, red mud waste, and water use disposal — demands costly environment control systems.

## Challenges of the aluminum industry

### *Access to stable raw material challenge*

Access to stable bauxite resources is not easy especially for new Chinese refineries as China has been relying on imports and global markets for bauxite are currently tight. Indonesia has banned bauxite exports from 2023, which means China's bauxite imports will rely more on Guinea and Australia. As Guinea faces political instability and infrastructure backwardness, the bauxite industry in the country has contended with several challenges in the past. In September 2021, the military coup led to some initial disruptions in mining operations and export logistics as many large bauxite companies were concerned about the safety of their operations. In December 2023, the oil terminal explosion in Guinea's capital Conakry damaged the transportation networks, which caused delays in shipping bauxite to the international market. In October 2024, the bauxite export from Global Alumina Corporation was suspended due to a combination of political and logistical challenges. However, Guinea remains the world's largest bauxite producer. In 2024, around 71% of Chinese imported bauxite was from West Africa, notably Guinea, and this trend is forecast to continue in the future. Australia is China's second-largest bauxite importer, accounting for 25% of China's bauxite import in 2024. Australia-China bauxite trade might face geopolitical risks such as tense diplomatic relations between the two countries. These tensions might lead to trade disputes and higher tariffs on Australian exports to China, including bauxite.

### *Access to green energy challenge*

Access to stable green energy is another challenge at regulatory and market competitiveness levels. Electricity is one of the largest operational costs in smelting. In 2024, the Chinese authorities issued the Action Plan for Energy Saving and Decarbonization (2024-2025). The plan explicitly sets the objective to achieve 25% green energy in the electrolytic aluminum industry by 2025. In the same year, the authorities officially introduced the GECs (Green Electricity Certifications). Although the GECs are now non-binding for aluminum producers, it is possible that in the future aluminum producers who fail to meet the green energy requirement will need to purchase GECs to validate green energy generation. Trade-wise, aluminum exports might face trade barriers if they fail to meet the green-carbon standard imposed by the importing country. Europe's CBAM (Carbon Border Adjustment Mechanism) introduces a charge on aluminum imports based on emission level. The official charging will come into effect in 2026. Other countries such as the US and Japan are also on the path to similar policies and the world might see more regulations on carbon-related tariffs.

## Key development trends in the aluminum industry

### *Shifting to green aluminum from both production and consumption*

As decarbonization becomes a universal consensus, the aluminum industry sees a shift to green aluminum on both supply and demand sides.

From the supply side, smelters worldwide have started to shift from traditional power to green power. In recent years, Chinese smelters have been relocated from the traditional coal-fired areas to areas with green energy. Inner Mongolia, Yunnan, and Xinjiang are the most popular destinations for Chinese smelters for energy. In addition, it is geographically proximate to the downstream aluminum consumption base in North and East China for sales of aluminum ingots. Inner Mongolia is geographically closer to key downstream markets than Xinjiang and Yunnan, enhancing logistical efficiency for ingot sales. For sales of liquid aluminum, our Group's electrolytic aluminum sales benefit from the aluminum industry cluster in Huolinguole, Inner Mongolia, where several downstream aluminum alloy processors capable of a combined production of approximately 3 mt serve as potential customers. This demand significantly exceeds our Group's annual production capacity of 788.1 kt. Yunnan is rich in hydropower resources, but hydropower fluctuates seasonally, which becomes problematic for aluminum smelting during dry seasons. Xinjiang benefits from lower-cost, and stable coal-based power. Besides, its abundance of wind and solar resources provides the potential for future green electricity transition. However, Xinjiang is far from major ports and the domestic end-use markets, resulting in higher transportation costs for raw materials and final products, which offsets its advantages in power.

At the demand side, consumers' preferences have also been shifting. Global brands especially in the automotive, electronics, and consumer goods sectors, are increasing their demand for green aluminum in their products, which triggers premium for green aluminum products.

***Vertical integration of the aluminum industry***

It is common for smelters to integrate upwardly with refineries worldwide. Many large aluminum producers own both smelters and refineries. For smelters, integration with a refinery helps guarantee a reliable supply of alumina and minimizes exposure to external supply disruptions or price volatility. Additionally, it enables more efficient production coordination between refining and smelting units, improving the producers' reaction to market changes.

***Overseas expansion of the aluminum industry***

In recent years, it has become more popular for Chinese aluminum companies to expand overseas. This is partially driven by China's 45 mt of annual electrolytic aluminum production capacity cap, deficit in bauxite resources, and cost advantages in some regions. Investing in aluminum value chain overseas allows Chinese companies to increase competitiveness by accessing stable raw material supply, lowering the production cost, or increasing the proximity to the overseas buyer market. CRU has observed several overseas projects invested by Chinese companies along the aluminum value chain.

***A larger use of liquid aluminum for aluminum alloy***

Electrolytic aluminum is produced and sold for downstream alloy uses in either ingot or liquid forms. Liquid aluminum can be safely transported up to a 50 km radius. In recent years, it has become more common for smelters to sell liquid aluminum to downstream alloy processors for economic efficiency.

From the economic efficiency perspective, short-distance transportation of liquid aluminum benefits both upstream electrolytic aluminum manufacturers and downstream alloy processors. This is because, as compared to long-distance ingot transportation, use of short distance transported liquid aluminum (i) saves costs on transportation fees; (ii) reduces loss of liquid aluminum during transportation; and (iii) saves energy for heating or remelting by downstream aluminum alloy processors.

In 2024, approximately 72% of electrolytic aluminum in China is sold in liquid form. Under the Action Plan for Energy Saving and Decarbonization (2024-2025), the Chinese authority encourages that at least 90% of electrolytic aluminum shall be converted into liquid aluminum for downstream aluminum alloy. This policy is viewed as non-coercive, and CRU has not observed any substantial incentives or penalties regarding the policy. Furthermore, Aluminium Industry High-Quality Development Initiative 2025-2027 encourages the direct use of liquid aluminum in downstream aluminum alloying.

***Uncertainty on the US tariff***

In August 2018, the U.S. imposed a 25% tariff on Chinese aluminum products. On March 12, 2025, the U.S. imposed additional 25% tariffs on aluminum products from all countries, which was subsequently doubled to 50%, effective from June 4, 2025. This series of tariff increases on aluminum products is expected to have a limited direct impact on China's electrolytic aluminum industry because China has a relatively small export of electrolytic aluminum and aluminum products to the U.S. According to the statistics of the General Administration of Customs of the People's Republic of China, China only exported 1.7 kt of aluminum ingots to the U.S. in 2024, which accounted for less than 0.01% of China's total electrolytic aluminum production in the same year. In terms of downstream products, China exported 260 kt of aluminum products to the U.S. in 2024, accounting for approximately 4% of China's total aluminum product export during the same year.

On February 4, 2025, the U.S. imposed 10% tariffs on all Chinese imports. On March 4, 2025, the U.S. further imposed additional 10% tariffs on all Chinese imports. On April 2, 2025, the U.S. further announced reciprocal tariffs on all its trade partners, including an additional 34% tariff on imports from China. According to the latest announcement, and as confirmed by CRU, certain imports, including aluminum products, will be excluded from the reciprocal tariffs scheme. In 2024, China exported 6.3 mt of aluminum products overseas. For aluminum-made components contained in various downstream end-uses, China's export values are difficult to measure. In this case, tariff policies imposed by the U.S. on imports may indirectly affect the global consumption of all goods made in China, which includes Chinese aluminum products as well as products containing aluminum-made components. The decreased demand for any such products containing aluminum-made components may indirectly reduce the demand for China's upstream electrolytic aluminum products, the extent of which remains uncertain.

Nonetheless, any further aggressive tariff policies imposed by the U.S., as well as unofficial announcements on social media or during public speeches by President Trump and other government officials, on foreign imports can influence the growth of the global economy and the level of consumption, thereby indirectly impacting the overall pricing in the global aluminum industry. This may create a challenging environment for all the players in the industry.

## SOURCE OF INFORMATION

We have commissioned CRU International Limited ("CRU"), through its Chinese division CRU (Beijing) Consulting Limited, to analyze and report on the current status of, and forecasts for, the selected industries in which we operate. We agreed to pay CRU a fee of RMB680,000 for the preparation and use of the CRU Report. Unless otherwise indicated, historical values, estimates or forecasts in this section represent the views of CRU.

CRU offers business intelligence on the global metals, mining and fertilizer industries through its market analysis, price assessments, consultancies, and events. Since its foundation in 1969, CRU has consistently invested in primary research and developed robust market assessment methodologies. CRU is a globally recognized leader in aluminum market research. Since 1970, CRU has been dedicated to researching the aluminum market by analyzing the aluminum demand, supply, and prices. CRU's robust approach and market analysis background have led to CRU price indices — particularly the CRU Alumina Price Index — being widely adopted in the physical market by traders, buyers, and sellers. The consulting team of CRU has served countless globally renowned aluminum market participants with our independent market studies. It also has extensive experience acting as the industry expert for IPOs, including in Hong Kong and for aluminum producers. The CRU brand name is associated with integrity and independence and is well-regarded by the financial community.

In preparing this report CRU has relied on data either developed internally or obtained from the public domain. CRU regularly develops its market outlooks through its expert analysis team. Public domain data may include information obtained from sources such as published corporate annual reports, trade data reported by governments or independent research publications.

The forecasts made by CRU in this report rely on the following assumptions: (i) the global social and political climate is not expected to have any major disruptions; (ii) global economies are expected to maintain steady growth trajectories in the forecast period; and (iii) each commodity discussed in the CRU Report performs according to general economic theories.

Our Directors have confirmed, after making reasonable inquiries and exercising reasonable care, that there is no adverse change in the market information since the date of the CRU Report which may qualify, contradict or impact the information disclosed in this section.

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business and operations in China.

## PRC LAWS, REGULATIONS AND POLICY DOCUMENTS RELATED TO THE ELECTROLYTIC ALUMINUM AND ALUMINA INDUSTRIES

### Industrial Classification

According to the National Economic Industry Classification (《國民經濟行業分類》) (GB/T4754-2017) (revised in 2019), the industry in which the Company operates is Aluminum Smelting (classification code: C3216) under Common Non-ferrous Metal Smelting (classification code: C321) in Non-ferrous Metal Smelting and Rolling Processing Industry (classification code: C32).

### Industrial Policies

According to the Guiding Catalog for Industrial Structure Adjustments (《產業結構調整指導目錄(2024年本)》) (Version 2024), which was promulgated and became effective on December 2, 2005, revised on March 27, 2011, February 16, 2013, October 30, 2019, and December 27, 2023 and became effective on February 1, 2024 by the National Development and Reform Commission (the "NDRC"), new construction and expansion of electrolytic aluminum projects (excluding capacity replacement projects) are under the restricted category.

According to the Standard Conditions for the Aluminum Industry (《鋁行業規範條件》) issued by the Ministry of Industry and Information Technology (the "MIIT") on February 28, 2020, bauxite mining and the production of alumina, electrolytic aluminum and secondary aluminum shall comply with the requirements of national and local industrial policies, mineral resources planning, laws, regulations and policies on environmental protection and energy conservation, mining laws, regulations and policies, laws, regulations and policies on production safety, and industry development planning, etc. Alumina and electrolytic aluminum enterprises shall be filed with the relevant authorities in accordance with the relevant provisions of the State. Alumina enterprises shall satisfy the external conditions such as bauxite resources and red mud storage, and electrolytic aluminum enterprises shall ensure the long-term and stable supply of alumina, power and water resources. Electrolytic aluminum enterprises are encouraged to realize the integrated development of hydropower aluminum, coal-aluminum or aluminum power through restructuring.

### Energy Conservation and Environmental Protection

According to the Opinions on Accelerating the All-round Green Transformation of Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》) promulgated by the Central Committee of the Communist Party of China and the State Council on July 31, 2024, China vigorously promotes the Green and Low-carbon Transformation in such industries as iron and steel, non-ferrous metals, petrochemicals, chemicals, building materials, papermaking, printing and dyeing, promotes energy-saving, low-carbon and cleaner production technologies and equipment, and promotes the renewal and upgrading of process flows. We should optimize capacity scale and layout, continuously update binding standards for land, environment, energy efficiency, water efficiency and carbon emissions, guide the optimization and upgrading of traditional industries by the improvement of national standards, and establish and improve the exit mechanism for capacity. We should reasonably raise the resource and environmental access threshold for new, reconstruction and expansion projects, and resolutely curb the blind initiation of high energy consumption, high emission and low-level projects.

According to the Work Plan for Accelerating the Construction of the Dual Control System for Carbon Emissions (《加快構建碳排放雙控制度體系工作方案》) promulgated by the General Office of the State Council on July 30, 2024, to accelerate the construction of the Dual Control System for Total Carbon Emissions and Intensity (hereinafter referred to as the "Dual Control System for Carbon Emissions"). By 2025, the Carbon Emissions Statistics and Accounting System will be further improved, and a batch of industrial and enterprise Carbon Emissions Accounting Standards and Product Carbon Footprint Standards will be promulgated and implemented; by the 15th Five-Year Plan period (2026-2030), the Dual Control System for Carbon Emissions with the intensity control as the focus and the total control as the supplement shall be implemented. By focusing on the industrial industries of electric power, steel, non-ferrous metals, building materials, petrochemicals, chemicals and other industries and the fields of urban and rural construction and transportation, we shall conduct carbon emission accounting in key industries, focus on electric power, fuel, steel, electrolytic aluminum and other key products under the principle of urgent needs first, and organize relevant industry associations, enterprises, scientific research institutions and other entities to formulate and issue industry standards or group standards for product carbon footprint accounting.

According to the Circular on the Weight of Responsibilities for Renewable Energy-generated Power Consumption in 2025 and the Relevant Matters (《關於2025年可再生能源電力消納責任權重及有關事項的通知》) promulgated by the General Office of the NDRC and the Comprehensive Department of the National Energy Administration (the "NEA") on July 1, 2025, in order to help achieve peak carbon neutrality and promote the high-quality development of renewable energy, a new target for the proportion of green power consumption in the electrolytic aluminum industry has been set. Specifically, the proportion of green power consumption in the electrolytic aluminum industry in Inner Mongolia in 2025 is expected to be 30.7% and the expected proportion of green power consumption in the electrolytic aluminum industry in 2026 is 31.7%. The achievement of the proportion of green electricity consumption by enterprises in electrolytic aluminum industry shall be calculated based on green certificates and the proportion of green electricity consumption by enterprises in 2025 will be assessed by relevant government authorities.

According to the Special Action Plan for Energy Conservation and Carbon Reduction in the Electrolytic Aluminum Industry (《電解鋁行業節能降碳專項行動計劃》) jointly promulgated by the NDRC, the MIIT, the Ministry of Ecology and Environment (the "MEE"), the State Administration for Market Regulation (the "SAMR") and the NEA on July 3, 2024, by the end of 2025, the capacity above the energy efficiency benchmark level in the

Electrolytic Aluminum Industry will reach 30%; the capacity below the energy efficiency benchmark level will be technically transformed or eliminated; the proportion of renewable energy utilization in the industry will reach 25% or more, and the output of secondary aluminum will reach 11.5 million tons. Through the implementation of the transformation for energy conservation and carbon reduction, the electrolytic aluminum industry will save about 2.5 million tons of standard coal and about 6.5 million tons of carbon dioxide emissions from 2024 to 2025. By 2025, the direct alloying proportion of aluminum will reach more than 90%. By the end of 2030, the energy consumption and carbon emissions per unit of product in the electrolytic aluminum industry will be significantly reduced, the use of renewable energy will be further increased, the supply capacity of high-end aluminum products will be greatly improved, and the industry will achieve remarkable progress in green and low-carbon development.

According to the Action Plan for Energy Conservation and Carbon Reduction 2024-2025 (《2024-2025年節能降碳行動方案》) promulgated by the State Council on May 23, 2024, it is required to optimize the capacity layout of non-ferrous metals and vigorously developing the secondary metal industry. We should tighten the access of new non-ferrous metal projects. New, renovated and expanded electrolytic aluminum projects shall reach the energy efficiency benchmark level and Grade A environmental protection performance, and new, renovated and expanded alumina projects shall reach the advanced value of mandatory energy consumption limit standard.

According to the Notice on Issuing the Principles for the Examination and Approval of Environmental Impact Assessment Documents of Construction Projects in Four Industries: Integrated Circuit Manufacturing, Lithium Ion Battery and Related Battery Materials Manufacturing, Electrolytic Aluminum and Cement Manufacturing (《關於印發集成電路製造、鋰離子電池及相關電池材料製造、電解鋁、水泥製造四個行業建設項目環境影響評價文件審批原則的通知》) promulgated by the MEE on December 5, 2023, electrolytic aluminum construction projects must comply with the relevant laws and regulations on ecological and environmental protection, statutory plans, and the relevant policy requirements for industrial structure adjustment, regional and industrial carbon peak and carbon neutral targets, and total control of key pollutants. Electrolytic aluminum projects are encouraged to use green electricity, aluminum electrolysis, low-temperature electrolytic gas waste heat utilization, new cathode energy saving and anode protection, aluminum water direct alloying and other collaborative pollution reduction and carbon reduction technologies. We also encourage the comprehensive utilization of overhaul residue, aluminum ash residue, carbon residue and waste tar.

According to the Implementation Plan for Reaching Peak in the Non-ferrous Metal Industry (《有色金屬行業碳達峰實施方案》) jointly promulgated by the MIIT, the NDRC and the MEE on November 10, 2022, we should adhere to the restriction of the total electrolytic aluminum capacity, strictly implement the capacity replacement measures, and study the differentiated electrolytic aluminum capacity reduction replacement policies. We should increase the proportion of renewable energy use, encourage enterprises to orderly transfer to renewable energy-rich areas on the premise that the resources and environment are sustainable, and gradually reduce the electrolytic aluminum capacity that uses thermal power. We should strive to reach 25% and 30% or more of renewable energy in electrolytic aluminum in 2025 and 2030 respectively. Efforts should be made to ensure that the non-ferrous metal industry will achieve carbon peak before 2030.

According to the Several Opinions on Tightening Energy Efficiency Constraints to Promote Energy Conservation and Carbon Reduction in Key Areas (《關於嚴格能效約束推動重點領域節能降碳的若干意見》) jointly promulgated by the NDRC, the MIIT, the MEE, the SAMR and the NEA on October 18, 2021, by 2025, through the implementation of energy conservation and carbon reduction actions, the capacity of steel, electrolytic aluminum, cement, plate glass, oil refining, ethylene, synthetic ammonia, calcium carbide and other key industries and data centers will reach the benchmark level of more than 30% of the capacity, the overall industry energy efficiency level will be significantly improved, the carbon emission intensity will be significantly reduced, and the capacity for green and low-carbon development will be significantly enhanced.

According to the Circular on the Policy of Tiered Electricity Prices for Electricity Consumed by Electrolytic Aluminum Enterprises (《關於電解鋁企業用電實行階梯電價政策的通知》) issued by the NDRC and the MIIT on December 13, 2013, and effective as of January 1, 2014, tiered electricity prices shall be implemented for electrolytic aluminum enterprises and preferential electricity price measures shall be strictly prohibited in order to regulate direct electricity transactions between electrolytic aluminum enterprises and power generation enterprises.

According to the Circular on Improving the Tiered Electricity Price Policy for the Electrolytic Aluminum Industry (《關於完善電解鋁行業階梯電價政策的通知》), which was promulgated by the NDRC on August 26, 2021, and became effective on January 1, 2022, it is required to improve the classification and markup standards for Tiered electricity prices, and it is strictly prohibited to implement preferential electricity price policies for the Electrolytic Aluminum Industry.

**Capacity Replacement**

According to the Action Plan for Energy Conservation and Carbon Reduction 2024-2025 (《2024-2025年節能降碳行動方案》) issued by the State Council on May 23, 2024, capacity replacement for electrolytic aluminum shall be strictly implemented and new smelting capacity such as alumina shall be strictly controlled.

According to the Circular on Matters Relating to the Implementation of Capacity Replacement by Electrolytic Aluminum Enterprises through Merger and Reorganization and Other Means (《關於電解鋁企業通過兼併重組等方式實施產能置換有關事項的通知》) issued by the MIIT on January 1, 2018, for construction projects involving electrolytic process to produce aluminum liquid and aluminum ingots, the Electrolytic Aluminum capacity replacement index shall be obtained through the following two methods: 1) through merger and reorganization, and internal capacity transfer within the enterprise group with the same actual controller; and 2) through capacity quota trading. A capacity replacement plan shall be formulated, and the equivalent or reduced capacity replacement shall be implemented. The electrolytic aluminum capacity replacement indicators obtained by enterprises shall be preferentially used for their existing construction projects that have not completed capacity replacement. In principle, the indicators shall not be used for other new construction projects that have not completed capacity replacement for their existing projects.

According to the Guiding Opinions on Creating a Favorable Market Environment to Promote Adjustment of Structure, Transformation and Increase of Efficiency in Non-ferrous Metal Industry (《關於營造良好市場環境促進有色金屬工業調結構促轉型增效益的指導意見》) promulgated by the General Office of the State Council with effect on June 5, 2016, new capacity shall be strictly controlled. For necessary new (renovation and expansion) projects of electrolytic aluminum, the equivalent or reduced capacity replacement plan shall be strictly implemented and publicized online.

## LAWS AND REGULATIONS ON ELECTRIC POWER BUSINESS

### Approval and Record-Filing of Power Plant Projects

According to the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) promulgated by the Standing Committee of the National People's Congress on February 28, 2005, revised on December 26, 2009, and implemented on April 1, 2010, Renewable Energy includes wind energy, solar energy, water energy and other non-fossil energy. The State gives priority to the development and utilization of renewable energy in energy development and promotes the establishment and development of the renewable energy market by establishing total volume targets for the development and utilization of renewable energy and taking corresponding measures.

On May 14, 2014, the NDRC promulgated the Administrative Measures on Investment Projects Subject to Governmental Approval (《政府核准投資項目管理辦法》), which were implemented on June 14, 2014, and these Measures were superseded by the Administrative Measures on Approval and Record-filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) promulgated on March 8, 2017, amended on March 23, 2023 and effective on May 1, 2023. On October 31, 2014, the State Council promulgated the Catalogue of Investment Projects Subject to Governmental Approval (2014 Version) (《政府核准的投資項目目錄(2014年本)》), which was superseded by the Catalogue of Investment Projects Subject to Governmental Approval (2016 Version) (《政府核准的投資項目目錄(2016年本)》) ("Approved Catalogue") promulgated on December 12, 2016. According to the aforesaid regulations, fixed asset investment projects falling within the Approved Catalogue shall be submitted to the relevant project approval authorities for approval in accordance with applicable regulations, while fixed asset investment projects beyond the Approved Catalogue shall be subject to record-filing. Thermal power stations (including captive power stations) shall be approved by provincial-level governments, among which coal-fired thermal power projects shall be approved in accordance with the State's construction plans developed according to the overall volume control. Thermal power stations (including captive power stations) shall be approved by local governments, among which extraction condensing coal-fired thermal power projects shall be approved by provincial-level governments within the State's construction plans developed according to the overall volume control. Wind power stations shall be approved by local governments within the State's construction plans developed according to the overall volume control as well as the annual guiding development scale.

According to the Interim Administrative Measures for Photovoltaic Power Station Projects (《光伏電站項目管理暫行辦法》) promulgated by the NEA on August 29, 2013, and these Measures were superseded by the Interim Measures for the Administration of the Development and Construction of Photovoltaic Power (《光伏電站開發建設管理辦法》promulgated by the NEA on November 30, 2022), photovoltaic power station projects are subject to record-filing in accordance with the provisions of the State Council on the administration of investment projects. The provincial energy authorities shall formulate annual photovoltaic power station development and construction plans. For projects included in the annual photovoltaic power station development and construction plans, power grid enterprises shall timely handle the grid access procedures. Except for exemptions stipulated by the NEA, photovoltaic power station projects shall obtain electric power business licenses within 6 months of connection.

According to the Interim Administrative Measures for the Development and Construction of Wind Power (《風電開發建設管理暫行辦法》) promulgated and implemented by the NEA on August 25, 2011, the energy authority of the State Council is responsible for the administration of national wind power development and construction. The energy authorities of governments of all provinces (regions and municipalities) shall, under the guidance and organization of the energy authority of the State Council, be responsible for the administration of local wind power development and construction in accordance with the relevant provisions of the State. Wind farm construction plans are the fundamental basis for the construction of wind farm projects. The energy authority of the State Council is responsible for the preparation and implementation of the wind farm construction plans nationwide. The energy authorities of governments at the provincial level shall, according to the requirements of the national wind farm construction plans and relevant technical specifications, organize the preparation of local wind farm construction plans and annual development plans, which shall be filed with the energy authority of the State Council for the record.

According to the Interim Measures for the Administration of Distributed Photovoltaic Power Generation Projects (《分佈式光伏發電項目管理暫行辦法》) promulgated and implemented by the NEA on November 18, 2013, and these Measures were superseded by the Administrative Measures of the Development and Construction of Distributed Photovoltaic Power Generation (《分佈式光伏發電開發建設管理辦法》) by the NEA on January 17, 2025, it encourages all kinds of power users, investment enterprises, specialized contract energy service companies and individuals who comply with legal regulations to act as investment entities and develop, construct and operate distributed photovoltaic power generation projects in accordance with the law and regulations. The grid connection modes of distributed photovoltaic power generation include full grid connection, complete self-consumption, and self-consumption with surplus power grid connection. Distributed photovoltaic power generation projects are subject to filing management. Each province (autonomous region, municipality directly under the Central Government) shall clearly define the filing authority for distributed photovoltaic power generation and its corresponding authorities and powers, and make them public. For distributed photovoltaic power generation projects that utilize newly-built buildings and their affiliated areas, it is encouraged to consider the installation requirements in the building's planning design, construction and other stages, and handle the planning permission and other procedures together; for those that utilize existing buildings and their affiliated areas, in accordance with the principle of simplicity and efficiency, the procedures such as land pre-approval and planning location, planning permission, and energy-saving assessment can be waived under the condition of meeting the construction requirements. In addition, in accordance with relevant regulations, distributed photovoltaic power generation is exempted from the power business license.

**Electric Power Business Licensing**

According to the Electric Power Law of the People's Republic of China (《中華人民共和國電力法》) promulgated by the Standing Committee of the National People's Congress on December 28, 1995, revised and entered into force on August 27, 2009, April 24, 2015, and December 29, 2018, this law governs the construction, production, supply and use of electric power within the territory of the People's Republic of China.

According to the Administrative Provisions on Electric Power Business Licenses (《電力業務許可證管理規定》) promulgated by the former State Electricity Regulatory Commission (the "SERC") on October 13, 2005, revised by the NDRC on May 30, 2015 and January 4, 2024, and effective on March 1, 2024, the NEA is responsible for the guidance, supervision and administration of electric power business licensing, and its local offices are responsible for the issuance of electric power business licenses and daily supervision and administration. PRC adopts a market access permission system in the electric power industry. To engage in electric power business within the territory of the PRC, an electric power business license shall be obtained in accordance with relevant regulations. Except for the special circumstances as specified by the NEA, no entity or individual may engage in any electric power business without obtaining an electric power business license. Public power plants, self-supply power plants connected to power grids and other enterprises specified by the SERC that engage in power generation business shall obtain a business license for power generation.

According to the Manual of Questions and Answers on Electric Power Business Licenses (《電力業務許可證問答手冊》) issued by the Electric Power Business Qualification Management Center of the NEA in January 2022, self-supply power stations that all the electricity they generate are for their own use and are not traded online are exempted from obtaining an electric power business license.

**Carbon Emission**

According to the Interim Regulations on the Administration of Carbon Emission Rights Trading (《碳排放權交易管理暫行條例》) promulgated on January 25, 2024, and effective May 1, 2024, by the State Council, the Administrative Rules for Carbon Emission Rights Settlement (for Trial Implementation) (《碳排放權結算管理規則(試行)》) promulgated on May 14, 2021, and effective May 14, 2021, by the MEE, and the Administrative Measures for Carbon Emission Rights Trading (for Trial Implementation) (《碳排放權交易管理辦法(試行)》) promulgated on December 31, 2020, and effective February 1, 2021, by the MEE, the state is strengthening the control of greenhouse gas emissions, including but not limited to emissions of PFC, regulating the trading of carbon emission rights and related activities, and regulating the registration, trading and settlement of national carbon emission rights. Key greenhouse gas emission entities that have been included in the national market for trading of carbon emission rights and other entities that conform to relevant regulations of the State may participate in the trading of carbon emission rights. A greenhouse gas emission entity that meets the following conditions shall be included in the list of key greenhouse gas emission entities: being an industry covered by the national market for trading of carbon emission rights or its annual greenhouse gas emissions reach 26,000 tons of carbon dioxide equivalent. A key emission entity shall control greenhouse gas emissions, report carbon emission data, clear and pay carbon emission quotas, disclose the information about its trading and related activities, and accept the supervision and administration by the competent authorities of ecology and environment. The competent department of ecology and environment under the State Council shall, in conjunction with other relevant departments under the State Council and according to the national targets for control of greenhouse gas emissions and by comprehensively considering the factors such as economic and social development, industrial restructuring, stage of industry development, historical emissions and market regulation needs, formulate and organize the implementation of the plan for the total annual carbon emission quotas and the allocation thereof. Carbon emission quotas will be allocated free of charge, and free and paid allocation will be gradually promoted in accordance with the relevant requirements of the State. Competent departments of ecology and environment of people's governments at the provincial level shall, in conjunction with relevant departments at the same level, distribute carbon emission quotas to key emission entities in their respective administrative regions according to the plan for the total annual carbon emission quotas and the allocation thereof, and shall not distribute or adjust carbon emission quotas in violation of the plan for the total annual carbon emission quotas and the allocation thereof.

According to the Notice on Effectively Carrying out the Work Concerning the Allocation and Settlement of Quotas for National Carbon Emission Rights Trading in the Power Generation Industry in 2023 and 2024 (《關於做好2023、2024年度發電行業全國碳排放權交易配額分配及清繳相關工作的通知》) promulgated by the MEE on October 15, 2024, the Plan for the Total Amount and Allocation of Quotas for the Power Generation Industry on National Carbon Emission Rights Trading applies to the key emission entities (hereinafter referred to as the "key emission entities") included in the quota management for the Power Generation Industry on the national carbon emission rights trading market in 2023 and 2024. Key emission entities are entities that have the property rights of generating sets and participate, as responsible parties, in the grant, trading and settlement of quotas on the national carbon emission rights trading market. Carbon emission quotas are the corresponding carbon dioxide emission quotas for the generating sets owned by key emission entities. All quotas for 2023 and 2024 will be distributed free of charge, and the quota to be issued for a unit will be determined according to the benchmark method and unit-level exemption mechanism.

**Power Generation Capacity Indicators**

According to the Opinions on Deepening the Supply-side Structural Reform, Further Eliminating Backward Coal-fired Power Production Capacity and Promoting the Optimization and Upgrading of the Coal-fired Power Industry (《關於深入推進供給側結構性改革進一步淘汰煤電落後產能促進煤電行業優化升級的意見》) promulgated by the NDRC and the NEA on March 7, 2019, all regions are encouraged to further intensify the elimination of backward coal-fired power production capacity on the basis of the standards for elimination and closure specified by the State. The elimination and closure of backward coal-fired power units shall be based on the assurance of the safe and stable supply of electric power and heat. All regions shall effectively conduct the connection of electric power and heat involved in the shutdown of coal-fired power units. The capacity indicators of backward coal-fired power units to be eliminated and shut down during the 13th Five-Year Plan period may be used, by way of trading, in the coal-fired power projects that need to adopt the equivalent replacement approach. Planning a new coal-fired power project based on the approach of equivalent capacity replacement requires the owner to implement the shut-down capacity indicator and prepare equivalent capacity replacement plans. The shut-down capacity indicator may be used on a coordinated basis across provinces (autonomous regions and municipalities), provided that the consent of competent authorities in the provinces (autonomous regions and municipalities) to which the project is transferred is obtained.

According to the Basic Rules for the Operation of the Electric Power Market (《電力市場運行基本規則》) promulgated on April 25, 2024, and effective as of July 1, 2024 by the NDRC, the subject matter of capacity trading is the output capacity provided by generating units, energy storage and so on that can reliably support the maximum load within a certain period of time in the future. As needed for the construction of new electric power system, it is imperative to gradually promote the establishment of a market-oriented capacity cost recovery mechanism, explore the ways of capacity compensation and capacity market to guide reasonable investment by business entities and ensure long-term capacity adequacy of electric power system.

**Power Grid Dispatching**

According to the Administrative Regulations on Power Grid Dispatching (《電網調度管理條例》) promulgated in June 29, 1993 and revised on January 8, 2011, by the State Council, power grids shall operate under the principle of unified dispatching and level-by-level management, and the power administrative department of the State Council oversees power grid dispatching. No entity or individual may allocate or use electric power and quantity that exceed the planned amount without the approval of the regulatory authority issuing the power consumption plan. Interconnected power plants or power grids shall be subject to the unified dispatching of the dispatching organization. Where it is necessary to interconnect power plants and power grids or power grids, an interconnection agreement shall be signed and strictly implemented prior to the interconnection under the principle of equality, mutual benefit and consensus.

## REGULATIONS RELATED TO FOREIGN INVESTMENT

On December 29, 1993, the Standing Committee of the National People's Congress of the PRC (the "SCNPC") issued the Company Law of the PRC (《中華人民共和國公司法》) (the "Company Law"), which was latest amended on December 29, 2023 and became effective on July 1, 2024, regulating the establishment, operation and management of companies in the PRC, including foreign-invested companies. The foreign-invested companies shall comply with the Company Law, except where the foreign investment laws stipulate otherwise.

On March 15, 2019, the Second Session of the 13th National People's Congress adopted the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) or the Foreign Investment Law, which came into effect as of January 1, 2020. Upon its enactment, the PRC Foreign Investment Law replaced the trio of original laws regulating foreign investment in China, namely, the Wholly Foreign-owned Enterprise Law (《外資企業法》), the Sino-foreign Cooperative Joint Venture Law of the PRC (《中外合作經營企業法》) and the Sino-foreign Equity Joint Venture Law of the PRC (《中外合資經營企業法》), together with their implementation rules and ancillary regulations. The PRC government will implement the management system of pre-entry national treatment and the Negative List for foreign investment abolishing the original approval and filing administration system for the establishment and change of foreign-invested enterprises. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Revision) (the "2024 Negative List", 《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the Ministry of Commerce of the PRC (the "MOFCOM") on September 6, 2024 and came into effect on November 1, 2024, which lists the special management measures for foreign investment access for industries regulated by the Negative List, such as equity requirements and senior management requirements. We mainly produce and sell electrolytic aluminum as well as alumina and other related types of products. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, our business is not included in the 2024 Negative List and is not otherwise restricted for foreign investment by PRC laws and regulations.

On December 26, 2019, the Implementing Regulation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) was promulgated by the State Council which took effect on January 1, 2020, and replaced the Implementing Rules of the Sino-foreign Equity Joint Ventures Enterprises Law of the PRC (《中華人民共和國中外合資經營企業法實施條例》), Interim Provisions on the Contract Term of Chinese-foreign Equity Joint Ventures (《中外合資經營企業合營期限暫行規定》), Detailed Rules for the Implementation of the Law of the People's Republic of China on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法實施細則》), the Implementing Rules of the Sino-foreign Co-operative Enterprises Law of the PRC (《中華人民共和國中外合作經營企業法實施細則》) and the Implementing Rules of the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外商投資法實施條例》). According to the Implementing Regulation of the Foreign Investment Law, the Foreign Investment Law and its implementing regulation shall prevail in the event of discrepancy between the Foreign Investment Law and its implementing regulation and the relevant provisions on foreign investment promulgated prior to January 1, 2020. In addition, enterprises established prior to the effective date of the Foreign Investment Law shall adjust its legal form or governance structure to comply with the provisions of the Company Law or the Partnership Enterprises Law of the PRC (《中華人民共和國合夥企業法》), as applicable, and complete amendment registration before January 1, 2025.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the State Administration for Market Regulation, which promulgated on 30 December 2019 and came into effect on January 1, 2020, and has repealed the Interim Measures for the Administration of Record-filling on the Establishment and Changes in Foreign-Invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法(2018年修訂)》). According to the Foreign Investment Information Reporting Method, the MOFCOM is responsible for coordinating and guiding the reporting of foreign investment information nationwide. The competent commercial department of the local people's government at or above the county level, as well as the relevant agencies of the Pilot Free Trade Zone and the National Economic and Technological Development Zone, is responsible for reporting information on foreign investment in the region. Foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System and the reporting methods include initial reports, change reports, cancelation reports, and annual reports. Foreign investors who establish foreign invested enterprises in China or acquire domestic non-foreign-invested enterprises through equity merger and acquisition shall submit initial reports through the enterprise registration system when applying for the registration of the establishment of foreign-invested enterprises or applying for the registration of the change of the acquired enterprises. If the change in the information of initial reports involves registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system when applying for the registration or filing of change of enterprises. If the change in the information of initial reports does not involve registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system within twenty (20) business days after the change. Foreign-invested listed companies shall report information on changes in investors and their shareholdings only when the cumulative change in the foreign investors' shareholding ratio exceeds 5% or the foreign parties' shareholding or relative holding status has changed.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

## REGULATIONS RELATED TO FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was latest amended on August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listed with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

On July 4, 2014, the SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or the SAFE Circular 37, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by SAFE on October 21, 2005. The SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." Pursuant to the SAFE Circular 37, "control" refers to the act through which a PRC resident obtains the right to carry out business operation of, to gain proceeds from or to make decisions on a special purpose vehicle by means of, among others, acquisition, trust, entrusted holding, voting rights, repurchase, convertible bonds. The SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as change of shareholders of the special purpose vehicle, increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

According to the Notice of the State Administration of Foreign Exchange on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19 issued by the SAFE promulgated on March 30, 2015, coming effective on June 1, 2015 and partially abolished on December 30, 2019 and partially amended on March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the SAFE Circular 16, which came into effect on the same day and partially amended on December 4, 2023, and has been effective since then. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties).

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which came into effect on the same day (except for Article 8.2, which became effective on January 1, 2020), and partially amended on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

## REGULATIONS RELATED TO OVERSEAS INVESTMENT

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) issued by NDRC on December 26, 2017, which came into effect on March 1, 2018, the PRC implements the approval and filing registration system for investment projects (including those in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region) by a domestic enterprise ("Investment Entity") directly or by way of obtaining overseas ownership, control, management rights, and other rights and interests through providing financing or guarantees by the controlled overseas enterprise. The aforementioned approval procedure shall apply to any sensitive projects carried out by Investment Entity directly or through its controlled overseas enterprises, and the approval authority is the National Development and Reform Commission. The scope of filing registration management is non-sensitive projects directly carried out by Investment Entity, that is, non-sensitive projects involving Investment Entity directly investing in assets, interests or providing financing and guarantees. Among them, if the Investment Entity is a centrally managed enterprise (including centrally managed financial enterprise, the State Council and enterprise directly managed by institutions in the State Council) or the Investment Entity is a local enterprise but the investment amount out of the PRC reaches US$300 million or more, the filing authority will be the National Development and Reform Commission, and if the investor is a local enterprise and the investment amount out of the PRC is below US$300 million, the filing authority will be the development and reform department of the provincial government governing the locality where the Investment Entity is registered.

According to the provisions of the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) issued by MOFCOM on March 16, 2009, and was amended on September 6, 2014, if an enterprise legally established within the territory of the PRC owns a non-financial enterprise abroad or obtains the ownership, control, operation and management right and other rights and interests of an existing non-financial enterprise through new establishment, M&A or other means, the MOFCOM and the provincial competent departments of commerce shall be responsible for the approval and filing registration, depending on different circumstances of overseas investment by the enterprise. If an overseas investment involves countries that have not established diplomatic relations with the PRC, countries subject to United Nations sanctions, industries involving the export of products and technologies restricted by the PRC, or industries that may affect the interests of more than one country (region), the overseas investment shall be subject to administration by approval. Overseas investment by the enterprise that falls under any other circumstances shall be subject to administration by filing registration.

## REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and effective from March 31, 2023 (hereinafter referred to as the "Trial Measures"), where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing. We have submitted the filing to the CSRC on January 15, 2025, which was accepted by the CSRC on February 21, 2025. However, if we fails to complete the filing procedure or the filing documents submitted contain misrepresentation, misleading statement or material omission, our ability to complete the proposed offering may be restricted. Additionally, we may be subject to order to rectify, warnings and fines, and our controlling shareholder, actual controller, the person directly in charge and other directly responsible persons may also be subject to fines.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023, and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People's Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents, and materials whose divulgence will have an adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

## REGULATIONS RELATED TO ENTERPRISE INVESTMENT PROJECTS AND CONSTRUCTION

### Regulations on Enterprise Investment Projects

On November 30, 2016, the State Council issued the provisions of the Regulation on the Administration of the Confirmation and Recordation of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》), which came into effect on February 1, 2017, the PRC government implements a pre-approval management on fixed asset investment projects that are invested and constructed by enterprises in the PRC and that have national security concerns or relate to major productivity distribution, strategic resource development and major public interests. The specific project scope, the approval authority and the approval power shall be implemented in accordance with the catalog of investment projects approved by the government, and other projects are subject to the filing registration.

### Regulations on Land Use Right and Construction

According to Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, with the latest amendment on August 26, 2019, which became effective in January 2020, and Civil Code promulgated by the NPC on May 28, 2020, and came into force on January 1, 2021, any entity that needs land for the purposes of construction must obtain land use right and must register with local counterparts of Ministry of Natural Resources. Land use right is established at the time of registration. According to the Measures for Control and Administration of Grant and Assignment of Right to Use Urban State-owned Land (《城市國有土地使用權出讓轉讓規劃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 4, 1992 with the amendment on January 26, 2011, and the PRC Law on Urban and Rural Planning (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and became effective on January 1, 2008 with the latest amendment on April 23, 2019, the Measures for Administration of Permission for Commencement of Construction Works (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing Construction and Urban-Rural Development with the latest amendment on March 30, 2021, the Interim Administrative Measures for Archival Filing on Inspection Upon Completion of Buildings and Municipal Infrastructure (《房屋建築工程和

市政基礎設施工程竣工驗收備案管理暫行辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on April 7, 2000 and most recently amended on October 19, 2009, and the Regulations on the Quality Management of Construction Engineering (《建設工程質量管理條例》) promulgated by the State Council on January 30, 2000 and most recently amended on April 23, 2019, after obtaining land use right, the owner of land use right must obtain construction land planning permit, construction works planning permit from the relevant municipal planning authority, and a construction permit from relevant construction authority in order to commence construction. After a building is completed, an examination of completion by the relevant governmental authorities and experts must be organized.

## REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989, and latest amended on April 24, 2014, and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, and latest amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, and latest amended on July 16, 2017, and came into effect on October 1, 2017, for the construction of environment-affected projects, the environmental impact assessment shall be conducted. For construction projects with potentially serious environmental impacts, an environment impact report shall be prepared to provide a comprehensive assessment of their environmental impacts. For construction projects with potentially mild environmental impacts, an environmental impact statement shall be prepared to provide an analysis or specialized assessment of their environmental impacts. For construction projects with very small environmental impacts, no environmental impact assessment is required. However, an environmental impact registration form shall be submitted.

The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1987, became effective on June 1, 1988, latest amended on October 26, 2018, the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) promulgated by the SCNPC on May 11, 1984, latest amended on June 27, 2017, and became effective on January 1, 2018, the Law of the People's Republic of China on Noise Pollution Prevention and Control (《中華人民共和國噪聲污染防治法》) promulgated by the SCNPC on December 24, 2021, became effective on June 5, 2022, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 30, 1995, most recently amended on April 29, 2020, and became effective on September 1, 2020, set out the requirements for the prevention and control of atmospheric pollution, water pollution, noise pollution and solid waste respectively. The enterprises which discharge sewage, solid waste, noise, or waste gas shall obtain corresponding pollutant discharge permit documents in accordance with the aforesaid laws and regulations.

According to the Administrative Measures on Pollutant Discharge Permit issued by the MEE (《排污許可管理辦法》) on April 1, 2024, and which came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE of the People's Republic of China (hereinafter referred to as the "MEE") and became effective on December 20, 2019, the State implements the primary management, simplified management and registration management of pollutant discharge permits based on the quantity of pollutants generated and discharged, their impacts on the environment and other factors. A pollutant discharge unit under registration management does not need to apply for a pollutant discharge license.

On May 30, 2004, the State Council issued Measures for the Administration of Hazardous Waste Operating Permits (《危險廢物經營許可證管理辦法》), which were lastly amended on February 6, 2016, and became effective since then. Any entity that undertakes the business activities of collection, storage, and disposal of hazardous wastes within the territory of the People's Republic of China shall obtain a hazardous waste operating permit in accordance with the provisions of these Measures. "Hazardous wastes" refer to the wastes included in National Catalogue of Hazardous Wastes or those determined as dangerous wastes under the national identification standards and approaches for hazardous wastes.

## REGULATIONS RELATED TO FIRE SAFETY

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the "Interim Provisions") promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, and last amended on August 21, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and acceptance system. The special construction projects as defined in the Interim Provisions must apply to the fire control department for fire protection design review and complete the fire protection acceptance procedures after the completion of the construction project. The construction unit of other construction projects must complete the fire protection filing of the fire protection design and the completion acceptance within five (5) business days after the completion acceptance of the construction project. If a construction project fails to pass the fire safety inspection before it is put into use or does not meet the fire safety requirements after the inspection, it will be ordered to suspend the construction and use of such project, or suspend production and business, and be imposed a fine.

## REGULATIONS RELATED TO PRODUCTION SAFETY

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002, and latest amended on June 10, 2021, and which came into effect on September 1, 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and business operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and know their own rights and duties in terms of production safety. Employees who fail the education and training programs on production safety may not commence working in their positions. Safety facilities of new building, rebuilding or expanding project (the "construction project") shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

On January 13, 2004, the State Council issued Regulations on Work Safety Licenses (《安全生產許可證條例》), which were amended on July 29, 2014 and became effective since then. The State applies a work safety licensing system to enterprises engaged in mining, construction, and the production of dangerous chemicals, fireworks and crackers, and civil explosives (hereinafter referred to as "enterprises"). No such enterprises may engage in production activities without work safety licenses.

## REGULATIONS RELATED TO PREVENTION AND CONTROL OF OCCUPATIONAL DISEASES

The Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001, and latest amended on December 29, 2018, (the "Prevention and Control of Occupational Diseases Law"), is the basic law for the prevention and control of occupational diseases. According to the Prevention and Control of Occupational Diseases Law, budget for facilities for the prevention and control of occupational diseases of a construction project shall be included in the budget of the project and those facilities shall be designed, constructed, and put into operation simultaneously with the main body of the project. The entity that takes charge of the project should carry out the assessment of the effectiveness of measures for the prevention and control of occupational diseases before the final acceptance of the construction project. In addition, employers shall take required administrative measures to prevent and control occupational diseases in work. According to the Basic Healthcare and Health Promotion Law of the People's Republic of China (《中華人民共和國基本醫療衛生與健康促進法》) promulgated by the SCNPC on December 28, 2019, and became effective on June 1, 2020, employers should control occupational disease hazards and take comprehensive management measures such as engineering, individual protection and health management to improve the working environment and labor conditions.

## REGULATIONS RELATED TO COMMODITY IMPORT AND EXPORT

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, and lastly amended on December 30, 2022, and the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated by the General Administration of Customs of the People's Republic of China on January 3, 2023, and became effective on the same date, a consignee or consignor of imported or exported goods who applies for recordation shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, and lastly amended on April 29, 2021, the consignee of imported goods, the consignor of exported goods and the owner of inward and outward articles shall be the obligatory customs duty payer. Unless otherwise stipulated, all imported and exported goods must be declared and duties on them shall be paid by the consignees or the consignors or by the representatives entrusted. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall undergo customs declaration formalities at the Customs in accordance with the laws. According to the Provisions of the People's Republic of China on the Recordation of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021, and became effective on January 1, 2022, customs declaration entities refer to consignees or consignors of imported or exported goods or customs declaration enterprises that have filed for record with the Customs in accordance with the Provisions. Consignors or consignees of imported or exported goods or customs declaration enterprises that apply for record-filing shall obtain market entity qualifications.

According to the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, lastly amended on March 10, 2024, and became effective May 1, 2024, enterprises engaged in the import of goods to the customs territory of the People's Republic of China or export of goods from the customs territory of the People's Republic of China, shall comply with the Regulation here before. For goods that are prohibited from importation or exportation, they cannot be imported or exported; for goods that are subject to import or export restrictions, a license or quota management system shall be implemented; for goods that are freely imported or exported, there is no restriction.

Currently, China implements a free import policy for bauxite imported from Guinea and Australia, and has not imposed any licensing quotas or other import restrictions.

## REGULATIONS RELATED TO INTELLECTUAL PROPERTY

### Regulations on Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law"), which was promulgated by the SCNPC on March 12, 1984, and latest amended on October 17, 2020, and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "Implementation Rules"), promulgated by the State Council on June 15, 2001, and latest amended on December 11, 2023, and came into effect on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, namely "invention," "utility model" and "design." "Invention" refers to any new technical solution relating to a product, a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and "design" refers to any new design of the shape, pattern, color or the combination of any two of them, of a product, which creates an aesthetic feeling and is suitable for industrial application. The duration of a patent right for "invention" is twenty (20) years; the duration of a patent right for "utility model" is ten (10) years; and the duration of a patent right for "design" is fifteen (15) years, all of which duration are from the date of application.

### Regulations on Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982, and latest amended on April 23, 2019, and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002, and latest amended on April 29, 2014, and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

**Regulations on Domain Names**

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT, on August 24, 2017, and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

## REGULATIONS RELATED TO EMPLOYMENT AND SOCIAL SECURITIES

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994, and latest amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007, and latest amended on December 28, 2012, and which came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, and status of safe production as well as remuneration and other conditions.

According to Social Security Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010, and amended on December 29, 2018, by SCNPC, and the Interim Regulations on the Collection of Social Insurance (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999, and last amended on March 24, 2019, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer to make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), which was promulgated on July 20, 2018, commencing from January 1, 2019 by CCCPC and General Office of the State Council, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance shall be collected by the tax authorities. According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《關於穩妥有序做好社會保險費徵管有關工作的通

知》) promulgated by the General Office of the State Administration of Taxation on September 13, 2018 and the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated by the General Office of the Ministry of Human Resources and Social Security on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. The Notice on Implementing Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》), promulgated by the State Taxation Administration on November 16, 2018, repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises from the previous years. The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》), promulgated on April 1, 2019, requires steady advancement of the reform of the system of social security collection. In principle, the basic pension insurance for enterprise employees and other insurance types for enterprise employees shall be collected temporarily according to the existing collection system to stabilize the payment method. It also emphasizes that the historical unpaid arrears of the enterprise shall be properly treated. In the process of reformation of the collection system, it is not allowed to conduct self-collection of historical unpaid arrears from enterprises, and it is not allowed to adopt any method of increasing the actual payment burden of small and micro enterprises to avoid causing difficulties in the production and operation of the enterprises.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), which was promulgated on April 3, 1999, and latest amended on March 24, 2019, by State Council, employers are required to make contribution to housing provident funds for their employees. Where an employer fails to pay up housing provident funds, the housing provident fund administration center may order it to make payment within a prescribed time limit. If the employer still fails to do so, the housing provident fund administration center may apply to the court for compulsory enforcement of the unpaid amount.

According to the Interpretation (II) of the Supreme People's Court on issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the people's court shall support such claim.

## REGULATIONS ON TAXATION

### Enterprise Income Tax

According to the Law of the PRC on Corporate Income Tax (《中華人民共和國企業所得稅法》), (the "CIT Law"), which was promulgated by the SCNPC on March 16, 2007, and was latest amended on December 29, 2018, and the Regulation on the Implementation of the CIT Law (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007, and was latest amended on December 26, 2024 and effective from January 20, 2025, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for enterprise income tax.

### Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 14, 1993 and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993 and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax ("VAT").

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) on April 4, 2018, and effective from May 1, 2018, the VAT rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019, and effective from April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

## OVERVIEW

The history of our Group can be traced back to 2012 when Mr. Cui, our founder and chairman of the Board, who has extensive experience in the aluminum industry, established Inner Mongolia Chuangyuan with a focus on production and sales of electrolytic aluminum. Over the years, we have gradually become an aluminum industry group covering alumina refining and aluminum smelting, focusing on the high value-added upstream segments of the aluminum industry chain.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on July 4, 2023 to serve as the holding company of our operating subsidiaries. See section headed "Major Shareholding Changes of our Group — Reorganization" in this section for further details.

## BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

| Time | Milestones |
|---|---|
| 2012 . . . . . . . | Inner Mongolia Chuangyuan, our principal operating entity, was incorporated in Huolinguole, Inner Mongolia, the PRC |
| 2013 . . . . . . . | We commenced construction of Phase I of our electrolytic aluminum smelting facility, with an annual designed production capacity of 400.0 kt, which marks the beginning of our aluminum smelting |
| | We started construction of our self-owned coal-fired thermal power plant |
| 2017 . . . . . . . | Phase I of our electrolytic aluminum smelting facility equipped with 500kA energy-saving aluminum electrolysis cell technology (500kA鋁電解槽高效節能技術), with an annual designed production capacity of 400.0 kt, was put into operation |
| 2019 . . . . . . . | We commenced construction of Phase II of our electrolytic aluminum smelting facility with an annual designed production capacity of 400.0 kt |
| | Our alumina refining facility was put into operation, with an annual designed production capacity of 800.0 kt |
| | Inner Mongolia Chuangyuan was awarded "Tongliao City Outstanding Private Enterprise" (通遼市優秀民營企業稱號) |

| Time | Milestones |
|---|---|
| | We received the First Prize of National Nonferrous Metals Industry Science and Technology Award (中國有色金屬工業科學技術獎一等獎) granted by National Nonferrous Metals Association (中國有色金屬學會) and National Nonferrous Metals Industry Association (中國有色金屬工業協會) for our development and industrialization of limestone-gypsum based flue gas desulphurization, defluorination and dedusting in aluminum electrolysis process (鋁電解煙氣石灰石—石膏法脱硫脱氟除塵技術開發及產業化技術) |
| 2020 . . . . . . . | We launched Phase II of our electrolytic aluminum smelting facility equipped with world-class 500kA aluminum electrolytic production lines |
| 2022 . . . . . . . | We obtained approval for construction of our integrated green energy system with our proprietary power plants from the Energy Administration of Inner Mongolia Autonomous Region (內蒙古自治區能源局) |
| | We commenced operation of our aluminum-based new material project, which includes an annual designed alumina production capacity of 400.0 kt, increasing our annual designed alumina production capacity to 1,200.0 kt in total |
| 2023 . . . . . . . | Our Green Aluminum Matrix New Material Research and Development Center (綠色鋁基新材料研究開發中心) was accredited as one of the Inner Mongolia Autonomous Region enterprise research and development centers for the year 2022 (2022年度內蒙古自治區企業研究開發中心) by the Department of Science and Technology of Inner Mongolia Autonomous Region (內蒙古自治區科學技術廳) |
| | Our electrolytic aluminum solution (電解鋁原液) received green-power aluminum certification (綠電鋁產品評價證書) from China Green-Metal Certification Center (中國有色金屬工業協會綠色產品評價中心) |
| | We commenced construction of our 400MW wind power project and 110MW photovoltaic power project |
| 2024 . . . . . . . | Inner Mongolia Chuangyuan was accredited as a Pioneer Water-conserving Enterprise in the Inner Mongolia Autonomous Region (自治區級節水型企業) and a Pioneer Green Manufacturing Demonstration Enterprise in the Inner Mongolia Autonomous Region (自治區級綠色製造示範單位) by the Department of Industry and Information Technology of Inner Mongolia Autonomous Region (內蒙古自治區工業和信息化廳) |

| Time | Milestones |
|---|---|
| | Our unalloyed aluminum ingots for remelting (重熔用鋁錠) received green-power aluminum certification (綠電鋁產品評價證書) from China Green-Metal Certification Center (中國有色金屬工業協會綠色產品評價中心) |
| | Shandong Chuangyuan was awarded the title of "Outstanding Enterprise in the Refined Alumina Sector for the Year 2024 (2024年度中國精細氧化鋁行業優質企業)" during the 4th China Refined Alumina Sector Summit Forum 2024 (2024年(第四屆)中國精細氧化鋁行業高峰論壇) |
| | We commenced the pilot production of our aluminum hydroxide production facility with an annual designed production capacity of 1,500.0 kt |
| | Inner Mongolia Chuangyuan was accredited as a National Green Factory (國家級綠色工廠) by the Ministry of Industry and Information Technology of the PRC |

## OUR MAJOR SUBSIDIARIES

We conduct our business principally through the following subsidiaries which made a material contribution to our results of operations during the Track Record Period:

| Name | Principal business activities | Date of establishment | Place of establishment | Percentage of equity interests held by our Company |
|---|---|---|---|---|
| Inner Mongolia Chuangyuan . . . . . . | Production and sales of electrolytic aluminum | May 10, 2012 | PRC | 100% |
| Shandong Chuangyuan . . . . . . | Production and sales of alumina and other related products | November 12, 2018 | PRC | 58.5% |
| Chuangyuan Alloy . . . . | Wind power and photovoltaic power generation and production and sales of aluminum ingots | January 28, 2019 | PRC | 100% |

## MAJOR SHAREHOLDING CHANGES OF OUR GROUP

### Establishment and major shareholding changes of Inner Mongolia Chuangyuan

Inner Mongolia Chuangyuan was established in the PRC on May 10, 2012. Upon incorporation, Inner Mongolia Chuangyuan was held by Mr. Cui (through his nominees by proxy for administrative convenience purpose) and the then director of Inner Mongolia Chuangyuan, Mr. Liu Yunsheng, (the "**Former Director of the Subsidiary**") as to 90% and 10% respectively, and the registered capital was increased from RMB10 million to RMB30 million in July 2012. Through a series of internal reorganization from November 2013 to August 2016, Innovation Group acquired 90% equity interests of Inner Mongolia Chuangyuan. In December 2016, Inner Mongolia Chuangyuan conducted further capital increase, during which Innovation Group subscribed all of the increased registered capital of RMB270 million, and Inner Mongolia Chuangyuan was held by Mr. Cui (through Innovation Group) and the Former Director of the Subsidiary as to 99% and 1% respectively. Further in April 2017, Innovation Group acquired the remaining 1% equity interests from the Former Director of the Subsidiary, and Inner Mongolia Chuangyuan became a wholly-owned subsidiary of Innovation Group, which was ultimate controlled by Mr. Cui.

On May 22, 2017, to meet the financial needs during the key stage of the construction period, the general meeting of Inner Mongolia Chuangyuan resolved to approve a capital increase of RMB1.70 billion, among which RMB1.02 billion was subscribed by Wenzhou Yikai, an Independent Third Party investor, and RMB680 million was subscribed by Innovation Group. Upon completion of such capital increase, Inner Mongolia Chuangyuan was held by Wenzhou Yikai as to 51% and by Innovation Group as to 49%, respectively.

In late 2018, Innovation Group intended to control Inner Mongolia Chuangyuan. In the meantime, Wenzhou Yikai intended to focus on its other core business and decided to exit. Therefore, Innovation Group, through its interested entities by proxy, acquired 51% of the equity interests in Inner Mongolia Chuangyuan from Wenzhou Yikai. The consideration for the above equity transfer was RMB1.72 billion, which was determined based on arm's length negotiation between the parties, taking into account the then rapid operation development and financial condition of Inner Mongolia Chuangyuan during the period of Wenzhou Yikai's shareholding, and has been fully settled. Upon completion of such equity transfer, Inner Mongolia Chuangyuan had been ultimately controlled by Innovation Group (through shareholding proxy arrangements for administrative convenience purpose) as to 100% of its equity interests. In October 2021, the shareholding proxy arrangements were terminated and Inner Mongolia Chuangyuan was directly wholly owned by Innovation Group. In January 2024, Inner Mongolia Chuangyuan further increased its registered capital from RMB2 billion to RMB3.2 billion, which was subscribed by Innovation Group.

**Establishment and major shareholding changes of Shandong Chuangyuan**

Shandong Chuangyuan was established in the PRC on November 12, 2018. Upon incorporation, Shandong Chuangyuan was held as to 49% by Innovation Group and as to 51% by Bosai Mining Group, an Independent Third Party who had extensive experience in the alumina industry. Later in February 2019, due to the latest development in business plans and development focus, Innovation Group acquired the 51% equity interests in Shandong Chuangyuan from Bosai Mining Group at a consideration of approximately RMB31 million, which was determined based on arm's length negotiation and has been fully settled. Upon completion of the equity transfer, Shandong Chuangyuan was wholly owned by Innovation Group.

Since its incorporation until June 2023, Shandong Chuangyuan has leased and was entrusted to operate certain alumina manufacturing facilities and power plant for production and operation purposes from Wudi Qixing in a reorganization project, which is an Independent Third Party alumina manufacturer primarily engaged in the production and sales of alumina. See "Financial Information — Indebtedness — Amounts Due to Independent Third Parties" for further details. In June 2023, considering the value of such alumina manufacturing facilities and power plant owned by Wudi Qixing, the general meeting of Shandong Chuangyuan resolved to approve a capital increase in Shandong Chuangyuan to be subscribed by Wudi Qixing, by way of injecting the relevant assets of the alumina factory and power plant owned by Wudi Qixing as valued by an independent valuer ("**Injected Assets**"). Upon completion of such capital increase, Shandong Chuangyuan was held by Innovation Group and Wudi Qixing as to 80% and 20%, respectively. In August 2023, based on the promising outlook of the alumina business and in order to secure complete control of Shandong Chuangyuan, Innovation Group proposed to repurchase the 20% equity interest in Shandong Chuangyuan from Wudi Qixing, which was accepted by Wudi Qixing, having considered that a one-off disposal of the equity interests and Injected Assets provides greater assurance regarding investment returns compared to receiving dividends as a minority shareholder. Pursuant to the equity transfer agreement entered into between Innovation Group and Wudi Qixing in August 2023, Innovation Group acquired the 20% equity interests in Shandong Chuangyuan from Wudi Qixing at a consideration of approximately RMB439 million. Such consideration was determined based on arm's length negotiation between the parties with reference to the valuation of the Injected Assets as valued by an independent valuer. Upon completion of such equity transfer, Shandong Chuangyuan became a wholly-owned subsidiary of Innovation Group.

To facilitate the alumina refining and aluminum smelting segments within the upstream aluminum production stage of the aluminum industry chain and achieve synergy effects, during the Reorganization, Innovation Group transferred in aggregate 58.5% of the equity interests in Shandong Chuangyuan to Inner Mongolia Chuangyuan through a series of internal equity transfers taking into account the asset value of Shandong Chuangyuan as valued by an independent valuer, and has been fully settled through offsetting the payables owed by Innovation Group to Inner Mongolia Chuangyuan. The decision to acquire a 58.5% shareholding was made with the aim of securing a controlling interest in Shandong Chuangyuan, thereby optimising synergy effects within our Group's specialisation in the upstream aluminum industry. This acquisition also accounted for (i) our funds available at that time, especially given the considerable capital requirements for our green energy power generation projects and overseas expansion initiatives, and (ii) the benefit of preserving flexibility for future possible acquisition decisions as negotiated by us and Innovation Group, depending on our future capital expenditure and the volatility in alumina prices. Similarly, Innovation Group's decision to retain a 41.5% shareholding in Shandong Chuangyuan was made taking into account arm's length negotiation between parties and the benefit of preserving flexibility through joint shareholding as a passive investor. Upon completion of such equity transfers, Shandong Chuangyuan was held by Inner Mongolia Chuangyuan and Innovation Group as to 58.5% and 41.5%, respectively. Taking into account our funds available and capital expenditure, we may consider further acquiring the remaining equity interests in Shandong Chuangyuan in the future. As of the Latest Practicable Date, there was no overlapping director or senior management between Shandong Chuangyuan and Innovation Group. Our Directors are of the view that we will be able to operate independently after the Listing despite the joint shareholding of Shandong Chuangyuan by us and Innovation Group. See "Relationship with our Controlling Shareholders — Operational Independence" in this prospectus.

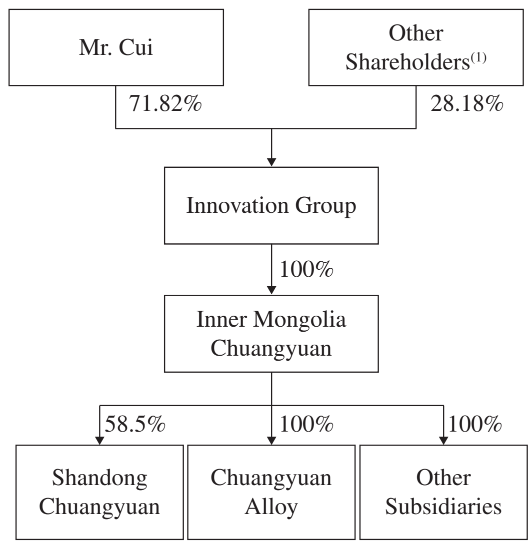
**Establishment and shareholding of Chuangyuan Alloy**

Chuangyuan Alloy was established in the PRC on January 28, 2019 and has been wholly owned by Inner Mongolia Chuangyuan since its incorporation.

**Reorganization**

In anticipation of the Listing, our Group carried out the Reorganization, upon which our Company became the holding company and listing vehicle of our Group. The Reorganization included the following major steps:

The following chart sets out our shareholding and corporate structure immediately before the Reorganization:




*Note:*

(1) The remaining 28.18% equity interests in Innovation Group were held by Ms. Yang Aimei as to 11.82%, by Mr. Wang Wei as to 8.18% and by Ms. Geng Hongyu as to 8.18%. Ms. Yang Aimei is the spouse of Mr. Cui's brother, Mr. Wang Wei is the brother of Mr. Cui's spouse, and Ms. Geng Hongyu is the spouse of Mr. Cui's brother.

On June 28, 2023, Mr. Cui incorporated a wholly-owned special purpose vehicle, Bloomsbury Holding, in the BVI for the purpose of the Reorganization. On the same day, Bloomsbury Holding allotted and issued one ordinary share to Mr. Cui with a par value of USD1.00.

On July 4, 2023, our Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorized share capital of USD50,000. Upon incorporation, our Company allotted and issued one ordinary share with a par value of USD0.0001 to ICS Corporate Services (Cayman) Limited, and ICS Corporate Services (Cayman) Limited subsequently transferred such share to Bloomsbury Holding at nominal value on the same day. Upon completion of such equity transfer, our Company became a wholly owned subsidiary of Bloomsbury Holding.

On September 15, 2023, Phineas Management was incorporated by our Company in Hong Kong. Upon incorporation, Phineas Management allotted and issued one ordinary share to our Company at HKD1 and has been wholly owned by our Company.

On May 9, 2024, Phineas Management incorporated a wholly foreign-owned enterprise, Beijing Chuangyuan, as a limited liability company in the PRC, with an initial registered capital of RMB5 million.

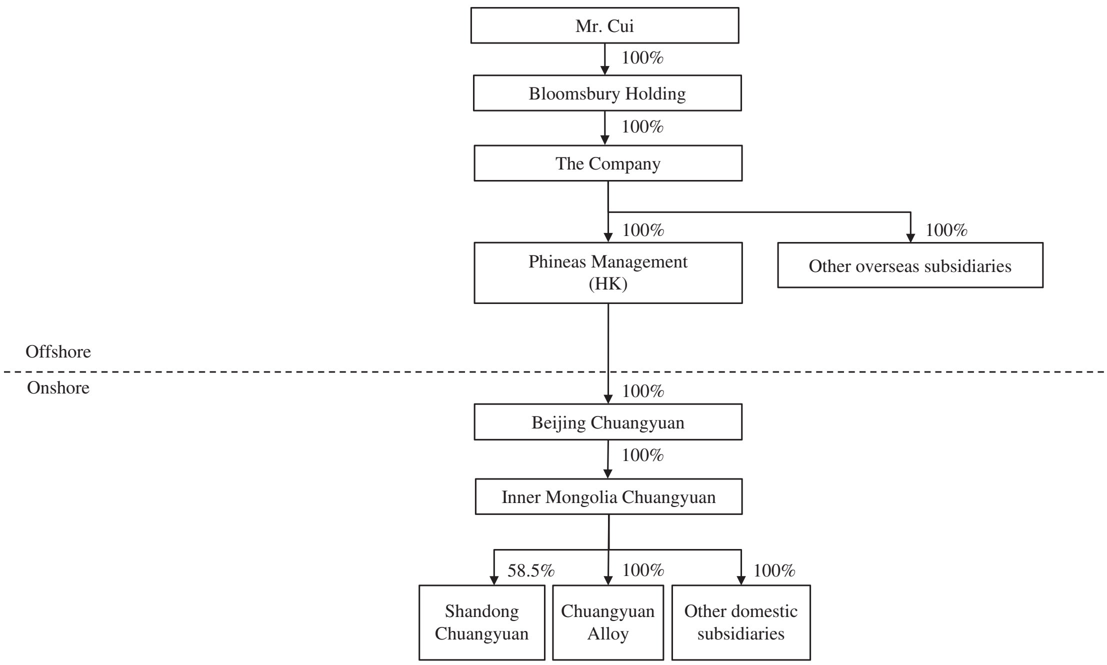
On August 30, 2024, Carnaby Management Limited ("Carnaby Management") entered into a capital subscription agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Carnaby Management subscribed for an increased registered share capital of RMB32,320,000 in Inner Mongolia Chuangyuan at a consideration of RMB32,320,000, which was determined at the nominal value of the registered capital subscribed by Carnaby Management based on arm's length negotiation between the parties. Such consideration has been fully settled on September 13, 2024. Carnaby Management is a private company principally investing in the metal business and is wholly owned by Mr. David James Price, who is an Independent Third Party and primarily focuses on investments in energy and metal sector. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Innovation Group and Carnaby Management as to 99% and 1%, respectively.

On October 9, 2024, Beijing Chuangyuan entered into an equity transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% of the equity interests in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3 billion, which was determined based on arm's length negotiation between the parties with reference to the net asset value of Inner Mongolia Chuangyuan as of June 30, 2024 as valued by an independent valuer. Such consideration has been settled in full on October 11, 2024 through offsetting the payables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.

On October 15, 2024, in view of the cash flow requirements of the investor for pursuing an investment opportunity in its other businesses and in alignment with the Group's Reorganization plan, Beijing Chuangyuan entered into an equity transfer agreement with Carnaby Management, pursuant to which Beijing Chuangyuan acquired the 1% equity interests held by Carnaby Management in Inner Mongolia Chuangyuan at a cash consideration of RMB32,470,000, which was based on arm's length negotiation. Such consideration has been fully settled on October 23, 2024. Upon completion of such equity transfer, Inner Mongolia Chuangyuan is held as to 100% by Beijing Chuangyuan and became an indirect wholly owned subsidiary of our Company.

According to our PRC legal advisor, all necessary approvals and permits required under the PRC laws and regulations in connection with the Reorganization that involved our PRC subsidiaries have been obtained, and the Reorganization has complied with all applicable PRC laws and regulations in all material respects.

The following chart sets out the shareholding and simplified corporate structure of our Company immediately after completion of the above Reorganization steps:




## MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

### No Major Acquisitions, Disposals and Mergers

During the Track Record Period and as of the Latest Practicable Date, we have not made any acquisitions, disposals or mergers that we consider to be material to us.

### Investment during Track Record Period

Leveraging our extensive operational experience in the electrolytic aluminum industry and in order to advance our globalization strategies, our Company, together with the Saudi Project Co-Investors, co-invested in the Saudi Project, an integrated electrolytic aluminum industry chain project with expected annual production capacity of 500.0 kt in Saudi Arabia.

To facilitate negotiations with the Saudi government and obtain relevant regulatory approvals, Red Sea Aluminum Industrial Company LLC (the "**Project Company**") has been incorporated solely for purpose of preliminary preparation before launch of the Saudi Project.

For purpose of co-investment into the Saudi Project, Red Sea Aluminium Holdings Pte. Ltd. (the "**Red Sea JV**") was incorporated in Singapore in October 2024 as the holding company of the Saudi Project. The Red Sea JV was initially held by our Company (through our wholly owned subsidiary Kingston Management Pte. Ltd.) as to 33%, while the remaining equity interests were held by Innovation Group (through its wholly owned subsidiary) and Independent Third Parties.

On March 7, 2025, the Red Sea JV (through its wholly owned subsidiary) agreed to acquire 100% of the equity interests in the Project Company from Red Sea Aluminium Holding Ltd., a subsidiary of Innovation Group (the "**Acquisition**"). The Acquisition was completed on May 5, 2025, and upon completion of the Acquisition, the Project Company has become a wholly owned subsidiary of the Red Sea JV. As of the Latest Practicable Date, Red Sea JV was held by the Company, Innovation Group, Innovation New Material and Independent Third Parties as to 33.6%, 25.2%, 25.2% and 16%, respectively. Each of our Group, Innovation Group and Innovation New Material specializes in different stages within the aluminum industry chain and has different business focus and competitive advantages in the Saudi Project. Our Directors are of the view that forming a joint venture between our Group, Innovation Group and Innovation New Material enables each party to leverage their respective strengths to operate an integrated aluminum project efficiently, and enhances the Project Company's prospects of seizing the overseas expansion opportunity. According to the shareholders' agreement of Red Sea JV, each of the Company, Innovation Group and Innovation New Material is entitled to nominate two directors and the Independent Third Parties are collectively entitled to nominate one director to participate in the decision-making and operation of Red Sea JV.

As of the Latest Practicable Date, the Project Company has not carried out any substantive business operation or generated any revenue or profit. The total consideration for the Acquisition was SAR100,000, which was determined after arm's length negotiations among the parties after taking into consideration the pre-operating status of the Project Company. The total consideration would be borne by the Company and each of the Saudi Project Co-Investors in proportion to their respective shareholding percentage in the Red Sea JV. The consideration to be borne by the Company for the Acquisition will be satisfied using the internal resources of our Group. As of the Latest Practicable Date, the total consideration of SAR100,000 for the Acquisition has not been fully paid.

The investment into the Saudi Project through the Acquisition represents a valuable and beneficial endeavor to amplify our global presence and competitive edge. It resonates with the China Belt and Road initiative and the Vision 2030 plan of Saudi Arabia, and benefits from the abundant natural resources, favourable energy costs, strategic location and government support in Saudi Arabia. It is also a collaborative effort among the Group and the Saudi Project Co-investors to create synergistic relationship by leveraging each party's respective expertise. Our Directors are of the view that the Acquisition is conducted in the ordinary course of our business and in line with our globalization strategy, and the terms of the Acquisition are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisition, disposal or merger which would fall within the scope of Rule 4.05A of the Listing Rules.

## PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK$6,000,000,000 but not exceeding HK$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK$1,500,000,000 at the time of listing; and (ii) 15%. Assuming that the Over-allotment Option is not exercised, based on an Offer Price of (i) HK$10.18 per Share (being the minimum Offer Price of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be HK$20,360 million; (ii) HK$10.58 per Share (being the mid-point of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be HK$21,160 million; and (iii) HK$10.99 per Share (being the maximum Offer Price of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be HK$21,980 million. Accordingly, at least 15% of the total number of issued shares must be held by public upon Listing (based on the minimum Offer Price and maximum Offer Price of the indicative Offer Price range)

Immediately upon completion of the Global Offering, the 1,500,000,000 Shares held by Mr. Cui through Bloomsbury Holding will not be counted towards the public float of the Company, representing approximately 75% of our total issued Shares upon Listing, and the 500,000,000 Offer Shares to be issued pursuant to the Global Offering (assuming the Over-allotment Option is not exercised) will count towards public float of the Company, which represents approximately 25% of our total issued Shares upon Listing. The public float of our Company immediately upon completion of the Global Offering is higher than the prescribed percentage of Shares required to be held in public hands under Rule 8.08(1) of the Listing Rules, thereby satisfying Rule 8.08(1) of the Listing Rules.

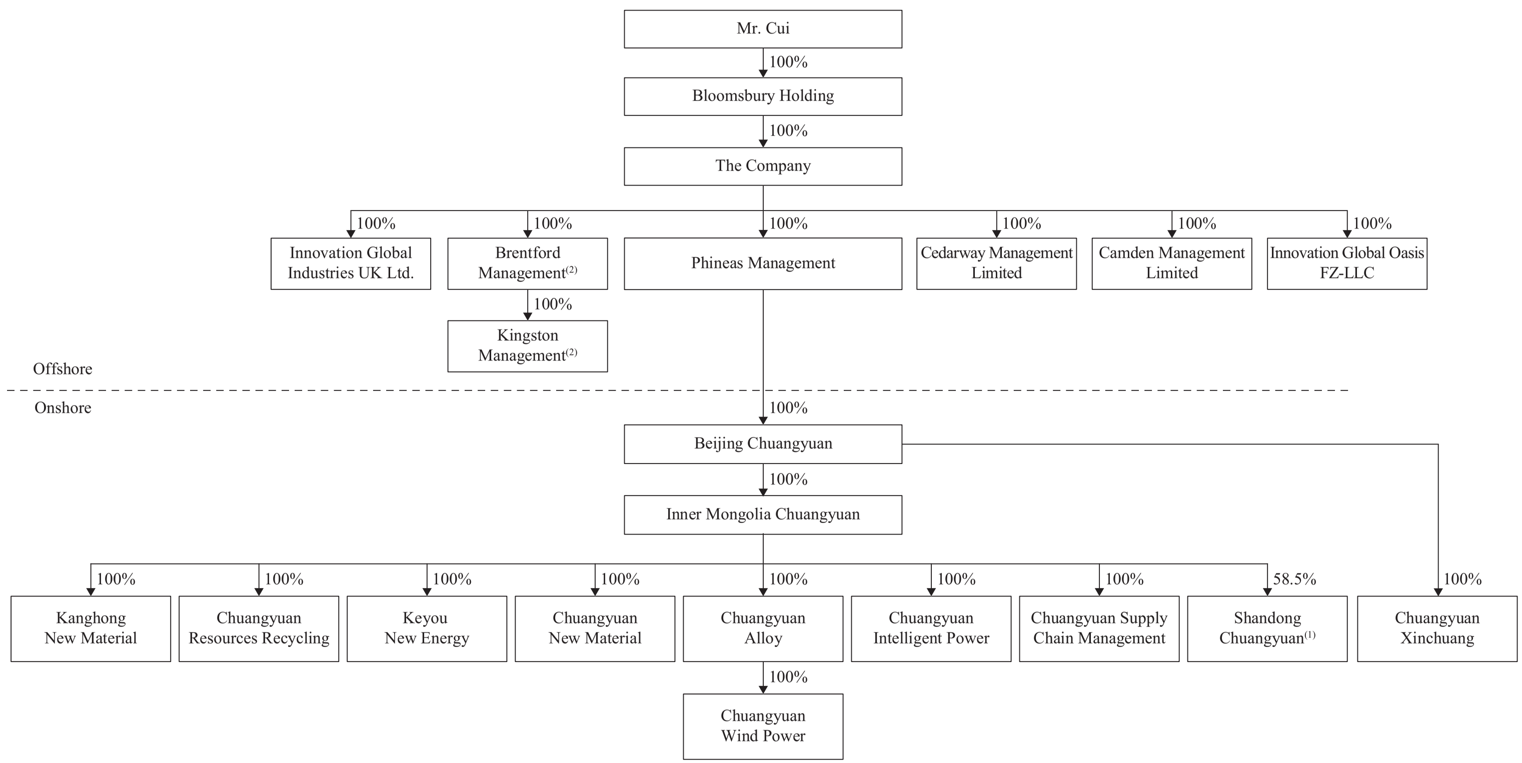
## FREE FLOAT

Each of the Cornerstone Investors has agreed to a lock-up period of six months following the Listing Date. As such, Shares held by the Cornerstone Investors upon the Listing shall not be counted towards the free float of the Shares of the Company at the time of Listing. Based on an Offer Price of HK$10.18 per Offer Share (being the low-end of the Offer Price Range), the Company will be able to satisfy the free float requirement under Rule 8.08A(2) of the Listing Rules.

## CORPORATE STRUCTURE

### Corporate structure immediately before completion of the Global Offering

The following chart sets forth our shareholding structure as of the Latest Practicable Date and immediately before completion of the Global Offering:



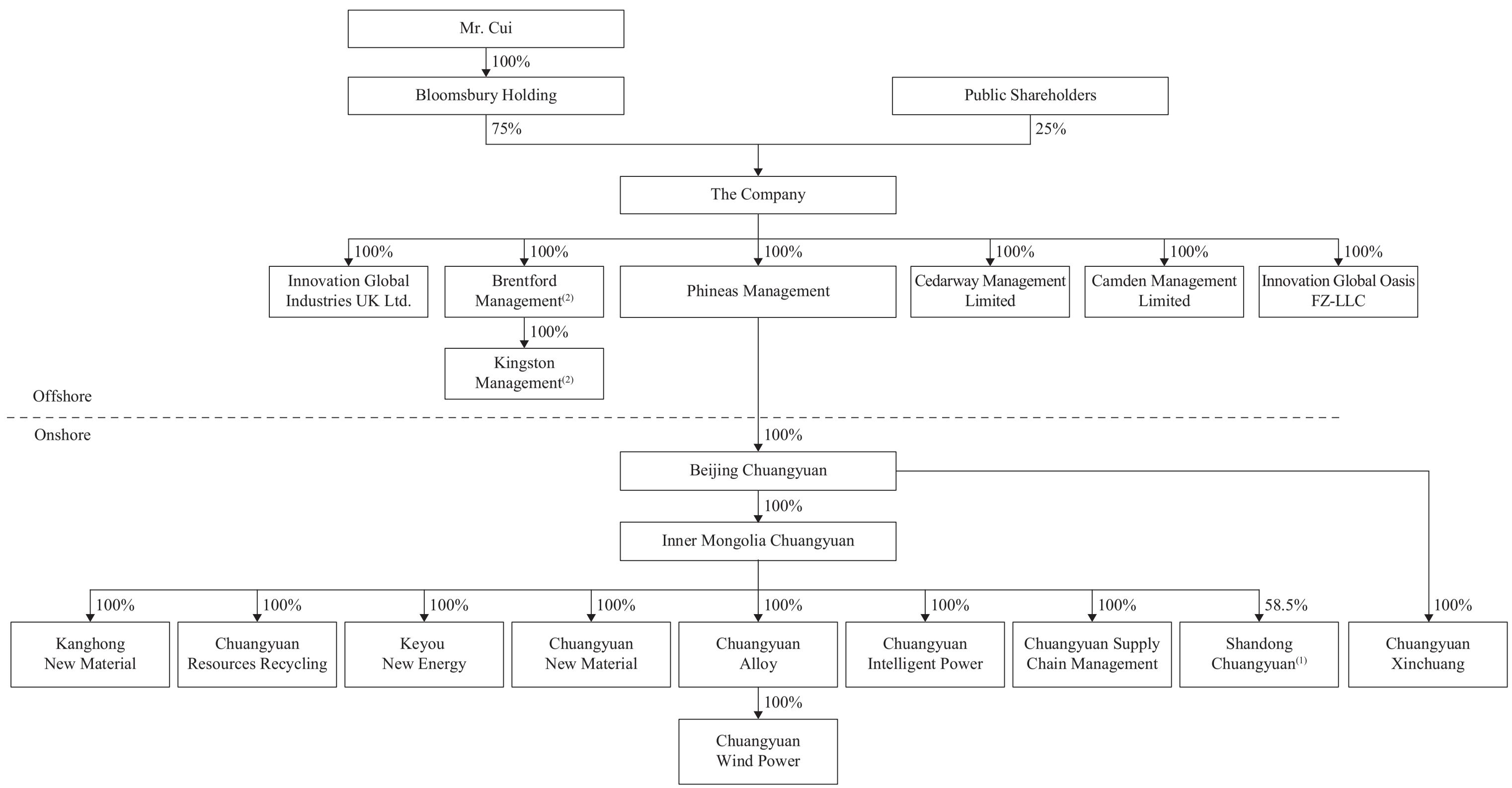

*Notes:*

(1) The remaining 41.5% equity interests in Shandong Chuangyuan is held by Innovation Group.

(2) Each of Brentford Management and Kingston Management is an overseas investment holding company of the Group.

**Corporate structure immediately following completion of the Global Offering**

The following chart sets forth our shareholding structure immediately following completion of the Global Offering (assuming the Over-Allotment Option is not exercised):




*Notes:*

(1)-(2): Please refer to the corporate structure immediately before completion of the Global Offering.

## PRC REGULATORY REQUIREMENTS

### Regulations on Overseas Listing

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to list overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect overseas offering and listing by a domestic enterprise: (i) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; and (ii) its major operational activities are carried out in the PRC or its main places of business are located in the PRC, or a majority of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in the PRC. The filing is required to be conducted within three business days after the submission of the application for initial public offering and listing overseas to the overseas regulators.

Our PRC Legal Advisor is of the view that we are required to submit the filing materials to the CSRC within three business days after the submission of listing application to the Stock Exchange. For details, please see "Regulatory Overview — Regulations related to Overseas Securities Offering and Listing by Domestic Companies" in this prospectus.

### M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, merger and acquisition of domestic enterprises by foreign investors means (1) acquiring the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (2) subscribing the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (3) establishing a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (4) purchasing the assets of a domestic enterprise, and then investing such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special purpose vehicle, formed for purposes of overseas listing of equity interests in PRC companies and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that, based on its understanding of the currently effective PRC laws and regulations, the Listing of our Company does not require prior approval from the CSRC under the M&A Rules. However, uncertainties still exist as to how the M&A Rules and other PRC laws and regulations will be interpreted and implemented or whether the relevant authorities would promulgate further requirements.

**SAFE Registration in the PRC**

Pursuant to the Circular 37, promulgated by SAFE and which became effective on July 14, 2014 and replaced the Circular of the SAFE on Foreign Exchange Administration of Equity Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (the "**SAFE Circular 37**"《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore or domestic assets or equity interests in an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, due to such failure to comply with the registration procedures, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

Pursuant to the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (the "**Circular 13**",《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by SAFE and effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to qualified banks.

As advised by our PRC Legal Advisor, as at the Latest Practicable Date, Mr. Cui has completed the foreign exchange registrations under SAFE Circular 37.

## OVERVIEW

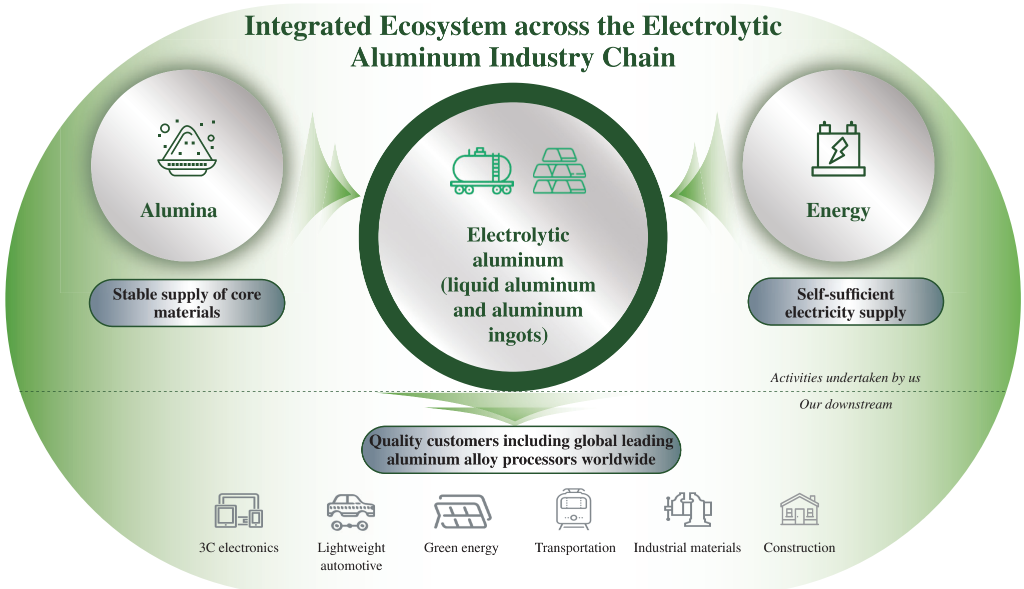
### Today's Chuangxin Industries

We focus on alumina refining and aluminum smelting within the upstream of the aluminum industry chain. The aluminum industry chain mainly consists of upstream aluminum production and downstream aluminum alloy processing. Upstream aluminum production primarily comprises three stages: bauxite mining, alumina refining and aluminum smelting. According to CRU, refining and smelting represent the most value-added segments in the aluminum industry chain, based on added value per ton of aluminum.

Our business mainly comprises the production and sales of electrolytic aluminum as well as alumina and other related types of products. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the revenue from sales of electrolytic aluminum accounted for 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue, respectively, and the revenue from sales of alumina and other related types of products accounted for 2.0%, 7.1%, 12.2%, 7.6% and 21.1% of our total revenue, respectively.

According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source. Our subsidiary, Inner Mongolia Chuangyuan, was awarded the accolade of National Green Factory by the MIIT in 2024.

Since 2012, we have strategically established our presence and dedicated in business development in Huolinguole, Inner Mongolia and Binzhou, Shandong Province, which are geographically advantageous in terms of the availability for scarce resources. As of December 31, 2024, we had achieved a high rate of self-sufficiency in alumina and electricity supply, which is strategically and economically critical for the production of electrolytic aluminum and for maintaining strong results of operations in comparison with some of our peers. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, we had an alumina self-sufficiency rate of approximately 47%, 90%, 84%, 98% and 70%, respectively, and an electricity self-sufficiency rate of approximately 81%, 81%, 88%, 84% and 87%, respectively. We have built a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain that covers "energy — alumina refining — aluminum smelting."




We prioritize sustainable development, with a long-term goal of achieving a green transition in our operations. We are continuously developing an integrated ecosystem across the electrolytic aluminum industry chain. We are dedicated to consolidating our cost advantages and investing in research and development to continuously enhance our competitiveness and market recognition. To realize our long-term goal of achieving a green transition, we strive to reduce carbon emissions in the electrolytic aluminum industry chain.

## Our Key Milestones

We started our business with the construction planning of our aluminum smelter in Huolinguole, Inner Mongolia in 2012. We have been focusing on completing our capabilities across the electrolytic aluminum industry chain and are now an aluminum industry group covering energy, alumina refining and aluminum smelting. The following table sets forth a summary of our key milestones in business development:

**2012**

We started the construction planning of our aluminum smelter in Huolinguole, Inner Mongolia.

**December 2017**

Phase I of the aluminum smelting project, with a designed annual production capacity of 400.0 kt, commenced operations. This marks the beginning of our aluminum smelting.

**December 2018**

We constructed a coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW, around our aluminum smelter. Since then, this power plant has consistently supplied stable electricity for our electrolytic aluminum production.

**February 2019**

Our alumina refining project commenced operations at our alumina refinery in Binzhou, Shandong Province, with a designed annual production capacity of 800.0 kt. This marks the beginning of our efforts to achieve high alumina self-sufficiency.

**October 2020**

Phase II of the aluminum smelting project, with a designed annual production capacity of 400.0 kt, commenced operations at our aluminum smelter. This further expands our aluminum smelting capacity.

**November 2022**

Our project of aluminum-based new material commenced operations at our alumina refinery, containing designed annual a production capacity of 400.0 kt of alumina. This further expands our alumina refining capacity.

**July 2023**

To increase our proportion of green energy, we started the construction of a green energy power generation project in Inner Mongolia, constructing a wind power plant with an installed capacity of 400.0 MW and a solar power plant with an installed capacity of 110.0 MW.

**December 2024**

We commenced the pilot production of our aluminum hydroxide production facility with an annual designed production capacity of 1,500.0 kt. This further complements our capabilities in alumina refining and adds value to our integrated ecosystem across the electrolytic aluminum industry chain.

**February 2025**

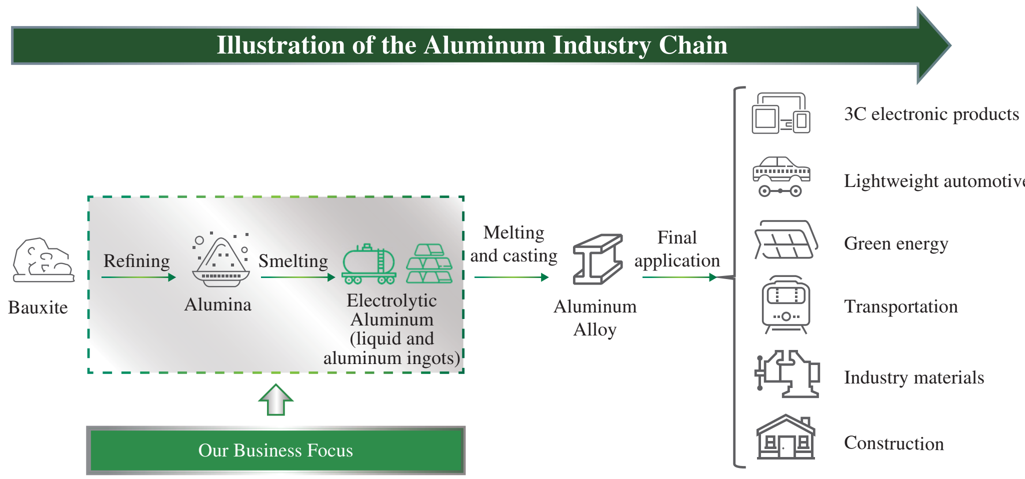
We started the construction of an aluminum hydroxide calcination production line with a production capacity of 2,000 kt per year of alumina calcined from aluminum hydroxide, which has been constructed as of the date of this prospectus and will begin pilot production in November, 2025. This further strengthens our capabilities in alumina refining and adds value to our integrated ecosystem across the electrolytic aluminum industry chain.

**May 2025**

We have conducted feasibility studies and invested in an integrated electrolytic aluminum industry chain project in Saudi Arabia.

## Our Business Model and Products

The aluminum industry chain mainly consists of upstream aluminum production and downstream aluminum alloy processing. Upstream aluminum production primarily comprises three stages: bauxite mining, alumina refining and aluminum smelting.




We focus on alumina refining and aluminum smelting within the upstream of the aluminum industry chain. According to CRU, alumina refining and aluminum smelting are the most value-added segments in the aluminum industry chain in terms of added value per ton of aluminum. Our business mainly comprises the production and sales of electrolytic aluminum as well as alumina and other related types of products. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the revenue from sales of electrolytic aluminum accounted for 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue, respectively, and the revenue from sales of alumina and other related types of products accounted for 2.0%, 7.1%, 12.2%, 7.6% and 21.1% of our total revenue, respectively.

### *Electrolytic Aluminum*

Electrolytic aluminum is extracted through the electrolysis of alumina. Our electrolytic aluminum products include liquid aluminum and aluminum ingots. Aluminum ingots are solid blocks of aluminum produced by casting liquid aluminum into standardized shapes. Our electrolytic aluminum products are utilized by aluminum alloy processors and are processed into aluminum alloy materials, which are widely applied in industries such as 3C electronics, lightweight automotive, green energy, transportation, industrial materials and construction.

According to CRU, aluminum is the second largest metal consumed in tonnage in the world since 1980. By the end of 2024, global consumption of electrolytic aluminum reached approximately 73 mt, with the industry in China leading the growth and accounting for approximately 45 mt of the global consumption. The global consumption of electrolytic aluminium is expected to further grow at a CAGR of 1.6% from 2025 to 2028.

Our aluminum smelting business is operated by Inner Mongolia Chuangyuan, our major operating entity in China. During the Track Record Period, our aluminum smelting had an annual designed production capacity of 788.1 kt of electrolytic aluminum. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, we had 744.1 kt, 757.9 kt, 755.4 kt, 315.6 kt and 310.7 kt of electrolytic aluminum output, respectively.

Inner Mongolia, where our aluminum smelter is located, has a unique geographical advantage. Compared to other major provinces for electrolytic aluminum output in China, such as Xinjiang and Yunnan, Inner Mongolia is geographically closer to North and East China, where a large number of downstream aluminum product manufacturers are located, allowing us to effectively control transportation costs. In addition, driven by the national goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, the demand for green power aluminum from downstream customers continues to grow. The ample wind and solar power resources available at low costs in Huolinguole, Inner Mongolia allow us to increase the utilization of green power in aluminum smelting.We are constructing wind power plants and solar power plants with a totaling projected installed capacity of 1,750.0 MW. Phase I comprises (i) a wind power plant with an installed capacity of 540.0 MW, which had been operational and connected to the grid as of the Latest Practicable Date; and (ii) a solar power plant with an installed capacity of 110.0 MW, 60.0 MW of which had been installed and some had been operational and connected to the grid as of the Latest Practicable Date. We expect the remaining capacity to be fully operational and connected to the grid by the end of 2026. As of the date of this prospectus, construction of the majority of the above (i) and (ii) under Phase I, with a total installed capacity of 457.0 MW, had been completed, and the corresponding electricity generators were operational and connected to the grid. Phase II comprises a wind power plant with an installed capacity of 1,000.0 MW, 500.0 MW of which had been under construction since March, 2025 and is expected to be fully operational and connected to the grid by March 2026, and the other 500.0 MW had been under site preparation for the construction as of the Latest Practicable Date and is expected to be fully operational and connected to the grid by October 2026. To further our commitment to green power supply, we also plan to construct a 100.0 MW distributed solar power plant on-site, for which we had been designing the construction project as of the Latest Practicable Date. It is expected to commence its initial operation by the end of 2026.

As the majority of the projected installed capacity of the Phase I wind power plants and solar power plants were operational as of the date of this prospectus and the remaining capacity is anticipated to be fully operational by the end of 2026, and as we continue to procure green electricity from the grid, our proportion of green energy utilized will continue to increase towards the end of 2025. By the end of 2026 when both the above Phase I and Phase II wind power plants and solar power plants become fully operational, and with procurement of green electricity from the grid, we aim to achieve over 50% in the proportion of green energy utilized. We continually obtain green power aluminum quota that meets the standards for green power aluminum set by the China Nonferrous Metals Industry Association. Our green power aluminum products satisfy the requirements of both domestic and international high-end customers for upstream manufacturers to utilize green energy in aluminum smelting. We believe our green power aluminum products can help us capture market opportunities driven by the concept of the green development and propel our business growth.

According to CRU, the Aluminum Capacity Replacement Scheme (《鋁產能置換方案》), issued by the MIIT, imposes an annual electrolytic aluminum production capacity cap of 45 mt. As a result, China's aluminum smelting capacity utilization rate reached a historical peak of 96% as of May 31, 2025, and the annual demand gap in the market is expected to exceed one mt until 2034. Meanwhile, overseas demand continues to grow. To fully capture these market opportunities, we actively pursue a globalization strategy. We invested in an integrated electrolytic aluminum industry chain project in Saudi Arabia, with a designed annual production capacity of 500.0 kt of electrolytic aluminum. See "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers — Investment During Track Record Period." As of the Latest Practicable Date, in pursuit of our globalization strategy, we had conducted relevant market research and commenced collaboration with local third-party business partners. According to CRU, the demand for electrolytic aluminum in the Middle East is expected to grow at a CAGR of approximately 4.6% from 2025 to 2028.

***Alumina and Other Related Types of Products***

Alumina is refined primarily from bauxite and is one of the main raw materials for aluminum smelting. Our alumina business is mainly operated by Shandong Chuangyuan, a subsidiary of Inner Mongolia Chuangyuan. We have an alumina refinery in Binzhou, Shandong Province, with an annual designed production capacity of 1,200.0 kt. Our alumina refinery is equipped with a thermal power plant that realizes partial electricity self-sufficiency. During the Track Record Period, our alumina products were primarily used for our proprietary aluminum smelting.

Our alumina refinery is strategically located in Binzhou, Shandong Province with geographical advantages. Shandong province is renowned for having the largest annual alumina production output in terms of volume and Binzhou is the largest import city for bauxite in terms of volume in China. Our alumina refinery is merely approximately 40 km away from Huanghua Port, the second largest bauxite logistics transshipment port in the northern port cluster. Our alumina refinery is approximately 70 km from Binzhou Port, which facilitates direct land transportation of bauxite from Yantai Port, the world's leading bauxite import port and the primary entry point for China's trade with Africa. The proximity of our alumina refinery to these ports ensures a stable and sufficient supply of bauxite while allowing us to effectively control transportation costs.

In addition to alumina, we also produced aluminum hydroxide during the Track Record Period. Aluminum hydroxide is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. See "— Our Production Process — Alumina Products." During the Track Record Period, our aluminum hydroxide produced was primarily calcined to produce alumina in-house and was also separately sold to customers. To further add value to our self-sufficient, complementary, synergistic and integrated ecosystem across the industry chain, we started to construct an aluminum hydroxide production facility at our alumina refinery with an annual designed production capacity of 1,500 kt, which commenced pilot production in December 2024 and had turned into full operations in April 2025. We expect to utilize this production facility to produce aluminum hydroxide that is further calcined to produce alumina. We had also secured the regulatory approval for 6,000 kt per year production capacity of alumina calcined from aluminum hydroxide as of the Latest Practicable Date.

***A Self-sufficient, Complementary, Synergistic and Integrated Ecosystem across the Industry Chain***

We have built an integrated ecosystem across the electrolytic aluminum industry chain, covering "energy — alumina refining — aluminum smelting." We have established capabilities in the upstream supply of alumina and electricity for aluminum smelting. Benefiting from the synergies between the upstream and downstream of the electrolytic aluminum industry chain, we effectively mitigate the risk of fluctuations in the market price of certain raw materials. This enhances our overall risk resilience and ensures the steadiness of our raw material supplies across economic cycles. To safeguard our capabilities in the upstream supply of electricity and alumina, we have made the following strategic moves:

For the supply of electricity, our aluminum smelter is equipped with a proprietary coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW. The proprietary coal-fired thermal power plant is able to realize 100% electricity self-sufficiency for our aluminum smelting. We also procure electricity, including green electricity, from the grid. Our rate of electricity self-sufficiency was approximately 88% in 2024, significantly higher than the industry average of approximately 55% in the same period, according to CRU. Our rate of electricity self-sufficiency was approximately 87% in the five months ended May 31, 2025.

For the supply of alumina, our alumina refinery ensures a cost-effective, high-quality, sufficient and sustainable supply of alumina for aluminum smelting. Our rate of alumina self-sufficiency reached approximately 84% in 2024. Our ability to produce and calcine aluminum hydroxide further enhances our capacity to ensure a stable supply of alumina. Our aluminum hydroxide production facility and calcining capabilities further add value to our self-sufficient, complementary, synergistic and integrated ecosystem across the industry chain. Efficiently converting aluminum hydroxide into alumina through calcination allows us to maintain strict quality standards, reduce costs and minimize waste, ultimately strengthening our competitive edge and sustainability in the aluminum market.

For the sales of our electrolytic aluminum products, our largest customer since 2023, Innovation New Material, is a global leading aluminum alloy producer, recognized as the largest seller of aluminum alloy round ingots, and was founded and controlled by our Controlling Shareholder, Mr. Cui. Our close cooperation with the global leading aluminum alloy producer reflects that the high quality of our products are highly recognized by our customers. Such cooperation in turn allows us to quickly sense the changes in and closely follow the market demand as well as continuously improve the competitiveness of our products.

**Our Historical Performance**

During the Track Record Period, we achieved a continual and stable improvement in our revenue. Our revenue increased by 2.4% from RMB13,489.7 million in 2022 to RMB13,814.7 million in 2023, and by 9.8% from RMB13,814.7 million in 2023 to RMB15,163.2 million in 2024. Our revenue further increased by 22.6% from RMB5,883.2 million in the five months ended May 31, 2024 to RMB7,213.5 million in the five months ended May 31, 2025.

Benefiting from our self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain, we achieved industry-leading cost advantages which significantly unleashed our profitability during the Track Record Period. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our gross profit margin was 15.1%, 16.9%, 28.2%, 28.2% and 19.9%, respectively. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our EBITDA margin (non-IFRS measure) was 20.5%, 21.3%, 31.6%, 31.8% and 23.1%. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our net profit margin was 6.8%, 7.8%, 17.3%, 17.3% and 11.9%. Our net profit increased by 18.4% from RMB912.9 million in 2022 to RMB1,080.6 million in 2023, and increased significantly from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024. Our net profit decreased by 14.4% from RMB999.4 million in the five months ended May 31, 2024 to RMB855.5 million in the five months ended May 31, 2025. During the Track Record Period, our business operations and financial condition had not been materially impacted by any public health incident.

## OUR STRENGTHS

**Strategic Focus on Geographical Areas with Advantages in Scarce Resources, Building a Sustainable Competitive Edge in Resources.**

With unique geographical advantages, Inner Mongolia is a major province for electrolytic aluminum output in China, according to CRU. It benefits from abundant conventional and green energy resources, available at low costs, that enable stable energy supply for electricity generation. We benefit from the relatively low electricity costs as a result of our ability to generate electricity and the abundant power resources in Inner Mongolia. The price of electricity consumption of our current coal-fired thermal power generation, which is RMB0.37 per kWh in 2024, is lower than the nation's average of RMB0.43/kWh, according to CRU. In the five months ended May 31, 2025, the price of electricity consumption of our current coal-fired thermal power generation was RMB0.33 per kWh. In addition, compared to other major provinces for electrolytic aluminum output in China, such as Xinjiang and Yunnan Province, Inner Mongolia is geographically closer to North and East China, where a large number of downstream aluminum product manufacturers are located. As a result, Inner Mongolia offers smaller transportation radius for supplying electrolytic aluminum to downstream aluminum product manufacturers located in these areas. In particular, liquid aluminum can be safely transported up to a 50 km radius. As of the Latest Practicable Date, there are a number of existing and potential downstream customers within a 25 km radius around our aluminum smelter in Inner Mongolia with a total production capacity of over 1.9

mt. This capacity exceeds our annual production capacity of 788.1 kt, indicating a robust market demand in liquid aluminum from downstream customers in close proximity. According to CRU, the total aluminum production output in Inner Mongolia increased from approximately 4,500 kt in 2018 to 6,569 kt in 2024, at a CAGR of 7.0%. Inner Mongolia holds more than 40 bt of coal reserves, representing approximately 20% of China's total coal reserves. The ample coal resource ensures a sufficient electricity supply while significantly reducing coal procurement and transportation costs. In addition, Inner Mongolia ranks first and second in terms of the average utilization hours of wind and solar power in 2022, respectively, among all provinces in China. It is classified as a Class I resource area with abundant wind energy and a Class II resource area with abundant solar energy, as well as one of the top provinces for wind energy development and utilization.

Since 2012, we have strategically established our presence in Huolinguole, Inner Mongolia, a city renowned for its green power aluminum capabilities. This location has comprehensive aluminum smelting facilities and infrastructure, enhancing our operational efficiency. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source.

Our alumina refinery is strategically located in Binzhou, Shandong Province with geographical advantages. Shandong province is renowned for having the largest annual alumina production output in terms of volume and Binzhou is the largest import city for bauxite in terms of volume in China. Bauxite is a major raw material for alumina refining. Approximately 80% of bauxite used in China is sourced from abroad, according to CRU. Our alumina refinery is merely approximately 40 km away from Huanghua Port, the second largest bauxite logistics transshipment port in the north port cluster. Our alumina refinery is approximately 70 km from Binzhou Port, which facilitates direct land transportation of bauxite from Yantai Port, the world's leading bauxite import port and the primary entry point for China's trade with Africa. The proximity of our alumina refinery to these ports ensures a stable and sufficient supply of bauxite while allowing us to effectively control transportation costs.

**Distinct Advantages in Preparing for the Transition to Green Power Aluminum.**

***Economic moat in our aluminum business proactively preparing for enhanced capabilities in green energy supply.***

By the end of 2025, the proportion of green power consumption in aluminum smelting, namely the green energy as a proportion to all energy used, is expected to reach above 25% as mandated by the industrial policies in China. As a result, a green, safe, reliable and cost-effective electricity supply is critical for the electrolytic aluminum industry in China. In addition, as carbon neutrality has become an international consensus, aluminum smelting companies worldwide are reducing their reliance on fossil fuels and increasingly utilizing green energy during production. According to CRU, using purely green power in electrolytic aluminum significantly reduces the carbon footprint by approximately 11 tons per ton of electrolytic aluminum produced compared to using purely the thermal power in aluminum smelting. This makes green power aluminum more effective in addressing global market restrictions on carbon emissions for import and export, thereby better aligning with global market entry requirements.

To build an economic moat in our aluminum business, we have been proactively preparing for enhanced capabilities in green energy supply. We are building our own wind and solar power plants. As of the Latest Practicable Date, we had commenced using green energy generators. By the end of 2026, we aim to achieve over 50% proportion of green energy utilized, significantly exceeding the 25% target requirement imposed by industrial policies in China. Our green power aluminum products, with their clear and traceable carbon footprint, are expected to attract more high-end customers. These products effectively meet the standards in green development and integrate into both domestic and overseas markets, thereby enhancing our market competitiveness.

***Potential for profitability improvements, benefiting from the abundant green energy available at low costs in Inner Mongolia.***

Wind power and solar power are natural green electricity. Compared to fossil energy, such as coal, the costs of wind and solar power resources are more economical, primarily because they do not need to be procured for power generation. In addition, compared to hydropower, investment in wind and solar power is typically less costly. Benefiting from the advancements in productivity and technology within China's new energy sector, the LCOE for wind and solar power offers the greatest cost advantages compared to other power sources.

We had started the construction of a 540.0 MW wind power plant and a 110.0 MW solar power plant near our aluminum smelter in Inner Mongolia, as of May 31, 2025. According to our feasibility study report for the power plant construction projects, the annual expected utilization hours for our wind power plant are expected to be 3,778.0 hours and 1,418.0 hours for our solar power plant. According to the 2023-2024 National Power Supply and Demand Analysis and Forecast Report, the national average utilization hours for wind power plants were 2,225.0 hours and 1,286.0 hours for solar power plants in 2023. The delivered electricity costs of green power generation ranges approximately from RMB0.10 to RMB0.18 per kWh, based on the estimated total investment in our wind and solar power plants, which is significantly lower than the price of electricity consumption of current coal-fired thermal power generation, which is RMB0.37 per kWh in 2024 and RMB0.33 per kWh in the five months ended May 31, 2025.

Furthermore, in light of the rising carbon price, adhering to the principle of low carbon emission and striving to become a low carbon emission company, we have huge room for improving profitability. With our endeavor in the transition to green aluminum, we can effectively reduce the carbon dioxide emission from electricity production, thus minimizing the downward pressure from rising carbon price on profitability. According to CRU, in China, the average carbon dioxide emission per ton of electrolytic aluminum produced from an aluminum smelter using thermal power was 12.6 tons in 2024, with 10.8 tons from electricity generation and 1.8 tons from the electrolysis process. By utilizing wind and solar power for electricity generation, we aim to achieve zero carbon dioxide emissions from electricity production in the long term. Along the way towards achieving this aim, we plan to achieve over 50% proportion of green energy utilized by the end of 2026.

As a result, our endeavor in the transition to green aluminum is both socially and economically effective. It reduces the carbon emissions during our production process and enhances our profitability by reducing the costs of electricity.

**A Self-sufficient, Complementary, Synergistic and Integrated Ecosystem across the Electrolytic Aluminum Industry Chain, Ensuring Strong Risk Resilience and Steadiness of Raw Material Supplies.**

Having operated in the electrolytic aluminum industry for 12 years, we have established capabilities in the upstream supply of alumina and electricity at high self-sufficiency rates. We also maintain a close cooperation with downstream customers, in particular Innovation New Material, a global leading aluminum alloy producer, recognized as the largest seller of aluminum alloy round ingots. Our extensive experience has enabled us to build a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain. This ecosystem reduces the risk of raw material and electricity price fluctuations, enhances production controllability and allows us to quickly sense and respond to changes in market demand. By integrating the upstream and downstream processes, we effectively control multiple stages across the procurement, production and sales, mitigating the impact of raw material market fluctuations. As a result, we have strong risk resilience and steadiness of our raw material supplies.

***Achieving a high rate of electricity self-sufficiency and accelerating the transition to clean and low-carbon electricity supply.***

Electricity costs represent a major portion of production costs for all electrolytic aluminum companies. According to CRU, in 2024, electricity costs account for approximately 36% of the total production costs for aluminum smelting companies in China. To secure a stable and sufficient electricity supply, we utilize the abundant lignite resource in Huolinguole, Inner Mongolia. Our aluminum smelter is equipped with a proprietary coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW. The proprietary coal-fired thermal power plant is able to realize 100% electricity self-sufficiency for our aluminum smelting. We procure electricity, including green electricity, from the grid to ensure a stable and reliable power supply that mitigate the potential fluctuations in our self-generated electricity while increasing our green power usage. Our rate of electricity self-sufficiency was approximately 88% in 2024, significantly higher than the industry average of approximately 57% in the same period, according to CRU. Our rate of electricity self-sufficiency was approximately 87% in the five months ended May 31, 2025.

Along with the increasing awareness on ESG among downstream customers, in particular the reduction of carbon emissions, and along with the rising carbon price, the adoption of green power is critical to the sustainable development of aluminum smelting companies. We are currently accelerating the construction of green power plants and we also procure green power from external sources for the production of green power aluminum. In the future, our proprietary green power plants and proprietary coal-fired thermal power plants will effectively complement each other. By the end of 2026, we aim to achieve over 50% proportion of green energy utilized. Meanwhile, thermal power will assist in peak adjustment, supply-demand balancing and stability enhancement. This complementary approach optimizes the foresight and flexibility of our power supply management, ensuring a stable and sufficient energy provision.

***Achieving high rate of alumina self-sufficiency with long-term stable supply of core raw materials.***

We have quality and guaranteed raw material supply, which is critical to maintain our self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain. Our subsidiary, Shandong Chuangyuan, has an alumina production output that satisfies the need for core raw materials used in our aluminum smelting. Meanwhile, we obtain stable, high-quality supply of bauxite, carbon anodes and other raw materials, which support our current and future production needs. We believe that the self-sufficiency and stable supply of raw materials help us enhance competitiveness and improve profitability.

Our ability to produce and calcine aluminum hydroxide further enhances our capacity to ensure a stable supply of alumina. Our aluminum hydroxide production and calcining capabilities further add value to our self-sufficient, complementary, synergistic and integrated ecosystem across the industry chain. Efficiently converting aluminum hydroxide into alumina through the calcination process allows us to uphold strict quality standards, reduce operational costs and minimize waste throughout our processes. This strategic approach ultimately strengthens our competitive edge of alumina self-sufficiency.

***Capturing opportunities in the global aluminum industry by maintaining a long-term stable cooperation with Innovation New Material, a global leading aluminum alloy producer.***

We mainly produce high precision aluminum products, such as 99.80% aluminum. Our products are widely recognized and trusted by downstream customers due to the stable supply and high quality, which meet the stringent requirements of both domestic and overseas high-end customers for aluminum products.

Innovation New Material is a global leading aluminum alloy producer, recognized as the largest seller of aluminum alloy round ingots, and was founded and controlled by our Controlling Shareholder, Innovation New Material has been our largest customer since 2023. Its products have been extensively utilized across various industries, including 3C electronics, lightweight automotive, green energy, transportation, industrial materials and construction.

According to the China Nonferrous Metals Fabrication Industry Association, in 2023, Innovation New Material sold 3,249.1 kt of aluminum alloy billets, with a domestic market share of 11.3% and an overseas market share of 8.4%, ranking first in both markets. Since 2018, Innovation New Material has been listed as a supplier by a leading global electronic device manufacturer. To cater to the requirements of high-end domestic and overseas customers, including a prominent European automotive manufacturer, Innovation New Material strategically established an aluminum processing line with an annual capacity of 50.0 kt near our Huolinguole aluminum smelter. This further opens up new business opportunities that we can leverage through the stable cooperation with Innovation New Material.

**Industry-leading Cost Advantages Leading to Swiftly Unleashed Profitability.**

We strategically focus on geographic areas with abundant natural resources, such as Inner Mongolia and Shandong Province. In addition, by continuously transitioning towards green power supply, we have successfully built a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain. As a result, we have industry-leading cost advantages and swiftly unleashed profitability. Our cash costs of aluminum per ton amounted to approximately RMB15,112 in 2024, significantly lower than China's average cash costs of aluminum per ton of approximately RMB17,700 per ton, according to CRU. Our Group's cash cost of aluminum per ton in the five months ended May 31, 2025 was approximately RMB14,791.7. According to CRU, our ability to manage the cash costs of aluminum per ton was among the top 5% of all aluminum smelting companies in China and competitive on a global scale, ranking among the top 30%, in 2024 (comparing our cash costs in 2024 to the industry average cash costs in China and on a global scale in 2024, respectively). By capitalizing on our cost advantages, we swiftly unleash profitability. During times of high demand and increasing prices for electrolytic aluminum, our profitability grows at a faster rate than that of our competitors, primarily due to our lower production costs. Our total revenue increased by 9.8% from RMB13,814.7 million in 2023 to RMB15,163.2 million in 2024 and further increased by 22.6% from RMB5,883.2 million in the five months ended May 31, 2024 to RMB7,213.5 million in the five months ended May 31, 2025. Our gross profit increased significantly from RMB2,336.3 million in 2023 to RMB4,276.5 million in 2024 and decreased from RMB1,640.3 million in the five months ended May 31, 2024 to RMB1,432.7 million in the five months ended May 31, 2025. Our net profit increased significantly from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024 and decreased from RMB999.4 million in the five months ended May 31, 2024 to RMB855.5 million in the five months ended May 31, 2025. Our gross profit margin was 16.9%, 28.2%, 28.2% and 19.9%, respectively; our EBITDA margin (non-IFRS measure) was 21.3%, 31.6%, 31.8% and 23.1%, respectively; and our net profit margin was 7.8%, 17.3%, 17.3% and 11.9%, respectively, in 2023, 2024 and the five months ended May 31, 2024 and 2025.

We emphasize refined management, maintain up-to-date equipment and have a high level of automation during production. As a result, our electrolytic aluminum annual labor productivity per capita is significantly higher than the industry average. According to CRU, the industry average electrolytic aluminum annual labor productivity per capita in China was between approximately 260 tons and 280 tons during the Track Record Period. Our annual electrolytic aluminum labor productivity per capita, amounting to approximately 590 tons to 670 tons during the Track Record Period, was approximately 2.2 to 2.6 times that of the industry average during the same periods, respectively.

By continuously upgrading production techniques relating to aluminum smelting and minimizing the electricity consumption of aluminum per ton, we continue to deepen our costs and profitability advantages. Our electricity consumption of aluminum smelting was 13,366.0 kWh per ton in 2024 and 13,314 kWh per ton in the five months ended May 31, 2025. According to CRU, the industry average of the electricity consumption of aluminum smelting was 13,670.0 kWh per ton in 2024. To better control carbon emission and energy consumption, we have planned and implemented several technological transformation projects, which are expected to be completed by the end of 2025. By then, we anticipate to reduce direct current electricity consumption of aluminum smelting from 12,814.0 kWh per ton in 2024 to 12,600.0 kWh per ton in 2025, and the overall electricity consumption of aluminum smelting from 13,366.0 kWh per ton in 2024 to 13,290.0 kWh per ton in 2025.

**Active Implementation of Globalization Strategies.**

We are actively pursuing globalization strategies. The aluminum industry is experiencing rapid and continuous demand growth, driven by an imbalance between supply and demand. Globally, regulatory and social trends focused on carbon emission reduction and enhanced environmental protection have led to a slow growth rate in the overall aluminum smelting capacity. Developed countries in Europe and the United States are reducing their aluminum smelting capacity, while production in Russia and Oceania remains stagnant. Despite these supply constraints, global consumption of electrolytic aluminum is expected to continue growing, according to CRU. From 2025 to 2028, the global demand for electrolytic aluminum is expected to grow at a CAGR of 1.6%, including a CAGR of 4.7% for Africa, 3.8% for regions in the Asia excluding China and the Middle East, 5.5% for North America, 4.6% for the Middle East (5.9% for Saudi Arabia) and 1.8% for Europe. From a domestic standpoint, China's aluminum smelting production constituted approximately 59% of the global aluminum smelting production in 2024, according to CRU. The Aluminum Capacity Replacement Scheme (《鋁產能置換方案》), issued by the MIIT, imposes an annual electrolytic aluminum production capacity cap of 45 mt. As a result, China's aluminum smelting capacity utilization rate reached a historical peak of 96% as of December 31, 2024 and the annual demand gap in the market is expected to exceed one mt until 2034.

The rich reserves of petroleum and natural gas in the Middle East provide cost-effective and stable energy supply to aluminum smelting. According to CRU, in 2024, the cash cost proportion relative to total revenue for the four recognized aluminum smelters in the Gulf region ranked among the lowest 25% globally. The average cost of industrial electricity in Saudi Arabia is significantly lower than that during the non-peak hours in the PRC.

With our extensive operational experience in the electrolytic aluminum industry, we invested an integrated electrolytic aluminum industry chain project with expected annual production capacity of 500.0 kt in Saudi Arabia. See "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers — Investment During Track Record Period." As of the Latest Practicable Date, we are in the early stages of preparation for construction design. As of the same date, the Saudi Project had obtained the relevant land use right and permits.

We aim to capitalize on the investment of the projects in Saudi Arabia. Leveraging our years of expertise in production techniques, refined management skills and industry experience in the electrolytic aluminum industry, we aim to enhance our low-cost advantages in our global operations. This strategy will enable us to attain global industry leadership and stimulate global business growth, thereby creating new development opportunities. We expect the phased commencement of these overseas projects to further enhance our operational status and support our vision to become a green aluminum industry group in the global market.

**Our Chairman's Vision and the Management Team's Outstanding Operational Expertise Guide Us Toward Sustainable and Steady Growth.**

Our Chairman of the Board, Mr. Cui, possesses a strategic vision characterized by long-termism. Mr. Cui is devoted into cultivating profound expertise in aluminum production, continuously delving into the aluminum industry. As the founder of Innovation Group, Mr. Cui has successfully led the aluminum alloy processing business of Innovation Group to a globally leading position in the aluminum industry and is committed to realizing the vision of building a green aluminum industry group in the global market. Mr. Cui holds profound industry resources and extensive social influence, currently serving as a deputy to the 14th National People's Congress (第十四屆全國人大代表), an executive committee member of the All-China Federation of Industry and Commerce (全國工商聯), vice chairman of the Shandong Federation of Industry and Commerce (山東省工商聯), vice president of the China Nonferrous Metals Industry Association (中國有色金屬工業協會), vice director general of the China Nonferrous Metals Fabrication Industry Association (中國有色金屬加工工業協會), executive vice president of the Shandong Aluminum Industry Association (山東省鋁業協會), and president of the Binzhou Aluminum Industry Association (濱州市鋁行業協會). Mr. Cui has been granted the award of the Outstanding Entrepreneur of Shandong Province (山東省優秀企業家).

Under Mr. Cui's leadership, our senior management team, based on rich management experience in the aluminum industry, guides us in implementing our long-term strategic planning. Our senior management team is dedicated to continuously enhancing refined management, strengthening the optimization of raw material procurement processes, continuously upgrading core production facilities and pursing digitalization to optimize core production processes such as energy generation, alumina refining and aluminum smelting. In this way, we are able to enhance production efficiency and establish industry-leading cost advantages.

We believe that Mr. Cui's vision and our senior management team's outstanding operational expertise ensure us to maintain sustainable and steady development of our business, while keeping pace with future industry trends, seizing global growth opportunities and achieving our vision of building a green aluminum industry group in the global market.

## OUR STRATEGIES

### Fully Explore Wind and Solar Energy to Establish a Stable Green Power Aluminum Business.

We value social responsibility. We are dedicated to aligning with national goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060. We integrate technological innovation, ecological responsibility and environmentally friendly development into our business model, which we believe is essential for the continuous development of global aluminum smelting companies. From a social responsibility perspective, our green production methods significantly cut down on energy consumption and emissions during the electricity generation process, ensuring our operations are in line with global sustainability trends. Economically, the adoption of green power reduces our operating costs, thereby enhancing our profitability. In addition, according to CRU, an increasing number of multinational companies in sectors such as 3C electronics products and automotive manufacturing are reducing the reliance on thermal power aluminum in favor of green power aluminum for their product development. By integrating green principles into our business operations, we are committed to not only enhancing our corporate image but also attracting partners and investors who prioritize environmental consciousness, thereby broadening our growth opportunities and helping us achieve our vision.

As of the Latest Practicable Date, our thermal power plants have a total installed capacity of 2,110.0 MW, being able to fully cover our demands for electricity. To align with our long-term strategy for green and sustainable growth, we are reducing the reliance on fossil fuels and increasingly utilizing green energy for electricity generation. We strategically locate our aluminum smelter in Inner Mongolia, a Class I resource area with abundant wind and a Class II resource area with abundant solar energy. With these green energy resources, we aim to increase the proportion of green power aluminum in our production. We are constructing wind power plants and solar power plants with a totaling projected installed capacity of 1,750.0 MW. Phase I comprises (i) a wind power plant with an installed capacity of 540.0 MW, which had been operational and connected to the grid as of the Latest Practicable Date; and (ii) a solar power plant with an installed capacity of 110.0 MW, 60.0 MW of which had been installed and some had been operational and connected to the grid as of the Latest Practicable Date. We expect the remaining capacity to be fully operational and connected to the grid by the end of 2026. As of the date of this prospectus, construction of the majority of the above (i) and (ii) under Phase I, with a total installed capacity of 457.0 MW, had been completed, and the corresponding electricity generators were operational and connected to the grid. Phase II comprises a wind power plant with an installed capacity of 1,000.0 MW, 500.0 MW of which had been under construction since March, 2025 and is expected to be fully operational and connected to the grid by March 2026, and the other 500.0 MW had been under site preparation for the construction as of the Latest Practicable Date and is expected to be fully operational and connected to the grid by October 2026. To further our commitment to green power supply, we also plan to construct a 100.0 MW distributed solar power plant on-site, for which we had been designing the construction project as of the Latest Practicable Date. It is expected to commence its initial operation by the end of 2026.

Along with these developments, we plan to build an integrated green energy system with our proprietary power plants to maximize green power supply, enhance energy efficiency and reduce both electricity costs and carbon emissions. As the majority of the projected installed capacity of the Phase I wind power plants and solar power plants were operational as of the date of this prospectus and the remaining capacity is anticipated to be fully operational by the end of 2026, and as we continue to procure green electricity from the grid, our proportion of green energy utilized will continue to increase towards the end of 2025. By the end of 2026 when both the Phase I and Phase II wind power plants and solar power plants become fully operational, and with procurement of green electricity from the grid, we aim to achieve over 50% proportion of green energy utilized, significantly exceeding the 25.0% requirement for the electrolytic aluminum industry by 2025 according to China's 2024-2025 Action Plan for Energy Saving and Carbon Reduction (《2024-2025年節能降碳行動方案》). This transition allows us to capture the growing demand for green power aluminum in the domestic and overseas markets.

**Proactively Expand into Overseas Markets and Increase Overseas Production Capacities as a Response to the Belt and Road Initiative (the "BRI").**

We will further implement our globalization strategies. China's aluminum smelting capacity is nearing its policy limit, while overseas demand for downstream aluminum products continues to rise, according to CRU. In 2024, China exported approximately 6,302 kt of aluminum products, totaling USD21.1 billion, according to CRU. The growing overseas demand and the limited domestic production capacity create new opportunities for our globalization strategy. Resonating with these opportunities and the broader context of globalization, we proactively respond to the BRI and have invested in an integrated electrolytic aluminum industry chain project in Saudi Arabia.

***China's bilateral relation with Saudi Arabia is stable and continue to improve.***

We plan to capitalize on strong diplomatic relations and close economic cooperation with both Saudi Arabia. In December 2022, China and Saudi Arabia signed an *Implementation Plan to Align the BRI and Saudi Vision 2030*. The stable bilateral relationship provides a solid foundation for deepening collaboration across energy, investment and infrastructure.

***Saudi Arabia has unique advantages for aluminum smelting investments.***

Our plan to expand aluminum smelting capacity in Saudi Arabia is primarily based on three factors, as confirmed by CRU: (i) Saudi Arabia has substantial energy resources, with proven natural gas reserves of nearly 10 trillion cubic meters as of the end of 2023. It is the world's fifth-largest holder of natural gas reserves. (ii) Saudi Arabia has a comprehensive transportation network, including roads, railways and air routes, as well as well-established industrial parks and port facilities. Its stable electricity supply and gas pipeline infrastructure provide a strong foundation for industrial projects. (iii) Our aluminum smelting project is located in Yanbu, near King Fahd Industrial Port and enjoys direct access to the Red Sea. This prime port location facilitates the import of key raw materials such as alumina and enables efficient transportation of aluminum products to Europe and the United States via the Suez Canal. Therefore, we plan to establish approximately 500 kt of aluminum smelting capacity in Saudi Arabia. We plan to commence the construction before the end of 2026, with an estimated construction period of 18 to 24 months. We intend to develop production capacity in strategically advantageous locations in Saudi Arabia, such as locations near docks and harbors. We plan to employ local labor at competitive market rates for the operation of this project. This project will be overseen by our professional team, which possesses extensive experience in aluminum smelting and the electrolytic aluminum industry, ensuring safe production and sustainable operations. Upon commencement of operations of the production sites in Saudi Arabia, we anticipate an increase in our profit through share of results.

**Optimize the Energy Structure and Raw Material Supply and Improve the Production Techniques to Strengthen Our Costs Advantages.**

We have consistently followed a strategy of minimizing costs at every stage of production, establishing comprehensive and sustainable cost advantages within the industry. To further strengthen these advantages, we have developed the following targeted strategies, tailored to both domestic and overseas conditions.

We are constructing larger-scale wind and solar power plants in Huolinguole, Inner Mongolia and other cities in close proximity. This includes wind power plants with an installed capacity of 1,540.0 MW and a solar power plant with a capacity of 210.0 MW. With this optimized energy structure, the comprehensive electricity costs for aluminum smelting is expected to reduce by 20% by the end of 2026. To enhance our production techniques, we will advance the use of new cathode materials to improve current efficiency and reduce energy consumption. These improvements in process are expected to save approximately 435 kWh of electricity per ton of aluminum, potentially generating annual savings of approximately

RMB130 million, assuming full production capacity based on current coal-fired electricity costs. We also plan to further conserve power and enhance equipment efficiency and lifespan by optimizing average voltage, refining electrolytic cell design and upgrading electrolytic cell lining materials.

In addition to minimizing costs in our domestic production, we plan to extend the cost advantages to our overseas operations. Saudi Arabia's abundant energy resources can be translated to relatively low electricity costs. We expect the Saudi Arabian aluminum smelter in which we plan to invest in will benefit from cost advantages once operational, with production costs below the global average. We aim to expedite our globalization efforts in Saudi Arabia to further enhance our cost advantages.

**Complete Our Capabilities across the Aluminum Industry Chain to Resist Risks and Maintain Steadiness of Raw Material Supplies during Cyclical Fluctuations.**

As of the Latest Practicable Date, we had an annual designed production capacity of 788.1 kt for electrolytic aluminum and 1,200.0 kt for alumina. In recent years, the demand for aluminum has steadily increased, driven by its expanding applications in 3C electronics, lightweight automotive, the green energy industry, transportation, industrial materials and construction. Our alumina produced in-house is used as a critical raw material in our aluminum smelting. This business model enables us to resist fluctuations during alumina market downturns and capture opportunities during alumina market upswings. We aim to further complete our capabilities across the electrolytic aluminum industry chain, with a strategic focus on achieving a high rate of self-sufficiency in alumina that plays a critical role in the electrolytic aluminum industry.

The capabilities in alumina refining are critical to our business development and the completion of the integrated ecosystem across the electrolytic aluminum industry chain. A high rate of alumina self-sufficiency guarantees a stable supply of raw materials, ensuring the security of our production and operations. In addition, during periods of high alumina prices, self-sufficiency of alumina helps mitigate the impact of rising raw material costs for aluminum smelting. We intend to take advantage of favorable market conditions to expand sales and increase profits. Conversely, when alumina prices are low, we plan to utilize our alumina refining to meet the raw material needs of downstream electrolytic aluminum operations, thus avoiding the pressure of selling alumina at low prices.

Overall, we will maintain a high level of self-sufficiency in alumina to further enhance our competitiveness and flexibility.

**Improve Environmental and Social Responsibility Performance to Maintain Sustainability.**

We attach significant importance to ESG, which is at the core of our business operations. Our vision is to become a green aluminum industry group in the global market, committed to promoting the green transition within the electrolytic aluminum industry by striving to reduce carbon emissions in the electrolytic aluminum industry chain. To achieve this, we will continue to prioritize environmental protection, social responsibility and the well-being of our employees through the following initiatives:

*Environmental protection*. In addition to reducing the reliance on fossil fuels and increasingly utilizing green energy for electricity generation mentioned above, we are dedicated to driving the sustainable transformation of our aluminum smelting processes and the transition of our energy structure through technological innovation and ongoing facility upgrades. We have achieved substantial progress across multiple critical domains, with some examples below:

In energy efficiency, we have successfully commissioned a low-carbon waste heat recovery and utilization system for electrolytic flue gas. This system captures substantial thermal energy from the flue gas generated during our core aluminum smelting process and repurposes it into heat sources required for production and facility operations, thereby fully replacing traditional steam consumption. This approach has enabled efficient, tiered energy utilization, resulting in annual savings of approximately 53,100 tons of standard coal equivalent. Additionally, we have implemented high-efficiency upgrades to our exhaust gas purification fan systems, incorporating advanced aerodynamic modeling and variable-frequency drive technology. These improvements have substantially enhanced fan performance, increased equipment reliability, and significantly reduced operational electricity consumption. These achievements will empower us to continuously elevate our green operations. Regarding energy structure, we are integrating power source, grid, load and storage, adopting advanced technologies for the modern power system. By using cutting-edge grid-forming control technology, it ensures a more reliable power supply to our plant even during extreme conditions. It also supports the greater use of renewable energy by reducing wasted power, and serves as a practical example of how clean energy can be effectively used and how energy-intensive industries like ours can transition to greener operations within the evolving electricity framework.

Meanwhile, we are in the process of steadily improving our main aluminum production processes. This includes applying a special nano-ceramic coating to the carbon anodes used in smelting, which can greatly reduce carbon loss from oxidation. At the same time, we are upgrading the inner linings of our 500 kA electrolytic cells and modernizing their control systems. These improvements are aimed at consistently lowering the amount of electricity needed to produce each ton of liquid aluminum. In addition, we are actively rolling out a high-temperature anti-oxidation nano-ceramic coating technology for prebaked carbon anodes in electrolytic aluminum production. This advanced coating physically shields the anode, significantly reducing carbon block oxidation inside the electrolytic cell, thereby extending anode lifespan and cutting carbon emissions. In addition, we will procure carbon anodes with technical upgrades to external dimensions and slotting, which can effectively lower gross carbon anode consumption per ton of aluminum produced.

Looking ahead, we plan to further reduce air emission intensity by 7.49% at the end of December 31, 2028, with reductions of 2.46%, 2.41%, and 2.97% in 2026, 2027, and 2028, respectively, through improving the operational efficiency of air emission purification systems. Furthermore, through continually increasing the proportion of clean energy usage, identifying and managing carbon emission sources in production processes, and applying appropriate emission reduction technologies, we plan to reduce GHG emission intensity, including Scope 1 and Scope 2 by 11.36% at the end of December 31, 2028, with reductions of 6.39%, 5.36%, and 1.20% in 2026, 2027, and 2028, respectively. In addition, we plan to further optimize the energy management system, upgrade equipment and integrate existing energy utilization scenarios to systematically reduce energy consumption. Comparing to May 31, 2025, we plan to reduce our intensity of energy consumption by 1.69% at the end of December 31, 2028, with reductions of 0.59%, 0.51%, and 0.68% in 2026, 2027, and 2028, respectively. Finally, through further improving source utilization and process control, we plan to reduce intensity of water consumption by 5.81% at the end of December 31, 2028, with reductions of 1.55%, 1.66%, and 2.48% in 2026, 2027, and 2028, respectively.

We believe that our achieved and ongoing technological innovations and facility upgrades, will enable us to continuously strengthen our green operations. This will further enhance our competitive advantages and leadership in sustainable practices, while positioning us to capture the growing demand for green aluminum in both domestic and international markets.

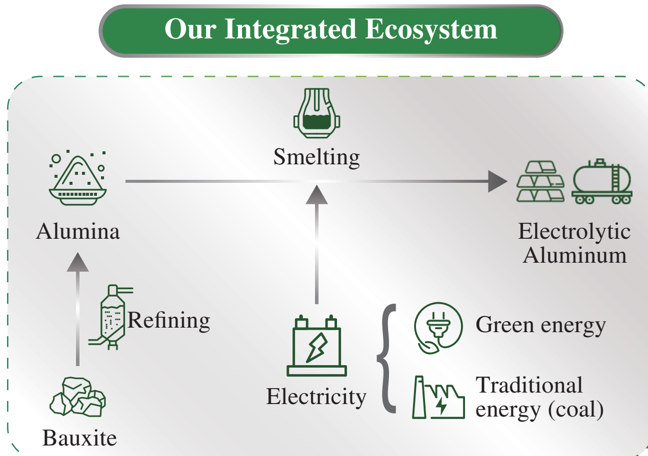
*Social responsibility*. We will remain deeply committed to public welfare, encouraging our employees to proactively engage in volunteer activities and striving to remain a responsible corporation. In addition, we aim to make meaningful contributions to the local community, foster economic development and prioritize local recruitment. By integrating corporate social responsibility across initiatives, we will continuously strengthen our brand image and social impact.

*Employee care*. To enhance our commitment to employee well-being, we will strengthen internal talent development by offering targeted training programs. These programs will focus on improving employees' skills in global business, green power aluminum technologies and management practices, helping to build a high-quality talent pool that supports our long-term strategic goals.

## OUR BUSINESS MODEL

We are an industry-leading producer of electrolytic aluminum and alumina, focusing on the upstream segment of the aluminum industry chain. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source.

We mainly produce and sell electrolytic aluminum as well as alumina and other related types of products. We have built an integrated ecosystem across the electrolytic aluminum industry chain, covering "energy — alumina refining — aluminum smelting."




***Electrolytic Aluminum***. Our aluminum smelter is located in Huolinguole, Inner Mongolia with an annual designed production capacity of 788.1 kt. Our electrolytic aluminum products include liquid aluminum and aluminum ingots. Aluminum ingots are solid blocks of aluminum produced by casting liquid aluminum into standardized shapes. Our electrolytic aluminum products are utilized by aluminum alloy processors and are processed into aluminum alloy materials, which are widely applied in industries such as 3C electronics, lightweight automotive, the green energy industry, transportation, industrial materials and construction. Leveraging our robust production capabilities, we can produce aluminum products with high purity which exceeds national standards. Benefiting from the overall growth in market demand as well as our significant market presence, strategic location, stable supply of raw materials and electricity, sufficient production capacity, initiatives in green transition and strategy of globalization, our electrolytic aluminum products have cost advantages, thus enhancing our overall profitability.

***Alumina and Other Related Types of Products***. We have an alumina refinery in Binzhou, Shandong Province, with an annual designed production capacity of 1,200.0 kt. During the Track Record Period, our alumina products were primarily used for our proprietary aluminum smelting. Our alumina refinery is strategically located in Binzhou, Shandong Province, with geographical advantages. The proximity of our alumina refinery to Huanghua Port and Binzhou Port ensures a stable and sufficient supply of high-quality bauxite while allowing us to effectively control transportation costs. Our ability to produce and calcine aluminum hydroxide further enhances our capacity to ensure a stable supply of alumina.

***Electricity***. We have a proprietary coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW at our aluminum smelter in Huolinguole, Inner Mongolia. We also have a proprietary coal-fired thermal power plant with two sets of electricity generators, each with an installed capacity of 25.0 MW at our alumina refinery in Binzhou, Shandong Province. In aggregate, our proprietary thermal power plants have an annual designed capacity to generate a maximum electricity of 17,782,800 MWh. The proprietary coal-fired thermal power plant is able to realize 100% electricity self-sufficiency for our aluminum smelting. We procure electricity, including green electricity, from the grid to ensure a stable and reliable power supply that mitigate the potential fluctuations in our self-generated electricity while increasing our green power usage. Our rate of electricity self-sufficiency was approximately 88% in 2024, significantly higher than the industry average of approximately 55% in the same period, according to CRU. Our rate of electricity self-sufficiency was approximately 87% in the five months ended May 31, 2025.

Benefiting from the strategic location of our aluminum smelter in Inner Mongolia, we are also proactively constructing green power plants to increase the proportion of green energy usage in our production.

## OUR PRODUCTS

We mainly provide electrolytic aluminum products as well as alumina and other related types of products. Our electrolytic aluminum products primarily include liquid aluminum and aluminum ingots. Aluminum is a silvery-white, ductile and corrosion-resistant metal with a wide range of applications across various industries, such as 3C electronics, lightweight automotive, green energy, transportation, industrial materials and construction. According to CRU, China has the largest electrolytic aluminum market globally, with an industry size of approximately USD125 billion in 2024, representing approximately 71% of global industry size. Our liquid aluminum and aluminum ingots meet the National Standard GB/T 1196-2023 promulgated by the PRC government.

We also provide alumina, a white crystalline substance that serves as a key raw material in the production of electrolytic aluminum. According to CRU, approximately 94% of alumina is consumed in aluminum smelting. Our alumina refining achieved an output of approximately 706.2 kt, 1,546.1 kt, 1,539.9 kt, 665.3 kt and 664.5 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, with a rate of alumina self-sufficiency reaching approximately 84% in 2024. Our alumina meets the national standards promulgated by the PRC government, namely GB/T 24487-2009 and GB/T 24487-2022. We produce alumina in-house. After meeting the internal demand for alumina in our aluminum smelting process, we sell alumina externally as one of our major products. In line with market practice, we also procure high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers. Compared to such high-lithium salt alumina, the alumina we produce contains relatively low levels of lithium salt, which is comparable with most alumina commodity in the market, according to CRU.

The following table sets forth our revenue breakdown by product for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum | 12,881.9 | 95.5 | 12,502.3 | 90.5 | 12,883.7 | 85.0 | 5,276.0 | 89.7 | 5,523.2 | 76.6 |
| – Liquid aluminum | 363.2 | 2.7 | 10,841.4 | 78.5 | 11,579.7 | 76.4 | 5,276.0 | 89.7 | 4,305.5 | 59.7 |
| – Aluminum ingots | 12,518.7 | 92.8 | 1,660.9 | 12.0 | 1,304.0 | 8.6 | – | – | 1,217.7 | 16.9 |
| Alumina and other related types of products | 270.6 | 2.0 | 977.4 | 7.1 | 1,849.5 | 12.2 | 449.5 | 7.6 | 1,523.7 | 21.1 |
| – Alumina | 68.1 | 0.5 | 626.6 | 4.6 | 1,647.8 | 10.9 | 408.4 | 6.9 | 1,338.6 | 18.6 |
| – Other related types of products[(1)] | 202.5 | 1.5 | 350.8 | 2.5 | 201.7 | 1.3 | 41.1 | 0.7 | 185.1 | 2.6 |
| Others[(2)] | 337.2 | 2.5 | 335.0 | 2.4 | 430.0 | 2.8 | 157.7 | 2.7 | 166.6 | 2.3 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

*Notes:*

(1) Mainly include aluminum hydroxide.

(2) Mainly include scrap and other materials, electricity and steam supply.

Our revenue from aluminum ingots increased significantly from nil in the five months ended May 31, 2024 to RMB1,217.7 million in the same period of 2025, primarily due to (i) our increase in sales of aluminum ingots to independent third parties. Such customers were primarily existing customers; and (ii) our decrease in sales of liquid aluminum to related parties to reduce the proportion of connected transactions. Our revenue from alumina increased significantly from RMB408.4 million in the five months ended May 31, 2024 to RMB1,338.6 million in the same period of 2025, primarily due to our increase in sales of alumina to independent third parties as we increased our procurement of high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers.

We generate electricity at our power plants for electrolytic aluminum production. We sell surplus self-generated electricity after meeting the internal demand for electricity, while also procuring electricity, primarily green electricity, from the grid, to ensure a stable and reliable power supply that mitigates the potential fluctuations in our self-generated electricity while increasing our green power usage. In addition, the electricity generated by our Binzhou thermal power plant is not recorded as electricity generated by our proprietary power plant but as electricity procured from suppliers. This is mainly because our Binzhou thermal power plant is connected to the grid and, in accordance with applicable PRC laws and regulations, our power plant connected to the grid is required to first sell the generated electricity to the grid before we can subsequently source electricity from the grid for our production needs. See "Business — Electricity Supply — Our Thermal Power Supply." The prices at which we sell our surplus self-generated electricity is primarily benchmarked to the local market prices, which can be adjusted by the local government authorities.

Steam is produced as a by-product at our power plants during electricity generation and we also use steam in our production. We sell surplus self-generated steam after meeting the internal demand for steam, while also procuring a small amount of steam from third parties during the examination periods of our power plants when steam generation is halted to ensure continuous production. We determine the pricing at which we sell our surplus self-generated steam primarily by taking into consideration the cost of sales.

We have obtained the necessary license for selling electricity. See "— Licenses, Permits and Approvals." As advised by our PRC Legal Advisor, no license or permit is required for our sales of steam.

The following table sets forth the revenue, sales volume and ASP of our major products for the periods indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic Aluminum . . . . . . | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Liquid aluminum . . . . . . . | 19.0[4] | 363.2[4] | 19,110.5 | 671.3 | 10,841.4 | 16,148.8 | 679.0 | 11,579.7 | 17,053.6 | 315.4 | 5,276.0 | 16,725.6 | 243.6[3] | 4,305.5 | 17,675.3 |
| – Aluminum ingots . . . . . . . | 714.1 | 12,518.7 | 17,530.1 | 101.7 | 1,660.9 | 16,331.4 | 73.6 | 1,304.0 | 17,717.4 | – | – | – | 68.5 | 1,217.7 | 17,777.5 |
| Alumina[2] . . . . . . . . . . . | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |
| – Sales to independent third parties | 27.0 | 68.1 | 2,522.2 | 295.4 | 626.6 | 2,121.2 | 444.5 | 1,647.8 | 3,707.1 | 135.9 | 408.4 | 3,005.2 | 460.7 | 1,338.6 | 2,905.6 |
| – Intragroup sales . . . . . . . . | 679.3 | 1,706.8 | 2,512.7 | 1,268.3 | 3,166.3 | 2,496.5 | 1,095.1 | 3,760.0 | 3,433.6 | 528.0 | 1,538.2 | 2,913.0 | 199.5 | 601.2 | 3,013.2 |

*Notes:*

(1) The ASP is calculated by dividing the revenue (excluding value-added tax) by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) The volume of our liquid aluminum sold decreased from 315.4 kt in the five months ended May 31, 2024 to 243.6 kt in the same period in 2025, primarily because we proactively increased the production and sales volume of aluminum ingots to independent third parties to further broaden our customer base, therefore leading to decreased sales volume of liquid aluminum.

(4) The volume of liquid aluminum in 2022 was low compared to that in the subsequent years/periods, primarily because we sold liquid aluminum in 2022 as an additional revenue stream and our main business focus was producing and selling aluminum ingots back in 2022. We have been providing a stable supply of liquid aluminum to Innovation New Material since its commencement of operation in Inner Mongolia in early 2023. See "Relationship With Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence."

***Product Prices during the Track Record Period***

We mainly determine the price of our electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market, which, as confirmed by CRU, indicates the market-assessed price of electrolytic aluminum traded in China and is the market price indicator typically used by market players in China. See "— Sales, Marketing and Customer Service — Pricing and Payment" and "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis."

During the Track Record Period, the ASP of our products fluctuated in line with the fluctuations in relevant market prices. Both the global market price of electrolytic aluminum and the market price of electrolytic aluminum in China decreased in 2023 from 2022, mainly due to the disruption arising from the Russia-Ukraine war, with Europe experiencing significant economic headwinds and China experiencing an economic slowdown. The market prices subsequently increased in 2024 as the global electrolytic aluminum market showed a deficit of 35 kt, and remained relatively stable in early 2025. Both the global market price of alumina and the market price of alumina in China remained relatively stable in 2022 and 2023, and subsequently surged in 2024 due to a global supply deficit mainly attributable to (i) several alumina production disruption incidents as several refineries in Australia, India and Brazil faced bauxite and energy supply constraints; (ii) temporary disruption to Guinea bauxite shipments; and (iii) China's persistent high demand for alumina. The market prices slightly decreased in early 2025 due to a shift in market balance from a deficit in 2024 to a surplus in 2025 mainly attributable to (i) the fact that most of the aforementioned disruptions seen in 2024 have been gradually resolved towards the end of 2025 and in early 2025; and (ii) new refinery capacity is expected to come online in 2025 and 2026. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" and "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis" for detailed analyses on the price changes of electrolytic aluminum and alumina. Similar to the market prices, the ASP of our electrolytic aluminum decreased in 2023 from 2022, subsequently increased in 2024 and remained relatively stable in early 2025. The ASP of our alumina remained relatively stable in 2022 and 2023, subsequently surged in 2024 and slightly decreased in early 2025.

During the Track Record Period, the ASP of our electrolytic aluminum products appeared to be slightly lower than the SHFE spot price. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" for details. This discrepancy arises primarily because (i) our ASP excludes the 13% value-added tax, which is included in the SHFE spot price; and (ii) the SHFE spot price reflects solely aluminum ingot prices, whereas our ASP takes into consideration both aluminum ingots and liquid aluminum sold to customers. We mainly determine the price of electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market as discussed above, and make adjustments taking into account the reasonable costs, such as the processing cost and transportation costs. Our liquid aluminum is typically priced lower than our aluminum ingot products due to the comparatively lower processing and transportation costs associated with selling liquid aluminum. According to CRU, the price of liquid aluminum is usually lower than aluminum ingots, primarily because liquid aluminum is directly released from the aluminum smelter without the need for further casting and cooling. In addition, its transportation range is limited due to requirements for high temperature during transportation. In contrast, aluminum ingots undergo processes such as cooling in molds at the production sites and offer greater market liquidity, justifying a higher price.

The ASP of our liquid aluminum products is higher than that of our aluminum ingot products in 2022. This is because we only sold a relatively small amount of liquid aluminum products in 2022, the majority of which were sold in the first quarter in 2022, whereas we sold a relatively large amount of aluminum ingot products in 2022 in multiple quarters throughout the year. In 2022, the market prices of electrolytic aluminum generally decreased throughout the year, as confirmed by CRU, resulting in the ASP of our liquid aluminum products higher than that of our aluminum ingot products. Similarly, the ASP of our alumina products sold to independent third parties varied from the ASP of those sold intragroup in 2022, 2023 and 2024. This variance was primarily because we only sold a small amount of alumina products to independent third parties at limited times of 2022, 2023 and 2024. The market prices for alumina fluctuated within 2022 and 2023 and surged in 2024, resulting in the ASP of our alumina products sold to independent third parties differing from those sold intragroup.

During the Track Record Period, the ASP of our alumina products appeared to be slightly lower than the average market price of alumina, namely CRU China alumina price, in China. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis." This discrepancy is primarily because (i) our ASP excludes the 13% value-added tax, which is included in the market average; and (ii) CRU China alumina price averages alumina prices in multiple regions, including Henan, Shanxi, Guangxi, Guizhou and Shandong Provinces. According to CRU, the market prices in each province, including Shandong Province where we primarily sold our alumina products is slightly lower than the average prices in other provinces tracked by CRU, due to regional differences in production costs, transportation expenses as well as supply and demand dynamics. Market prices in Shandong Province are generally slightly lower than those in other provinces monitored by CRU China alumina price. This is mainly because Shandong Province is a key region for alumina production in China, resulting in a relatively more stable supply, lower transportation expenses due to proximity to alumina refineries, and lower production costs due to economies of scale.

**Electrolytic Aluminum**

We produce electrolytic aluminum products at our aluminum smelter in Huolinguole, Inner Mongolia. See "— Our Production — Our Production Process — Electrolytic Aluminum Products" for details of production capacity and production process. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source. Leveraging our robust production capabilities, we produce aluminum products with different purities, such as 99.70% aluminum, 99.80% aluminum and

99.85% aluminum. Our Huolinguole aluminum smelter achieved an electrolytic aluminum output of approximately 744.1 kt, 757.9 kt, 755.4 kt, 315.6 kt and 310.7 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our revenue generated from electrolytic aluminum products amounted to RMB12,881.9 million, RMB12,502.3 million, RMB12,883.7 million, RMB5,276.0 million and RMB5,523.2 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, representing 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue in the same respective periods.

Our products primarily include electrolytic aluminum, which is sold in the form of liquid aluminum in molten state and aluminum ingots in solid state. They serve as a primary raw material for manufacturing various aluminum products and alloys. Liquid aluminum was our major electrolytic aluminum product during the Track Record Period. Liquid aluminum is aluminum in its liquid state, produced through the electrolysis of alumina. Liquid aluminum is convenient for processing, as customers do not need to remelt the aluminum before processing, making it ideal for casting and alloy production. Liquid aluminum is generally sold to customers close to the smelter, primarily because it must be stored in specially designed containers to maintain a temperature of 750°C to 900°C during transportation, using a specially adapted aluminum-tapping vehicle to ensure safe and efficient transportation of the liquid aluminum. As such, a short-distance transportation saves the transportation costs, reduces the loss of liquid aluminum during transportation and reduces the need for customers to remelt the aluminum ingots for further processing. We sold liquid aluminum mainly to downstream non-ferrous metal processing and manufacturing enterprises near our aluminum smelter in Huolinguole, Inner Mongolia, such as Innovation New Material.

We also sell aluminum ingots, which are solid blocks of aluminum, by casting liquid aluminum into standardized shapes. Aluminum ingots offer several distinct advantages, primarily due to their solid form, including ease of transport, storage and handling. Their standardized form makes them ideal for efficient processing in downstream industries. We mainly sold aluminum ingots to domestic third-party downstream aluminum alloy manufacturers and trading companies.

The following pictures illustrate the appearance of our electrolytic aluminum product:

**Alumina and Other Related Types of Products**

Alumina, also known as aluminum oxide, is a white crystalline substance derived from refining bauxite ore. Alumina is an essential raw material for electrolytic aluminum. Our alumina products show significant advantages over the GB/T 24487-2022 standards. Our alumina has a higher aluminum oxide content than the national standard, leading to higher product purity. The levels of impurities in our alumina are lower than the national standards, which effectively reduces the amount of electrolyte required, stabilizes the electrolysis process and improves quality for downstream electrolytic aluminum. In addition, our alumina has a better specific surface area and fineness than the national standard, which enhances the dissolution rate, stabilizes the electrolyte, reduces energy consumption and results in higher purity electrolytic aluminum. These advantages result from high-quality raw materials, a reliable supply chain, advanced refining technology and rigorous quality control, all of which ensure the quality and competitiveness of our alumina products. The alumina we produced is mainly for our own production of our electrolytic aluminum products, ensuring the high-quality, stable and prompt supply of key raw material. Our alumina refinery achieved an alumina output of approximately 706.2 kt, 1,546.1 kt, 1,539.9 kt, 665.3 kt and 664.5 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, with a rate of alumina self-sufficiency reaching approximately 84% in 2024. We sold alumina to Independent Third Parties during the Track Record Period. Our revenue generated from alumina and other related types of products amounted to RMB270.6 million, RMB977.4 million, RMB1,849.5 million, RMB449.5 million and RMB1,523.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, representing 2.0%, 7.1%, 12.2%, 7.6% and 21.1% of our total revenue in the same respective periods.

The following graphic illustrates the appearance of our alumina products:

In addition to alumina, we also produced aluminum hydroxide during the Track Record Period. Aluminum hydroxide is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. During the Track Record Period, our aluminum hydroxide produced was primarily calcined to produce alumina in-house and was also separately sold to customers.

## OUR PRODUCTION

Our advanced production capabilities, substantial output and sustainable production practices position us to effectively meet the large-scale demand for our products from downstream customers. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source.

### Our Production Capabilities

Our aluminum smelter is located in Huolinguole, Inner Mongolia, and our alumina refinery is located in Binzhou, Shandong Province. We strategically locate our production plants to benefit from geographical advantages. According to CRU, the industry average electrolytic aluminum production per capita in China was between approximately 260 tons and 280 tons. During the Track Record Period, our electrolytic aluminum production per capita was between approximately 590 tons and 670 tons, being approximately 2.2 to 2.6 times that of the industry average during the same periods, respectively.

As of the Latest Practicable Date, we had obtained regulatory approvals for (i) production quota of 788.1 kt per year of electrolytic aluminum, for which the associated production line had been built and was in use, (ii) production capacity of 1,200 kt per year of alumina, for which the associated production line had been built and was in use; (iii) production capacity of 2,980 kt per year of aluminum hydroxide, for which the associated production lines for 1,480 kt had been built and were in use and the other 1,500 kt had commenced pilot production in December 2024, which had increased into full operations in April 2025, (iv) production capacity of 2,000 kt per year of alumina calcined from aluminum hydroxide, for which the associated production line had been constructed as of the date of this prospectus and will begin pilot production in November 2025, and (v) production capacity of 4,000 kt per year of alumina calcined from aluminum hydroxide, for which we had no plan to construct the associated production line as of the same date. Aluminum hydroxide is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. During the Track Record Period, our aluminum hydroxide produced was primarily calcined to produce alumina in-house and was also separately sold to external customers. Our projected total annual production capacity of alumina, assuming (a) all of the above capacities from (ii) to (iv) are fully operational, and (b) we calcine aluminum hydroxide to produce alumina as planned, will be at least 3,000 kt.

We obtain production quota for electrolytic aluminum primarily through capacity replacement. According to relevant PRC laws and regulations, capacity replacement for electrolytic aluminum shall be strictly implemented. For details of capacity replacement, see "Regulatory Overview — PRC Laws, Regulations and Policy Documents Related to the Electrolytic Aluminum and Alumina Industries — Capacity Replacement." The trading of production quota indicators is primarily conducted through arm's length negotiations, with the consideration primarily determined by market prices. Counterparties involved in the trading of production quota indicators typically include existing and new producers of electrolytic aluminum. As confirmed by our PRC Legal Advisor, we are not required to obtain any licenses or permits for trading the production quota for electrolytic aluminum. After we sign the purchase or sales agreement with the seller or buyer of the production quota, we file the relevant documents for the transfer of such production quota with relevant government authorities, and subsequently publicly announce the transfer on government-designated websites. In 2022, we sold the surplus electrolytic aluminum production quota of 47.0 kt that exceeded the designed capacity of our aluminum smelter to an electrolytic aluminum producer, an Independent Third Party, as an additional revenue source, at a consideration of RMB354.7 million and deriving a gain (consideration less carrying amount) of RMB180.7 million. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022 — Other Gains." During the Track Record Period, we did not complete any purchase production quota for electrolytic aluminum.

We have in place internal policies for the management of intangible assets, including the management of the capacity replacement. According to our internal policies, the purchase, recognition, measurement and sales of electrolytic aluminum production quota must comply with relevant laws and regulations. The responsible operational department is tasked with proposing trading plans, implementing the plans and maintaining relevant records. Our legal department reviews and approves relevant legal documents; our finance department handles accounting, participates in acceptance of the relevant intangible assets and conducts regular audits; and our audit department supervises the compliance in the trading of electrolytic aluminum production quota. We take a strategic approach to acquiring and selling production quotas, taking into consideration market demand and our production capacity. We ensure that each transaction aligns with our long-term business objectives.

***Huolinguole Aluminum Smelter***

Huolinguole, located in Inner Mongolia, possesses significant geographical advantages, making it a leading region for aluminum smelting in China. It benefits from abundant conventional and green energy resources, available at low costs, that enable stable energy supply for aluminum smelting. Inner Mongolia holds more than 40 bt of coal reserves, representing approximately 20% of China's total coal reserves, according to CRU. The ample coal resource ensures a sufficient electricity supply while significantly reducing coal procurement and transportation costs. Furthermore, it is close to North and East China, where a large number of downstream aluminum product manufacturers are located. As a result, Inner Mongolia offers a smaller transport radius for supplying electrolytic aluminum to downstream aluminum product manufacturers located in these areas. Inner Mongolia's strategic location has contributed to a substantial increase in its electrolytic aluminum production, growing from 4.5 mt in 2018 to 6.6 mt in 2024, at a GAGR of 7.0%, according to CRU. In addition, Inner Mongolia ranks first and second in terms of the annual utilization hours of wind and solar power among all provinces in China, further enabling the green, stable, cost-effective provision of power for electricity supply, according to CRU. See "— Electricity Supply — Our Green Power Supply."

Our aluminum smelter commenced operation in December 2017. Our Huolinguole aluminum smelter is equipped with advanced electrolyzers, holding furnaces and casting machines. Our aluminum smelter operates with an efficient and cost-effective organizational structure. It comprises a safety production department and eight workshops. It operates under a three-tier management system that involves a factory director, workshop heads and team members. Benefiting from this organizational structure, our facility has high production efficiency and reduced production costs, thereby establishing a competitive advantage.

Our aluminum smelter adopts a four-team, three-shift production system, which includes morning, afternoon and night shifts, each lasting approximately eight hours, so as to ensure 24/7 operations without interruption. Employees are divided into four teams and rotate through these shifts. Employees are required to rotate through different shifts to adapt to varying work schedules. This production system maximizes our production efficiency through continuous operation, optimizes the allocation of human resources, and enhances employee well-being and job enthusiasm through regular breaks and a dynamic work schedule.

***Binzhou Alumina Refinery***

Our alumina refinery is strategically located in Binzhou, Shandong Province. Shandong is renowned for having the largest alumina production output in China and Binzhou is the largest import city for bauxite, which is a major raw material for alumina refining, according to CRU. Our alumina refinery is only 40 km from Huanghua Port, the second largest bauxite logistics transshipment port in the north port cluster, and 70 km from Binzhou Port, which facilitates direct land transportation of bauxite from Yantai Port. This proximity to major ports ensures a stable and sufficient bauxite supply while enabling effective control over transportation costs.

Our alumina refinery commenced production in February 2019. We adopt a comprehensive production management system at our alumina refinery, dedicated to the standardization of alumina production. To this end, we have established stringent standards for the alumina refining process, production techniques and safety management, to which our production personnel is required to adhere. The main production equipment at our alumina refinery includes bauxite grinders, vertical filters, calcination furnaces, evaporation plants, precipitation washers, calcination furnaces and decontamination system. Our proprietary decontamination system leverages the varying solubilities of substances at different temperatures to eliminate impurities. This system extracts certain liquor from the main system and removes the impurities by cyclic heat exchange, induced crystallization and solid-liquid separation. Our decontamination system operates independently from the main system, which reduces the impurities without disturbing the operation of the main system. Compared to the ordinary decontamination process using evaporation systems, our system is more sustainable and cost-effective, requiring fewer human resources while achieving higher energy efficiency. We emphasize the management of production equipment, regular maintenance and timely upgrades. In order to further enhance the stability of the alumina refining process and the quality of our alumina products, we have implemented an emergency response system and a rigorous quality control framework.

To further add value to our self-sufficient, complementary, synergistic and integrated ecosystem across the industry chain, we started to construct an aluminum hydroxide production facility at our alumina refinery with an annual designed production capacity of 1,500 kt, which commenced pilot production in December 2024 and had turned into full operations in April 2025. We expect to utilize this production facility to produce aluminum hydroxide which can be further calcined and transformed into alumina products. We had also started to construct an aluminum hydroxide calcination production line with a production capacity of 2,000 kt per year of alumina calcined from aluminum hydroxide in February 2025. As of the date of this prospectus, this production line has been constructed and will begin pilot production in November, 2025.

Capitalizing on our production management system and advanced production equipment, the average annual capacity utilization rate of our aluminum smelting was more than 94% and the average annual capacity utilization rate of our alumina refining was more than 88% for each period during the Track Record Period.

The following table sets forth the details of our production capacity and the relevant metrics of our major products for the periods indicated:

| | Year ended December 31, | | | | | | | | | | | | Five months ended May 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | | 2023 | | | | 2024 | | | | 2024 | | | | 2025 | | | |
| | Designed production capacity(1) | Actual production volume | Capacity utilization rate(2) | Regulatory approvals for annual production quota and capacity(4) | Designed production capacity(1) | Actual production volume | Capacity utilization rate(2) | Regulatory approvals for annual production quota and capacity(3) | Designed production capacity(1) | Actual production volume | Capacity utilization rate(2) | Regulatory approvals for annual production quota and capacity(3) | Designed production capacity | Actual production volume | Capacity utilization rate(2) | Regulatory approvals for annual production quota and capacity(3) | Designed production capacity | Actual production volume | Capacity utilization rate(2) | Regulatory approvals for annual production quota and capacity(3) |
| | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* | *(kt)* | *(kt)* | *(%)* | *(kt)* |
| Aluminum smelting | 788.1 | 744.1 | 94.4 | 788.1 | 788.1 | 757.9 | 96.2 | 788.1 | 788.1 | 755.4 | 95.6 | 788.1 | 326.0 | 315.6 | 96.8 | 788.1 | 326.0 | 310.7 | 95.3 | 788.1 |
| Alumina refining | 800.0 | 706.2 | 88.3 | 800.0 | 1,200.0 | 1,546.1 | 128.8 | 1,200.0 | 1,200.0 | 1,539.9 | 128.3 | 7,200.0 | 518.7 | 665.3 | 128.3 | 1,200.0 | 515.3 | 664.5 | 129.0 | 7,200.0 |

*Notes:*

(1) The designed capacity for the aluminum smelter is the pre-designed production output that may be achieved under normal production conditions and product specifications specified in the design documents and technical documents. It is calculated based on the assumption that each factory's main product is produced 24 hours a day, 365 days a year and for 151 days for the five months ended May 31, 2024 and 2025. For the alumina refinery, this is calculated based on the assumption that each factory's main product is produced 24 hours a day, 347 days a year and for 149 days for the five months ended May 31, 2024 and 2025, deducting the days for the annual examination of alumina refining equipment, during which production temporarily halts. The annualized designed production volume in the five months ended May 31, 2025 (namely, the annual designed production capacity in 2025) remained at 788.1 kt and 1,200 kt for aluminum smelting and alumina refining, respectively.

(2) The capacity utilization rate is calculated by dividing the actual production volume for the period indicated by the annualized designed production capacity for the period indicated.

(3) Regulatory approval for annual electrolytic aluminum production quota refers to the approved annual cap in production volume for electrolytic aluminum, including liquid aluminum and aluminum ingots. Regulatory approval for annual alumina production capacity refers to the approved annual cap in production volume for refining alumina.

The designed capacity for both electrolytic aluminum and alumina is identical with the regulatory approval for annual production quota and capacity in each period, except for those for alumina in 2024 and the five months ended May 31, 2025, because (i) the initial design of the production sites and production lines factored in policy requirements; and (ii) for any surplus approved production quota that exceeds our designed production quota, we actively engage in the trading thereof for additional capital. See "Financial Information — Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022 — Other Gains."

The designed capacity for the aluminum smelter is the pre-designed production output that may be achieved under normal production conditions and product specifications contained in the design documents and technical documents. The actual production volume of alumina in 2023 and 2024 exceeded the designed production capacity in the respective periods, primarily because our alumina refining efficiency improved as we renovated and upgraded the production equipment and improved our operational efficiency through more refined management. Specifically, we improved certain operational procedures, equipment and workflow within the production process, thereby optimizing the processes of material handling, impurity removal and electrolysis, among other things. We did not obtain regulatory approval for additional production capacity before exceeding the relevant capacity in 2023. According to PRC laws and regulations, an increase in production capacity of 30.0% or more is considered a significant change in the constructed project, which necessitates the submission of a change application to the original regulatory authorities to obtain re-approval. Companies who commence construction without re-approval may face penalties such as being ordered to suspend production and fines. As advised by our PRC Legal Advisor, according to PRC laws and regulations as well as the written confirmations from the relevant competent regulatory authorities we obtained during the period from October 2024 to January 2025, including Wudi Development and Reform Commission (無棣縣發展和改革局), Wudi Sub-branch of Binzhou Municipal Ecological and Environment Bureau (濱州市生態環境局無棣分局) and Wudi Emergency Management Bureau (無棣縣應急管理局), our increase in actual production capacity in 2023 and 2024 did not exceed 30.0% in the respective periods, which does not constitute a significant change; furthermore, since it does not constitute non-compliance, no relevant administrative penalties can be imposed on our Group.

To more effectively control and manage our production capacity utilization, we continuously monitor our capacity utilization rate and timely obtain regulatory approval for additional production capacity in anticipation of potential increases in the demand for our alumina products. In 2024, we secured the regulatory approval for a total of 6,000 kt per year production capacity of alumina calcined from aluminum hydroxide, among which (i) we started the construction of the relevant production line with 2,000 kt of designed production capacity in February 2025 and were in the process of construction as of the Latest Practicable Date, and (ii) we had no plan for the construction of the remaining 4,000 kt approved production capacity as of the same date. This 6,000 kt regulatory approval serves to expand our current production capabilities and control the utilization rate, and also serves as a strategic reserve for our future alumina production. This strategic reserve is expected to provide us with a competitive edge by allowing for increased output in response to market demand spikes, without any delay caused by waiting for new approvals. Furthermore, it supports our long-term planning and stability, giving us the flexibility to expand production in a compliant manner. We expect to complete the construction of the relevant production line with 2,000 kt of designed production capacity in the fourth quarter of 2025. We expect to commence the pilot production at this production line by the end of 2025. In view of our expected increase in alumina production capacity, we plan to further expand the sales of alumina to downstream customers centered around our alumina refinery in Binzhou, Shandong Province, rather than purchasing additional electrolytic aluminum quota and consuming the increased alumina output at our aluminum smelter.

As confirmed by our PRC Legal Advisor, the approval procedures of production capacity for alumina and alumina calcined aluminum hydroxide are essentially the same. In terms of production process, the former allows for the holder of such approval to produce alumina through the Bayer process all the way from bauxite, while the latter allows for the production capacity of producing alumina from aluminum hydroxide, an intermediate in the Bayer process. See "— Our Production — Our Production Process — Alumina Products" for details.

**Our Production Process**

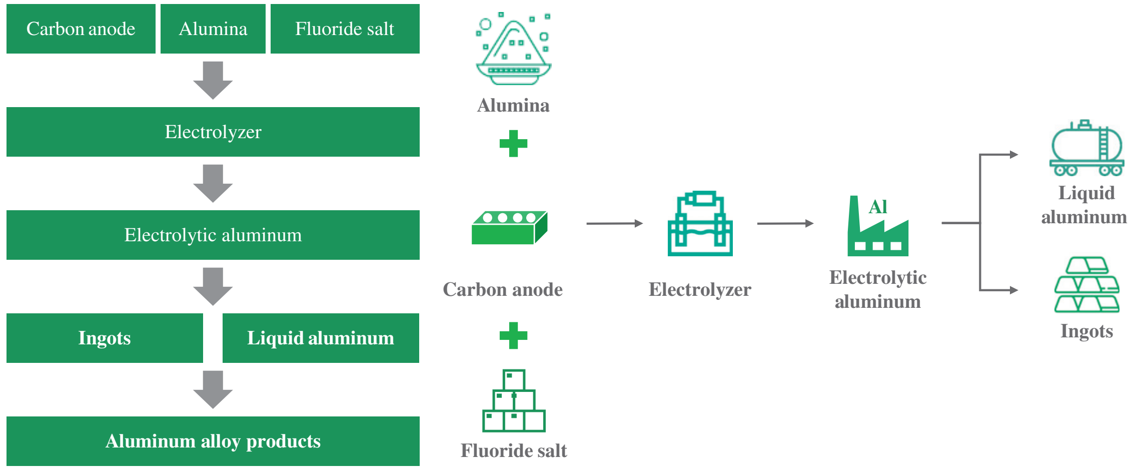
We produce alumina by refining bauxite through the Bayer process. The produced alumina undergoes the Hall-Héroult process, where it is electrolyzed in molten cryolite to produce electrolytic aluminum.

***Electrolytic Aluminum Products***

As of May 31, 2025, we possess a total of 576 electrolyzers. Each unit consists of a series of equipment and processes that complete the entire power supply cycle from electricity input to output, and liquid aluminum is produced through these units. The main production equipment at our aluminum smelter includes electrolyzers, power supply units, holding furnaces and casting machines. Our production units feature advanced design and mature process technology for aluminum electrolyzer.

We produce electrolytic aluminum through the Hall-Héroult Process, a widely adopted method in the aluminum industry, according to CRU. In this process, alumina and carbon anodes undergo smelting through electrolytic reduction. Cryolite, a fluoride-based compound, acts as the solvent, lowering the melting point of alumina, which forms the molten mass. A strong direct current is passed into the electrolyzer, facilitating an electrochemical reaction at the cathode and anode. This reaction results in the separation of aluminum from its oxide, producing liquid aluminum and releasing carbon dioxide as a by-product. The liquid aluminum is then collected from the bottom of the electrolytic cell for further processing and refinement. This method is efficient and crucial for large-scale aluminum production.

The following flowchart illustrates our aluminum smelting process:




*Raw Materials Supply:* Alumina, carbon anodes, fluoride salts and direct current are supplied to the electrolyzers. Alumina is the primary raw material of electrolytic aluminum. Carbon anodes serve as the electrodes. Fluoride salts are used to lower the melting point of alumina and improve the electrical conductivity. Direct current is supplied to drive the electrochemical reactions.

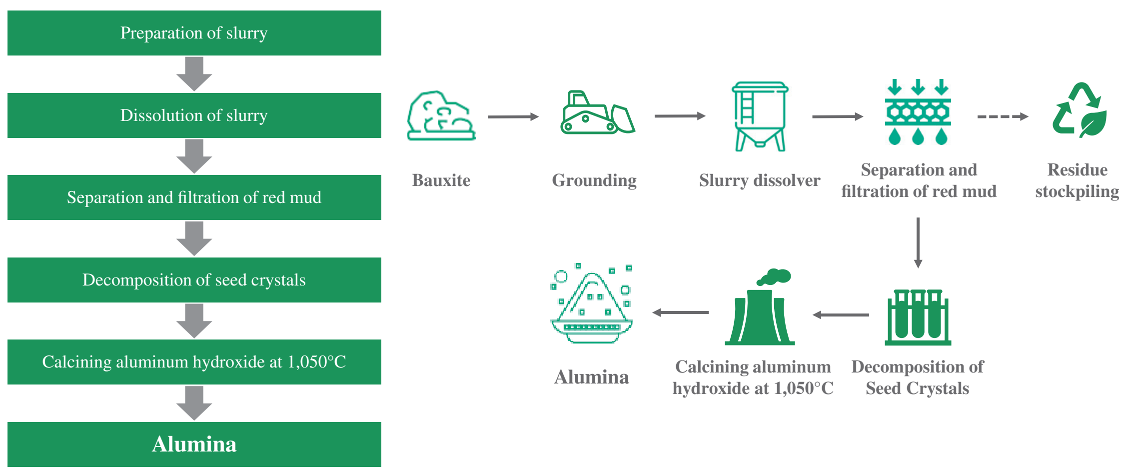
*Electrochemical Reactions:* These raw materials undergo continuous electrochemical reactions to produce liquid aluminum. Residual carbon anodes and flue gas are produced as by-products.

*Semi-products and By-products Treatment:* The residual anodes are pressed, stripped and crushed. The liquid aluminum is extracted from the electrolytic cell and transferred to a holding furnace for purification.

*Finished Products Formation and By-product Recycling:* The fluorine-enriched alumina is recycled to the electrolyzers. The residual carbon anodes are sold for recycling. The liquid aluminum is directly delivered to downstream customers or cast into aluminum ingots for storage and transportation.

### *Alumina Products*

We produce alumina products through the Bayer Process, a widely adopted method for refining bauxite to produce alumina. The following flowchart illustrates the alumina refining process:




*Bauxite Slurry Preparation*: The bauxite is ground into fine bauxite slurry to increase the surface area for the subsequent chemical reactions.

*Bauxite Slurry Dissolution*: The bauxite slurry is mixed with heated caustic soda solution, dissolving the alumina content in the bauxite and forming a sodium aluminate solution.

*Red Mud Separation and Filtration*: The insoluble residues, also known as the red mud, are separated from the sodium aluminate solution. The red mud, which retains sodium aluminate solution, is cleaned to recover the alumina and caustic soda it contains.

*Seed Decomposition*: The filtered and cooled sodium aluminate solution is combined with aluminum hydroxide seed crystals to promote the precipitation of aluminum hydroxide from the solution.

*Calcination of Aluminum Hydroxide*: The aluminum hydroxide precipitate is then calcinated at around 1,050°C to remove the water content and converted into alumina.

**Our Green Production**

We embrace green production principles throughout our production process to fulfill our dedication to sustainability and comply with global sustainable development policies. We optimize the use of raw materials, improve the capacity utilization rate of resources, such as bauxite, and proactively explore the reuse of waste residues to achieve resource recycling. We are committed to clean production, employing advanced technologies to treat wastewater, exhaust gases and waste residues, ensuring emissions meet national and local environmental standards. Moreover, we focus on the green concepts of our products, emphasizing green attributes such as ease of transport, storage and handling from design to research and development. During the production phase, we strive to manufacture high-quality alumina and electrolytic aluminum products to reduce resource waste and environmental pollution caused by product quality issues. Our subsidiary, Inner Mongolia Chuangyuan, was awarded the accolade of National Green Factory by the MIIT in 2024.

Specifically, our production process strictly complies with national regulations on pollutant emissions. The emission limits for particulate matter, sulfur dioxide in the production process of an aluminum smelter are stipulated by national emission standard of pollutants for aluminum industry, GB 25465-2010. Using an advance limestone-gypsum method for desulfurization and dust removal, our emissions of pollutants from the aluminum electrolysis process during aluminum smelting are significantly below the emission limits set by the national standard. The following table sets forth our emissions as compared to the national standard:

| | National Standards | | | Our Company | | |
|---|---|---|---|---|---|---|
| | Electricity Generation | Electrolytic Aluminum | Alumina | Electricity Generation | Electrolytic Aluminum | Alumina |
| | | *(Mg/M³)* | | | *(Mg/M³)* | |
| Particulate . . . . . | 30.0 | 20.0 | 10.0 | 1.5 | 1.5 | 1.1 |
| Sulfur Dioxide. . | 100.0 | 200.0 | 100.0 | 21.9 | 26.7 | 3.3 |

In addition, we continuously innovate in the technologies we use in our green production. For example, we developed a device and method for deep gas purification (煙氣深度淨化裝置及方法), which reduces the emissions of harmful gas and improves the production efficiency. Specifically, during the aluminum smelting process, a significant amount of fumes are emitted. While these fumes are not highly concentrated in pollutants, existing technologies struggle to further reduce their environmental impact. To overcome this, we developed a wet flue gas desulfurization technology capable of removing both sulfur and fluorides from the fumes. We also introduced a state-of-the-art dust removal technology that excels in capturing fine particles through a process involving cooling, phase change, aggregation and recapture methods. This innovation was awarded the first prize of China Nonferrous Industry Scientific and Technological Progress (中國有色工業科技進步一等獎) and was demonstrated among enterprises in the aluminum smelting industry. This showcases our dedication to green production and our ability to provide economically viable and advanced solutions for achieving near-zero emissions for the green development of China's aluminum smelting industry.

Furthermore, we proactively explore ways to reuse the materials produced during the production process, aiming to achieve resource recycling. In 2023, we established a collaboration with a university for a joint research project for a system for the comprehensive reuse of red mud. This system aims to improve alkali extraction to achieve an alkali extraction rate more than 90%, as well as an alumina extraction rate of more than 50%. The treated red mud is essentially alkali-free and can be directly used for a wide range of application scenarios, such as soil remediation, iron extraction and production of building materials.

For other measures promoting green production and ensuring compliance with relevant laws and regulations, see "— Environmental, Social and Corporate Governance."

Recognizing the increasing global demand for green power aluminum, we are shifting our energy supply from fossil fuels, specifically coal, to green energy sources such as wind and solar power. We have set up green energy supply facilities by building our own wind and solar power plants. As of the Latest Practicable Date, we had commenced using green energy generators. See "— Electricity Supply — Our Green Power Supply."

We attach high importance to green production. Our proactive development of green energy supply capabilities, including the construction of wind and solar power plants, ensures that our green power aluminum products meet the standards of low carbon emission. This strategy attracts high-end customers, increases the appeal of our products and enhances market competitiveness.

## ELECTRICITY SUPPLY

The aluminum smelting process requires a continuous and stable electricity supply. Electricity costs represent a major portion of production costs for all electrolytic aluminum companies. According to CRU, in 2024, electricity costs accounted for approximately 36% of the total production costs for aluminum smelting companies in China. Leveraging the abundant natural resources in Huolinguole, we have established power plants and electricity generation facilities that utilize thermal power and are in the process of building power plants and electricity generation facilities that utilize green electricity sources to provide a stable electricity supply at low cost. Our rate of electricity self-sufficiency was approximately 88% in 2024, significantly higher than the industry average of approximately 57% in the same period, according to CRU. Our rate of electricity self-sufficiency was approximately 87% in the five months ended May 31, 2025. We also procure electricity, including green electricity, from the grid to ensure a stable and reliable power supply that mitigates the potential fluctuations in our self-generated electricity while increasing our green power usage.

**Our Thermal Power Supply**

Our thermal power plants are strategically located next to our Huolinguole aluminum smelter and Binzhou alumina refinery.

Our Huolinguole thermal power plant had six sets of 330 MW electricity generators and our Binzhou thermal power plant had two sets of 25 MW electricity generators, as of May 31, 2025. The primary power generation equipment includes boilers, steam turbines and power generators sourced from top-tier domestic suppliers. Our proprietary thermal power plant in Huolinguole supplied approximately 8,188 million kWh, 8,350 million kWh, 8,959 million kWh, 3,592 million kWh and 3,665 million kWh of electricity for our production in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 81.3%, 81.4%, 87.8%, 84.2% and 87.4% of our total electricity consumption for the same period, respectively. The cost of electricity consumption of current coal-fired thermal power generation in our Huolinguole aluminum smelter was RMB0.37 per kWh in 2024 and RMB0.33 per kWh in the five months ended May 31, 2025. As of the Latest Practicable Date, we had obtained 1,452 MW of power generation capacity indicators.

During the Track Record Period, we engaged in the trading of power generation capacity indicators, namely purchasing the power generation capacity indicators from third-parties, to increase the capacity of electricity generation in our operations. In 2022, we purchased 710.0 MW of power generation capacity indicators from a third-party at an expense of RMB259.0 million. According to the relevant PRC laws and regulations, power generation capacity indicators may be used on a coordinated basis across provinces, autonomous regions and municipalities, provided that the consent of competent authorities in the provinces, autonomous regions and municipalities to which the project is transferred is obtained. For details, see "Regulatory Overview — Laws and Regulations on Electric Power Business — Power Generation Capacity Indicators." As of the Latest Practicable Date, we are in the process of obtaining approvals from relevant regulatory authority for the transfer of certain power generation capacity indicators we purchased. See "Risk Factors — Our business operation and project construction are subject to various permits, licenses, approvals and/or qualifications and the loss of or failure to obtain or renew any or all of these permits, licenses, approvals and/or qualifications may materially and adversely affect our business, financial condition and results of operations." During the Track Record Period, we did not sell any of our power generation capacity indicators to third-parties. The trading of power generation capacity indicators is conducted primarily through negotiation, with the consideration primarily determined by market prices. We have in place internal policies for the management of intangible assets, including the management of the trading of power generation capacity indicators. According to our internal policies, the purchase, recognition, measurement and sales of power generation capacity indicators must comply with relevant laws and regulations. The responsible operational department is tasked with proposing trading plans, implementing the plans and maintaining relevant records. Our legal department reviews and approves relevant legal documents; our finance department handles accounting, participates in acceptance of the relevant intangible assets and conducts regular audits; and the audit department supervises the compliance in the trading of power generation capacity indicators.

The following table sets forth the details of our electricity generation and usage in each year/period during the Track Record Period:

| | Year ended December 31, | | | Five months ended May 31, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | | *(million kWh)* | | |
| **Huolinguole thermal power plant** | | | | | |
| Electricity generated by the proprietary power plant | 8,960 | 9,132 | 9,754 | 3,916 | 3,983 |
| Electricity generated by the proprietary power plant and used for producing electrolytic aluminum[(1)] | 8,188 | 8,350 | 8,959 | 3,592 | 3,665 |
| Electricity procured from suppliers | 1,970 | 1,987 | 1,654 | 772 | 629 |
| Electricity consumed in producing electrolytic aluminum | 9,679 | 9,959 | 9,863 | 4,133 | 4,032 |
| **Binzhou thermal power plant[(2)]** | | | | | |
| Electricity generated by the proprietary power plant | – | – | – | – | – |
| Electricity procured from suppliers | 131 | 278 | 343 | 131 | 220 |
| Electricity consumed in producing alumina and other related types of products | 131 | 273 | 343 | 131 | 220 |

*Notes:*

(1) Representing the amount of electricity generated by the proprietary power plant and used for producing electrolytic aluminum, deducting the amount of electricity consumed by the operation of our proprietary power plant and aluminum smelter.

(2) The electricity generated by our Binzhou thermal power plant is not recorded as electricity generated by our proprietary power plant but as electricity procured from suppliers, mainly because our Binzhou thermal power plant is connected to the grid, as required by the applicable PRC laws and regulations. Furthermore, in accordance with applicable PRC laws and regulations, our power plant connected to the grid is required to sell the generated electricity to the grid. We subsequently source electricity from the grid for our needs at the alumna refinery. Our Huolinguole thermal power plant is not connected to the grid, nor is it required to be under any PRC laws and regulations.

**Electricity Procurement**

We also procure electricity, including green electricity, from the grid. The cost of electricity procurement amounted to RMB881.3 million, RMB918.5 million, RMB874.5 million, RMB356.9 million and RMB356.1 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 7.7%, 8.0%, 8.0%, 8.4% and 6.3% of our cost of sales in the same period, respectively. In 2022, 2023. 2024 and the five months ended May 31, 2024 and 2025, we procured 1,970 million kWh, 1,987 million kWh, 1,654 million kWh, 772 million kWh and 629 million kWh of electricity, for our electrolytic aluminum production, respectively, accounting for 19.4%, 19.3%, 15.6%, 18.1% and 14.8% of our total electricity consumption for the same period, respectively. The cost of electricity procurement was RMB0.38 per kWh in 2024.

**Our Green Power Supply**

Leveraging the abundant green energy sources in Huolinguole, we are building large-scale wind power and solar power plants, which are expected to have a 1,750 MW electricity generation capacity upon completion. The annual expected utilization hours for our wind power plant are expected to be 3,778.0 hours and 1,418.0 hours for our solar power plant. According to the 2023-2024 National Power Supply and Demand Analysis and Forecast Report (2023-2024年全國電力供需形勢分析預測報告), the national average utilization hours for wind power plants were 2,225.0 hours and 1,286.0 hours for solar power plants in 2023**.** Our transition to green aluminum smelting operations and green power aluminum is both socially and economically effective. It reduces the carbon emissions during our production process and enhances our profitability by reducing the costs of electricity as a proportion to our revenue.

We are constructing wind power plants and solar power plants totaling a projected installed capacity of 1,750.0 MW. Phase I comprises (i) a wind power plant with an installed capacity of 540.0 MW, which had been operational and connected to the grid as of the Latest Practicable Date; and (ii) a solar power plant with an installed capacity of 110.0 MW, 60.0 MW of which had been installed and some had been operational and connected to the grid as of the Latest Practicable Date. We expect the remaining capacity to be fully operational and connected to the grid by the end of 2026. As of the date of this prospectus, construction of the majority of the above (i) and (ii) under Phase I, with a total installed capacity of 457.0 MW, had been completed, and the corresponding electricity generators were operational and connected to the grid. Phase II comprises a wind power plant with an installed capacity of 1,000.0 MW, 500.0 MW of which had been under construction since March, 2025 and is expected to be fully operational and connected to the grid by March 2026, and the other 500.0 MW had been under site preparation for the construction as of the Latest Practicable Date, is expected to be fully operational and connected to the grid by October 2026. To further our commitment to green power supply, we also plan to construct a 100.0 MW distributed solar power plant on-site, for which we had been designing the construction project as of the Latest Practicable Date. It is expected to commence its initial operation by the end of 2026.

As the majority of the projected installed capacity of the Phase I wind power plants and solar power plants were operational as of the date of this prospectus and the remaining capacity is anticipated to be fully operational by the end of 2026, and as we continue to procure green electricity from the grid, our proportion of green energy utilized will continue to increase towards the end of 2025. By the end of 2026 when both the above Phase I and Phase II wind power plants and solar power plants become fully operational, and with procurement of green electricity from the grid, we aim to achieve over 50% proportion of green energy utilized. The delivered electricity costs of green power generation ranges approximately from RMB0.10 to RMB0.18 per kWh, based on the estimated total investment in our wind and solar power plants. Upon the full operation of our green power plants, our thermal power plant will be primarily used to assist in peak adjustment, supply-demand balancing and stability enhancement.

## PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

### Procurement

Our raw materials primarily include bauxite, coal, carbon anodes and alumina. We have a dedicated procurement department for the assessment and purchase of raw materials. The procurement department is composed of the equipment and raw materials division, the materials division and the bidding division. The procurement decision-making follows a strict internal approval procedure, where the procurement plan made by each procurement personnel needs to be approved by the division head and the management team.

Our suppliers can provide high-quality and stable raw materials to maintain the stability of our production processes. Our procurement department purchases raw materials through online and offline bidding. We meticulously select our suppliers, taking into account the price they offer, their credit history, production capacity and quality of raw materials offered. We maintain long-term collaborative relationships with our suppliers and typically enter into annual framework procurement agreements for the purchase of raw materials to guarantee a stable supply. We constantly assess the performance of our suppliers by considering certain factors, including the quality of raw material and timeliness of supply. The assessment result affects our future collaboration with them.

The annual framework procurement agreements typically specify the procurement volume, duration, pricing, transportation methods and payment terms for both the raw materials and the freight. As confirmed by CRU, the pricing terms in our procurement agreements are in line with the industry norm.

#### *Procurement of Bauxite*

Bauxite is a major raw material in alumina refining. We procured high-quality bauxite mainly from Guinea and Australia with high alumina level and low silica content at competitive prices during the Track Record Period. To ensure the quality of our alumina, we conduct a series of quality control measures on the bauxite. At the loading and unloading ports, quality reports are issued by internationally recognized third party inspection agencies such as CCIC and SGS after their standardized sampling and analysis. Samples from the loading port are simultaneously mailed to our alumina refinery for testing. When the vessel arrives at the unloading port and the unloading begins, we conduct sampling and testing at the port, while supervising the inspection agency's sampling and testing process to ensure accuracy. During the transportation of bauxite to our alumina refinery, samples are taken from the transport vehicles to ensure that the bauxite has not been contaminated or degraded in quality during transit. We conduct a final sampling and testing when the bauxite enters our alumina refinery. The test data from the loading port, unloading port, the transport vehicles and alumina refinery entry are benchmarked to ensure consistent bauxite quality during the whole process of international freight and local transportation.

The geographical advantage of our Binzhou alumina refinery reduces our cost of purchasing bauxite. See "— Our Production — Our Production Capabilities." In addition, to reduce the procurement costs of bauxite, we have implemented a number of measures. We seek out superior suppliers and optimize our supplier pool, prioritizing those who maintain credibility and can ensure the delivery of quality bauxite on schedule. We also establish long-term cooperative relationships with suppliers to secure more favorable prices and improved delivery times. The amount of bauxite that we procured was 2,125.7 kt, 4,654.7 kt, 4,993.3 kt, 2,122.6 kt and 2,922.5 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the average purchase price of bauxite was approximately RMB494 per ton, RMB525 per ton, RMB558 per ton, RMB512 per ton and RMB737 per ton in the same respective periods, within the range of industry average price in China, according to CRU.

We primarily procure bauxite from bauxite trading companies or through sourcing agents. We meticulously select bauxite trading companies and sourcing agents based on their reputation and financial strength. We maintain long-term cooperative relationships with bauxite trading companies and sourcing agents who have stable relationships with overseas bauxite mines to ensure a stable supply of bauxite. These bauxite trading companies and sourcing agents also arrange personnel at overseas mines to coordinate loading, supervise the loading process and arrange for inspection agencies to inspect the quality of the loaded bauxite.

The salient terms of the agreements with bauxite trading companies or sourcing agents are set forth below:

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| Principal obligations of parties . . . . . . . . . . . . . . | We are generally responsible for import-related costs. The seller is obligated to deliver the goods to us according to the agreed-upon volume, delivery terms and product specifications such as purities of the bauxite. |
| Risk allocation . . . . . . . . . | Risk generally passes to us once the goods are delivered to us. When sourcing agents are involved, risk generally passes to us once they take possession on our behalf. |

| | |
|---|---|
| Pricing | We generally set a benchmark price in the procurement agreement, subject to adjustments based on foreign exchange rate fluctuations from the agreement date to the time of delivery by the seller. If sourcing agents are involved, the benchmark price is similarly established, typically with adjustments for changes in the average market price and the exchange rate from the agreement date to the time of payment. Prepayment is typically required. |
| Quality warranties and assurance | In cases of procuring from trading companies, we are generally entitled to deduct a percentage of the procurement price for goods that do not conform to the agreed-upon product specifications. |
| Termination | We may terminate the agreement if, after payment, the supplier fails to meet the specified volume, goods or delivery terms. The supplier may terminate the agreement if we fail to settle agreed payments on time or otherwise breach the terms. |

***Procurement of Coal***

We procure coal, typically meager lean coal, as fuel to generate electricity from coal mines and coal trading companies. Our coal procurement costs compose a large proportion of our total costs in power supply. Leveraging the abundant coal resources in Huolinguole, we have access to high-quality coal at low costs. The amount of coal that we procured for our aluminum smelter and alumina refinery was 6,700.2 kt, 7,327.8 kt, 7,849.5 kt, 3,024.7 kt and 2,817.4 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the average purchase price of coal was approximately RMB494.6 per ton, RMB439.0 per ton, RMB398.1 per ton, RMB396.0 per ton and RMB324.9 per ton in the same respective periods, within the range of industry average price in China, according to CRU. We have a dedicated team responsible for the procurement of coal. The procurement of coal is managed by the raw materials division of our procurement department, led by the division chief, and staffed by one team leader and three officers. We take into account the price, transportation costs and our inventory level to determine the amount and price of procurement. The prices at which we procure coal vary according to the pricing strategies of individual coal mines.

During the Track Record Period, we did not experience any shortage in coal supply. To effectively manage the costs of coal procurement, we have strategically chosen to partner with coal mines affiliated with State Power Investment Corporation and China Energy Investment Corporation, securing annual framework agreements that guarantee both the stability and economic viability of our coal procurement. We also engage proximate coal mines, reducing transportation expenses and ensuring sufficient supply that satisfies any increase in demand for coal.

The salient terms of the supply agreements with our coal suppliers are set forth below:

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| Duration and termination . | The annual framework agreement typically has a term of 12 months. We also enter into ad hoc procurement agreement. In cases of annual framework agreement, the supplier is typically entitled to terminate the agreement if we resell the procured coal without the supplier's consent or if we object to the price adjustment according to market prices. In cases of ad hoc purchase agreement, if the supplier fails to deliver the goods on time, we are typically entitled to terminate the agreement. Parties may terminate the agreement by mutual consent. |
| Principal obligations of parties . . . . . . . . . . . . . . | The supplier is obligated to deliver the goods to us according to the agreed-upon volume, delivery terms and product specifications. In cases of annual framework agreement, the frequency and volume of each sales order will typically be mutually agreed upon. We typically bear the transportation costs. In cases of ad hoc purchase agreement, the supplier typically bear the transportation costs. |
| Pricing and payment . . . . . | The prices of the goods are typically determined when signing the agreement. We are typically required to make prepayment. In cases of annual framework agreement, we may re-negotiate the prices where the market price of goods fluctuates. |
| Risk allocation . . . . . . . . . | The risk is typically transferred to us once the goods are delivered to us. |
| Quality warranties and assurance . . . . . . . . . . . | The agreement typically specifies the quality standards. If the supplied coal contains impurities or other quality issues, we are entitled to claim liquidated damages. In case of dispute, a qualified third-party inspector may be involved. |

***Procurement of Carbon Anode***

We procure and consume a large amount of carbon anode during the production process of electrolytic aluminum. The amount of carbon anode that we procured was 329.0 kt, 360.1 kt, 370.9 kt, 145.5 kt and 142.2 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the average purchase price of carbon anodes was approximately RMB5,982.0 per ton, RMB4,314.3 per ton, RMB3,407.5 per ton, RMB3,544.1 per ton and RMB4,084.4 per ton in the same respective periods, within the range of industry average price in China, according to CRU.

The salient terms of the agreements with our carbon anode suppliers are set forth below:

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|---|---|
| Term ................ | The agreement typically has a term of 12 months. |
| Principal obligations of parties .............. | The supplier is obligated to deliver the goods to us according to the agreed-upon frequency and volume of each delivery, the delivery terms and product specifications. We may agree to pick up the goods or the supplier may be responsible for the transportation. We are typically obligated to promptly inspect the goods and bear the costs associated with unloading. |
| Pricing and payment ..... | The price of the goods is typically determined through monthly negotiations between both parties benchmarked on the average market price over a specified period preceding the delivery. Upon preliminary inspection and acceptance of the goods, we shall settle the payment. |
| Risk allocation ......... | The risk is generally transferred to us once the goods are delivered to us. |
| Quality warranties and assurance ........... | The supplier shall ensure the quality of the goods. If the goods are substandard, we generally are entitled to return the goods or require replacement, and claim liquidated damages for breach of contract due to substandard goods. |
| Termination ........... | We may generally terminate the agreement if, after payment, the supplier fails to meet the specified volume, goods, delivery terms or product specifications. The supplier generally may terminate the agreement if we fail to settle agreed payments on time or otherwise breach the terms. |

***Procurement of Alumina***

In addition to the alumina we produced, we also procured alumina from third-party alumina suppliers. We select third-party alumina suppliers primarily based on their production capacity, business scale and influence within the industry. We typically prioritize alumina manufacturers, followed by experienced domestic alumina trading companies. The amount of alumina that we procured was 729.5 kt, 144.3 kt, 213.9 kt, 13.1 kt and 165.0 kt in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the average purchase price of alumina was approximately RMB2,607 per ton, RMB2,619 per ton, RMB4,008 per ton, RMB2,897 per ton and RMB3,439 per ton in the same respective periods, within the range of industry average price in China, according to CRU.

We mainly determine the price of our alumina products with reference to the average monthly prices of alumina in Shandong and Shanxi indicated by Aladdiny (阿拉丁), Baiinfo (百川盈孚) and Antaike (安泰科).

The salient terms of the agreements with our alumina suppliers are set forth below:

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|---|---|
| Term ................. | The annual framework agreement typically has a term of 12 months. We also enter into ad hoc procurement agreement. |
| Principal obligations of parties ........... | The supplier is obligated to deliver goods to us according to the agreed-upon volume, delivery terms and product specifications. In cases of annual framework agreement, the frequency and volume of each sales order will typically be mutually agreed upon. We typically pick up the goods and bear the transportation costs. |
| Pricing and payment ..... | The price of the goods is typically established based on the average market price, namely arithmetic mean of daily market prices, from the preceding month at the time of delivery. We are typically required to make prepayment. |
| Risk allocation ......... | The risk is generally transferred to us once the goods are delivered to us. |
| Quality warranties and assurance ........... | The supplier guarantees that the quality of the goods meets the GB/T24487-2022 standard for appearance grade -1 and -2 products. We are generally entitled to require replacement in cases of substandard goods. |

**Inventory Management**

Our inventories mainly consist of raw materials, primarily including bauxite, coal, carbon anodes and alumina. We had inventories of RMB1,761.0 million, RMB1,255.1 million, RMB1,577.7 million and RMB2,253.3 million as of December 31, 2022, 2023, 2024 and May 31, 2025, and our inventory turnover days were 50.0, 47.3, 46.8 days and 49.7 days in 2022, 2023, 2024 and the five months ended May 31, 2025.

We have implemented stringent inventory management measures to maintain sufficient levels of raw materials. We generally take into consideration of market demand, our production plan and production capacity in inventory management. Our inventory management measures are developed to ensure that the supply of inventory meets our production plans, which, in turn, are developed to meet customers' demand. Our inventory management plans guide the category, volume and time of procurement of the raw materials. In 2024, (i) it on average took approximately 48 days from the procurement of bauxite to the delivery of alumina products to the customers, including approximately 45 days from placing the procurement orders to receiving the bauxite at our Binzhou alumina refinery and approximately three days for alumina refining and delivery to customers; and (ii) it took between four to 16 days from the procurement of alumina to the delivery of electrolytic aluminum products to the customers, with the time variation reflecting the distance and mode of transportation of raw materials and finished goods. To guarantee the stable and continuous production, we typically maintain inventory level between 15 to 20 days for bauxite. For carbon anode, we typically maintain inventory level between five to 15 days. For alumina, we typically maintain inventory level between three to 10 days. The inventory level is typically lower in summer and higher in winter in the respective ranges. We have a dedicated team of 24 people responsible for inventory management, consisting of three inventory management supervisors and 21 inventory managers. Our inventory management team adopts an alarm system with four warning levels to monitor our inventories in real time. If the corresponding warning is triggered, our inventory management team will immediately inform our procurement department to replenish our raw materials. Our inventory management team and financial department conduct monthly on-site stocktaking and inventory checks to assess the inventory quality, inventory level and monthly consumption of inventory. The monthly inspection helps us to determine our procurement plan, ensuring an accurate supply of raw materials and avoiding obsolete inventory. These comprehensive practices enable us to maintain high standards of inventory performance and responsiveness to market needs.

We generally have no inventory of liquid aluminum. We enter into sales agreements with our customers with reference to our designed and actual production capacity to ensure that our liquid aluminum products are directly delivered to our customers once produced from our production sites. For aluminum ingot products, after aluminum smelting and before we ship the products, we temporarily store finished products by product specifications. Our on-duty warehousing personnel are responsible for the daily examination of the storage area. In addition, the warehousing personnel are required to make daily entries of the warehousing and sales of finished products to ensure traceability of their origin and destination.

We have a hedging policy, mainly for the trading of futures contracts and options, to mitigate market price fluctuations in raw materials and finished goods. During the Track Record Period, we engaged in minimum level of hedging activities. Specifically, we engaged in the trading of aluminum ingot futures contracts and options in 2022, deriving other gains of RMB23.7 million in 2022 which accounted for 0.2% of our total revenue in the same year. We did not engage in hedging activities in 2023 and 2024, primarily because (i) our product prices are primarily benchmarked against average market prices, which reflect any market price fluctuations and factor in the market prices of raw materials, and (ii) the price of our liquid aluminum products, which constituted the majority of our revenue in 2023, 2024 and the five months ended May 31, 2025, is determined on a weekly basis and therefore largely minimizes the risk of market price fluctuations. See "— Sales, Marketing and Customer Service — Pricing and Payment." Our hedging policy requires that the trading of futures products aligns with our plans of procurement and product sales, prohibiting speculative tradings. Our operational personnel raises hedging proposals and provides essential information on the underlying raw materials or products being procured or sold, such as procurement agreements and sales contracts, for the approval of our management team. Once approved, the hedging proposals are executed where the operational personnel liaise with futures brokers and issue trade instructions. Our finance personnel is tasked with managing the funds, including the raising, allocation, accounting and supervision of funds. Our risk management department conducts risk assessments, monitors hedging activities, sets risk limits and devises contingency plans, while also regularly reporting risk status to management.

As our product prices are primarily benchmarked against average market prices, which factor in market prices of raw materials, according to CRU, the success of our operations and financial health relies on our commitment to minimizing costs throughout every stage of production. See "Financial Information — Major Factors Affecting Our Results of Operations — Company-specific Factors — Our Changes in Cost Structure and Gross Profit Margin."

**Warehousing and Logistics**

Our warehouses in Huolinguole and Binzhou have an aggregated gross floor area of approximately 114,886.5 sq.m. We have a comprehensive logistics system for the transportation and delivery of raw materials and products. In line with the market norm, according to CRU, we are responsible for the delivery of products to our customers or customers can pick up the products from our production bases. We adopt specially adapted aluminum-tapping vehicles and store the liquid aluminum in specially designed containers to maintain a temperature of 750°C to 900°C during transportation. We engaged third-party warehousing and logistics service providers during the Track Record Period to transport bauxite, alumina and carbon anodes by road and combined sea-rail transportation.

## RESEARCH AND DEVELOPMENT

We believe that research and development is critical to our long-term competitiveness and success. Our autonomous region-level research and development center focuses on research and development activities that improve our manufacturing techniques and enhance product quality and reduce costs. For example, our exemplary project of near-zero gas pollutant emissions during aluminum smelting (電解鋁煙氣污染物趨零排放示範工程), which features our proprietarily developed device and method for deep gas purification (煙氣深度淨化裝置及方法) that reduce the emissions of harmful gas and improve production efficiency, was awarded the first prize of China Nonferrous Industry Scientific and Technological Progress (中國有色工業科技進步一等獎). As of the Latest Practicable Date, we held 130 patents, including 126 utility model patents and four invention patents.

## QUALITY CONTROL

Providing high-quality products is our top priority. We have implemented a stringent quality control system to ensure the quality of our raw materials and products. We have a dedicated quality control department responsible for the quality inspection of our raw materials and products, ensuring their fulfillment of corresponding national quality standards or industry standards.

### Raw Material Inspection

We collect samples once the raw materials are delivered to our production bases. The collected sample is labeled with a dedicated bar code before sending it directly to our CNAS-certified laboratory for sample testing. The information about the supplier is hidden throughout the whole sample testing process to ensure the fairness of our testing results. We use advanced equipment, including carbon-hydrogen-nitrogen analyzers that determine the elemental composition of a sample and calorimeters that measure the amount of heat involved in a chemical reaction, to analyze the quality of raw materials. We have a set of documents, including the Inspection Process Manual, Inspection Equipment Operation Manual and Inspection Standards, for our employees to follow during quality control processes. Our employees are required to study and follow these manuals to ensure product quality. The results of the raw material inspection are reviewed internally within the quality control department by the team leader and the department head. Our quality control department compares our testing results with the testing report provided by suppliers. Our own testing report is sent to our procurement team for review. When raw materials do not meet the national quality standards or industry standards, we send the tested sample to the supplier and third-party inspection agencies for verification. If the raw materials are verified to be substandard, we require relevant suppliers to make up with qualifying raw materials according to the contract terms.

### Product Inspection

Our aluminum and alumina products are subject to the national standards promulgated by the PRC government. Our electrolytic aluminum products are subject to the GB/T 1196-2023 standard. Our alumina products are subject to GB/T 24487-2009 and GB/T 24487-2022 standards. To ensure the implementation of our product quality standards, we carry out stringent testing on our products. Before product inspection, we first affix barcodes to the samples and enter their data into the Commodity Management System. See "— Information Technology." We conduct comprehensive inspections on alumina products, including tests for purity and fineness, to ensure that the products meet relevant standards and customer requirements. For the inspection of electrolytic aluminum products, we employ advanced equipment such as direct reading spectrometers to measure their elemental composition. We have established detailed standard documents that cover inspection criteria, procedures and equipment operation guidelines, which must be strictly followed during the inspection process to ensure product quality. During the inspection, we maintain electronic records, and any non-conforming items are subject to rework, scrapping or downgrading based on the situation. The completed inspection report undergoes a tiered review by team leaders, supervisors and department heads. Leveraging our stringent quality control system, we did not have any material product return during the Track Record Period and up to the Latest Practicable Date.

## SALES, MARKETING AND CUSTOMER SERVICE

Our success is largely built on our long-standing and stable relationship with high-quality customers. We have a dedicated team responsible for business development, contract negotiations and customer service. Our team actively conducts market research and analysis to understand the pain points and demands of target customers and share industry resources with our business partners to continuously enlarge our customer base. We routinely visit and communicate with potential downstream customers with respect to their demand for liquid aluminum and regularly evaluate such potential commercial opportunities.

### Our Sales Network and Marketing Strategies

In order to develop customers, we first determine our sales model and positioned our target market. We adopt a direct sales model. Our sales network and strategies are market driven. We have established marketing capabilities to focus on building and reinforcing the brand image and reputation in the industry for a larger market share. Our target market focuses on high aluminum demand areas in North and East China, with a span of approximately 1,200 km around our Huolinguole production base, reducing the transportation costs and ensuring prompt supply to our customers.

We attach high importance to our sales network and the relationships with our customers. We employ a variety of approaches in our sales and marketing strategies to maintain existing customers and acquire new ones. We have maintained stable relationships with our customers by entering into sales contracts with them.

We sell to both our connected person, Innovation New Material, and independent third-party customers, primarily including trading companies and production companies. Except for Innovation New Material, there exist a number of potential downstream customers within a 25 km radius around our aluminum smelter, including in Huolinguole and surrounding cities, with a total aluminum alloy production capacity of over 1.9 mt. Such demands are far more than our annual production capacity of 788.1 kt. We have independent access to independent third-party customers through our marketing network. We utilize all available channels, including industry connections we accumulated throughout years of operations, to reach out to potential downstream customers and proactively engage with them to understand their procurement requirements. We believe that our brand image and reputation in the industry will help us acquired more independent third-party customers. For example, for the year ended December 31, 2022, we sold liquid aluminum and aluminum ingots to more than 100 independent third-party customers, the revenue from which accounted for approximately 95% of our total revenue from sales of electrolytic aluminum in the same year. Some of the downstream customers within a 25 km radius around our aluminum smelter had previously purchased liquid aluminum from us prior to 2023. We plan to partner with more electrolytic aluminum trading companies, further managing and expanding our sales channel, mitigating the risk of aluminum prices volatility and optimizing our revenue stream and cash inflow.

As of the Latest Practicable Date, we had received letters of intent from independent third-party customers to purchase liquid aluminum with the total indicated demand of approximately 0.78 mt. As of the same date, we had entered into sales contracts with independent third-party customers for our aluminum ingot products, with the total contract value of approximately RMB2,723.8 million and the total indicated demand of approximately 148.6 kt for the year of 2025. See "Relationship With Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence."

**Sales Contract Terms**

We usually enter into annual framework sales agreements with our customers for both our alumina and electrolytic aluminum products, which typically specify the agreed quality, pricing, settlement, payment and planned monthly or annual sales volume. Our customers generally provide us with purchase orders on a monthly basis. The actual monthly volume delivered is negotiated between our customers and us by taking into account the order volume and our production capacity. For the arrangement of transportation, see "— Procurement and Supply Chain Management — Warehousing and Logistics" for details. For pricing and payment, see "— Pricing and Payment" for details. For product quality, see "— Quality Control — Product Inspection" and "— Customer Service" for details.

**Pricing and Payment**

We adopt a standardized pricing policy for products sold to our customers, including both connected persons and Independent Third Parties. The prices of our products depend primarily on the market prices of electrolytic aluminum, as well as other factors such as the local market conditions and transportation costs.

We mainly determine the price of our electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market (上海有色金屬網), which, as confirmed by CRU, indicates the market-assessed price of electrolytic aluminum traded in China typically used by market players. More specifically, we mainly determine the price of our electrolytic aluminum products at an agreed date, such as the date of delivery, with reference to the quoted average price of electrolytic aluminum on the website of Shanghai Metals Market over a certain preceding period. As confirmed by CRU, benchmarking sales prices of electrolytic aluminum products against the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market is in line with industry norm. For aluminum ingots, we typically use the market average price, namely the arithmetic mean of daily market prices, over the preceding week or month. For liquid aluminum, we mainly use the market average price over the preceding week. We mainly determine the price of our alumina products at an agreed date, with reference to the monthly average price of alumina in Shandong and Shanxi indicated by Aladdiny (阿拉丁), Baiinfo (百川盈孚) and Antaike (安泰科).

In addition to the market indicators, we also consider the cost of production, cost of transportation, order volume and the relationship with the customer when determining the price offered to each customer. We typically do not charge any premium on top of the average market prices. We typically do not provide volume rebate or bulk purchase discount to our customers. As confirmed by CRU, the pricing terms in our sales agreements are in line with the industry norm.

For sales of our liquid aluminum, we generally grant our customers with weekly settlement periods and the weekly amounts of payments are determined in accordance with the actual amounts of products sold and the current price calculated by our finance department. For aluminum ingots, we typically require prepayments from our customers before product delivery. If the prepaid amount is more or less than the monthly market average price, we will either refund the excess or request additional payments from relevant customers. For sales of alumina products, we typically require prepayments as in line with market practice.

The salient terms of our sales contracts with customers are as follows:

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| Term . . . . . . . . . . . . . . . . . | We typically enter into annual framework sales agreement with a term of 12 months for the sales of liquid aluminum. We enter into annual framework sales agreement with a term of 12 months and, to a lesser extent, ad hoc sales contract for the sales of aluminum ingots and alumina products. |
| Principle obligations of parties . . . . . . . . . . . . . . | We are obligated to deliver the goods to customers according to the agreed-upon volume, delivery terms and product specifications. In the case of annual framework sales agreements, the frequency and volume of each sales order are typically mutually agreed upon. |
| Pricing and payment . . . . . | The price of the goods depends on the type of products sold. In general, the price is typically established based on the average market price over a certain preceding period determined at an agreed date, including the date of delivery. We either require prepayment or offer credit terms not exceeding seven days, depending on the type of products and assessed on a case-by-case basis. |
| Risk allocation . . . . . . . . . | The risks of the goods are generally transferred to our customers upon delivery of goods. |
| Quality warranties and assurance . . . . . . . . . . . . | Customers typically can raise product quality issues within a specified time frame in writing upon receiving the goods and we are obligated to respond within a certain time. In case of dispute, a qualified third-party inspector may be involved. |
| Termination . . . . . . . . . . . . | Both parties can terminate the agreement upon mutual agreement. Typically, non-payment or failure to deliver the goods entitles the non-defaulting party to terminate the contract in advance. |

**Customer Service**

We value customer experience and are dedicated to offering attentive customer service to our customers. We employ a comprehensive system and our sales personnel are committed to ensuring that our customers receive prompt and effective assistance. We offer return and exchange services in case of quality issues with our products. During the Track Record Period and up to the Latest Practicable Date, there had been no material returns or exchanges of our products. We believe that we have provided satisfying products and customer services to our customers.

## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We recognize the importance of sustainable development for our long-term development. Our comprehensive ESG policy and governance structure, comprising the Board and an ESG working group, help us identify and mitigate potential ESG risks. We continuously enhance our ESG governance capabilities by optimizing production processes, improving energy structures and enhancing resource utilization. We prioritize green development by conserving energy, reducing emissions and standardizing waste disposal. We ensure product quality and refine our supplier evaluation systems, incorporating sustainability as a key criterion to build a sustainable supply chain. We foster a people-oriented approach, encouraging innovation and creating a diverse, equal, healthy and safe working environment. We were in compliance in all material respects with all applicable environmental protection and occupational safety laws and regulations in respect of the business currently conducted by us during the Track Record Period and up to the Latest Practicable Date.

### ESG Governance

We have established an ESG governance framework led by the Board, laying the foundation for the compliance of our ESG efforts, and steadily advancing towards achieving our ESG goals. To ensure the effective progression of ESG work, we have formulated ESG management policies that define the responsibilities and roles of the Board and the ESG working group, providing guidance for the comprehensive implementation of ESG initiatives. Our Board, as the highest responsible body for our ESG efforts, is responsible for reviewing our ESG strategy and related risks and receives regular detailed reports from the ESG working group. To further deepen the ESG work, we have established an ESG working group, comprising employees from relevant departments. The ESG working group is responsible for the management of ESG daily matters, including: (i) refining and implementing ESG-related policies and strategies; (ii) identifying, assessing and managing critical ESG issues; (iii) setting ESG-related targets and indicators; and (iv) tracking the progress and completion of ESG-related targets and indicators.

### Identification and Evaluation of ESG Risks

We promptly identify ESG-related risks and opportunities through regular assessments and internal reporting. Our Board is responsible for overseeing and identifying ESG-related risks and opportunities and supervising the implementation of ESG risk management measures. Our ESG working group will assist the Board in conducting the identification and management of ESG-related risks, primarily including: (i) assessing the significance of ESG-related risks and proposing corresponding recommendations based on the assessment results; and (ii) collecting relevant ESG information to help identify ESG issues and risk matters.

The following table sets forth a summary of details on ESG-related risks that we consider significant and potentially impactful on our business, strategy and financial position:

| ESG-related Risks | Potential Impacts |
|---|---|
| Use of Resources | • Unstable resource supply or supply interruptions may lead to restrictions on our production capacity or even potentially cause us to cease operations. |
| Emissions | • Violation of national laws and regulations related to pollutant emissions may lead to administrative penalties, affecting our normal production and reputation. |
| Climate change | • In terms of physical risks, extreme weather conditions or the gradual long-term changes in climate patterns could have a direct impact on our physical infrastructure and operating environment. |
| | • In terms of transition risks, we may face political, legal, technical and market-related risks in our transition to a lower-carbon economy. |
| Health and Safety | • Frontline employees at the production site may be affected by the working environment and occupational diseases and could even potentially suffer from work-related accidents. |

In response to the severe challenges of climate change, countries worldwide are embracing green and sustainable development, reducing the use of traditional fossil fuels. We have initiated the construction of wind and solar power projects, planning to replace a portion of thermal power with green power. This increases the proportion of green energy utilized and mitigates future compliance pressures from the tightening environmental policies. Our enhanced research and development investment focuses on optimizing product energy consumption, enhancing production capacity efficiency and reducing production costs through technological innovation and equipment upgrades. In addition, leveraging our research and development capabilities, we are committed to introducing high-quality green electrolytic aluminum products. Our dedication to exploring and developing green products demonstrates our commitment to environmental protection.

**Measures to Address ESG Risks**

To mitigate the potential impacts associated with ESG risks, we implemented the following measures.

***Use of Resources***

We consume fossil energy, water and raw materials during the production process. To enhance resource efficiency, we implemented comprehensive resource management measures, obtaining the GB/T 23331-2020/ISO 50001:2018 energy management system certification for our Huolinguole aluminum smelter in 2022 and for our Binzhou alumina refinery in 2023.

- ***Fossil fuel consumption.*** We use fossil fuels, including coal, natural gas, gasoline and diesel, during our production process. To reduce fossil fuel consumption: (i) we are constructing wind power plants and solar power plants, aiming to reduce fossil fuel consumption and greenhouse gas emissions; (ii) we continuously advance the renovation and upgrade our production equipment to reduce coal consumption. In accordance with the Implementation Plan for Industrial Furnace and Kiln Waste Heat Recovery and Utilization Project (《工業爐窰餘熱回收利用項目實施方案》), our Binzhou alumina refinery has installed heat recovery equipment for furnace flue gas waste to reclaim and utilize thermal energy from flue gases. This initiative can reduce steam consumption by 4.6 tons per hour, thereby decreasing coal usage by 0.4644 tons per hour. As a result, our Binzhou alumina refinery can achieve an annual reduction of 3,661.4 tons of standard coal. and (iii) we plan to dispose of idle vehicles to cut down the use of diesel and gasoline vehicles and gradually apply electric vehicles to replace diesel vehicles.

- ***Electricity consumption.*** We manage electricity consumption in accordance with the Electric Power Law of the PRC. We are taking initiatives in green transition by reducing electricity consumption. To reduce electricity consumption: (i) we are fully committed to advancing our green power strategy, actively promoting the construction of solar and wind power projects and planning for the integration of green electricity into the grid, to reduce the consumption of traditional fossil fuel energy; (ii) we conduct regular inspections of electrical lines and equipment to promptly identify and rectify any inefficient electricity usage, striving to minimize power loss; and (iii) we upgraded the lighting equipment in our production base and offices to LED energy-saving lights and assigned specialized personnel to monitor electricity usage, ensuring that lights are turned off in unoccupied areas to prevent the waste of electrical resources.

- ***Water consumption.*** To reduce water consumption, we adopted scientific usage of water resources through technological research to increase the water reuse rate. For example, according to our project evaluation report, we enhanced the boiler cooling pools at our Huolinguole aluminum smelter in 2024 by adding steel plates in the cooling pools of five sets of boilers, thereby reducing leakage and saving water. Each unit can reduce approximately 10 tons of desalinated water per day, conserving approximately 18,250 tons of desalinated water annually. In addition, we continuously cultivate the awareness of our employees on water conservation. We assign specialized personnel to inspect water usage.

- ***Raw material consumption.*** We consume raw materials such as carbon anodes and bauxite. To manage raw material consumption, we proactively promote technology transition projects and continuously strengthen daily production management. Our Huolinguole aluminum smelter optimizes the shape of the anode carbon blocks, removes portions that are not fully involved in the electrochemical reaction, extended the anode replacement cycle and increased the height of the anode carbon blocks to match the anode replacement cycle. Such advancements can reduce the number of anode replacements, resulting in a reduction of approximately eight kg of anode carbon blocks consumed per ton of liquid aluminum produced.

***Emission***

We closely monitor the relevant laws and regulations related to emission requirements. We strictly comply with the applicable laws and regulations in the regions where we operate. We pay significant attention to the management of emissions such as air emissions, wastewater and solid waste, ensuring that all of our emission indicators meet local standards, effectively reducing the adverse environmental impact. During the Track Record Period and up to the Latest Practicable Date, we did not experience any environmental accidents or violations and no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our emission.

We formulated robust internal policies to strengthen the management of emissions, which meticulously stipulate the emission standards and treatment processes for various types of emissions.

- ***Waste gas.*** Our primary air pollutants include sulfur dioxide, particulate matter and nitrogen oxides, mainly originating from our power plants, aluminum smelter and alumina refinery. We adhere to governmental and industrial requirements for the emission of waste gas. To manage waste gas emissions, we employ flue gas desulphurization devices, electrolytic flue gas purification systems and boiler denitrification systems to convert harmful substances in the waste gas into harmless or low-harm substances before emission, ensuring that the emissions meet environmental standards. As a result, our waste gas emissions are significantly lower than the standards of national and local governments.

- ***Wastewater.*** We have implemented a comprehensive wastewater treatment system, including a desulfurization wastewater treatment system, coal-containing wastewater treatment system and industrial wastewater treatment station. These systems enable the recycling of wastewater generated through neutralization, sedimentation and flocculation. The recycled wastewater can be used for ash slurry humidification and coal yard dust suppression. Our domestic sewage is treated with domestic sewage treatment station, which can be used for landscape irrigation or as supplementary water for process systems.

- ***Solid waste.*** Our solid waste primarily includes industrial solid waste, construction waste and domestic garbage. Industrial solid waste mainly includes red mud, anode and waste carbon blocks. We established a dedicated temporary storage warehouse for hazardous waste, implementing zoned management with clear signage. We regularly entrust qualified third-party entities with hazardous waste disposal capabilities for safe disposal.

We consistently adhere to the principles of resource utilization and harmless treatment throughout our waste management process. Our Huolinguole aluminum smelter recycles carbon residue, transforming it into cryolite and carbon powder through harmless treatment. Our Binzhou alumina refinery also recycled carbon residue by incorporating it into the coal gas preparation process. In addition, our Binzhou alumina refinery collaborated with universities on research to develop harmless treatment technologies and explore valuable recovery and resource utilization methods for red mud.

*Climate Change*

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we identified and analyzed the potential impact of climate change risks on our business. The primary climate change risks identified can be categorized into physical risks and transition risks.

| Type of risk | Potential impact | Response measures |
|---|---|---|
| **Physical risk** | | |
| Acute risk . . . | • Extreme weather events, such as heavy snowstorms, extreme heat, strong typhoons, hail and heavy rainfall, may lead to power outages, water shortages and traffic disruptions, affecting logistics, transportation and production, which in turn could impact our sales revenue and profits.<br>• Extreme weather may cause employees to suffer unexpected injuries, affecting their health and safety, which could result in a loss of productivity and ultimately affect our sales revenue and profits. | Below response measures apply to both acute risk and chronic risk:<br>• We have established the Emergency Rescue Drill Plan for Snow Disasters, the Special Emergency Plan for Snow Disasters and the Emergency Plan for Environmental Incidents. We have organized annual emergency drills and training activities to prepare for natural disasters.<br>• We conduct training sessions for employees on emergency response to enhance their ability to deal with emergencies and ensure the health and safety of employees. |

| Type of risk | Potential impact | Response measures |
|---|---|---|
| Chronic risk . | • Climate change increases the likelihood of extreme weather events, which may result in rising temperatures and sea levels and uneven distribution of water resources. This could potentially result in increased operating costs, such as additional heat subsidies for employees and the purchase of cooling equipment. | |
| **Transition risk** | | |
| Policy and legal risk . . | • The PRC government has introduced a special action plan for energy saving and carbon reduction in the electrolytic aluminum industry and plans to incorporate the electrolytic aluminum industry into the national carbon emissions trading market management. Local governments have also issued relevant policies and implementation plans focusing on reducing pollution and carbon emissions. As carbon emissions regulation intensifies, we may need to allocate more resources to research and development of energy-saving and carbon-reduction technologies or upgrading the existing equipment. This could result in an increase in our operating costs. | • We closely monitor policies related to climate change and promptly assess their impact on our operation to implement improvement measures as soon as possible. Through regular internal training and carrying out carbon investigation activities, we consistently enhance our ability to statistically analyze carbon emissions and improve the level of climate information disclosure. This proactive approach addresses the concerns of the government and regulatory authorities regarding our response to climate change. |

| Type of risk | Potential impact | Response measures |
|---|---|---|
| Market risk . . | • As China continues to implement a national strategy for addressing climate change, low-carbon awareness is increasing. Customer demand is progressively shifting towards low-carbon and environmentally friendly products. This shift may impact our sales operations, potentially resulting in a decrease in sales revenue and profits. | • We actively promote the use of green energy sources, such as wind and solar power, reducing the consumption of fossil fuels and producing green products.<br><br>• Our Huolinguole aluminum smelter has made significant progress in calculating and certifying product carbon footprints, allowing us to comprehensively understand the carbon footprint throughout the product lifecycle and identify opportunities for carbon reduction.<br><br>• We employ advanced production technologies and implement energy-saving and consumption-reducing control measures to minimize the carbon footprint of our products. This enhances their environmentally friendly attributes and ensures they meet international carbon emission standards. |
| Reputation risk . . . . . . | • The public is becoming more concerned about companies' commitment to green and low-carbon development. Any incident that does not align with national low-carbon and environmental protection policies could harm our reputation, potentially affecting our competitiveness. | • We actively adhere to environmental protection policies and conduct training on environmental and low-carbon practices, fostering widespread awareness of environmental protection and low-carbon living. |

***Health and Safety***

We emphasize the health and safety of our employees by establishing a comprehensive production safety management system, implementing safety assurance measures and continuously optimizing the conditions for safe production to create a healthy and safe working environment. We have established employee health management, safety management systems and emergency response plans to enhance our safety and health management on production in accordance with relevant laws and regulations.

Our employee health management system and measures at our Huolinguole aluminum smelter and our Binzhou alumina refinery have been certified to the GB/T45001-2020/ISO45001:2018 occupational health and safety management system in 2024 and 2023, respectively. During the Track Record Period up to the Latest Practicable Date, we did not experience any material work safety incidents and no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to work health and safety.

To further strengthen our safety management and ensure safe production, we have implemented the following safety production measures to effectively prevent and control the occurrence of production safety accidents:

- ***Potential safety hazards investigation.*** We conduct quarterly investigations on safety production hazards in aluminum smelter, alumina refinery and power plants, with enhanced inspection before holidays. Inspection results will be publicized and rectification progress will be carried out to promptly eliminate the hazards.

- ***Daily safety inspections.*** We conduct daily safety inspections, including checking the use of protection gear by workers in the production site and equipment, such as boilers and pressure vessels.

- ***Safety responsibility system.*** We strictly follow a comprehensive safety responsibility system, which clearly defines the safety duties of each department, leader and employee. This ensures all personnel diligently fulfill their responsibilities for work safety.

In the production process, we focus on the improvement of working environment and the enhancement of safety awareness of our employees through the following measures:

- ***Safety training.*** We have established the Employee Safety Education and Training Management Standard (《員工安全教育培訓管理標準》), which outlines the objectives, content and timing for safety training. An annual training plan is set out, detailing safety training tasks for the power plant, aluminum smelter, alumina refinery and relevant departments. This ensures employees fully understand and comply with safety production requirements.

- ***Protection equipment distribution.*** Employees receive necessary protective gear, such as earplugs, goggles, masks, helmets, and insulated clothing. Usage is supervised to ensure safety.

- ***Occupational health checks.*** Pre-employment, regular and post-employment occupational health checks are provided. We restrict employees with metal implants from working in hazardous areas, such as electromagnetic fields.

- ***Occupational disease hazards detection.*** We regularly monitor workplaces for occupational disease hazards and engage qualified occupational health service agencies to conduct necessary tests.

***Anti-fraud, Anti-corruption, Anti-bribery and Anti-money Laundering***

We are committed to fostering a corporate culture of integrity, honesty and incorruptibility. We strictly adhere to the Anti-Money Laundering Law of China and other laws and regulations related to anti-corruption, bribery and money laundering. We have implemented a series of policies against fraud, bribery, corruption and money laundering, including the Anti-Fraud, Anti-Bribery, Anti-Corruption Reporting and Whistleblower Protection Policy (《反舞弊、反賄賂、反腐敗舉報與保護舉報人制度》) and the Anti-Money Laundering Management Policy (《反洗錢管理辦法》). These policies provide clear guidelines for the prevention, reporting, investigation and penalization of fraudulent activities.

To further prevent fraudulent activities, we continuously improve our internal control measures, through the development of business process flowcharts and the establishment of control mechanisms. In addition, auditors regularly conduct inspections for bribery and corruption fraud, promptly identifying potential fraudulent situations. During the Track Record Period up to the Latest Practicable Date, we did not experience any material dispute or any pending legal proceeding related to business ethics.

We have established multiple reporting channels to facilitate the reporting of actual or suspected fraud by all employees and certain external parties with direct or indirect economic transactions with us. Reports can be made through hotlines, emails, and letters. Upon receiving reports of fraudulent activities, our Audit Department promptly conducts reviews and investigations. If necessary, we engage third-party professionals to assist in the investigation. We strictly protect the privacy and information of whistleblowers, ensuring their identity and information are not disclosed without their consent. Any breach of confidentiality or retaliation will result in dismissal or contract termination, and legal offenses will be referred to judicial authorities for action.

We uphold transparency and fairness in procurement by including integrity and anti-corruption clauses in our contracts with suppliers. In addition, we require suppliers to sign the Integrity Agreement for Bidding and Commercial Business (《招投標及商業業務廉政協議書》) before collaboration, to jointly maintain high ethical standards and promote the culture of integrity.

***Social Responsibility***

We recognize our social responsibilities and proactively contribute to the society. We assist disadvantaged families in Tongliao, Inner Mongolia, through donations and public welfare projects, particularly for the elderly, orphans and people with disabilities. In addition, we proactively participate in public welfare, cultural and sports activities, making significant contributions to society. Our involvement includes sports and cultural sponsorships, where we collaborate with local governments and public welfare organizations to organize various activities. For example, we sponsored the Huolinguole International Half Marathon and supported the development of Huolinguole Wulan Pastoral Cavalry's cultural industry. We organize voluntary blood donation, which demonstrates our commitment to fostering unity, cooperation and mutual assistance. We also regularly donate to the municipal education foundation to support educational development.

**Environmental Protection Performance**

To proactively respond to the goals of Carbon Peaking and Carbon Neutrality, we continue to pay attention to environmental protection and the development of ecological culture. We are committed to integrating sustainable development into our business operation and decision-making. We have established environmental protection targets to quantify our efforts and actively monitor our environmental impact. The following table sets forth our quantitative data on the environmental protection performance during the Track Record Period:

| Category | | Unit | 2022 | 2023 | 2024 | Five months ended May 31, 2025 |
|---|---|---|---|---|---|---|
| Air emission | Intensity of nitrogen oxides | kg/ton total output(1) | 0.95(2) | 0.64(2) | 0.63 | 0.52 |
| | Intensity of sulfur dioxide | kg/ton total output | 1.04 | 0.90 | 0.87 | 0.54 |
| | Intensity of particulate matter | kg/ton total output | 0.10(3) | 0.06(3) | 0.06 | 0.05 |
| | Intensity of waste gas | kg/ton total output | 2.09(4) | 1.60(4) | 1.55 | 1.10 |
| Greenhouse gas (GHG) emission | Scope 1 – Direct emission | ton | 9,796,707 | 10,681,145 | 11,606,583 | 4,804,549 |
| | Scope 2 – Indirect energy emission | ton | 1,287,344 | 1,383,734 | 1,219,211 | 553,217 |
| | Scope 3 – Other indirect emission(5) | ton | 40 | 47 | 79 | 53 |
| | Total GHG emission (Scope 1 + Scope 2) | ton | 11,084,051 | 12,064,879 | 12,825,794 | 5,357,766 |
| | Intensity of total GHG emission (Scope 1 + Scope 2) | ton/ton total output | 7.01 | 4.83 | 5.04 | 4.16 |

| Category | | Unit | 2022 | 2023 | 2024 | Five months ended May 31, 2025 |
|---|---|---|---|---|---|---|
| Waste | Intensity of hazardous waste | ton/ton total output | 0.011 | 0.009 | 0.014[(6)] | 0.012 |
| | Intensity of non-hazardous waste | ton/ton total output | 2.17 | 1.71[(7)] | 1.62 | 1.47 |
| Energy consumption | Intensity of total energy consumption | MWh/ton total output | 34.16 | 23.75[(7)] | 24.27 | 19.33 |
| Water consumption | Intensity of total water consumption | ton/ton total output | 2.83 | 2.21[(7)] | 2.50 | 2.68 |
| PFC emission | Intensity of PFC | ton carbon dioxide equivalent/ton total electrolytic aluminum output | 0.14481[(8)] | 0.14481[(8)] | 0.14481[(8)] | 0.14481[(8)] |

*Notes:*

(1) The intensity ratio uses annual total output during the indicated period. The annual total output includes the annual output of electrolytic aluminum as well as alumina and other related types of products.

(2) The nitrogen oxide emission standard was tightened from 200 $mg/m^3$ in 2022 to 100 $mg/m^3$ in 2023, leading to a decrease in intensity of nitrogen oxide.

(3) The particulate matter emission standard was tightened from 20 $mg/m^3$ in 2022 to 10 $mg/m^3$ in 2023, leading to a decrease in intensity of particulate matter.

(4) The emission standards for nitrogen oxides and particulate matter was tighten in 2023. As a result, the intensity of waste gas emissions decreased.

(5) Including the GHG emission from wastepaper disposed of in landfills and our employees' business trips by airplane.

(6) Hazardous waste mainly includes overhaul residue, carbon residue and coal tar. The increase in intensity of hazardous waste in 2024 is mainly due to (i) the replacement of electrolytic cells at the Huolinguole aluminum smelter, resulting in an increase in overhaul residue; and (ii) the increase in coal consumption at the Binzhou alumina refinery, leading to increased gas output from the coal gasifiers. At the same time, the load on the gas generator increased, which led to a higher usage of saturated steam, resulting in an increase in coal tar production.

(7) In 2023, the production volume of the Binzhou alumina refinery increased, leading to an increase in the proportion of alumina among our products sold, which in turn resulted in a decrease in the intensity of non-hazardous waste, total energy consumption and total water consumption.

(8) The intensity of PFC emission remained consistent throughout the Track Record Period because the national guidelines mandate the use of a fixed, universal emission factor per ton of electrolytic aluminum produced.

We will monitor air emission and GHG emission to assess and manage our environmental impact. We have compared our environmental protection indicators with those of other major electrolytic aluminum producers in China and considering our operational conditions, reviewed our environmental protection performance and set emission reduction targets.

| Category | | Unit | Our Company 2024 | Major electrolytic aluminum producer A[(1)] 2024 | Major electrolytic aluminum producer B[(2)] 2024 | Major electrolytic aluminum producer C[(3)] 2024 |
|---|---|---|---|---|---|---|
| Air emission | Intensity of nitrogen oxides | kg/ton total output | 0.63 | 0.31 | 1.42 | 0.89 |
| | Intensity of sulfur dioxide | kg/ton total output | 0.87 | 1.57 | 1.55 | 1.39 |
| | Intensity of particulate matter | kg/ton total output | 0.06 | 0.13 | 0.19 | 0.17 |
| GHG emission | Intensity of total GHG emission (Scope 1 + Scope 2) | ton/ton total output | 5.04 | 3.09 | 14.47 | 5.65 |
| Waste | Intensity of hazardous waste | ton/ton total output | 0.014 | 0.009 | 2.983 | 0.051 |
| Energy consumption | Intensity of total energy consumption | Megawatthour/ ton total output | 24.27 | 6.27 | 33.47 | 25.11 |
| PFC emission | Intensity of PFC | ton carbon dioxide equivalent/ton total electrolytic aluminum output | 0.14481 | N/A[(4)] | N/A[(4)] | N/A[(4)] |

*Notes:*

(1) The figure of annual total output is sourced from this company's ESG report and annual report of 2024. According to such sources, its annual total output contains 7,610,000 tons of electrolytic aluminum, 16,870,000 tons of alumina and 13,160,000 tons of commercial coal.

(2) The figure of annual total output is sourced from this company's ESG report and annual report of 2024. According to such sources, its annual total output contains 5,837,000 tons of aluminum alloy and 766,000 tons of aluminum alloy processed products.

(3) The figure of annual total output is sourced from this company's ESG report and annual report of 2024. According to such sources, its annual total output contains 408,800 tons of electrolytic aluminum and 607,500 tons of processed aluminum products.

(4) The PFC emission figure is not publicly available.

For our domestic operations, looking ahead, taking into account our ongoing production capacity expansion, we plan to further reduce air emission intensity by 7.49% at the end December 31, 2028, with reductions of 2.46%, 2.41%, and 2.97% in 2026, 2027, and 2028, respectively, through improving the operational efficiency of air emission purification systems.

Through continually increasing the proportion of clean energy usage, identifying and managing carbon emission sources in production processes, and applying appropriate emission reduction technologies, we plan to reduce GHG emission intensity, including Scope 1 and Scope 2 by 11.36% at the end of December 31, 2028, with reductions of 6.39%, 5.36%, and 1.20% in 2026, 2027, and 2028, respectively.

We plan to further optimize the energy management system, upgrade equipment and integrate existing energy utilization scenarios to systematically reduce energy consumption. Comparing to May 31, 2025, we plan to reduce our intensity of energy consumption by 1.69% at the end of December 31, 2028, with reductions of 0.59%, 0.51%, and 0.68% in 2026, 2027, and 2028, respectively.

Through further improving source utilization and process control, we plan to reduce intensity of water consumption by 5.81% at the end of December 31, 2028, with reductions of 1.55%, 1.66%, and 2.48% in 2026, 2027, and 2028, respectively.

We currently do not have specific targets for reducing the intensity of waste, as we believe our current performance are already at a relatively low level compared with our industry peers. We anticipate that the intensity of waste generation and effluent discharge will remain substantially consistent with current levels. However, we remain committed to continuously improving our practices and ensuring we minimize our environmental impact.

**ESG Implication of the Saudi Project**

The Saudi Project will procure electricity from the Kingdom of Saudi Arabia's national grid, which is pursuing ambitious renewable energy objectives, including a target of 50% renewable power by 2030 and tendering 100 to 130 gigawatts of renewable energy capacity. Upon realization of these initiatives, the materially reduced carbon intensity of the national grid will directly contribute to a corresponding reduction in the Saudi Project's Scope 1 and Scope 2 greenhouse gas emissions. Our internal and external evaluation indicates that the current emissions profile of the Saudi Project is broadly in line with prevailing standards among producers in the Gulf Cooperation Council (GCC) region. As Saudi Arabia expands its renewable energy infrastructure, the project is well-positioned to achieve further emissions reductions over time. We do not anticipate that the project's emissions profile will adversely affect the marketability of products of our Saudi Project.

In addition, we are actively advancing localization of the workforce, with a target of exceeding 30% local employment, thereby generating meaningful employment opportunities for Saudi nationals and the surrounding community. Personnel will benefit from competitive remuneration, stringent health and safety protocols, comprehensive welfare and recreational amenities, an inclusive and supportive workplace culture, and community-focused engagement programs, underscoring our commitment to sustainable social impact and corporate citizenship.

## OUR CUSTOMERS

We sold liquid aluminum mainly to downstream non-ferrous metal processing and manufacturing enterprises near our aluminum smelter in Huolinguole, Inner Mongolia, such as Innovation New Material. We mainly sold aluminum ingots to domestic third-party downstream aluminum alloy manufacturers and traders. In line with market practice, we sell our products to traders, who in turn resell our products to downstream aluminum product manufacturers or other traders. Our alumina and other related types of products are primarily sold to electrolytic aluminum producers. Our alumina is mainly for our production of our electrolytic aluminum products. In addition, we have sold alumina to independent third-party electrolytic aluminum producers and traders during the Track Record Period.

Our transactions with these traders, including pricing terms, were the same as those we have when dealing directly with downstream aluminum product manufacturers. Our relationships with these traders were buyer and seller relationships rather than principal-and-agent relationships. We recognized the sales revenue for the transactions with these commodity traders in the same manner as we do so with downstream aluminum product manufacturers and independent third-party electrolytic aluminum producers.

The following table sets forth the revenue, sales volume and ASP of our sales by product type and by nature of customers, namely aluminum alloy manufacturers and traders, for the periods indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic aluminum | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Aluminum alloy manufacturers | 147.5 | 2,573.2 | 17,447.5 | 695.2 | 11,231.3 | 16,155.7 | 696.3 | 11,888.7 | 17,073.4 | 315.4 | 5,276.0 | 16,725.6 | 293.1 | 5,183.2 | 17,684.7 |
| – Traders | 585.6 | 10,308.7 | 17,603.7 | 77.8 | 1,271.0 | 16,336.8 | 56.2 | 995.0 | 17,704.6 | – | – | – | 19.0 | 340.0 | 17,893.7 |
| Alumina(2) | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |
| – Aluminum alloy manufacturers | 704.4 | 1,769.5 | 2,512.1 | 1,531.8 | 3,699.1 | 2,414.9 | 1,425.4 | 5,028.7 | 3,527.9 | 608.5 | 1,780.7 | 2,926.3 | 474.4(3) | 1,430.4(3) | 3,015.2 |
| – Traders | 1.9 | 5.4 | 2,842.1 | 31.9 | 93.8 | 2,940.4 | 114.2 | 379.1 | 3,321.1 | 55.3 | 165.8 | 2,996.3 | 185.8(3) | 509.4(3) | 2,741.6(4) |

*Notes:*

(1) The ASP is calculated by dividing the revenue by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) In the five months ended May 31, 2025, to further optimize our revenue stream and cost structure, we actively expanded alumina sales to nearby customers, achieving increased sales volumes to trader customers. During the same time, we actively decreased the amount of intra-Group sales of alumina (which counted as sales to an aluminum alloy manufacturer) and procured more alumina for our electrolytic aluminum production from nearby suppliers.

(4) The ASP of alumina sold to aluminum alloy manufacturers decreased from RMB2,996.3 in the five months ended May 31, 2024 to RMB2,731.6 in the same period in 2025, primarily because of the dynamic changes in the market prices of alumina. The majority volume of alumina we sold to traders in the five months ended May 31, 2025 was sold after February 2025, where the market price of alumina decreased significantly from the peak in January 2025, according to CRU. In contrast, we sold alumina to traders throughout the five months ended May 31, 2024, during which the market price of alumina steadily increased, according to the same source.

The following table sets forth a breakdown of our revenue by nature of customers in absolute amount and as a percentage of our total revenue for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Aluminum alloy manufacturers | 3,008.3 | 22.3 | 12,251.4 | 88.7 | 13,573.7 | 89.5 | 5,664.8 | 96.3 | 6,199.5 | 85.9 |
| Traders | 10,481.4 | 77.7 | 1,563.3 | 11.3 | 1,589.5 | 10.5 | 218.5 | 3.7 | 1,014.0 | 14.1 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

We mainly sold aluminum ingots to independent third-party customers before 2023. In early 2023, considering the newly launched manufacturing sites of Innovation New Material, our connected person, which is close to our production base in Huolinguole, Inner Mongolia and its large demand for electrolytic aluminum in liquid form, we sold a majority of liquid aluminum we produced to Innovation New Material for the best interests of both parties. See "Relationship with Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence."

The following table sets forth the revenue, sales volume and ASP of our sales by product type and by type of customers, namely connected persons and Independent Third Parties, for the periods indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] | Volume | Revenue | ASP[1] |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic aluminum . . . . . . | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Connected persons . . . . . . . | 4.4 | 74.1 | 16,840.9 | 674.6 | 10,892.9 | 16,147.2 | 679.1 | 11,580.3 | 17,052.4 | 315.4 | 5,276.0 | 16,725.6 | 243.6[4] | 4,305.5 | 17,675.0 |
| – Independent Third Parties . . . | 728.7 | 12,807.8 | 17,576.2 | 98.4 | 1,609.4 | 16,355.7 | 73.5 | 1,303.4 | 17,733.3 | – | – | – | 68.5 | 1,217.7 | 17,777.5 |
| Alumina[2][3] . . . . . . . . . . | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |

*Notes:*

(1) The ASP is calculated by dividing the revenue by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) Except for intra-Group sales of alumina, substantially all of our revenue from alumina and related types of products was generated from Independent Third Parties during the Track Record Period.

(4) The volume of our electrolytic aluminum sold to connected persons, which is all liquid aluminum, decreased from 315.4 kt in the five months ended May 31, 2024 to 243.6 kt in the same period in 2025, primarily because we proactively increased the production and sales volume of aluminum ingots to independent third parties to further broaden our customer base, therefore leading to decreased sales volume of liquid aluminum sold to connected persons.

Our revenue from aluminum ingots increased significantly from nil in the five months ended May 31, 2024 to RMB1,217.7 million in the same period of 2025, primarily due to (i) our increase in sales of aluminum ingots to independent third parties. Such customers were primarily existing customers; and (ii) our decrease in sales of liquid aluminum to related parties to reduce the proportion of connected transactions. Our revenue from alumina increased significantly from RMB408.4 million in the five months ended May 31, 2024 to RMB1,338.6 million in the same period of 2025, primarily due to our increase in sales of alumina to independent third parties as we increased our procurement of high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers.

The following table sets forth the gross profit and gross profit margin of our sales of electrolytic aluminum products by type of customers for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin |
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| | | | | | | | *(unaudited)* | | | |
| Connected persons | 7.6 | 10.2 | 1,789.2 | 16.4 | 3,149.9 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| – Liquid aluminum | – | – | 1,783.3 | 16.4 | 3,149.7 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| – Aluminum ingots | 7.6 | 10.2 | 5.9 | 11.4 | 0.2 | 24.0 | – | – | – | – |
| Independent Third Parties | 1,729.7 | 13.5 | 240.5 | 14.9 | 319.3 | 24.5 | – | – | 267.0 | 21.9 |

We recorded a higher gross profit margin for sales of electrolytic aluminum products to connected persons than to Independent Third Parties in 2023, 2024 and the five months ended May 31, 2025, primarily because of the different timing of the sales and the fluctuations in market prices of electrolytic aluminum products as well as raw materials. Our connected persons, mainly Innovation New Material, purchased electrolytic aluminum products from us all-year/period-round whereas Independent Third Parties purchased considerably less amount of electrolytic aluminum products from us and generally did not make purchase all-year/period-round. As we set our sales price benchmarked against market prices of electrolytic aluminum which fluctuate from time to time and thus affect our revenue, and as the industry average prices of our major raw materials fluctuate from time to time which affect our cost of sales, this would result in differences in the gross profit margins for sales to these different groups of customers. For example, in 2023, sales of aluminum ingots to Independent Third Parties occurred primarily in the first quarter, when the average market price of electrolytic aluminum was relatively lower than the annual average, and the cost of raw materials, particularly bauxite, was relatively higher than the annual average due to market price fluctuations. In 2024, we sold aluminum ingots to Independent Third Parties in the second half of the year, when the cost of raw materials, particularly alumina and bauxite, was relatively higher than the annual average due to market price fluctuations. In the five months ended May 31, 2025, the majority of our products sold to Independent Third Parties was sold in the first quarter, when the cost of raw materials, particularly bauxite, was relatively higher than the five-month average due to market price fluctuations. These market conditions resulted in a comparatively lower gross profit margin for sales to Independent Third Parties than to connected persons in the respective periods.

The following table sets forth the gross profit and gross profit margin by type of electrolytic aluminum products and by type of customers for the periods indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin |
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| | | | | | | | *(unaudited)* | | | |
| **Liquid aluminum** | | | | | | | | | | |
| Connected persons | – | – | 1,783.3 | 16.4 | 3,149.7 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| Independent Third Parties | 83.5 | 23.0 | – | – | – | – | – | – | – | – |
| **Aluminum ingots** | | | | | | | | | | |
| Connected persons | 7.6 | 10.2 | 5.9 | 11.4 | 0.2 | 24.0 | – | – | – | – |
| Independent Third Parties | 1,646.2 | 13.2 | 240.5 | 14.9 | 319.3 | 24.5 | – | – | 267.0 | 21.9 |

The gross profit margin for liquid aluminum differed from that of aluminum ingots during the Track Record Period for the reasons discussed above. Aside from the effects of the timing of sales and fluctuations in market prices of products as well as raw materials, our sales of liquid electrolytic aluminum generally do not yield a higher gross profit margin than sales of aluminum ingots. The differences in the gross profit margins for the sales of aluminum ingots to different types of customers are primarily due to the different timing of the sales and the fluctuations in market prices. Notably, during the Track Record Period, sales volume of aluminum ingots to our connected persons were considerably lower than that to Independent Third Parties. As a result, the gross profit margin for sales to connected persons may exhibit greater fluctuation and differ from that of sales to Independent Third Parties, depending on the timing of sales within the periods and the different market prices at the time of sales. See "— Sales, Marketing and Customer Service — Pricing and Payment."

Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB5,507.5 million, RMB12,018.8 million, RMB13,132.6 million and RMB5,751.4 million, respectively, and accounted for 40.8%, 87.0%, 86.6% and 79.7% of our total revenue for the same respective periods. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB1,598.1 million, RMB10,891.8 million, RMB11,608.9 million and RMB4,315.9 million, respectively, and accounted for 11.8%, 78.8%, 76.6% and 59.8% of our total revenue for the same respective periods. See "Risk Factors — Our success depends on our strong relationships with major customers. A significant portion of our revenue in 2023 and 2024 and the five months ended May 31, 2025 was derived from a connected person." All of our five largest customers in each year/period during the Track Record Period were traders, manufacturers or conglomerates in the aluminum industry.

The following table sets forth the details of our five largest customers in each year/period during the Track Record Period by revenue for the respective periods:

| Year ended December 31, 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| No. | Customers | Background | Location | Major Products Purchased | Principal Business | Revenue | % of Total Revenue | Year of Commencement of Business Relationship | Credit Term | Payment Method |
| | | | | | | *(RMB in million)* | | | | |
| 1. . | Customer A | A private company with a registered capital of RMB10.0 million | China | Aluminum ingots | Sales of nonferrous metal materials and related products | 1,598.1 | 11.8% | 2020 | Prepayment | Bank transfer or bank acceptance |
| 2. . | Customer B | A private company with a registered capital of RMB20.0 million | China | Aluminum ingots | Sales of aluminum products | 1,482.7 | 11.0% | 2020 | Prepayment | Bank transfer or bank acceptance |
| 3. . | Customer C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB366,670.6 million in 2024 | China | Aluminum ingots | Conglomerate | 925.0 | 6.9% | 2019 | Prepayment | Bank transfer |
| 4. . | Customer D | A private company with a registered capital of RMB10.0 million | China | Aluminum ingots | Sales of metal products | 795.7 | 5.9% | 2021 | Three days | Bank transfer or bank acceptance |
| 5. . | Customer E | A private company with a registered capital of RMB16,633.1 million | China | Aluminum ingots | Production of aluminum and related products | 706.0 | 5.2% | 2022 | Prepayment | Bank transfer or bank acceptance |
| | Total | | | | | 5,507.5 | 40.8% | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Year ended December 31, 2023 | | | | | |
| **No.** | **Customers** | **Background** | **Location** | **Major Products Purchased** | **Principal Business** | **Revenue** | **% of Total Revenue** | **Year of Commencement of Business Relationship** | **Credit Term** | **Payment Method** |
| | | | | | | *(RMB in million)* | | | | |
| 1 . . | Innovation New Material | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB80,941.5 million in 2024 | China | Liquid aluminum | Manufacturing of metal materials and nonferrous metal alloy | 10,891.8 | 78.8% | 2023 | One week | Bank transfer or bank acceptance |
| 2 . . | Customer F | A private company with a registered capital of RMB800.0 million | China | Alumina | Production of nonferrous metal | 560.7 | 4.1% | 2020 | Prepayment | Bank transfer |
| 3 . . | Customer A | A private company with a registered capital of RMB10.0 million | China | Aluminum ingots | Sales of nonferrous metal materials and related products | 297.0 | 2.2% | 2020 | Three days | Bank transfer or bank acceptance |
| 4 . . | Customer G | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB354,439.6 million in 2024 | China | Aluminum ingots | Conglomerate | 139.1 | 1.0% | 2022 | Two days | Bank transfer |
| 5 . . | Customer C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB366,670.6 million in 2024 | China | Aluminum ingots | Conglomerate | 130.2 | 0.9% | 2019 | Prepayment | Bank transfer |
| | Total | | | | | 12,018.8 | 87.0% | | | |

| No. | Customers | Background | Location | Major Products Purchased | Principal Business | Revenue | % of Total Revenue | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Year ended December 31, 2024 | | | | |
| | | | | | | *(RMB in million)* | | | | |
| 1 . . | Innovation New Material | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB80,941.5 million in 2024 | China | Liquid aluminum | Manufacturing of metal materials and nonferrous metal alloy | 11,608.9 | 76.6% | 2023 | One week | Bank transfer or bank acceptance |
| 2 . . | Customer F | A private company with a registered capital of RMB800.0 million | China | Alumina | Production of nonferrous metal | 582.9 | 3.8% | 2020 | Prepayment | Bank transfer |
| 3 . . | Customer H | A private company with a registered capital of RMB1,343.8 million | China | Alumina | Mining and sales of coals and related products | 431.1 | 2.8% | 2024 | Prepayment | Bank transfer or bank acceptance |
| 4 . . | Customer I | A private company with a registered capital of RMB1.0 million | China | Aluminum ingots | Sales of nonferrous metal alloy | 318.4 | 2.1% | 2023 | Prepayment | Bank transfer |
| 5 . | Customer J | A private company with a registered capital of RMB20.0 million | China | Alumina | Sales of nonferrous metal alloy | 191.3 | 1.3% | 2024 | Prepayment | Bank transfer |
| | Total | | | | | 13,132.6 | 86.6% | | | |

| | Five months ended May 31, 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| No. | Customers | Background | Location | Major Products Purchased | Principal Business | Revenue | % of Total Revenue | Year of Commencement of Business Relationship | Credit Term | Payment Method |
| | | | | | | *(RMB in million)* | | | | |
| 1 . . | Innovation New Material | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB80,941.5 million in 2024 | China | Liquid aluminum | Manufacturing of metal materials and nonferrous metal alloy | 4,315.8 | 59.8 | 2023 | One week | Bank transfer or bank acceptance |
| 2 . . | Customer C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB366,670.6 million in 2024 | China | Aluminum ingots | Conglomerate | 692.1 | 9.6 | 2019 | Prepayment | Bank transfer |
| 3 . . | Customer H | A private company with a registered capital of RMB1,343.8 million | China | Alumina | Mining and sales of coals and related products | 304.3 | 4.2 | 2024 | Prepayment | Bank transfer or bank acceptance |
| 4 . . | Customer K | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB24,021.7 million in 2024 | China | Aluminum ingots | Manufacturing of aluminum materials | 270.9 | 3.8 | 2019 | Prepayment | Bank transfer |
| 5 . | Customer F | A private company with a registered capital of RMB800.0 million | China | Alumina | Production of nonferrous metal | 168.1 | 2.3 | 2020 | Prepayment | Bank transfer |
| | Total | | | | | 5,751.4 | 79.7 | | | |

For salient terms of the sales contracts with our customers, see "— Sales, Marketing and Customer Service — Pricing and Payment."

To the best of our knowledge, except for Innovation New Material, each of our five largest customers in each year/period during the Track Record Period was an Independent Third Party. To the best of our knowledge, except for Innovation New Material, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest customers in each year/period during the Track Record Period.

**Our Relationship with Innovation New Material**

Innovation New Material, a company controlled by Mr. Cui and thus a connected person of our Company, was our largest customer in 2023, 2024 and the five months ended May 31, 2025. Innovation New Material is a global leading aluminum alloy producer, recognized as the largest seller of aluminum alloy round ingots. It specializes in the downstream of the aluminum industry chain, focuses on the research, development, production and processing of aluminum alloys and products, and provides comprehensive solutions for aluminum alloy processing. The products of Innovation New Material are widely used in 3C electronics, lightweight automobiles, renewable energy industry, transport industry, industrial materials industry and construction industry. Innovation New Material's business presence covers both domestic and overseas markets, including Vietnam and Mexico. It has been on Apple's supplier list since 2014. After processing, its products were further sold to customers including Microsoft, Xiaomi, HP, Google, BYD, Li Auto, NIO, BMW, Audi, Mercedes-Benz and Nissan. During the year ended December 31, 2023 and 2024 and three months ended March 31, 2025, it generated revenue of approximately RMB72,844 million, RMB80,942 million and RMB19,164 million, respectively, and net profit of approximately RMB958 million, RMB1,005 million, and RMB205 million, respectively. As of March 31, 2025, the total assets of Innovation New Material was approximately RMB26,910 million.

Our revenue from Innovation New Material in 2022, 2023, 2024 and the five months ended May 31, 2025 amounted to RMB0.2 million, RMB10,891.8 million, RMB11,608.9 million and RMB4,315.9 million, respectively, and accounted for 0.0%, 78.8%, 76.6% and 59.8% of our total revenue for the same respective periods. The sales of liquid aluminum to Innovation New Material and its subsidiaries are conducted in the ordinary and our usual course of business. Our Directors confirm that the terms of such transactions, including the pricing, delivery terms, risk transfer, quality assurance and dispute resolution terms, among others, are determined at arm's length negotiations and are no less favorable to our Group than terms offered by independent third-party customers. In addition, as Innovation New Material is an A-share listed company and is also subject to applicable PRC rules, regulations and A-share listing rules, this status indirectly ensures that the terms for transactions between Innovation New Material and us are fair and reasonable. Our Directors believe that the sales of majority of our liquid aluminum by our Group to Innovation New Material and its subsidiaries do not indicate any undue reliance by our Group on our Controlling Shareholders or their close associates, and are beneficial to the Company and our Shareholders. See "Relationship With Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence" for details.

Despite Innovation New Material being our largest customer in 2023, 2024 and the five months ended May 31, 2025, we have independent access to customers. We sell to both our connected person, namely Innovation New Material, and independent third-party customers, primarily including trading companies and production companies. See "— Sales, Marketing and Customer Service — Our Sales Network and Marketing Strategies" and "Relationship With Our Controlling Shareholders — Independence From Our Controlling Shareholders — Operational Independence" for details.

## OUR SUPPLIERS

During the Track Record Period, our suppliers mainly consisted of suppliers of raw materials such as bauxite, carbon anodes, coals, alumina and electricity. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB4,349.1 million, RMB3,459.7 million, RMB3,928.4 million and RMB2,503.0 million, respectively, and accounted for 42.2%, 36.0%, 39.9% and 41.8% of our total purchases for the same respective periods. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB1,259.7 million, RMB914.0 million, RMB1,069.1 million and RMB984.6 million, respectively, and accounted for 12.2%, 9.5%, 10.9% and 16.4% of our total purchases for the same respective periods. See "Risk Factors — We procure key raw materials, including bauxite, coal, carbon anodes and alumina from suppliers. If we fail to obtain sufficient raw materials that can meet our quality standards, at reasonable prices or at all, or if we fail to maintain relationships with major suppliers, our business, financial condition and results of operation will be materially and adversely affected." All of our five largest suppliers in each year/period during the Track Record Period were raw material suppliers and traders. We entered into certain supplier finance arrangements with banks during the Track Record Period primarily due to their relatively low interest rates, which can reduce our finance costs. See "Financial Information — Description of Major Components of Our Results of Operations — Finance Costs."

The following table sets forth the details of our five largest suppliers in each year/period during the Track Record Period by purchase amount for the respective periods:

| | Year ended December 31, 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
| | | | | | (RMB in million) | | | | | |
| 1. . | Supplier A | A company listed on the Hong Kong Stock Exchange with revenue of approximately RMB156,168.7 million in 2024 | China | Alumina | Production and sales of alumina, bauxite, aluminum ingots | 1,259.7 | 12.2% | 2021 | Prepayment | Bank transfer or bank acceptance |

Year ended December 31, 2022

| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (RMB in million) | | | | |
| 2 . . | Shandong Suotong | A private company with a registered capital of RMB691.6 million | China | Carbon anodes | Production and sales of carbon anodes | 1,093.0 | 10.6% | 2019 | 60 days | Bank transfer |
| 3 . . | Supplier B | A private company with a registered capital of RMB17,563.6 million | China | Electricity | Electricity supply and technical services | 755.7 | 7.3% | 2018 | Prepayment | Bank transfer |
| 4 . . | Supplier C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB57,819.3 million in 2024 | China | Coals | Sales of electricity and coals | 655.7 | 6.4% | 2019 | Prepayment | Bank transfer |
| 5 . . | Supplier D | A private company | Indonesia | Bauxite | Production and sales of bauxite | 585.0 | 5.7% | 2020 | Prepayment | Bank transfer |
| | Total | | | | | 4,349.1 | 42.2% | | | |

Year ended December 31, 2023

| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (RMB in million) | | | | |
| 1 . . | Shandong Suotong | A private company with a registered capital of RMB691.6 million | China | Carbon anodes | Production and sales of carbon anodes | 914.0 | 9.5% | 2019 | 60 days | Bank transfer |
| 2 . . | Supplier C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB57,819.3 million in 2024 | China | Coals | Sales of electricity and coals | 853.4 | 8.9% | 2019 | Prepayment | Bank transfer |
| 3 . . | Supplier B | A private company with a registered capital of RMB17,563.6 million | China | Electricity | Electricity supply and technical services | 758.6 | 7.9% | 2018 | Prepayment | Bank transfer |
| 4 . . | Supplier E | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB366,670.6 million in 2024 | China | Bauxite | Conglomerate | 475.2 | 4.9% | 2019 | Prepayment | Bank transfer |
| 5 . . | Supplier D | A private company | Indonesia | Bauxite | Production and sales of bauxite | 458.5 | 4.8% | 2020 | Prepayment | Bank transfer |
| | Total | | | | | 3,459.7 | 36.0% | | | |

**Year ended December 31, 2024**

| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | *(RMB in million)* | | | | |
| 1 . . | Supplier C | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB57,819.3 million in 2024 | China | Coals | Sales of electricity and coals | 1,069.1 | 10.9% | 2019 | Prepayment | Bank transfer |
| 2 . . | Supplier F | A private company with a registered capital of USD51.2 million | China | Bauxite | Manufacturing of nonferrous metal alloy | 900.2 | 9.2% | 2024 | Prepayment | Bank transfer |
| 3 . . | Supplier G[(1)] | A private company with a registered capital of RMB8.0 million | Switzerland | Bauxite | Mining of bauxite and other primary aluminum products | 781.8 | 7.9% | 2023 | Prepayment | Bank transfer |
| 4 . . | Shandong Suotong | A private company with a registered capital of RMB691.6 million | China | Carbon anodes | Production and sales of carbon anodes | 623.3 | 6.3% | 2019 | 60 days | Bank transfer |
| 5 . . | Supplier B | A private company with a registered capital of RMB17,563.6 million | China | Electricity | Electricity supply and technical services | 554.0 | 5.6% | 2018 | Prepayment | Bank transfer |
| | Total | | | | | 3,928.4 | 39.9% | | | |

**Five months ended May 31, 2025**

| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | *(RMB in million)* | | | | |
| 1 . . | Supplier F | A private company with a registered capital of USD51.2 million | China | Bauxite | Manufacturing of nonferrous metal alloy | 984.6 | 16.4 | 2024 | Prepayment | Bank transfer |
| 2 . . | Supplier H | A private company with a share capital of USD4,000,000 | Singapore | Bauxite | Sales of metal and mineral | 438.6 | 7.3 | 2025 | Prepayment | Bank transfer |

| No. | Suppliers | Background | Location | Product Provided | Principal Business | Purchase Amount | % of Total Purchase | Year of Commencement of Business Relationship | Credit Term | Payment Method |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **Five months ended May 31, 2025** | | | | |
| | | | | | | *(RMB in million)* | | | | |
| 3 . | Supplier I | A private company with a registered capital of RMB105 million | China | Bauxite | Conglomerate providing transportation services and engaging in the trading of mineral | 436.3 | 7.3 | 2024 | Prepayment | Bank transfer or bank acceptance |
| 4 . . | Supplier E | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB366,670.6 million in 2024 | China | Bauxite | Conglomerate | 333.0 | 5.6 | 2019 | Prepayment | Bank transfer |
| 5 . . | Supplier J | A company listed on the Shanghai Stock Exchange with revenue of approximately RMB101,828 million in 2024 | China | Bauxite | Provision of power transmission and transformation services, new energy services as well as mining and sales of mineral | 310.5 | 5.2 | 2022 | Prepayment | Bank transfer |
| | Total | | | | | 2,503.0 | 41.8 | | | |

*Note:*

(1) We became acquainted with Supplier G through the introduction by a private company in the aluminum industry in China, to which Supplier G is a subsidiary. Supplier G invests in bauxite ore in Guinea. As a global bauxite supplier, Supplier G utilized its industry connections including its relationship with its parent company to reach out to and connect with downstream customers, including us. It became one of our five largest suppliers in 2024, primarily because it supplied high-quality bauxite at competitive prices.

For salient terms of the procurement agreements with our suppliers, see "— Procurement and Supply Chain Management — Procurement."

To the best of our knowledge, except for Shandong Suotong, our related party, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

## OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, some of our top five customers in each year/period during the Track Record Period was also our suppliers, and some of our top five suppliers in each year/period during the Track Record Period was also our customers. Specifically, customer C, one of our five largest customers in 2022, 2023 and the five months ended May 31, 2025, was our supplier during the Track Record Period and one of our five largest suppliers, Supplier E, in terms of purchase amounts in 2023 and the five months ended May 31, 2025. Innovation New Material, our largest customer in 2023, 2024 and the five months ended May 31, 2025, was our supplier in 2024 and the five months ended May 31, 2025. Supplier A, one of our five largest suppliers in 2022, was our customer in 2022. These overlapping roles arise because both us and the overlapping customer-suppliers sold commodities critical to each other's operations. With the exception of Customer F, we procured products of differing types from the products we sold to these customer-suppliers. According to CRU, it is an industry norm for an aluminum industry group like ours to engage in the buying and selling of different commodities with the same customer-supplier. This is because the industry players trade different products that are largely exchanged in the market to best meet their distinctive needs. To a lesser extent, we sold and purchased the same type of products, namely alumina, differing in grade and characteristics, with Customer F, who was our supplier in 2024. According to CRU, it is an industry norm for an aluminum industry group like ours to purchase alumina products from a supplier who also acquires alumina products from that same aluminum industry group.

Customer C, one of our five largest customers in 2022, 2023 and the five months ended May 31, 2025, was our supplier during the Track Record Period and one of our five largest suppliers, Supplier E, in terms of purchase amounts in 2023 and the five months ended May 31, 2025. Customer C/Supplier E is a conglomerate whose business includes the procurement and supply of commodities. As our customer, Customer C/Supplier E mainly purchased aluminum ingots from us during the Track Record Period. As our supplier, Customer C/Supplier E mainly supplied us with bauxite during the Track Record Period.

The table below sets forth the revenue and purchase in absolute amount and as a percentage to the total revenue and total purchase for transactions between our Group and Customer C/Supplier E during the Track Record Period:

| Year/Period | Revenue | Percentage to total revenue | Purchases | Percentage to total purchase |
|---|---|---|---|---|
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| 2022 | 925.0 | 6.9 | 226.5 | 2.2 |
| 2023 | 130.2 | 0.9 | 475.2 | 4.9 |
| 2024 | 84.6 | 0.6 | 410.6 | 4.2 |
| Five months ended May 31, 2025 | 692.1 | 9.6 | 333.0 | 5.6 |

Innovation New Material, our largest customer in 2023, 2024 and the five months ended May 31, 2025, was our supplier in 2024 and the five months ended May 31, 2025. During the Track Record Period, Innovation New Material mainly purchased electrolytic aluminum, in particular liquid aluminum, from us for its aluminum alloy manufacturing. For details, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence — Sales of Electrolytic Aluminum in Liquid Form to Innovation New Material." As our supplier, it mainly supplied us with equipment components and accessories.

The table below sets forth the revenue and purchase in absolute amount and as a percentage to the total revenue and cost of sales for transactions between our Group and Innovation New Material during the Track Record Period:

| **Year/Period** | **Revenue** | **Percentage to total revenue** | **Purchases** | **Percentage to total purchase** |
|---|---|---|---|---|
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| 2022 . . . . . . . . . . . . . . . . . . . | 0.2 | 0.0 | \ | \ |
| 2023 . . . . . . . . . . . . . . . . . . . | 10,891.8 | 78.8 | \ | \ |
| 2024 . . . . . . . . . . . . . . . . . . . | 11,608.9 | 76.6 | 0.9 | 0.0 |
| Five months ended May 31, 2025 . . . . . . . . . . . . . . . . . | 4,315.9 | 59.8 | 0.9 | 0.0 |

Customer F, one of our five largest customers in 2023, 2024 and the five months ended May 31, 2025, was our supplier in 2024 and the five months ended May 31, 2025. Customer F is a producer of nonferrous metal, including alumina and electrolytic aluminum. As our customer, Customer F mainly purchased alumina from us for its aluminum smelting during the Track Record Period. As our supplier, Customer F mainly supplied us with alumina with relatively higher concentration of lithium salt during the Track Record Period. This arrangement with Customer F was not a bundled or back-to-back trading arrangement, but allowed us to ensure a stable supply of high-lithium salt alumina which enhances our aluminum smelting process by lowering melting points, improving electrical conductivity, ensuring thermal stability and prolonging the useful life of our electrolyzers. According to CRU, it is an industry norm for an aluminum industry group like ours to buy alumina products from a supplier who also acquires alumina products from that same aluminum industry group, given the nature of alumina as an exchanged commodity. An aluminum industry group may require alumina of specific grades and characteristics for its aluminum smelting operation, differing from the alumina it produces and sells.

The table below sets forth the revenue and purchase in absolute amount and as a percentage to the total revenue and cost of sales for transactions between our Group and Customer F during the Track Record Period:

| Year/Period | Revenue | Percentage to total revenue | Purchases | Percentage to total purchase |
|---|---|---|---|---|
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| 2022 | 49.2 | 0.4 | \ | \ |
| 2023 | 560.7 | 4.1 | \ | \ |
| 2024 | 582.9 | 3.8 | 186.7 | 1.9 |
| Five months ended May 31, 2025 | 168.1 | 2.3 | 158.8 | 2.7 |

Supplier A, one of our five largest suppliers in 2022, was our customer in 2022. Supplier A is an alumina producer engaged in the production, processing and sales of alumina, bauxite, aluminum ingots. As our supplier, Supplier A mainly supplied us with alumina during the Track Record Period. As our customer, Supplier A mainly purchased aluminum ingots from us during the Track Record Period.

The table below sets forth the revenue and purchase in absolute amount and as a percentage to the total revenue and total purchase for transactions between our Group and Supplier A during the Track Record Period:

| Year/Period | Revenue | Percentage to total revenue | Purchases | Percentage to total purchase |
|---|---|---|---|---|
| | *(RMB in million)* | *(%)* | *(RMB in million)* | *(%)* |
| 2022 | 328.9 | 2.4 | 1,259.7 | 12.2 |
| 2023 | \ | \ | 304.9 | 3.2 |
| 2024 | \ | \ | 169.2 | 1.7 |
| Five months ended May 31, 2025 | \ | \ | \ | \ |

In addition to the above, there were 32 overlapping customer-suppliers during the Track Record Period.

The table below sets forth the revenue and purchase in absolute amount and as a percentage to the total revenue and cost of sales for transactions between our Group and other overlapping customers and suppliers during the Track Record Period:

| Year/Period | Revenue | Percentage to total revenue | Purchases | Percentage to total cost of sales |
|---|---|---|---|---|
| | *(RMB'000)* | *(%)* | *(RMB'000)* | *(%)* |
| 2022 | 667.0 | 4.9 | 1,460.1 | 14.2 |
| 2023 | 137.7 | 1.0 | 1,531.3 | 15.9 |
| 2024 | 440.2 | 2.9 | 1,367.7 | 13.9 |
| Five months ended May 31, 2025 | 176.0 | 2.4 | 1,131.7 | 18.9 |

Our sales and purchases with these customer-suppliers were not inter-conditional with each other and were generally of different types of products. As our customers, these customer-suppliers mainly purchased scraps, aluminum ingots and electricity from us. As our suppliers, these customer-suppliers mainly supplied us with equipment components and accessories, coals and logistics services. All of our sales to and purchases from these customer-suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis. The terms with these customer-suppliers were generally comparable to those with other customers and suppliers. There was no instance of set-off trade receivables from these customer-suppliers or trade payables to us during the Track Record Period. Saved as disclosed above, to the best of our knowledge, none of our five largest customers in each year/period during the Track Record Period was a supplier of us and none of our five largest suppliers in each year/period of the Track Record Period was a customer of us.

## INFORMATION TECHNOLOGY

Information technology systems are essential to competitiveness and efficient operations. We have instituted a systematic information technology system covering all material aspects of our operations, including research and development, raw material procurement, inventory management, power supply, production, sales and logistics. Our information technology team is responsible for developing, upgrading and maintaining information technology ("**IT**") systems and customizing them to meet our business needs.

Our IT systems primarily consist of the Commodity Management System and the Enterprise resource planning (the "**ERP**") system. These two systems work in tandem to realize the information management of all raw materials, products and production processes. This includes (i) the collection of quality and testing data for raw materials such as coal and alumina upon their entry into the factory; (ii) the collection of composition testing data for liquid aluminum or aluminum ingots; and (iii) the transmission of information related to procurement, inventory and sales. The flow of this data is collected, organized, transmitted and managed within the Commodity Management System and the ERP system.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

## DATA PRIVACY AND PROTECTION

We have access to and collect certain demographic and transactional information from our consumers in connection with our business and operations.

During the Track Record Period and up to the Latest Practicable Date, the data that we collected and stored mainly included operational data on commodity and raw material inspection and did not involve any personal data.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material violation of any mandatory requirements under applicable laws and regulations in respect of the collection, storage, use and protection of personal data.

## INTELLECTUAL PROPERTY

Intellectual property is fundamental to our success and competitiveness. As of the Latest Practicable Date, we had 130 patents, 24 trademarks and four domain names in the PRC. For details, see "Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights."

We rely on a combination of patent, trademark, domain name and trade secret protection laws in the PRC and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We have implemented comprehensive measures to protect our intellectual properties. For example, we timely apply for trademarks and patents, conduct employee training on intellectual property awareness and actively monitor the market for infringements. Moreover, we have also implemented measures in place to prevent infringement of intellectual properties of other parties, such as conducting regular audit and research on intellectual property.

We did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date. We believe that we have taken reasonable measures to prevent infringement of our intellectual property rights.

## COMPETITION

We primarily compete with a number of domestic and overseas companies focused on the aluminum smelting, alumina refining and the sale of electrolytic aluminum and alumina and other related types of products. According to CRU, the global consumption of electrolytic aluminum is expected to further grow at a CAGR of 1.6% from 2025 to 2028. China's annual demand gap for electrolytic aluminum is expected to exceed one mt and last until 2034, primarily due to an annual electrolytic aluminum production capacity cap of 45 mt imposed by the MIIT.

Market participants compete based on their operational capabilities, production infrastructure improvement and access to electricity as well as raw materials. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source. According to CRU, our ability to manage cash costs of aluminum per ton was among the top 5% of all aluminum smelting companies in China and competitive on a global scale, ranking among the top 30% in 2024 (comparing our cash costs in 2024 to the industry average cash costs in China and on a global scale in 2024, respectively). Leveraging our experience in the electrolytic alumina industry, our dedication in green transition and our relatively lower cost of electricity compared to national average, we believe we are able to keep seizing the potential in the target market through our access to electricity and raw materials, quality green power aluminum and globalization strategies.

## RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a set of internal control and risk management procedures to address various potential operational, financial, legal and market risks identified in relation to our operations. Our Board of Directors bears the primary responsibility for the effectiveness of our risk management. Our risk management department leads our risk management and is responsible for organizing and coordinating various departments in conducting compliance risk management activities. We also periodically review these procedures to ensure their effectiveness.

### Compliance Risk Management

In order to effectively prevent and control compliance risks and to enhance the standard of compliance management in accordance with the law, we have formulated stringent internal compliance measures to clearly define the organizational structure and operational mechanism of compliance management, and to ensure that our operations are in compliance with laws and regulations as well as the requirements of relevant rules and systems.

### Financial Risk Management

To ensure transparency and compliance in our financial activities, we employ external audits and an internal authorization and approval system. We have established the Audit Committee to review and supervise our financial reporting process and internal controls system. For the qualifications and experience of the committee members of the Audit Committee, see “Directors and Senior Management”. The Audit Committee is required to meet with external audits at least twice a year. The management team, finance department and external audits shall jointly discuss the issues and rectification suggestions raised by the external audits.

In July 2024, we engaged an independent internal control consultant to conduct general internal control review. To prevent re-occurrence of non-compliant bill discounting in the future, we have adopted enhanced internal control measures as recommended by the internal control consultant. We have established Management System for the Use of Bank Acceptance Bills (《承兑匯票管理制度》), guiding our procedures of the issuance, daily management, transfer and discounting of bank acceptance bills. Since the implementation of the enhanced internal control measures to the date of this submission, through reviewing the revised bill management policy, there are no further deficiencies in design aspect of internal control in bill management. See "— Legal Proceedings and Compliance Matters — Non-compliant Bill Discounting."

**Anti-fraud, Anti-corruption and Anti-bribery Risk Management**

We are committed to fostering a corporate culture of integrity, honesty and incorruptibility. We have implemented a series of policies against fraud, bribery, corruption and money laundering, including the Anti-Fraud, Anti-Bribery, Anti-Corruption Reporting and Whistleblower Protection Policy (《反舞弊、反賄賂、反腐敗舉報與保護舉報人制度》) and the Anti-Money Laundering Management Policy (《反洗錢管理辦法》). These policies provide clear guidelines for the prevention, reporting, investigation and penalization of fraudulent activities.

We have maintained a whistleblower mechanism for employees to anonymously report any incidents of fraud, bribery and corruption. Our whistleblower mechanism provides reporting channels such as reporting hotline, email and suggestion mailboxes, encouraging the internal report of suspicious activities. In addition, auditors regularly conduct inspections for bribery and corruption fraud, promptly identifying potential fraudulent situations. See "— Environmental, Social and Corporate Governance — Measures to Address ESG Risks — Anti-fraud, Anti-corruption, Anti-bribery and Anti-money Laundering."

**Operational Risk Management**

We convene regular meetings both within departments and inter-departmentally to analyze our business operations and our finance department verifies the operational data through data reconciliation and inventory checks, facilitating timely information updates. Moreover, we emphasize the health and safety of our employees by establishing a comprehensive production safety management system, implementing safety assurance measures and continuously optimizing the conditions for safe production to create a healthy and safe working environment. See "— Environmental, Social and Corporate Governance — Measures to Address ESG Risks- Health and Safety."

## EMPLOYEES

As of May 31, 2025, we had 3,559 full-time employees primarily located in Huolinguole, Inner Mongolia and Binzhou, Shandong Province. The following table sets forth a breakdown of our employees by business function as of the same date:

| Business Function | Number of Employees | Percent (%) |
|---|---|---|
| Aluminum Smelting | 1,252 | 35.2 |
| Alumina Refining | 1,006 | 28.3 |
| Power Plant | 806 | 22.6 |
| Sales, Marketing and Customer Service | 44 | 1.2 |
| Quality Control | 120 | 3.4 |
| Administrative | 331 | 9.3 |
| **Total** | **3,559** | **100.0** |

The following table sets forth a breakdown of our employees by gender as of May 31, 2025:

| Gender | Number of Employees | Percent (%) |
|---|---|---|
| Male | 3,155 | 88.7 |
| Female | 404 | 11.3 |
| **Total** | **3,578** | **100.0** |

The following table sets forth a breakdown of our employees by age as of May 31, 2025:

| Age | Number of Employees | Percent (%) |
|---|---|---|
| Below 30 | 817 | 23.0 |
| 30-40 | 1,460 | 46.0 |
| Over 40 | 1,102 | 31.0 |
| **Total** | **3,559** | **100.0** |

We adhere to the principles of openness, justice and fairness to attract and select outstanding talents. We combine internal promotions with external recruitments to hire candidates who meet the requirements.

In terms of external recruitment, we conduct recruitment through written examinations and interviews tailored to the requirement of different positions, ensuring that the most suitable candidates are selected. For internal promotion, we fully respect the opinions of both the employees and their departments. Through recommendations, competitive applications and various other methods, we support employees in trying out different positions, fully tapping into and leveraging their potential.

We respect the career planning of employees and offer a variety of career development paths, including vertical promotion and horizontal job rotation. With a flat management structure, we support employees in enhancing their professional and management skills, building a bridge for personal growth and career advancement.

We are committed to helping employees enhance their work skills by providing a variety of training programs. We organize onboarding training for new employees, introducing our development vision and ensuring that new employees fully understand our ESG-related policies, requirements and actions. We offer a diverse range of job-related training for all employees, covering areas such as occupational safety and health, sustainable development and essential skills for their positions. As of May 31, 2025, the total training hours accumulated by our employees reached 127,595 hours.

Labor unions have been established to protect our employees' rights, encourage employee participation in management decisions and assist in mediating disputes between us and union members, which in turn help facilitate our success. We maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period.

We strictly adhere to the Labor Law of the People's Republic of China, the Provisions on Prohibiting of Child Labor, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, as well as other relevant laws and regulations at the national and regional levels, ensuring comprehensive compliance in all labor practices. We support policies such as the Universal Declaration of Human Rights, the International Covenant on Human Right and the Anti-Modern Slavery and Anti-Human Trafficking Policy, and are committed to safeguarding the rights and interests of employees.

## INSURANCE

We maintain insurance coverage over our daily operations. Our principal insurance policies primarily include pension insurance, medical insurance, unemployment insurance, employment injury insurance and employer's liability insurance, liability insurance of safe production, all-risk installation insurance and property insurance, which we believe have covered major risks in our daily operations. We do not maintain certain policies that are not available in the locations where we operate, or that are not generally required by laws.

We believe that our insurance coverage is adequate for our business and in line with general market practice. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

## PROPERTIES

Our business operations are substantially located in Huolinguole, Inner Mongolia and Binzhou, Shandong Province in China. We own properties and lease properties in China. As of May 31, 2025, we had no single property with a carrying amount of 15% or more of our combined total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

### Owned Properties

As of the Latest Practicable Date, we owned 54 parcels of land in China with an aggregate gross site area of approximately 7,710,095 sq.m. As of the same date, we owned 244 buildings located in the PRC, with an aggregate gross floor area of approximately 902,365 sq.m. These parcels of land and buildings are mainly used as production, storage and office. As of the Latest Practicable Date, we had obtained the real estate title certificates for all of our owned parcels of land.

### Leased Properties

As of the Latest Practicable Date, we leased three properties in the PRC with an aggregate gross floor area of approximately 3,125,410 sq.m., which were primarily used for power generation. The leases have terms ranging from one to 20 years. As of the Latest Practicable Date, we had obtained valid title certificates from the relevant landlords of all the properties.

## LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, except as otherwise disclosed in this prospectus, we had duly obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting during the Track Record Period and up to the Latest Practicable Date. See ”— Legal Proceedings and Compliance Matters — Approval for Projects in Relation to Thermal Electricity Generators” and “Risk Factors — Our business operation and project construction are subject to various permits, licenses, approvals and/or qualifications and the loss of or failure to obtain or renew any or all of these permits, licenses, approvals and/or qualifications may materially and adversely affect our business, financial condition and results of operations." As advised by our PRC Legal Advisor, there is no substantial legal impediment for us to renew our licenses which are expiring in 2025, provided that no significant adverse changes in our production and operations.

Meanwhile, the Company has obtained the relevant government approvals and permits for the construction of its production lines. As advised by our PRC Legal Advisor, these approvals and permits are not the licenses and certificates required for the Company's business operations.

The following table sets forth details of the material licenses, approvals and permits currently held by us:

| Holder | License/Permit | License/Permit No | Issuing Date | Expiry Date |
|---|---|---|---|---|
| Inner Mongolia Chuangyuan | Pollutant Discharge Permit | 91150581597331397000 1P | September 14, 2024 | September 13, 2029 |
| Shandong Chuangyuan | Work Safety License | (Lu)FM No[2023]00-0110 | October 13, 2023 | October 7, 2026 |
| Shandong Chuangyuan | Work Safety License | (Lu)FM No[2022]00-0049 | October 8, 2023 | December 27, 2025 |
| Shandong Chuangyuan | Pollutant Discharge Permit | 91371623MA3NJE136L001V | September 19, 2024 | April 8, 2029 |
| Shandong Chuangyuan | Pollutant Discharge Permit | 91371623MA3NJE136L002P | September 19, 2024 | September 18, 2029 |
| Shandong Chuangyuan | Electric Power Business Licenses | 1910625-01301 | January 9, 2025 | January 8, 2045 |
| Chuangyuan Alloy | Pollutant Discharge Permit | 91150581MA0Q50LL3A001V | July 25, 2022 | July 24, 2027 |
| Chuangyuan Resources Recycling | Pollutant Discharge Permit | 91150581MA0PYDRN0C001V | April 8, 2025 | April 7, 2030 |
| Chuangyuan Resources Recycling | Hazardous Waste Operating Permit | 1505810204 | December 18, 2023 | December 17, 2028 |
| Chuangyuan New Material | Pollutant Discharge Permit | 91150581MA7G4TRW9C001P | August 27, 2024 | August 26, 2029 |
| Inner Mongolia Chuangyuan | Electric Power Business Licenses | 1020525-01274 | February 27, 2025 | February 26, 2045 |

## LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

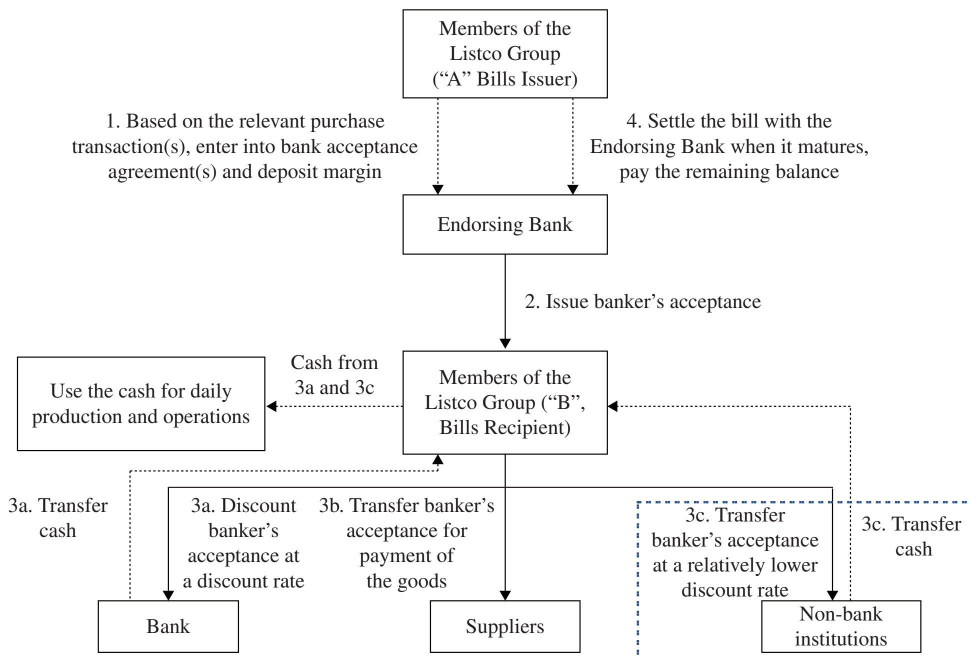
During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in during the Track Record Period and up to the Latest Practicable Date. Except for Inner Mongolia Chuangyuan Industry and Trade Co., Ltd. (內蒙古創源工貿有限公司), our former-subsidiaries which were deregistered during the Track Record Period were not involved in any non-compliance incidents. See Note 43 of the Accountants' Report in Appendix I to this prospectus. Inner Mongolia Chuangyuan Industry and Trade Co., Ltd. had entered into the non-compliant bill discounting in 2023 and had ceased all non-compliant bill discounting since November 21, 2023. See "— Non-compliant Bill Discounting."

### Non-compliant Bill Discounting

#### *Background*

During the Track Record Period, some of our subsidiaries (the "**Bill Issuers**") (1) entered into several acceptance agreements with a commercial bank in the PRC (the "**Endorsing Bank**") and deposited margin with the Endorsing Bank based on the actual and genuine underlying intragroup transactions. (2) The Endorsing Bank subsequently issued banker's acceptance to our other subsidiaries (the "**Bill Recipients**"). The Bills Recipients then (3a) discounted the banker's acceptance to other qualified banks to obtain cash for daily production and operations; or (3b) transferred the banker's acceptance to their suppliers for payment of the procured goods and services. As advised by our PRC Legal Advisor, the situations in (3a) and (3b) have been in compliance with applicable PRC laws and regulations.

In addition to the above steps to acquire short-term financing and improve cash flow, in order to reduce finance cost and to expedite the discounting process, the Bills Recipients also discounted part of the banker's acceptance to non-bank institutions at a discount rate lower than that required by qualified banks to obtain cash for daily production and operations, as illustrated by step 3(c) in the dashed box of the below diagram. As advised by our PRC Legal Advisor, the "discounter" of a commercial draft, including a banker's acceptance, shall be a legal person or any of its branch office that is legally established within the territory of the PRC and has loan business qualification (the "**Discounter's Qualification Requirement**"). As the non-bank institutions mentioned above did not comply with the Discounter's Qualification Requirement, the bill discounting transactions to those non-bank institutions did not fully comply with the Administrative Measures for Acceptance, Discount and Rediscount of Commercial Drafts (the "**Non-compliant Bill Discounting**"). However, as advised by the PRC Legal Advisor, the Discounter's Qualification Requirement applies to the "discounters" of commercial draft and does not apply to us, and there are no explicit PRC laws and regulations to impose administrative or criminal liability on us for Non-compliant Bill Discounting that is without the purpose to obtain funds by fraudulence. The diagram below sets out the general mechanics of the bill financing, including the Non-compliant Bill Discounting:




*Note:*

The dashed lines represent flow of cash and the solid lines represent flow of banker's acceptance.

Under the typical terms of such banker's acceptance agreements, VAT invoices consistent with purchase contracts must be presented to support the issuance of such banker's acceptance. In addition, initial deposits must be made with the endorsing banks in amounts of at least 50% of the face amount of the banker's acceptance to be issued as indicated by step 1 in the above diagram. The terms of the banker's acceptance were generally six months. The remaining balance of the face amount must be repaid on or before the maturity date of the relevant banker's acceptance as indicated by step 4 in the above diagram. The Bill Issuers could not settle the banker's acceptance with the Endorsing Bank until the banker's acceptance became mature. The Non-compliant Bill Discounting is illustrated by step 3(c) in the above diagram and any further actions of the non-bank institutions are not part of our Non-compliant Bill Discounting activities.

We discounted the banker's acceptance to non-bank institutions to (i) reduce finance costs, as the discount rate for discounting banker's acceptances at non-bank institutions is typically lower than that required by commercial banks and lower discount rates yield higher amount of cash received upon discounting; and (ii) expedite the process, as non-bank institutions typically require less time for internal approvals than commercial banks, which involve more layers of approval and extensive paperwork.

We are of the view, that the Non-compliant Bill Discounting is different from typical non-compliance bill financing activities as mentioned in the footnote 1 of Chapter 1.2D of the Guide, the main concern of which being that "a borrower obtains trade financing even if it is not supported by actual underlying transactions". The Non-compliant Bill Discounting is void of such concern because we entered into valid bank acceptance agreements with the Endorsing Bank and, as the Bill Issuers presented VAT invoices consistent with the purchase contracts of the underlying transaction before any banker's acceptance was issued, the banker's acceptance was supported by actual and genuine underlying transactions. Therefore, no fraudulent activity was involved in the Non-compliant Bill Discounting transaction by our shareholders, Directors, senior management or us. It is the lack of qualifications of the non-bank institutions that led to the bill discounting transactions being not in full compliance with PRC laws and regulations.

The last banker's acceptance discounted with a non-financial institution was on November 21, 2023 and we ceased to engage in the Non-compliant Bill Discounting as soon as we became aware of the non-compliance nature of the situation. We have entirely ceased Non-compliant Bill Discounting since November 21, 2023.

We entered into the Non-compliant Bill Discounting mainly due to the negligence of the working personnel of the Finance Department who were unfamiliar with the relevant PRC rules and regulations. The working personnel did not realize that the Non-compliant Bill Discounting transactions were not fully in compliance with the PRC rules and regulations in relation to the Discounter's Qualification Requirement but were of the view that it was a general practice across private enterprises in the PRC to enter into transaction of a similar nature to (i) reduce finance costs and (ii) expedite the discounting process because the discounting of such banker's acceptance at non-bank institutions was less time-consuming than at commercial banks. Our Directors or senior management were not involved in the Non-compliant Bill Discounting.

*No Material Financial Impacts*

| | Year ended December 31/ As of December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | (RMB in millions) | | |
| **Key Financial Data** | | | |
| Revenue | 13,489.7 | 13,814.7 | 15,163.2 |
| Cash, deposits and bank balances | 2,909.1 | 1,886.2 | 857.5 |
| Unutilized banking facilities | 850.5 | 4,470.9 | 8,171.2 |
| Face value of the banker's acceptance (including those transferred to the bank and suppliers and the Non-compliant Bill Discounting) | 4,159.1 | 4,099.1 | 1,086.2 |
| **Key Financial Data on Non-compliant Bill Discounting** | | | |
| Face value of the relevant banker's acceptance | 720.0 | 3,065.1 | – |
| Total amount of relevant fund obtained(1) | 346.7 | 1,306.5 | – |
| Amount of interest potentially saved(2) | 1.1 | 1.7 | – |

*Notes:*

(1) Calculated as the difference between (i) the face value of the banker's acceptance net of the deposits for issuing bills, and (ii) discount expenses, namely the amount discounted at the relevant discount rates.

(2) Calculated as the difference between, assuming the face value of the banker's acceptance and the discount period remain the same in both scenarios, (i) the discount expenses we were to incur if we discounted the banker's acceptance with the Endorsing Bank at its bank borrowing rate of 6.0%, and (ii) the discount expenses we actually incurred for non-compliant bill discounting.

As indicated above, other than the Non-compliant Bill Discounting, we also transfer and/or discounts the banker's acceptance in compliant ways. The total amount of interest saved from the Non-compliant Bill Discounting accounted for less than 0.5% of our net profit in 2022 and 2023, respectively. In addition, we have sufficient borrowings from banks and other financial institutions, banking facilities, and sufficient cash and cash equivalents for our daily business operations, which are far more than the total amount of cash obtained and total amount of finance cost saved from the Non-compliant Bill Discounting. The total amount of fund obtained from the Non-compliant Bill Discounting in 2022 and 2023 accounted for approximately 1.8% and 7.0% of the total amount of our borrowing, unutilized banking facilities and cash and cash equivalents as of December 30, 2022 and 2023, respectively. Therefore, our financial situation would not be materially affected without the Non-compliant Bill Discounting.

***Confirmation on Non-compliant Bill Discounting***

***Confirmation from the Relevant PRC Government Authority.*** People's Bank of China ("PBOC") is responsible for monitoring issuance and use of bills in the PRC. As confirmed by our PRC Legal Advisor, Tongliao Central Sub-branch of PBOC ("Tongliao PBOC") is the competent and appropriate PRC governmental authority to supervise issuance and use of bills. According to the written confirmations from Tongliao PBOC on October 31, 2024 and November 6, 2024, we have not received any notice of investigation of inquiry during the Track Record Period regarding the Non-compliant Bill Discounting from government authorities.

***Confirmation from the Relevant Endorsing Bank.*** The Endorsing Bank has confirmed that, during the Track Record Period, (i) we have complied with all the requirements of the bank acceptance agreements; and (ii) it has not incurred any loss as a result of overall use of the bank acceptance bills, and there have been no disputes or controversies with our shareholders, Directors, senior management and us in relation to overall use of the bank acceptance bills.

***Confirmation from the PRC Legal Advisor.*** Our PRC Legal Advisor confirmed that, during the Track Record Period, (i) there is no express provision in the laws, rules and regulations in the PRC which imposes administrative or criminal liability for Non-compliant Bill Discounting that is without the purpose of obtaining funds by fraudulence; and (ii) the relevant Endorsing Bank have not incurred any loss as a result of overall use of the bank acceptance bills and there have been no disputes or controversies with our shareholders, Directors, senior management and us with respect to overall use of the bank acceptance.

***Rectification Measures***

We have further adopted or plan to adopt the following measures to avoid the recurrence of similar incidents in the future:

***Our Training to Directors, Senior Management and Relevant Staff.*** In September 2024, training was provided by our PRC Legal Advisor, to our Directors and senior management covering (i) the introduction of bills and use of bills (including but not limited to bill discounting); (ii) the relevant PRC laws and regulations; and (iii) case study of bill discounting non-compliance. In September 2024, training was provided by our Hong Kong legal advisors, to our Directors and senior management covering (a) the Listing Rules and legal requirements in Hong Kong, in particular the respective duties and responsibilities of directors and senior management of a listed company; (b) Hong Kong regulatory requirements on the non-compliance and internal control; and (c) the Hong Kong regulatory requirements on non-compliant bill financing.

***Establishment of Regulatory Compliance Committee.*** We will, prior to our proposed listing, establish a regulatory compliance committee, comprising independent non-executive Directors with financial and accounting backgrounds, our chief financial officer and other staff with strong financial and internal control expertise, to supervise our general compliance in relation to financial matters, in particular to prevent re-occurrence of non-compliant bill discounting.

***Engagement of Professional Legal and Compliance Advisors.*** We undertake to appoint legal advisors as to the laws of Hong Kong and the PRC, respectively, after our proposed listing to advise on the laws and regulations of Hong Kong (in particular the requirements under the Listing Rules) and the PRC, respectively. We will also appoint a compliance advisor to assist us with compliance matters and issues in relation to the Listing Rules and seek external legal advice where appropriate and necessary on the compliance matters after the proposed listing.

***Engagement of Internal Control Consultant.*** In July 2024, we engaged an independent internal control consultant to conduct general internal control review with reference to the "Technical Bulletin — AATB 1 (Revised) Assistance Options to New Applicants and Sponsors in connection with Due Diligence Obligation, including Internal Controls over Financing Reporting". We have adopted enhanced internal control measures as recommended by the internal control consultant to prevent re-occurrence of similar incidents in the future. Since the implementation of the enhanced internal control measures to the date of this submission, through reviewing the revised bill management policy, there are no further deficiencies in design aspect of internal control in bill management. The internal control consultant conducted a follow-up internal control review in September 2024 based on selected samples on bill discounting, and no further internal control deficiencies were identified.

***Periodical Reviews by Internal Audit Department of the Company.*** Our internal audit department will conduct periodical reviews and assessment of our financial conditions as an additional supervision.

Based on the above, we are of the view that the Non-compliant Bill Discounting will not affect the suitability of our Group's listing under Rule 8.04 of the Listing Rules or the suitability of our Directors under Rule 3.08 and 3.09 of the Listing Rules for the proposed listing.

Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above that the Non-compliant Bill Discounting will not affect the suitability of the Group's listing under Rule 8.04 of the Listing Rules or the suitability of the Directors under Rule 3.08 and 3.09 of the Listing Rules for the proposed listing.

### Incident Relating to the Former Director of the Subsidiary

#### *The Judgment*

According to a court judgment made in 2016 (the "**Judgment**"), Inner Mongolia Chuangyuan, a wholly-owned subsidiary of the Company (the "**Subsidiary**"), and the Former Director of the Subsidiary were convicted of bribing a PRC government officer to coordinate and facilitate regulatory approval for the Subsidiary's electrolytic aluminum project. The Former Director of the Subsidiary claimed RMB1,000,000 from its then controlling shareholder in his capacity as the then person-in-charge of the Subsidiary without disclosing his actual intended use of the money, on the grounds that the Subsidiary had insufficient project funds. Upon the Subsidiary receiving the RMB1,000,000, the Former Director of the Subsidiary withdrew the funds in the name of personal borrowings from the Subsidiary, out of which RMB200,000 was paid to the government officer and the remaining RMB800,000 was returned to the Subsidiary. Such withdrawal of fund from the Subsidiary by the Former Director of the Subsidiary did not obtain any approval from the Subsidiary or its then controlling shareholder. As a result, the Former Director of the Subsidiary was convicted of the criminal offence of organizational bribery and sentenced to six months' imprisonment with one year's probation, and as the Former Director of the Subsidiary committed bribery in the capacity of the representative of the Subsidiary, the Subsidiary was convicted of the criminal offence of organizational bribery and imposed with a fine of RMB100,000 (the "**Incident**"). Other than the Former Director of the Subsidiary, no other person of the Subsidiary was charged with any offence relating to the Incident.

As of the Latest Practicable Date, to the best knowledge of our Company, none of the current Controlling Shareholders, Directors or senior management of our Company was involved in the Incident, and the Incident did not and will not have any material adverse effect on the business, financial condition or results of operation of our Group. As of the Latest Practicable Date and to the best knowledge of our Company, Innovation Group and its subsidiaries have not been involved in any previous incidents of bribery.

As advised by Shandong Tianjian Law Firm, the litigation counsel who participated in the defence during court proceedings related to the Incident (the "**PRC Litigation Counsel**"), as the Former Director of the Subsidiary committed the act in his capacity as the representative of the Subsidiary, both the Former Director of the Subsidiary and the Subsidiary were convicted of the criminal offence of organizational bribery. As advised by the PRC Litigation Counsel, the court in the Judgement imposed a lenient penalty in accordance with applicable laws, based on the following facts and circumstances: i) the bribery involved in the Incident was primarily for expedition of regulatory approval process for the Subsidiary, characterized by a low level of subjective malice, ii) the amount of money involved marginally reached the threshold for a criminal case, iii) both the Subsidiary and the Former Director of the Subsidiary actively cooperated in the investigation related to the Incident, and iv) the offence was relatively minor under PRC laws which did not cause serious consequences to the society or substantial economic losses to relevant entities and individuals.

***Rectification Measures and Subsequent Arrangements***

Our Group had proactively taken rectification measures (see below for details) after becoming aware of the Incident. On November 30, 2015, the Subsidiary recompleted the project filing procedures in a legal and compliant manner. As advised by our PRC Legal Adviser, the Subsidiary has obtained all government approvals and permits necessary for investment and construction of the project in compliance with applicable PRC laws and regulations. Therefore, the Incident did not and will not have any material adverse effect on the business development and the legality of licenses of our Group.

After becoming aware of the Incident and realizing that the incident was attributable to the Former Director of the Subsidiary's lack of compliance awareness, our Group started to consider new management candidates to replace the Former Director of the Subsidiary. The new management joined the Subsidiary in November 2016 as the general manager to replace the Former Director of the Subsidiary to take charge of the production, development and operation management of the Subsidiary. To ensure a smooth management transition and as an interim arrangement during the crucial development phase of the Subsidiary in 2016, the Former Director of the Subsidiary, as a minority shareholder of the Subsidiary, was permitted to maintain a non-executive role in the board of the Subsidiary. This decision was intended to support the new management in quickly familiarizing themselves with the operations of the Subsidiary and ensure a seamless transition. In the meantime, the minority equity interest of the Former Director of the Subsidiary in the Subsidiary has been gradually diluted to nominal percentage in December 2016 and he no longer held any beneficial equity interest in the Subsidiary since April 2017. After formation of the new board of directors of the Subsidiary in May 2017 and up to the retirement of the Former Director of the Subsidiary in December 2020, the board of directors of the Subsidiary had consistently comprised not less than five members which was responsible for its overall management and decision-making. According to the articles of association of the Subsidiary, the resolutions of the board of directors shall be passed by a simple majority of the directors. Therefore, during this period, the Former Director of the Subsidiary only participated in the decision-making of the board of directors in a non-executive role and had no personal decision-making power over the operation and management of the Subsidiary. With new management and enhanced corporate governance mechanisms in place, the Subsidiary believes that the Former Director of the Subsidiary's continued service in a non-executive capacity would not impair its overall management and development in a compliant manner. In November 2018, through a series of equity transfer arrangements, the Subsidiary was held as to 49% by the Former Director of the Subsidiary as proxy for Innovation Group. To the best knowledge of the Company, the Former Director of the Subsidiary was following instructions from Innovation Group as proxy during the period of the shareholding proxy arrangement. The shareholding proxy arrangement conferred no actual decision-making power or beneficial interests of Innovation Group on the Former Director of the Subsidiary, and was mainly due to the administrative convenience as certain corporate procedures required physical presence of the Former Director of the Subsidiary in Inner Mongolia, where the Subsidiary operated. Such shareholding proxy arrangement by the Former Director of the Subsidiary was eventually terminated in December 2020 and the Former Director of the Subsidiary did not hold any equity interests in our Group since then.

***Enhanced Internal Control and Corporate Governance***

It is recognised that, the Incident reflected the weakness in the internal control system at the early stages upon establishment of the Subsidiary, especially in terms of fund management, anti-bribery and anti-corruption control, and risks relating to the weakness in the corporate governance.

Therefore, after the Incident, our Group has actively adopted a series of measures to strengthen our Group's corporate governance in financial reporting, fund management, anti-corruption and anti-bribery, in particular:

i. our Group and our Controlling Shareholder took the Incident very seriously and were committed to make swift and thorough corrective actions. As the Incident was attributable to the lack of awareness of compliance management, our Group decided to form new management team to enhance our compliance management. Given that the Subsidiary was at its preparation stage with limited personnel resources, the Subsidiary made it its priority to find new leadership to replace the Former Director of the Subsidiary to ensure that the production and operation of the Subsidiary were managed with compliance and professionalism;

ii. Since November 2016, new management team has taken charge of the production and operational management of the Subsidiary;

iii. the Subsidiary has also actively taken rectification actions. On November 30, 2015, the Subsidiary recompleted project filing procedures in compliance with applicable PRC laws and regulations;

iv. our Group has developed and implemented anti-corruption and anti-bribery policies and procedures. Bribery in any form shall be strictly prohibited. Employees shall not, whether directly or through a third party, offer, give, promise, authorize the payment of anything of value to any person or entity (including any government official), to improperly influence or reward any decision or act related to our Group's business, including to improperly obtain or maintain business or business advantages. No bribes shall be accepted, solicited or agreed to be accepted, nor shall any facilitation payments be accepted, solicited or agreed to be accepted. In addition, our Group has set up different management approval authority to ensure approval roles are effectively separated, and expenditures are properly reviewed, approved and authorized. In general, the compliance officer of our Group is responsible for the approval of the exceptional cases to our internal procedures and guidelines, whereas the finance department of our Group is responsible for scrutinizing and approving any large expenditures. The management monitors the third-party payments during regular internal audits to identify any non-compliance incidents. Furthermore, our Group's anti-corruption and anti-bribery efforts cover its management and employees, and also extend to third-party intermediaries and agents, who are strictly prohibited from making improper payments or gifts to any entity or individual (including but not limited to government officials) on behalf of our Group. The strict prohibition of bribery and behaviors sets clear ethical standards and expectations for employee conduct, and enables early detection and correction of any deviations from established procedures;

v. our Group has developed and implemented stringent fund management policies and approval procedures for advances, expenses and reimbursements. The finance department of our Group has set up stricter approval procedures over advances, expenses and reimbursements through financial management system, and strengthened internal controls to detect and prevent abnormal practices related to bribery, corruption and other similar activities. Before making withdrawals and reimbursements, all employees are required to complete a request form detailing the underlying rationale and ensure compliance with relevant laws, regulations and internal policies of our Group;

   In particular, our Group has placed stringent control over providing loans to employees. Loans to employees are only permitted for business travels and other exceptional work-related circumstances on a case-by-case basis upon obtaining prior approval through the Group's financial management system, thereby ensuring that such payment is only granted for legitimate business purposes with a clear record of decision-making.

   As advised by our PRC Legal Adviser, the Group providing loans to the employees does not violate any mandatory provisions of applicable PRC laws and regulations. Under the current employee loan management system, loans for work related expenses, regardless of their amounts, will only be permitted if prior written approval is obtained. The Directors believe that this provides employees with the financial flexibility to manage work-related expenses without impacting their personal finances and avoiding unnecessary disruptions of business activities, while also reducing potential for misuse of the funds by employees, and therefore is in the interests of our Group.

vi. our Group has strengthened its internal control measures and established an internal audit department. The internal audit department conducts internal audits and reviews to evaluate the compliance of departments and individual employees with our Group's internal control policies, including anti-corruption policies and procedures. The internal audit department continuously monitor the implementation of such measures and procedures, and review and strengthen our Group's internal control system on a regular basis. The internal audit department provides independent oversight and regular evaluation of the implementation of the Group's internal control, and facilitates the continuous improvement of the Group's governance framework (including anti-corruption policies and procedures);

vii. our Group provides trainings to its employees on its anti-corruption and anti-bribery policies and procedures on an annual basis. All employees shall complete the mandatory comprehensive trainings on the anti-corruption and anti-bribery policies and procedures of our Group, including an overview of prohibited conducts, relevant regulatory policies and penalties for violations of such policies and procedures. This helps to equip employees with knowledge to recognize and report unethical practices and deter unethical behaviors as employees are aware of the consequences of violating these policies; and

viii. the Company has also engaged an independent external firm (the "**Internal Control Consultant**") to conduct a general assessment of its internal control system in relation to the Listing in July 2024. As part of the engagement, the Company has consulted with its Internal Control Consultant to continue to identify factors related to strengthening its internal control system and measures to be taken. The Internal Control Consultant has proposed the following recommendations which have been adopted by the Company:

(a) revised "Funds Management Regulations" to standardize the loan management process for affiliated companies, pursuant to which loan applications must follow a standardized approval process, with supporting documentation attached. After being approved by the requesting company's primary responsible person, the loan application request can be submitted to the Group for decision-making. Once approved by the Group, the funds should be transferred to the account of the requesting company and must not be deposited into the borrower's personal account.

(b) revised "Funds Management Regulations" to standardize the employee loan management process, pursuant to which personal loans must undergo stringent approvals based on the loan amount. For loan requests initiated by the Chairman of the Board, the Company adopt a dual-signature approval process (e.g., signed off by both the CFO and the general manager). Additionally, the Company's finance team will maintain a ledger for employee loans to monitor and administer the disbursed funds.

(c) establish an anti-fraud and anti-bribery policy and provide regular training sessions for all employees.

(d) for non-production line employees, the Company requires annual submission of integrity pledges.

(e) the Company's internal audit department will conduct annual checks and supervision on loan disbursements and compliance with integrity obligations by employees.

Based on the observations in follow-up reviews in November 2024, no further deficiencies have been identified by the Internal Control Consultant and as advised by our Internal Control Consultant, the measures adopted by our Group are adequate on a general internal control design level to prevent the recurrence of similar incidents.

Taking into account the above rectification measures adopted by us and the internal control measures implemented by us in connection with the Incident, the result of the review conducted by our Internal Control Consultant, the on-going monitoring and supervision by our management, and the appointment of our independent non-executive Directors, our Directors are of the view that our enhanced internal control measures are adequate and effective. Based on, among other things, (i) the follow-up reviews conducted by, and the discussion with, the Internal Control Consultant, (ii) review of relevant policies obtained from the Company, including the revised "Funds Management Regulations", anti-fraud and anti-bribery policies, (iii) review of the background search report compiled by an independent search agent, and (iv) the discussion with the Company, nothing has come to the Joint Sponsors' attention that would reasonably cause them to doubt on the Directors' view.

***No Involvement of Current Controlling Shareholders, Directors and Senior Management of our Company***

As of the Latest Practicable Date, to the best of the knowledge of our Company after due inquiry, when the bribery act related to the Incident occurred, none of the current Controlling Shareholders, Directors or senior management of our Company was involved in the Incident, specifically:

i. our Controlling Shareholders did not hold any directorship or any management position in the Subsidiary, did not participate in the day-to-day management and operation of the Subsidiary, and was not aware of the appropriation of funds related to the Incident by the Former Director of the Subsidiary when the Incident occurred;

ii. None of the current Directors and senior management of our Company, served any position in the Subsidiary, and the Former Director of the Subsidiary was not accustomed to taking instructions from our current Controlling Shareholders, Directors or senior management and/or any of their respective close associates when the Incident occurred;

iii. The Former Director of the Subsidiary was the only personnel responsible for the operations and management of the Subsidiary when the Incident occurred, and there's no personnel currently employed at the Group which were involved in the Subsidiary's operations and management at the time of the Incident; and

iv. None of our current Controlling Shareholders, Directors or senior management are close associates of the Former Director of the Subsidiary.

In view of the fact that (i) the Incident took place over 10 years ago during the early preparation stages of the Subsidiary's development when its internal control system was yet to be improved; (ii) other than the Former Director of the Subsidiary, no other employee was involved in the Incident; (iii) none of the current Controlling Shareholders, Directors and senior management of our Company was involved in the Incident, and (iv) following the Incident, our Group has actively adopted a series of rectification measures and effectively enhanced internal control measures to prevent the occurrence of similar incidents in the future, including but not limited to replacing the suitable management, reobtaining the legal and effective project filings and improving its internal control system, so as to ensure the business operation and stable growth of the Subsidiary in a compliant way, and (v) the Incident has not and will not have any material adverse effect on the business development, qualification and license compliance status and financial performance and results of operations of the Subsidiary, the Directors are of the view that the Incident will not affect the eligibility of our Company for listing on the Stock Exchange under Rule 8.04 of the Listing Rules or the suitability of our Company's current Controlling Shareholders, Directors and senior management under Rules 3.08 and 3.09 of the Listing Rules, and nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view.

**Social Insurance and Housing Provident Funds**

***Background and Reasons for Non-compliance***

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations. See "Risk Factors — Failure to pay social insurance and housing provident funds for our employees in accordance with applicable laws and regulations may subject us to penalties." We were unable to make full social insurance and housing provident fund contributions for the relevant employees primarily due to our large labor force, relatively high mobility and the preference of many employees not to contribute in full to such funds. These employees were unwilling to pay the social insurance and housing provident fund contributions in full as it requires additional contributions from the employees and they preferred higher take-home pay.

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. Moreover, as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy.

***Legal Consequences***

As advised by our PRC legal advisor, pursuant to relevant PRC laws and regulations, we may be subject to the regulatory requirement to make up the under-contribution of social insurance within a prescribed period and a daily overdue charge of 0.05% of the delayed payment amount, accruing from the date when the social insurance contributions were due. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times the overdue amount. In 2022, 2023 and 2024 and the five months ended May 31, 2025, the outstanding amount of our social insurance contribution was RMB26.2 million, RMB25.2 million, RMB18.7 million and RMB8.9 million, respectively. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. In 2022, 2023 and 2024 and the five months ended May 31, 2025, the outstanding amount of our housing provident fund contribution was RMB11.2 million, RMB10.0 million, RMB9.7 million and RMB3.4 million, respectively.

We have consulted with and obtained confirmations from the competent local governmental authorities in November 2024, including Tongliao Housing Provident Fund Management Center Huolinguole Branch (通遼市住房公積金中心霍林郭勒市服務部), Huolinguole Human Resources and Social Security Bureau (霍林郭勒市人力資源和社會保障局), Binzhou Housing Provident Fund Management Center Wudi Branch (濱州市住房公積金管理中心無棣管理部) and Wudi Human Resources and Social Security Bureau (無棣縣人力資源和社會保障局) covering all of our employees that: (i) no administrative penalties had been imposed on us during the Track Record Period and up to the date of the confirmation, (ii) the relevant local governmental authorities will not take their own enforcement measures to compel us to make supplementary contributions for social insurance, and (iii) we are not subject to the circumstances of being required to make supplementary contributions for housing provident funds. In addition, we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date.

As advised by our PRC legal advisor, (i) the relevant local governmental authorities are the competent authorities in charge of the social insurance and housing provident funds; and (ii) based on our confirmation, the facts stated above and the confirmations from the relevant local governmental authorities, the risk that we will be proactively required to settle all historical social insurance and housing provident funds and be subject to material administrative penalties is remote, provided that there are no material adverse changes in the current regulatory policies and environment and no employee complaints occur. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

Pursuant to the Interpretation (II) of the Supreme People's Court on issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the people's court shall support such claim. See "Regulatory Overview – Regulations Related to Employment and Social Securities." Our PRC Legal Advisor is of the view that (i) the New Judicial Interpretation does not repeal the social insurance laws and regulations currently in force of the PRC; and (ii) the New Judicial Interpretation does not expand the Company's penalty exposure.

Considering (i) during the Track Record Period and up to the Latest Practicable Date, we and the relevant employees have never signed any agreement that no payment of social insurance would be required to be made by the Company; (ii) we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our employees with respect to social insurance during the Track Record Period and up to the Latest Practicable Date; and (iii) as advised by our PRC Legal Advisor, the New Judicial Interpretation will not affect the compliance status of our social insurance contributions, our Directors believe that the New Judicial Interpretation would not have a material adverse effect on our business or financial results.

***Internal Control and Remedial Measures***

We have taken the following internal control rectification measures and plans to prevent future occurrences of such non-compliance:

- We have been increasing the payment bases for our social insurance and housing provident fund contributions and plan to further increase the payment bases for our social insurance and housing provident fund contributions to the level compliant with the relevant laws and regulations;

- We are in the process of communicating with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment bases, which also requires additional contributions from our employees;

- We have updated our employee handbook to specify that the total salary includes individual income tax, social insurance and housing provident fund and that we withhold personal income tax and the personal portion of social insurance and housing provident fund during payment in accordance to relevant PRC laws and regulations;

- We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; and

- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep abreast of relevant regulatory developments, and will provide relevant employees with legal compliance training relating to the same.

If requested by the competent government authorities, we undertake to fully rectify and make full contributions of social insurance premiums and housing provident funds for all of our employees as soon as practicable.

**Approval for Projects in Relation to Thermal Electricity Generators**

***Reasons for Non-compliance and Legal Consequences***

Our Huolinguole thermal power plant had six sets of 330 MW electricity generators and our Binzhou thermal power plant had two sets of 25 MW electricity generators as of May 31, 2025. As of the Latest Practicable Date, two out of six of our thermal electricity generators in our Huolinguole thermal power plant (the "**Relevant Thermal Electricity Generators**") had not obtained the approval from the relevant government authorities, which involve obtaining power generation capacity indicators, being included in the national plan and obtaining project approval.

The non-compliance is primarily due to the change of government policy of related matters. Initially, we received approval from the local government authority, specifically the Inner Mongolia Autonomous Region Economic and Information Technology Commission (內蒙古自治區經濟和信息化委員會), allowing the construction of the project, which included the Relevant Thermal Electricity Generators. However, during the construction period of the aforementioned thermal power plants, policy changes altered the approval procedures for the electricity generators — most notably, the new requirement stipulates that the plants must first be included in the national plan before obtaining project approval. Meanwhile, subsequent policy changes shifted the management of the electricity generators from the Inner Mongolia Autonomous Region Economic and Information Technology Commission to the Inner Mongolia Autonomous Region Energy Bureau (內蒙古自治區能源局), which classified the Relevant Thermal Electricity Generators as not being part of the national power planning.

According to our PRC Legal Advisor, failure to obtain such approvals may result in administrative penalties, such as being ordered to cease operation of the two electricity generators and fines of an amount ranging from 0.1% to 0.5% of the project's total investment. The total investment in the two electricity generators is approximately RMB1 billion, and, therefore, the maximum penalty is capped at RMB5 million.

We have obtained a written confirmation issued by Huolinguole Energy Bureau on October 10, 2024, which is the competent government authority to supervise thermal electricity generators, and confirmed that it has not imposed any administrative penalties on us. Based on the aforementioned confirmation and searches of publicly available information, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any administrative penalties in this regard.

***Rectification and Enhanced Internal Control***

We have proactively taken remedial measures to rectify this incident. As of the Latest Practicable Date, we were in the process of obtaining approvals from the relevant authorities for the acquisition of power generation capacity indicators. We were also actively communicating with third-parties to obtain power generation capacity indicators and subsequently having the Relevant Thermal Electricity Generators included in the national plan. The approval is expected to be obtained in the first half of 2026.

Our Directors believe that the likelihood of our business and results of operations being materially and adversely affected by this incident is remote, on the basis that (i) as of the Latest Practicable Date, we had not been subject to any administrative penalties imposed by the competent authorities, nor had we received any penalties or investigation notices from the competent authorities for such lack of approval; (ii) we received the confirmation from the competent government authority as discussed above; (iii) we have been proactively taking actions to obtain the approvals; and (iv) we have been constructing wind power plants and solar power plants, aiming to increase the use of green power while decreasing the use of thermal electricity generators in our production. Based on the aforementioned (i) and (ii), we believe that the likelihood that we are required by the relevant government authority to cease operating the Relevant Thermal Electricity Generators is remote. Based on the aforementioned (iii) and (iv), even in the unlikely event that we are required by the relevant government authority to cease operating the Relevant Thermal Electricity Generators, we expect that our business operations and results of operations would not be materially and adversely affected.

To prevent similar incidents from occurring in the future and to mitigate potential risks stemming from this incident, we have taken meaningful steps to enhance our internal control measures. These include (i) the establishment of a dedicated team to continuously monitor changes in relevant laws and regulations, ensuring timely compliance with the latest laws and regulations as well as prompt follow-through on the necessary procedures to obtain governmental approvals; (ii) consultation with our PRC legal counsels on a regular basis for advice on relevant PRC laws and regulations to keep abreast of relevant regulatory developments; and (iii) active communication with relevant government authorities to ensure we have the most updated information about the relevant laws and regulations. Our Directors are of the view that the above enhanced internal control measures are sufficient and will effectively prevent similar incidents from occurring in the future.

## AWARDS AND RECOGNITIONS

During the Track Record Period, we received a number of awards and accolades in recognition of our brand and products. The following table sets out major awards and recognitions we received during the Track Record Period and up to the Date of this prospectus:

| Year | Awards/Recognition | Awarding Authority |
|---|---|---|
| 2025 ....... | No. Five among the Top 50 Private Manufacturing Enterprises in Inner Mongolia | Inner Mongolia Federation of Industry and Commerce (內蒙古自治區工商業聯合會)<br><br>Inner Mongolia Non-Public Economic Development Service Bureau (內蒙古民營經濟發展服務局) |
| 2025 ....... | Special Contribution Enterprise for Promoting High-Quality Development in Small and Medium-Sized Cities (2025年推動中小城市高質量發展特別貢獻企業) | Guoxin Small and Medium-Sized Cities Index Research Institute (國信中小城市指數研究院) |
| 2025 ....... | National Green Manufacturing Demonstration Unit (國家級綠色製造示範單位) | National Ministry of Industry and Information Technology (國家工業和信息化部) |
| 2024 ....... | National Green Factory (國家級綠色工廠) | National Ministry of Industry and Information Technology (國家工業和信息化部) |
| 2024 ....... | 2024 Quality Enterprises in the Fine Alumina Industry of China (2024年度中國精細氧化鋁行業優質企業) | 2024 (the Fourth) China Fine Alumina Industry Summit (2024年(第四屆)中國精細氧化鋁行業高峰論壇) |
| 2024 ....... | Green Manufacturing Demonstration Enterprise of Inner Mongolia (內蒙古綠色製造示範企業) | Inner Mongolia Department of Industry and Information Technology (內蒙古自治區工業和信息化廳) |
| 2024 ....... | Rank 23rd in the Top 100 Private Enterprises of Inner Mongolia (內蒙古民營企業百強第23位) | Inner Mongolia Federation of Industry and Commerce (內蒙古自治區工商業聯合會) |

| Year | Awards/Recognition | Awarding Authority |
| --- | --- | --- |
| | | Development and Reform Commission of Inner Mongolia Autonomous Region (內蒙古自治區發展和改革委員會) |
| 2024 . . . . . . . | Rank 16th in the Top 50 Manufacturing Private Enterprises of Inner Mongolia (內蒙古製造業民營企業50強第16位) | Inner Mongolia Federation of Industry and Commerce (內蒙古自治區工商業聯合會)<br><br>Development and Reform Commission of Inner Mongolia Autonomous Region (內蒙古自治區發展和改革委員會) |
| 2024 . . . . . . . | Autonomous Region Level Water-Saving Enterprise and Autonomous Region Level Green Manufacturing Demonstration Units (自治區級節水型企業及自治區級綠色製造示範單位) | Inner Mongolia Autonomous Region Department of Industry and Information Technology (內蒙古自治區工業和信息化廳) |
| 2024 . . . . . . . | Tongliao City 'Glory Star' (通遼市"光彩之星") | United Front Work Department of CPC Tongliao Municipal Committee (中共通遼市委統戰部)<br><br>Tongliao Federation of Industry and Commerce (General Chamber of Commerce) (通遼市工商業聯合會(總商會))<br><br>Tongliao Glory Society (通遼市光彩事業促進會) |
| 2024 . . . . . . . | Outstanding Private Enterprises of the Year 2023 (2023年度優秀民營企業) | Municipal United Front Work Department of Huolinguole (霍林郭勒市委統戰部)<br><br>Tongliao Federation of Industry and Commerce (General Chamber of Commerce) (通遼市工商業聯合會(總商會)) |

## OVERVIEW

We have, in our ordinary and usual course of business, entered into a number of transactions with certain entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon Listing. Such transactions will continue after the Listing and will therefore constitute our continuing connected transactions under the Listing Rules.

## CONNECTED PERSONS

We have entered into a number of transactions with the following entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon Listing:

| Connected Persons | Connected Relationship |
| --- | --- |
| Mr. Cui Dong . . . . . . . . . . . . | Brother of Mr. Cui |
| Innovation Group . . . . . . . . . | A company owned as to 71.82% by Mr. Cui |
| Innovation New Material . . . . | A company listed on the Shanghai Stock Exchange (stock code: 600361.SH) and a subsidiary of Innovation Group |
| Shandong Chuangyuan. . . . . . | A connected subsidiary of our Company, which is owned by the Company and Innovation Group as to 58.5% and 41.5%, respectively |

## SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

| Nature of transactions | Counterparties | Annual caps For the years ending December 31, 2025 | 2026 | 2027 | Applicable Listing Rules | Waiver Sought |
|---|---|---|---|---|---|---|
| | | (RMB million) | | | | |
| ***Fully exempt continuing connected transaction*** | | | | | | |
| Procurement of Mechanical Spare Parts and Operational Supporting Services . . . . . . . . | Mr. Cui Dong | N/A | N/A | N/A | 14A.34 and 14A.76(1)(a) | N/A |
| ***Partially exempt continuing connected transaction*** | | | | | | |
| Operational Supporting Service Procurement Framework Agreement . . . . . . | Innovation Group | 34 | 34 | 34 | 14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59, 14A.71 and 14A.76(2)(a) | Announcement |
| ***Non-exempt continuing connected transactions*** | | | | | | |
| Provision of Products and Services . . . . . | Innovation New Material and its close associates | 12,530 | 13,055 | 13,480 | 14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71 | Announcement and independent Shareholders' approval requirements |
| Purchase of Raw Materials . . . . . . . | Shandong Chuangyuan and its close associates | 4,834 | 3,857 | 3,515 | 14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59 and 14A.71 | Announcement and independent Shareholders' approval requirements |

## FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

### 1. Procurement of Mechanical Spare Parts and Operational Supporting Services

During the Track Record Period, our Group from time to time procured certain mechanical spare parts used for equipment of our aluminum smelting facilities and power plant, primarily including valves, gears and axles, as well as certain operational supporting services primarily including property management services from certain majority-controlled companies of Mr. Cui Dong that are primarily engaged in the production and sales and mechanical spare parts and metal materials.

The aforementioned transactions are made in the ordinary and usual course of our business and are expected to continue after the Listing, therefore constituting continuing connected transactions of our Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios for the aforementioned transactions for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis, each of such transactions will constitute a de minimis continuing connected transaction of our Company that will be fully exempt from reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

### 2. Operational Supporting Service Procurement Framework Agreement

***Parties***

Innovation Group (for itself and on behalf of its close associates); and

Our Company (for itself and on behalf of its subsidiaries)

***Principal terms***

We entered into an operational supporting service procurement framework agreement (the "**Operational Supporting Service Procurement Framework Agreement**") with Innovation Group on November 9, 2025, pursuant to which our Group will procure certain operational supporting services primarily including mechanical cargo handling services.

The initial term of the Operational Supporting Service Procurement Framework Agreement shall commence on the Listing Date until December 31, 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific scope of services and detailed terms and conditions in accordance with the Operational Supporting Service Procurement Framework Agreement.

***Pricing terms***

The pricing of the operational supporting services procured from Innovation Group will be based on arm's length negotiation between the parties taking into account the prevailing market rate for provision of comparable services and their nature, procurement scale and/or complexity. When determining the relevant market rates, the management of our Group will take into account the rates of comparable services provided by Independent Third Parties in the market to ensure that the terms are fair and reasonable.

***Reasons for the transactions***

Innovation Group and its subsidiaries have historically supplied operational supporting services to members of the Group due to its satisfactory service quality and fair market prices. In addition, through sourcing relevant operational supporting services from Innovation Group, we can improve production efficiency by leveraging on the resources, expertise and operational support of the Innovation Group.

***Historical amounts***

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

| | For the year ended December 31, | | | For the five months ended May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(RMB in million)* | | | |
| Transaction amount for purchase of operational supporting services by our Group from Innovation Group | 27 | 19 | 25 | 17 |

*Annual caps*

The maximum aggregate annual transaction amounts under the Operational Supporting Service Procurement Framework Agreement for the three years ending December 31, 2027 shall not exceed the caps set out below:

| | For the year ending December 31, | | |
|---|---|---|---|
| | **2025** | **2026** | **2027** |
| | *(RMB in million)* | | |
| Maximum transaction amount for purchase of operational supporting services by our Group from Innovation Group . . . . . . . . . . . . . . . . | 34 | 34 | 34 |

The above proposed annual caps are determined taking into account:

(a) the increase in demand for mechanical cargo handling services for bauxite due to the anticipated expansion of the annual designed manufacturing capacity from the existing 1,480.0 kt to 2,980.0 kt due to the expected launch of our aluminum hydroxide production facility from 2024 to 2025; and

(b) upon completion of the manufacturing capacity expansion in Shandong Chuangyuan in 2025, the demand for mechanical cargo handling services is expected to remain stable from 2025 to 2027.

## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### 3. Provision of Products and Services Framework Agreement

*Parties*

Innovation New Material (for itself and on behalf of its close associates); and

Our Company (for itself and on behalf of its subsidiaries)

*Principal terms*

We have entered into a provision of products and services framework agreement (the "**Provision of Products and Services Framework Agreement**") with Innovation New Material on November 9, 2025, pursuant to which our Group agreed to provide products and services to Innovation New Material, including but not limited to electrolytic aluminum in liquid form, other products including electricity and heat, other ancillary equipment and raw materials, and other services including logistic services and asset and property leasing services.

The initial term of the Provision of Products and Services Framework Agreements shall commence on the Listing Date until December 31, 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific products and/or scope of services and detailed terms and conditions in accordance with the Provision of Products and Services Framework Agreement.

***Pricing terms***

The products and services to be provided under the Provision of Products and Services Framework Agreement will be based on the following pricing policy, which is in line with market practice:

- The provision of electrolytic aluminum in liquid form and aluminum ingots will be based on the market prevailing market average price of aluminum over the preceding week quoted on the website of Shanghai Metals Market (**https://www.metal.com/**, "**SMM**"), which is a transparent market price and will be comparable to the price of similar products provided by the Group to independent third-party customers, taking into account the reasonable costs, such as processing cost and transportation costs, etc.; and

- The provision of other products and services will be determined after arm's length negotiation between parties taking into account relevant costs.

***Reasons for the transactions***

The aluminum value chain is mainly divided into upstream aluminum production and downstream processing of aluminum alloy. The Company has been mainly engaged in the upstream production of electrolytic aluminum in liquid form and aluminum ingots, and Innovation New Material focuses on the downstream processing of aluminum alloy.

In early 2023, Innovation New Material launched new manufacturing sites near the industry park of the Company in Inner Mongolia, with an annual production capacity of 1.22 mt, and our Group has been providing electrolytic aluminum in liquid form to Innovation New Material since then. Short-distance transportation of liquid aluminum benefits both the Group as an upstream electrolytic aluminum manufacturer and Innovation New Material as a downstream aluminum alloy processor as (a) it saves costs on transportation fees; (b) it reduces loss of liquid aluminum during transportation; and (c) it also saves energy for heating/remelting by Innovation New Material. Furthermore, considering that liquid aluminum is classified as a hazardous material with high temperature, which must be transported via a specially adapted aluminum-tapping vehicle, short-distance transportation of liquid aluminum is much safer compared to long-distance ones.

According to CRU, integrated production is a market trend, and it is an industry norm for upstream electrolytic aluminum manufacturers to sell a majority of their liquid aluminum to downstream aluminum alloy processors who are members of the same group or associated with each other, which are located in proximity to each other, when the production capacities of the upstream electrolytic aluminum manufacturers and the downstream aluminum alloy processors within the same group are comparable to each other.

Furthermore, pursuant to the 2024-2025 Energy Conservation and Carbon Reduction Action Program issued by the State Council of the PRC, it is targeted that by the end of 2025, at least 90% of the electrolytic aluminum will be directly alloyed ("**Alloy Conversion Rate Target**"). This means at least 90% of the electrolytic aluminum produced by upstream electrolytic aluminum manufacturers shall be sold to downstream processors in liquid form and be directly alloyed into aluminum alloy products. The sales of liquid aluminum to Innovation New Material with short-distance transportation demonstrate the Group's efforts to echo the government's goal to improve production efficiency and reduce carbon emissions.

Therefore, it is the most cost-efficient way and thus to the best interests of the Group and its shareholders as a whole, to sell the electrolytic aluminum in liquid form to Innovation New Material.

***Historical amounts***

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

| | For the year ended December 31, | | | For the five months ended May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(RMB in million)* | | | |
| Transaction amount for provision of electrolytic aluminum by our Group to Innovation New Material . . | nil(1) | 10,862 | 11,580 | 4,306 |
| Transaction amount for provision of other products and services by our Group to Innovation New Material . . . . . . . . . . . . . . . | 3 | 87 | 156(2) | 23 |

*Notes:*

(1) Our Group began selling electrolytic aluminum to Innovation New Material since early 2023.

(2) Including a one-off disposal of manufacturing equipments and machinery used for production of aluminum poles and aluminum rods, with a transaction amount of approximately RMB96 million pursuant to the asset purchase agreements entered into between Chuangyuan Alloy and Inner Mongolia Yuanwang Metal Technology Co., Ltd. (內蒙古元旺金屬科技有限公司), a subsidiary of Innovation New Material. The consideration was determined based on arm's length negotiation between the parties with reference to the valuation of the assets as valued by an independent valuer.

***Annual caps***

The maximum aggregate annual transaction amounts under the Provision of Products and Services Framework Agreement for the three years ending December 31, 2027 shall not exceed the caps set out below:

| | For the year ending December 31, | | |
|---|---|---|---|
| | **2025** | **2026** | **2027** |
| | | *(RMB in million)* | |
| Maximum transaction amount for provision of electrolytic aluminum by our Group to Innovation New Material | 12,455 | 12,956 | 13,381 |
| Maximum transaction amount for provision of other products and services by our Group to Innovation New Material | 75 | 99 | 99 |

The above proposed annual caps are determined with reference to:

(a) the estimated manufacturing capacity of electrolytic aluminum of the Group is expected to remain relatively stable at the current level in the next three years;

(b) the historical market price and the estimated rising trend of the market price of the electrolytic aluminum in liquid form in the next three years with reference to CRU's current estimation of the annual average price for electrolytic aluminum per ton for each of the years ending December 31, 2025, 2026 and 2027;

(c) the demand on electrolytic aluminum and other products and services from Innovation New Material are expected to remain relatively stable in the next three years; and

(d) the Company expects that the percentage of provision of electrolytic aluminum to Innovation New Material in liquid form and to independent third-party customers in ingots will remain stable at approximately 90% and 10%, respectively, in the next three years, taking into account the industry target of a 90% alloy conversion rate by the end of 2025 as mentioned above which the Company endeavors to achieve.

## 4. Purchase of Raw Materials Framework Agreement

***Parties***

Shandong Chuangyuan (for itself and on behalf of its close associates); and

Our Company (for itself and on behalf of its subsidiaries)

***Principal terms***

We entered into a purchase of raw materials framework agreement (the "**Purchase of Raw Materials Framework Agreement**") with Shandong Chuangyuan on November 9, 2025, pursuant to which our Group will procure raw materials, primarily alumina, from Shandong Chuangyuan.

The initial term of the Purchase of Raw Materials Framework Agreement shall commence on the Listing Date until December 31, 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific products and detailed terms and conditions in accordance with the Purchase of Raw Materials Framework Agreement.

***Pricing terms***

The pricing of the alumina procured from Shandong Chuangyuan will be based on the arm's length negotiation between our Group and Shandong Chuangyuan, with reference to the average market price of alumina provided by comparable independent third-party suppliers and the average price from authoritative websites, such as Aladdiny (阿拉丁), Baiinfo (百川盈孚) and Antaike (安泰科), as the settlement price, to ensure the pricing for transactions between our Group and Shandong Chuangyuan to be fair and reasonable.

***Reasons for the transactions***

Alumina is one of the main raw materials for aluminum smelting. Shandong Chuangyuan, is primarily engaged in alumina refinery and sales of alumina and related products. The Company holds 58.5% of the equity interests in Shandong Chuangyuan and has control over its operation and management. Shandong Chuangyuan has been supplying alumina to other subsidiaries within the Group (mainly Inner Mongolia Chuangyuan) for a long period of time and is familiar with the Company's requirement on quality standard. Thus, our Group is able to ensure the sustainable supply of alumina from Shandong Chuangyuan with high-standard quality to meet the Group's manufacturing requirement, and thus it is the most cost-efficient way and to the best interests of the Company and its shareholders as a whole, to purchase alumina from Shandong Chuangyuan.

***Historical amounts***

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

| | For the year ended December 31, | | | For the five months ended May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in million)* | | | |
| Transaction amount for purchase of raw materials by our Group from Shandong Chuangyuan . . . . | 1,707 | 3,258 | 4,410 | 1,526 |

***Annual caps***

The maximum aggregate annual transaction amounts under the Purchase of Raw Materials Framework Agreement for the three years ending December 31, 2027 shall not exceed the caps set out below:

| | For the year ending December 31, | | |
|---|---|---|---|
| | 2025 | 2026 | 2027 |
| | *(RMB in million)* | | |
| Maximum transaction amount for purchase of raw materials by our Group from Shandong Chuangyuan . . | 4,834 | 3,857 | 3,515 |

The above proposed annual caps are determined taking into account:

(a) the estimated manufacturing capacity of electrolytic aluminum is expected to remain relatively stable at the current level in the next three years and accordingly the demand on alumina of the Group is expected to maintain stable during the same period;

(b) the estimated manufacturing capacity of alumina of Shandong Chuangyuan;

(c) the historical market price and future downward trend of the market price of alumina in the next three years with reference to CRU's current estimation of the estimated annual average price for alumina per ton for each of the years ending December 31, 2025, 2026 and 2027; and

(d) the Company expects that the percentage and volume of purchase of alumina from Shandong Chuangyuan will remain relatively stable at around 84% of our total demand for alumina in the next three years.

## WAIVER APPLICATION FOR PARTIALLY EXEMPT AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In respect of the procurement of operational supporting services by our Group from Innovation Group as disclosed in the subsection headed "— Partially exempt continuing connected transaction", since the highest applicable percentage ratio calculated for the purposes of Chapter 14A of the Listing Rules for each of the three years ending December 31, 2027 is expected to exceed 0.1% but less than 5% on an annual basis, the transactions contemplated thereunder are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

In respect of the transactions as disclosed in the subsection headed "— Non-exempt continuing connected transactions", since the highest applicable percentage ratio calculated for the purposes of Chapter 14A of the Listing Rules for each of the three years ending December 31, 2027 is expected to exceed 5% on an annual basis, the transactions contemplated thereunder are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules. As those partially exempt and non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this prospectus, our Directors consider that compliance with the announcement and the independent Shareholders' approval requirements (as the case may be) would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, waivers exempting us from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Partially exempt continuing connected transactions" in this section, and waivers exempting us from strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Non-exempt continuing connected transactions" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this prospectus, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

## CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the partially exempt and non-exempt continuing connected transactions as set out above have been and will continue to be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

## CONFIRMATION FROM THE JOINT SPONSORS

Having taken into account the view of the Directors and the Joint Sponsors' participation in due diligence, the Joint Sponsors are of the view that the partially exempt and non-exempt continuing connected transactions as set out above have been and will be carried out in the ordinary and usual course of business of our Company and on normal commercial terms or better, and are fair and reasonable in the interests of our Company and the Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

## INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

(a) Our Company has established a Connected Transaction Control Committee, the chairman and majority being our independent non-executive Directors, to routinely monitor the continuing connected transactions and potential commercial opportunities, which is dedicated to and responsible for ensuring the continuing connected transactions are conducted on normal commercial terms, to mitigate the risk and safeguard the interests of the shareholders as a whole;

(b) Our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules; and

(c) Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.

## BOARD OF DIRECTORS

The Board currently consists of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. All Directors were appointed for a term of three years which is renewable upon re-election. The major powers and functions of the Board include, but are not limited to, convening general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management systems of the Group and formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Memorandum and Articles of Association.

The following tables set out information in respect of our Directors as of the Latest Practicable Date:

| Name | Age | Position/Title | Date of Appointment as a Director | Date of Joining our Group | Roles and Responsibilities | Relationship with other Directors and Senior Management |
|---|---|---|---|---|---|---|
| **Chairman and non-executive Director** | | | | | | |
| Mr. CUI Lixin (崔立新) . . . . | 56 | Chairman of the Board and Non-executive Director | July 4, 2023 | May 10, 2012 | Responsible for formulating the overall strategic planning and the decision-making on important matters of our Group | None |
| **Executive Directors** | | | | | | |
| Mr. CAO Yong (曹勇) . . . . . | 45 | Executive Director and general manager | January 7, 2025 | November 5, 2016 | Responsible for the overall management of the production and operation of our Group and implementing our Group's strategic planning | None |
| Mr. ZHANG Jianxiang (張建鄉) . . . . | 39 | Executive Director, deputy general manager and joint company secretary | January 7, 2025 | March 29, 2024 | Responsible for the daily production and operation of our Group | None |

| Name | Age | Position/Title | Date of Appointment as a Director | Date of Joining our Group | Roles and Responsibilities | Relationship with other Directors and Senior Management |
|---|---|---|---|---|---|---|
| Ms. ZHANG Yue (張悅) . . . . . | 43 | Executive Director and financial director | January 7, 2025 | June 1, 2024 | Responsible for overall financial management of our Group | None |
| Mr. FU Qian (伏騫) . . . . . | 49 | Executive Director and administrative director | January 7, 2025 | November 24, 2016 | Responsible for overall administrative and human resources management of our Group | None |
| **Independent Non-executive Directors** | | | | | | |
| Mr. LIU Yanzhao (劉言昭) . . . . | 52 | Independent Non-executive Director | November 9, 2025 | November 9, 2025 | Responsible for providing independent opinion and judgment to the Board | None |
| Ms. ZHENG Juan (鄭娟) . . | 50 | Independent Non-executive Director | November 9, 2025 | November 9, 2025 | Responsible for providing independent opinion and judgment to the Board | None |
| Ms. SHEN Lingyan (申淩燕) . . . . | 36 | Independent Non-executive Director | November 9, 2025 | November 9, 2025 | Responsible for providing independent opinion and judgment to the Board | None |

### Chairman of the Board and Non-executive Director

**Mr. Cui Lixin (崔立新)**, aged 56, is the founder of our Group has been our Director since July 2023 and has been redesignated as the Chairman of the Board and a non-executive Director of our Company in January 2025. He is primarily responsible for formulating the overall strategic planning and the decision-making on important matters of our Group.

Mr. Cui has extensive experience in the metal industry and corporate management. Prior to founding our Group, he has served as the chairman of the board of Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) since November 2007. From August

2013 to December 2020, he served as the executive director of Innovation Group. From May 2018 to July 2024, he served as the director of Shandong Aluminum Valley Commodity Exchange Centre Co., Ltd. (山東鋁谷大宗商品交易中心有限公司). Since December 2022, he has served as a director and the chairman of the board of Innovation New Material, a company listed on the Shanghai Stock Exchange (stock code: 600361.SH). He has been a director of our Company since incorporation.

Mr. Cui was granted numerous awards and honours, including the Model Worker of Shandong Province (山東省勞動模範), the Outstanding Entrepreneur of Shandong (山東省優秀企業家), the Leading Entrepreneur on the Top 100 Private Enterprises List of Shandong Province (山東省民營企業家掛帥出征百強榜領軍企業家), the Outstanding Contribution Entrepreneur of Binzhou City (濱州市傑出貢獻企業家), the Top 10 Innovative Entrepreneurs of Binzhou City (十佳濱州市創新型企業家), and the "Golden Lion Award" for Outstanding Entrepreneur of Binzhou City (濱州市優秀企業家金獅獎). Mr. Cui also holds various public positions, including as a deputy to the Fourteenth National People's Congress (第十四屆全國人大代表) since February 2023, a member of the Standing Committee of the Eighteenth People's Congress of Zouping City (鄒平市第十八屆人大常委會委員) since January 2022, and a member of the Standing Committee of the Twelfth People's Congress of Binzhou City (濱州市第十二屆人大常委會委員) since February 2022. He has been the vice president of the China Nonferrous Metals Industry Association (中國有色金屬工業協會副會長) since March 2025, an executive committee member of the All-China Federation of Industry and Commerce (中華全國工商業聯合會執行委員會) since December 2022, the vice chairman of the Shandong Federation of Industry and Commerce (山東省工商業聯合會) since June 2022, the vice director general of the China Nonferrous Metals Fabrication Industry Association (中國有色金屬加工工業協會副理事長) since November 2020, the executive vice president of the Shandong Aluminum Industry Association (山東省鋁業協會) since March 2019, and the president of the Binzhou Aluminum Trade Association (濱州市鋁行業協會會長) since August 2020.

Mr. Cui obtained his master's degree in materials engineering from Central South University (中南大學) in Hunan Province, the PRC, in December 2017. He was accredited as a Senior Engineer by the Senior Review Committee of Engineering Technical Qualifications of Binzhou City (濱州市工程技術職務資格高級評審委員會) in December 2020.

**Executive Directors**

**Mr. Cao Yong (曹勇)**, aged 45, was appointed as an executive Director and the general manager of our Company on January 7, 2025. He is primarily responsible for the overall management of the production and operation of our Group and implementing our Group's strategic planning.

Mr. Cao has over 20 years of experience in the energy industry and corporate management. Prior to joining our Group, he worked at Chengdu Oriental Hope Enterprise Management Services Co., Ltd. (成都東方希望企業管理服務有限公司) from September 2002 to January 2006. From September 2008 to December 2010, he served as the general manager and vice president in charge of the chemical business managed by East Hope Group Co., Ltd.

(東方希望集團有限公司) at Hulunbuir Dongneng Chemical Co., Ltd. (呼倫貝爾東能化工有限公司). From September 2011 to October 2016, he served as the general manager and the president of Xinjiang district at Xinjiang East Hope Nonferrous Metals Co., Ltd. (新疆東方希望有色金屬有限公司). He joined our Group as the general manager of Inner Mongolia Chuangyuan in November 2016 and has served as the chairman of the board of Inner Mongolia Chuangyuan since January 2022.

Mr. Cao was awarded the titles of the National Model Worker (全國勞動模範), Xinjiang Changji Hui Autonomous Prefecture Model Worker (新疆昌吉自治州勞動模範), Xinjiang Changji Hui Autonomous Prefecture Youth May Fourth Medal (新疆昌吉自治州青年五四獎章) and Xinjiang Uygur Autonomous Region Model Worker (新疆維吾爾族自治區勞動模範) from 2015 to 2016. He was a deputy to the Fifth People's Congress of Tongliao City and a member of the Standing Committee of the Fifth People's Congress of Tongliao City (通遼市第五屆人大代表及常務委員會委員) from 2018 to 2022. Since 2022, he has served as a vice chairman of the Tongliao City Federation of Industry and Commerce (通遼市工商業聯合會副主席) and an executive committee member of the Inner Mongolia Autonomous Region Federation of Industry and Commerce (內蒙古自治區工商業聯合會執行委員會委員). Mr. Cao was awarded the title of the National Model Worker (全國勞動模範) in 2025.

Mr. Cao graduated from Southwest University of Political Science and Law (西南政法大學) with a major in law in Chongqing, the PRC, in June 1999. He graduated from Xinjiang University (新疆大學) with a major in law in Xinjiang, the PRC, in June 2016.

**Mr. Zhang Jianxiang (張建鄉)**, aged 39, was appointed as an executive Director, the deputy general manager and one of the joint company secretaries of our Company on January 7, 2025. He is primarily responsible for the daily production and operation of the Group.

Mr. Zhang has over 18 years of experience in the metal industry and financial management. Prior to joining our Group, he worked at Shaanxi Huadian Materials Corporation (陝西華電材料總公司) from July 2006 to January 2008. From February 2008 to May 2024, he served finance and management positions in various subsidiaries of Innovation New Material, a company listed on the Shanghai Stock Exchange (stock code: 600361.SH), including as a financial accountant at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) from February 2008 to May 2009, as the head of financial department at Shandong Innovation Plate Co., Ltd. (山東創新板材有限公司) from June 2009 to July 2013, as the head of financial department of profile projects (型材項目) at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) from August 2013 to June 2015, as the general manager of Shandong Yuanwang Electrical Technology Co., Ltd. (山東元旺電工科技有限公司) from July 2015 to September 2019, as the general manager of Suzhou Chuangtai Alloy Materials Co., Ltd. (蘇州創泰合金材料有限公司) from October 2019 to December 2023 and as the general manager at Suzhou Chuanghui New Material Co., Ltd. (蘇州創惠新材料有限公司) from January 2024 to May 2024. He joined our Group in March 2024 and has served as a director of Shandong Chuangyuan since then. He joined Inner Mongolia Chuangyuan and has served as the executive deputy general manager in June 2024.

Mr. Zhang was honoured as the Outstanding Communist Party Member of the Suzhou Suxiang Cooperation Zone (蘇州市蘇相合作區優秀共產黨員) in 2021. In 2024, he was awarded the May Day Labor Medal of Tongliao City (通遼市五一勞動獎章) granted by the Tongliao City Federation of Trade Unions (通遼市總工會).

Mr. Zhang graduated from Northwest University (西北大學) with a major in computerized accounting in Shaanxi Province, the PRC, in July 2006. He graduated from Shandong University (山東大學) with a major in accounting in Shandong Province, the PRC in July 2012 via online learning. Mr. Zhang is a Certified Intermediate Accountant accredited by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in October 2013. He is a Certified Safety Engineer certified by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and the Ministry of Emergency Management of the PRC (中華人民共和國應急管理部) in October 2018. He is also a Senior Engineer certified by the Shanghai Aluminum Trade Association (上海鋁業行業協會) in October 2021.

**Ms. Zhang Yue (張悅)**, aged 43, was appointed as an executive Director and the financial director of our Company on January 7, 2025. She is primarily responsible for overall financial management of our Group.

Ms. Zhang has over 20 years of experience in financial accounting. Prior to joining our Group, she worked at Shandong Qixing Cable Co., Ltd. (山東齊星電纜有限公司) from July 2004 to December 2007. From January 2008 to May 2024, she consecutively served as an accountant, the deputy head of financial department, the head of financial department and assistant financial director at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司). She joined our Group in June 2024 and has served as the financial director of Inner Mongolia Chuangyuan since then.

Ms. Zhang graduated from Dongbei University of Finance and Economics (東北財經大學) with a major in accounting in Liaoning Province, the PRC, in January 2019, via online learning. Ms. Zhang is a Senior Accountant certified by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in December 2023. She is also a Certified Public Accountant accredited by the Certified Public Accountant Examination Committee of the Ministry of Finance of the PRC (財政部註冊會計師考試委員會) in November 2023 and a Certified Tax Agent accredited by Certified Tax Agents Association of Shandong Province (山東省註冊稅務師協會) in December 2016.

**Mr. Fu Qian (伏騫)**, aged 49, was appointed as an executive Director and the administrative director of our Company on January 7, 2025. He is primarily responsible for overall administrative and human resources management of our Group.

Mr. Fu has over 24 years of experience in corporate management. Prior to joining our Group, he worked as a sales manager at Qingdao Hope Feed Co., Ltd. (青島希望飼料有限公司) (currently known as East Hope (Qingdao) Animal Nutrition Food Co., Ltd. (東方希望(青島)動物營養食品有限公司)) from June 2000 to May 2005. From June 2005 to July 2006, he worked as an office director at Liaocheng Qiangda Feed Co., Ltd. (聊城強大飼料有限責任公司) (currently known as Liaocheng East Hope Qiangda Animal Nutrition Co., Ltd. (聊城東方希望強大動物營養有限公司)). He also served as the director of administration and human resources department from August 2006 to March 2012, and as a production plant manager from April 2012 to August 2015 at Hulunbuir Dongneng Chemical Co., Ltd. (呼倫貝爾東能化工有限公司). From September 2015 to October 2016, he served as the regional director of administration and human resources department at Xinjiang East Hope Nonferrous Metals Co., Ltd. (新疆東方希望有色金屬有限公司). He joined our Group in November 2016 and has served as the deputy director of administration and human resources department of Inner Mongolia Chuangyuan since January 2017, and the director of administration and human resources department since April 2018. He has been the director and manager of Chuangyuan Alloy since September 2023, and he has been the director of Shandong Chuangyuan since March 2024.

Mr. Fu was awarded the titles of May Day Labour Medal of Tongliao City (通遼市五一勞動獎章) and Advanced Individual in Private Economy United Front Work (霍林郭勒市民營經濟統戰工作先進個人) in 2022. He was also recognized as a Model Worker (Advanced Worker) of Tongliao City (通遼市勞動模範 (先進工作者)) and an Advanced Individual in Investment Promotion of Inner Mongolia Autonomous Region (內蒙古自治區招商引資先進個人) in 2023.

Mr. Fu graduated from Sichuan Province Dachuan Finance and Trade School (四川省達川財貿學校) (currently known as Sichuan Province Dazhou Finance and Trade School (四川省達州市財貿學校)) with a major in computerized accounting in Sichuan Province, the PRC, in July 1999.

**Independent Non-executive Directors**

**Mr. Liu Yanzhao (劉言昭)**, aged 52, was appointed as an independent non-executive Director of our Company on November 9, 2025. He is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Liu has over 28 years of experience in the auditing and accounting industry. He worked as the head of the capital verification department at Shandong Binzhou Audit Firm (山東濱州審計事務所) from July 1996 to October 1999. He served as the head of the audit department at Shandong Huanghe Certified Public Accountants LLP (山東黃河有限責任會計師事務所) from October 1999 to January 2005, and has served as the deputy firm director and deputy chief accountant since January 2005. From May 2018 to July 2024, he served as an independent non-executive director at Weiqiao Textile Co., Ltd. (魏橋紡織股份有限公司). Since July 2019, he has been serving as an executive director and the general manager at Shandong Province Binzhou Huanghe Certified Tax Agents Co., Ltd. (山東省濱州黃河稅務師事務所有限責任公司). He has also been serving as an executive director and the general manager at Hainan Chenxing Hengrui Investment Holdings Co., Ltd. (海南辰星恒睿投資控股有限公司) since April 2024. He joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Mr. Liu was awarded with the Advanced Individual in Asset Appraisal Industry Inspection (資產評估行業檢查先進個人) by the Ministry of Finance of the PRC and the China Appraisal Society (中國資產評估協會) in 2004. In 2006, he was honoured as the Outstanding Communist Party Member (優秀共產黨員). In 2012, he was honoured as the Outstanding Certified Public Accountant of Shandong Province (山東省優秀註冊會計師) by the Shandong Institute of Certified Public Accountants (山東省註冊會計師協會).

Mr. Liu obtained his bachelor's degree in auditing from Shandong Institute of Economics (山東經濟學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in Shandong Province, the PRC, in July 1996. Mr. Liu is a Certified Public Accountant accredited by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). He is a Senior Accountant recognized by the Senior Evaluation Committee for Accounting Professional Qualification of Shandong Province (山東省會計專業資格高級評審委員會) in March 2012. He is also a Certified Public Valuer certified by the China Appraisal Society (中國資產評估協會) in December 2001, and a Certified Tax Agent accredited by the Certified Tax Agents Management Centre of Shandong Province (山東省註冊稅務師管理中心) in August 2003.

**Ms. Zheng Juan (鄭娟)**, aged 50, was appointed as an independent non-executive Director of our Company on November 9, 2025. She is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Zheng has over 26 years of experience in the legal industry. She worked at the Jining Zhongqu Judicial Bureau Direct Legal Service Office (濟寧市中區司法局直屬法律服務所) from July 1994 to July 1997. She worked as a lawyer at Shandong Zonghengjia Law Firm (山東縱橫家律師事務所) from July 1997 to December 2001. From December 2001 to November 2017, she worked as a lawyer at Shandong Kaiyan Law Firm (山東開言律師事務所). Since August 2017, she has been a partner at Taihetai (Jinan) Law Firm (泰和泰(濟南)律師事務所). She joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Ms. Zheng graduated from Shandong University (山東大學) with a major in law in Shandong Province, the PRC, in December 2001 and her master's degree in law from Nankai University (南開大學) in Tianjin, the PRC, in July 2005. In December 2015, she completed the Australia-China Legal Education Program (Shandong) conducted by the Sir Zelman Cowen Centre, College of Law and Justice, Victoria University. Ms. Zheng was awarded the Lawyer Qualification Certificate in September 1996 and was consecutively recognized as a Level 4 and Level 3 Lawyer by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in 1999 and 2004. She has received numerous honors, including the Top Ten Female Legal Service Workers (全市十佳女法律服務工作者) jointly awarded by the Political and Legal Affairs Commission of Binzhou (中共濱州市委政法委員會) and the Women's Federation of Binzhou (濱州市婦女聯合會) in 2005, the March 8th Red Banner Holder (市三八紅旗手) awarded by the Women's Federation of Binzhou (濱州市婦女聯合會) in 2005, the Top Ten Female Lawyers of Binzhou (全市十佳女律師) jointly awarded by the Binzhou Municipal Bureau of Justice (濱州市司法局) and the Women's

Federation of Binzhou (濱州市婦女聯合會) in 2007, the Advanced Individual in Protecting Women's Rights Protection of Shandong Province (山東省維護婦女權益先進個人) jointly awarded by the Women's Federation of Shandong Province (山東省婦女聯合會) and the Public Security Comprehensive Management Commission of Shandong Province (山東省社會治安綜合治理委員會辦公室). In 2011 and 2014, she was awarded the Outstanding Legal Counselor for Teenagers (青少年普法優秀輔導員) by the Ministry of Justice of the PRC, the Central Public Security Comprehensive Management Commission (社會治安綜合管理委員會辦公室), and the Working Committee for the Care of the Next Generation (中國關心下一代工作委員會). Ms. Zheng also has served in various social roles and has been the deputy director of the Artificial Intelligence and Big Data Professional Committee of the Jinan Lawyers Association (濟南市律師協會人工智能和大數據專業委員會) since 2024.

**Ms. Shen Lingyan (申凌燕)**, aged 36, was appointed as an independent non-executive Director of our Company on November 9, 2025. She is primarily responsible for providing independent opinion and judgment to the Board.

She has been working at Beijing Antaike Information Co., Ltd. (北京安泰科信息股份有限公司), a leading commodity market research company with an expertise in research on Nonferrous Metals including aluminum, since August 2016. She has been serving as the deputy manager and senior expert of the aluminum department at the same company since December 2021, responsible for research related to the aluminum industry. She joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Ms. Shen obtained her bachelor's degree in chemical engineering and technology from Xinyang Normal University (信陽師範大學) in Henan Province, the PRC, in July 2013, and her master's degree in material engineering from Central South University (中南大學) in Hunan, the PRC, in June 2016. Ms. Shen is a senior engineer recognized by China Nonferrous Metals Techno-economic Research Institute Co., Ltd (有色金屬技術經濟研究院有限責任公司) in August 2023.

Save as disclosed above, none of our Directors held any other directorship in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus, and to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to our Directors that need to be brought to the attention of our Shareholders and there is no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

## SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table below sets out certain information of the senior management of the Group:

| Name | Age | Position/Title | Date of Appointment as Senior Management | Date of Joining our Group | Role and Responsibility | Relationship with other Directors and Senior management |
|---|---|---|---|---|---|---|
| Mr. CAO Yong (曹勇) | 45 | Executive Director and general manager | January 7, 2025 | November 5, 2016 | Responsible for overall management of the production and operation of our Group and implementing our Group's strategic planning | None |
| Mr. ZHANG Jianxiang (張建鄉) | 39 | Executive Director, deputy general manager and joint company secretary | January 7, 2025 | March 29, 2024 | Responsible for the daily production and operation of the Group | None |
| Ms. ZHANG Yue (張悅) | 43 | Executive Director and financial director | January 7, 2025 | June 1, 2024 | Responsible for overall financial management of our Group | None |
| Mr. FU Qian (伏騫) | 49 | Executive Director and administrative director | January 7, 2025 | November 24, 2016 | Responsible for overall administrative and human resources management of our Group | None |
| Mr. LI Muming (李目明) | 59 | General manager of China alumina business | January 7, 2025 | January 10, 2021 | Responsible for management of the Group's alumina business operations in China | None |
| Mr. GUO Wei (郭偉) | 41 | Deputy general manager of China alumina business | January 7, 2025 | November 12, 2018 | Responsible for implementation of the Group's alumina business operations in China | None |

**Mr. Cao Yong (曹勇)** is an executive Director and the general manager of our Company. See "— Directors" in this section for his biographical details.

**Mr. Zhang Jianxiang (張建鄉)** is an executive Director, the deputy general manager and one of the joint company secretaries of our Company. See "— Directors" in this section for his biographical details.

**Ms. Zhang Yue (張悦)** is an executive Director and the financial director of our Company. See "— Directors" in this section for her biographical details.

**Mr. Li Muming (李目明)**, aged 59, is the general manager of China alumina business of our Company. He is primarily responsible for management of the alumina business operations in China.

Mr. Li has broad experience in the alumina industry and corporate management. Prior to joining our Group, he consecutively served as an employee, workshop director and factory director at Weiqiao Textile Co., Ltd. (魏橋紡織股份有限公司) from August 1988 to December 2001. From December 2001 to October 2010, he served as the general manager of a branch company of Shandong Weiqiao Pioneering Group Textile Company (山東魏橋創業集團紡織公司). From October 2010 to March 2017, he served as the general manager of Indonesia Hongfa Weili Alumina Company (印尼宏發韋立氧化鋁公司). From March 2017 to February 2020, he served as the general manager of Zouping County Huimao New Material Technology Co., Ltd. (鄒平縣匯茂新材料科技有限公司). He joined our Group in January 2021 as the deputy general manager of Shandong Chuangyuan. He was further appointed as the general manager of Shandong Chuangyuan in November 2022, and the chairman of the board of Shandong Chuangyuan in August 2023.

Mr. Li graduated from Shandong University (山東大學) with a major in business administration in Shandong Province, the PRC, through correspondence courses in July 2019.

**Mr. Guo Wei (郭偉)**, aged 41, is the deputy general manager of China alumina business of our Company. He is primarily responsible for implementation of the Group's alumina business operations in China.

Mr. Guo has over 16 years of experience in accounting and corporate management. Prior to joining our Group, he worked as a financial accountant at Zouping Qixing Industrial Aluminum Co., Ltd. (鄒平齊星工業鋁材有限公司) from August 2008 to October 2011. From November 2011 to November 2018, he consecutively served as the director of the finance department, deputy general manager and the general manager at Wudi Qixing High-Tech Aluminum Co., Ltd. (無棣齊星高科技鋁材有限公司). He joined our Group in November 2018 and has served as the deputy general manager of Shandong Chuangyuan. He has also served as the director of Shandong Chuangyuan since February 2019.

Mr. Guo obtained his bachelor's degree in statistics from Qingdao University (青島大學) in Shandong Province, the PRC, in June 2008. Mr. Guo was awarded the May Day Labour Medal (Advanced Individual) (五一勞動獎章先進個人) in 2021 and the Outstanding Communist Party Member (優秀共產黨員) in 2021.

## JOINT COMPANY SECRETARIES

**Mr. Zhang Jianxiang (張建鄉)** is one of the joint company secretaries of our Company. For the biographical details of Mr. Zhang, see "— Directors" in this section.

**Ms. Wong Hoi Ting (黃凱婷)** was appointed as one of our joint company secretaries on January 7, 2025.

Ms. Wong has more than 10 years of experience in the corporate secretarial field. She is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies.

Ms. Wong obtained her bachelor's degree in social sciences from Lingnan University in Hong Kong in October 2009 and her master of science degree in professional accounting and corporate governance from City University of Hong Kong in Hong Kong in July 2014. She is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

## CONFIRMATION FROM OUR DIRECTORS

### Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

### Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 7, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

### Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

## BOARD COMMITTEES

We have established four Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Connected Transaction Control Committee. The committees operate in accordance with terms of reference established by the Board.

### Audit Committee

We have established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and with written terms of references in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee consists of three members, including Mr. Liu Yanzhao, Mr. Cui and Ms. Shen Lingyan. Mr. Liu Yanzhao currently serves as the chairman of the Audit Committee and is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

### Remuneration Committee

We have established a remuneration committee (the "**Remuneration Committee**") in compliance with Rule 3.25 of the Listing Rules and with written terms of references in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration Committee consists of three members, including Ms. Zheng Juan, Mr. Liu Yanzhao and Ms. Shen Lingyan. Ms. Zheng Juan currently serves as the chairman of the Remuneration Committee.

### Nomination Committee

We have established a nomination committee (the "**Nomination Committee**") in compliance with Rule 3.27A of the Listing Rules and with written terms of references in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee will also consider the candidate(s)' ability to devote sufficient time to fulfill the duties of the Directors and members of the special committees of the Board and consider the candidate(s) of independent non-executive director(s)' ability to devote sufficient time to the Board if the candidate(s) will be holding his/her seventh (or more) listed company directorships. The Nomination Committee consists of three members, including Ms. Shen Lingyan, Mr. Cui and Ms. Zheng Juan. Ms. Shen Lingyan currently serves as the chairman of the Nomination Committee.

### Connected Transaction Control Committee

We have voluntarily established a connected transaction control committee (the "**Connected Transaction Control Committee**") with written terms of reference. The primary duties of the Connected Transaction Control Committee are to routinely monitor the continuing connected transactions and ensure the continuing connected transactions are conducted on normal commercial terms. The Connected Transaction Control Committee will also review material connected transactions required to be approved by the Board or Shareholders and submit recommendations to the Board, and provide information for the independent non-executive Directors and auditors to perform their periodical review of the connected transactions. The Connected Transaction Control Committee consists of three members, including Mr. Liu Yanzhao, Mr. Zhang Jianxiang and Ms. Zheng Juan. Mr. Liu Yanzhao currently serves as the chairman of the Connected Transaction Control Committee.

## BOARD DIVERSITY

The Board has adopted a board diversity policy (the **"Board Diversity Policy"**) in order to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board is of the view that our current Board composition satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board. After the Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness.

Our Board currently consists of three female Directors and five male Directors with a balanced mix of knowledge and skills, including but not limited to the metal and energy industry, corporate management, financial accounting and auditing, and the legal industry. The Board will invest more resources in training female staff who have long and relevant experience in our business, with the aim of promoting them to senior management or directorship positions within our Group. The Board will also take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for its appointments. While we recognize that the gender diversity at our Board level can be improved given the majority of our Directors are male, we will continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole. Our Board would also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices. The Company is of the view that the Board satisfies our Board Diversity Policy.

Furthermore, the Nomination Committee will review the Board composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to the Board Diversity Policy when making a recommendation to the Board on the appointment of new Directors. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of salaries, bonuses, other allowances and benefits in kind, including our Company's contribution to the pension scheme on their behalf. We determine the salaries of our Directors based on each Director's responsibilities, qualifications, position and seniority. For details of the service contracts and appointment letters that we have entered into with our Directors, see "Appendix IV — Statutory and General Information — C. Further Information about our Directors — 1. Particulars of Directors' service contracts and appointment letters".

The aggregate amount of remuneration including salaries, allowances, performance related bonuses, retirement benefits scheme contributions and benefits in kind we paid to our Directors in respect of the financial years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025 was approximately RMB4,465 thousand, RMB6,970 thousand, RMB11,287 thousand and RMB5,896 thousand, respectively. Further information on the remuneration of each Director during the Track Record Period is set out in the Accountants' Report in Appendix I to this prospectus.

Under the arrangements currently in force, the aggregate amount of remuneration (including any discretionary bonus which may be paid) payable by our Group to our Directors for the financial year ending December 31, 2025 is expected to be approximately RMB15,750 thousand.

The five highest paid individuals of the Group for the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025 include one, one, two and two director (s) respectively, whose emoluments are included in the aggregate amount of fees, salaries, discretionary bonuses, share-based payment expenses, pension plan contributions, welfare, medical and other expenses we paid to the relevant Directors as set out above. For the financial years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025, the aggregate amount of fees, salaries, allowances, performance related bonuses, retirement benefits scheme contributions and other benefits paid to the remaining four, four, three and three individuals were RMB5,740 thousand, RMB6,570 thousand, RMB9,248 thousand, and RMB2,379 thousand respectively. Further details on the remuneration of the five highest paid individuals during the Track Record Period is set out in the Accountants' Report in Appendix I to this prospectus.

During the Track Record Period, no remuneration was paid to any Director or any of the five highest paid individuals of our Group as an inducement to join or upon joining our Group. No compensation was paid to or receivable by any Director or any of the five highest paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.

Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

## CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with all corporate governance requirements under the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Hong Kong Listing Rules after the Listing.

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. Our Company intends to comply with all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules after the Listing.

## COMPLIANCE ADVISOR

We have appointed Gram Capital Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

## OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Cui, through his wholly owned subsidiary, Bloomsbury Holding, is entitled to control the exercise of 100% voting rights of the issued Shares of the Company.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Cui, through Bloomsbury Holding, will be entitled to control the exercise of 75% voting rights of the enlarged issued share capital of our Company. Therefore, Mr. Cui and Bloomsbury Holding will remain as the Controlling Shareholders of our Company immediately upon completion of the Global Offering.

## NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

The aluminum industry chain mainly consists of upstream aluminum production and downstream aluminum alloy processing. Our Group is primarily engaged in alumina refining and aluminum smelting within the upstream of the aluminum industry chain. Innovation Group is a large modern comprehensive enterprise with a diverse range of business portfolios spanning multiple sectors, including but not limited to aluminum alloy production and commerce and trade, and mainly conducts aluminum alloys processing business through Innovation New Material. Innovation New Material is specialized in the downstream of the aluminum industry chain and focuses on the research, development, production and processing of aluminum alloys and products, and provides comprehensive solutions for the field of aluminum alloy processing, the products of which are widely used in 3C electronics, lightweight automobiles, renewable energy industry, transport industry, industrial materials industry and construction industry, etc.

There is clear business delineation between our Group and our Controlling Shareholders' close associates within the aluminum industry chain, considering that:

(a) As of the Latest Practicable Date, Innovation Group is not engaged in any upstream aluminum smelting business which competes or is likely to compete with our business. Prior to the Reorganization, Innovation Group conducted both upstream aluminum smelting business and downstream aluminum alloys processing business, through Inner Mongolia Chuangyuan and Innovation New Material, respectively. Upon completion of the Reorganization and as of the Latest Practicable Date, the upstream aluminum smelting business has been conducted independently by our Group, and Innovation Group is no longer engaged in the upstream aluminum smelting business and primarily focuses on the aluminum alloys processing business conducted through Innovation New Material.

    The upstream alumina refining business of our Group is mainly conducted through Shandong Chuangyuan, our connected subsidiary held by our Group as to 58.5% and by Innovation Group as to 41.5%, respectively. Considering that Shandong Chuangyuan is a subsidiary of our Group the operation and management of which are controlled by us, the minority interests in Shandong Chuangyuan held by Innovation Group represents a strategic collaboration and there are no competing interests between Innovation Group and our Group. There will continue to be clear business delineation and no competition between our Company and Innovation Group.

(b) As of the Latest Practicable Date, Innovation New Material is not engaged in any alumina refining business or upstream aluminum smelting business, and is specialized in the downstream aluminum alloy processing stage of the aluminum alloy processing, which is clearly delineated from our business focus.

(c) Leveraging our extensive operational experience in the electrolytic aluminum industry and in order to advance our globalization strategies, our Company, together with Innovation Group and Innovation New Material, co-invested in the Saudi Project, an integrated electrolytic aluminum industry chain project with expected annual production capacity of 500.0 kt in Saudi Arabia. As of the Latest Practicable Date, the Project Company of the Saudi Project was indirectly held by our Company as to 33.6%, by Innovation Group and Innovation New Material as to 25.2% each, and by Independent Third Parties as to 16%, respectively.

The Saudi government seeks to develop an integrated aluminum project within a single project company, covering both upstream aluminum production and downstream aluminum alloy processing. However, none of our Group, Innovation Group and Innovation New Material possesses the full spectrum expertise and experience required for such integrated aluminum project. Therefore, the Saudi Project represents a collaborative effort among the Group and our Controlling Shareholders' close associates, leveraging each party's expertise to invest in an advantageous overseas expansion opportunity. Our Group and our Controlling Shareholders' close associates will maintain distinct business focuses on different segments within the aluminum industrial chain. This co-investment serves as a strategic collaboration aimed at achieving potentially higher investment returns. As such, there will continue to be clear business delineation and no substantive competition between our Group and our Controlling Shareholders' close associates.

Except for the 71.82% equity interests in Innovation Group and the 15.54% equity interest in Innovation New Material owned directly by Mr. Cui and the 32.46% equity interest in Innovation New Material controlled indirectly by Mr. Cui through Innovation Group, which is held by Mr. Cui as to 71.82%, none of our Directors is interested in Innovation Group or Innovation New Material as of the Latest Practicable Date.

Each of our Controlling Shareholders confirms that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business.

## INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates upon Listing.

### Management Independence

Our business is managed and operated by our Board and senior management, and our Directors are of the view that our Board and senior management team are able to manage our business independently from the Controlling Shareholders and their associates for the following reasons:

(a) our executive Directors and senior management team do not hold any roles in our Controlling Shareholders and/or their close associates;

(b) despite our chairman of the Board, Mr. Cui, is our Controlling Shareholder and serves as the director and chairman of the board of Innovation New Material, he is a non-executive Director and will not be involved in the day-to-day operations of our business;

(c) according to the Memorandum and Articles of Association, in the event that there is potential conflict of interest arising out of any transaction between our Company and another company or entity to which a Director holds office, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(d) we have appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promoting the interests of the Company and our Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisers at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates;

(e) each of our Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of our Company and our Shareholders as a whole;

(f) where a Shareholders' meeting is held to consider a proposed transaction in which any of the Controlling Shareholders has a material interest, the relevant Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting; and

(g) our Company has appointed Gram Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance.

**Operational Independence**

Our Group holds all the relevant material licenses, qualifications and permits required for conducting our business. Our Group has sufficient capital, facilities and employees to operate our business independently from the Controlling Shareholders and their close associates. Our Group also has independent access to our clients. We have our own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, we have established our internal organizational and management structure which includes shareholders' meetings, our Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Memorandum and Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities. Our Directors are of the view that our Group will be able to operate independently from the Controlling Shareholders and their respective close associates after the Listing.

***Procurement of Raw Materials from Shandong Chuangyuan***

During the Track Record Period, we have procured certain raw materials, primarily including alumina from Shandong Chuangyuan, our connected subsidiary held by our Group as to 58.5% and by Innovation Group as to 41.5%, respectively. Such transactions are expected to continue upon Listing. We have control over the operation and management of Shandong Chuangyuan, and Shandong Chuangyuan has been supplying alumina to other subsidiaries within the Group (mainly Inner Mongolia Chuangyuan) for a long period of time on terms that are not less favorable than Independent Third Party suppliers, and is familiar with our Group's requirement on quality standards. Therefore, our Directors believe that it is the most cost-efficient way and in the best interests of our Company and our Shareholders as a whole, to purchase alumina from Shandong Chuangyuan.

***Sales of Electrolytic Aluminum in Liquid Form to Innovation New Material***

The Company is primarily engaged in the upstream aluminum production industry and produces aluminum ingots in solid form or liquid aluminum for downstream processing into various aluminum alloy products. Before 2023, the Group mainly sold aluminum ingots to Independent Third Parties.

Since early 2023, our Group has been selling majority of our electrolytic aluminum in liquid form to Innovation New Material and its subsidiaries, which are close associates of our Controlling Shareholders. For the years ended December 31, 2023, 2024, and the five months ended May 31, 2025 the Group's sales of liquid aluminum to Innovation New Material amounted to approximately RMB10,891.8 million, RMB11,579.7 million and RMB4,305.5 million, respectively, which accounted for approximately 78.8%, 76.4% and 59.7% of the total revenue for the same period, respectively. Such transactions are expected to continue on a recurring basis after the Listing and will constitute continuing connected transactions of our Company under the Listing Rules. Details are set out in the section headed "Connected Transactions — Non-exempt Continuing Connected Transactions — Provision of Products and Services Framework Agreement" in this prospectus.

The sales of liquid aluminum to Innovation New Material and its subsidiaries are conducted in the ordinary and usual course of business of our Group and our Directors confirm that the terms of such transactions are determined at arm's length negotiations and are no less favorable to our Group than terms offered by Independent Third Parties. Our Directors believe that the sales of majority of our liquid aluminum by our Group to Innovation New Material and its subsidiaries do not indicate any undue reliance by our Group on our Controlling Shareholders and their close associates, and are beneficial to the Company and our Shareholders as a whole for the reasons set out below:

*(1) Sufficient market demand for electrolytic aluminum and our broad customer base*

Electrolytic aluminum is a type of commodity with a unique combination of properties, high liquidity, standardized product and sufficient market demand.

*Unique properties and widespread application of aluminum*: Aluminum has unique combination of properties (weight, strength, malleability, and conductivity). First, aluminum has the properties of high strength and corrosion resistance but is in general lighter than steel. Second, it has high electrical and thermal conductivity, making it a valuable alternative to copper in electrical transmissions, especially when copper prices are high. Third, it is highly malleable and ductile, allowing it to be easily shaped into various products through rolling, extrusion, casting, and forging process to meet the various customized downstream uses in machinery equipment and consumer durables. The unique combination of properties makes aluminum highly attractive for a wide range of applications, including 3C electronics, lightweight automotive, green energy industry, transport industry, industrial materials industry and construction industry, etc.

*Consistently rising global market demand for aluminum*: According to CRU, aluminum has experienced significant growth and is the second most widely used metal in the world economy in tonnage since at least 1980 and continue to be the second largest throughout their forecast period until 2050. Consumption of electrolytic aluminum reached 73 mt by the end of 2024. To satisfy burgeoning demand, global electrolytic aluminum production has nearly tripled during the past two decades, increasing from 24 mt in 2000 to 73 mt in 2024, representing a CAGR of approximately 5%.

*Steadily growing market demand and trend in China for aluminum*: China led the global aluminum growth in the past two decades. It experienced a significant increase in electrolytic aluminum consumption from approximately 3 mt in 2000 to approximately 45 mt in 2024, representing a CAGR of approximately 12%. In 2024, China accounted for approximately 62% of the global electrolytic aluminum consumption and 59% of the global electrolytic aluminum production.

However, to optimize production capacity structure, in January 2018, China's Ministry of Industry and Information Technology officially introduced the Scheme of Aluminum Capacity Swap, which keeps China's total electrolytic aluminum capacity at the 2017 level of approximately 45 mt per year (the "**aluminum capacity cap**"). Further in 2024, China's State Council issued the Special Action Plan for Energy Saving and Decarbonization in Electrolytic Aluminum (電解鋁行業節能降碳專項行動計劃), which sets the goal to apply at least 25% of the aluminum capacity with clean power by the end of 2025. In recent years, China has switched to a persistently net importer of electrolytic aluminum given the increasing market demand whilst stagnating supply under the "aluminum capacity cap". In 2024, China produced approximately 43 mt but consumed approximately 45 mt of electrolytic aluminum, leaving a deficit of approximately over 1 mt. Supported by bolstering electric vehicle demand and green energy development, the Chinese electrolytic aluminum market will continue to stay at a deficit position. According to CRU's estimate, an annual market deficit above 1 mt will be sustained throughout 2034.

Considering the reasons above, Chinese aluminum capacity is forecasted to converge to the "aluminum capacity cap" with the capacity re-allocating to regions with low power costs and green energy. According to CRU, Inner Mongolia has become one of the largest aluminum production bases in China, with the fastest aluminum production growth, mainly due to the advantageous natural condition, competitive power cost and abundant renewable power resources. The aluminum production in Inner Mongolia increased from 4.5 mt in 2018 to 6.6 mt in 2024, representing a CAGR of 7%. Within Inner Mongolia, Huolinguole is the key production base. According to CRU, Huolinguole produced 2.7 mt in 2024, representing approximately 41% of Inner Mongolia's annual production.

Most produced electrolytic aluminum is served for downstream aluminum alloy products. According to CRU, China's demand for downstream aluminum alloy reached 73 mt in 2024. According to the Huolinguole municipal government, it consumes 65% of its annual electrolytic aluminum production in 2023. The aluminum alloy produced in Inner Mongolia has a broad downstream consumer demand nearby and is transported to the industrial bases and manufacturing hubs in East and North China for downstream applications in various industries.

*(2) Transparent market price and comparable terms*

The price of electrolytic aluminum sold by our Group to Innovation New Material has been determined based on arms' length negotiation with reference to the market average price of aluminum over the preceding week quoted from Shanghai Metals Market (**https://www.metal.com/**) at the time of delivery, which was the market prevailing transparent price. According to CRU, such price mechanism is in line with market practice. Other terms of our Group's sales of electrolytic aluminum to Innovation New Material are also normal commercial terms comparable to those transactions between our Group and independent third-party customers.

In addition, Innovation New Material, as a company listed on the Shanghai Stock Exchange, is also subject to applicable PRC rules, regulations and A-share listing rules to ensure that the terms for transactions with our Group under the Provision of Products and Services Framework Agreement are fair and reasonable.

*(3) Best interests to our Group, and mutually beneficial and complementary relationship between our Group and Innovation New Material*

Our cooperation with Innovation New Material is mutually beneficial and complementary. By selling electrolytic aluminum in liquid form with short-distance transportation, our Group is able to (i) improve production efficiency, (ii) reduce the cost in terms of additional solidifying process and the transportation, (iii) reduce loss of electrolytic aluminum during additional solidifying process and transportation, (iv) endeavor to align with the PRC government Alloy Conversion Rate Target, which targets at least 90% electrolytic aluminum produced to be sold in liquid form for further processing into aluminum alloy products by the end of 2025, and (v) reduce carbon emissions; and Innovation New Material is able to: (i) improve production efficiency, (ii) reduce the cost in terms of additional melting process, (iii) reduce loss of electrolytic aluminum during the additional melting process, and (iv) reduce carbon emissions. Moreover, liquid aluminum is a hazardous material with high temperatures and can only be transported by special purpose vehicles. Transportation within 10 km is safer and it is usually easier to get approval of the transportation routes from local authorities than longer-distance ones.

Furthermore, our Group has been providing a stable supply of liquid aluminum to Innovation New Material since its commencement of operation in Inner Mongolia. There has been a mutually beneficial relationship between our Group and Innovation New Material and we expect such relationship to remain stable due to the following reasons:

*Liquid aluminum is an industry with high entry barriers and sufficient downstream demand*: according to CRU, the upstream electrolytic aluminum is an industry with high entry barriers, due to the policy barriers, high capital expenditure and access to energy and raw materials, etc. As mentioned above, the Chinese electrolytic aluminum market will continue to stay at a deficit position, and liquid aluminum will continue to have sufficient downstream demand. According to CRU, the Chinese industry is currently experiencing a tight inventory of aluminum ingots which leads to an increasing demand for electrolytic aluminum.

*The Company is the sole supplier to Innovation New Material in Inner Mongolia*: the Company has been the sole supplier of liquid aluminum for Innovation New Material since the commencement of operation of the manufacturing sites of Innovation New Material in Inner Mongolia. According to CRU, taking into consideration of the safety and economic efficiency, liquid aluminum is usually transported within 10 km. The Company is the sole upstream electrolytic aluminum manufacturer within 10 km from the manufacturing sites of Innovation New Material. As such, the Inner Mongolian subsidiaries of Innovation New Material have been purchasing all the electrolytic aluminum they need from the Company in liquid form to satisfy their production needs in Inner Mongolia. For the year ended December 31, 2024 and the five months ended May 31, 2025, the total cost of purchases of electrolytic aluminum paid by Innovation New Material to our Group accounted for approximately 19.02% and 16.60% out of the total cost of purchases of electrolytic aluminum of Innovation New Material.

*The strategic layout in Inner Mongolia by Innovation New Material*: Innovation New Material made a total investment amount of approximately RMB1.31 billion to build the modern manufacturing sites in Inner Mongolia with annual production capacity of 1.22 mt, which has been its key and strategic layout in North China region, taking into account that:

(i) the manufacturing sites of Innovation New Material in Inner Mongolia have been serving an important role to cover its strategic downstream customers in various key industries, including 3C electronics, lightweight automotive, green energy industry, transport industry, industrial materials industry and construction industry in Northeast China and North China, such as BMW China, Xiaomi Corporation (小米集團) (1810.HK), AESC Group (遠景動力), FAW-Audi Automobile Co., Ltd. (長春一汽奧迪有限公司) and TBEA Co., Ltd. (特變電工集團) (600089.SH). It is an economically efficient way for Innovation New Material to cover these strategic customers with shorter transportation; and

(ii) benefiting from the advantageous natural conditions in Inner Mongolia, upon completion of construction of our large-scale wind power and solar power plants by 2026, we expect that 50% of our energy consumption will be derived from green energy. Through purchasing green energy sourced electrolytic aluminum from us, Innovation New Material will be able to better satisfy its downstream customers' increasing demands on green energy sourced aluminum alloy products.

Except from the Group, Innovation New Material mainly purchases liquid aluminum from China Hongqiao Group Limited (中國宏橋集團有限公司, a company listed on Hong Kong Stock Exchange, stock code: 1378.HK, "**China Hongqiao**") for its manufacturing sites in Shandong province and Yunan province, which could not satisfy its business need in Inner Mongolia. The prices of the liquid aluminum purchased by Innovation New Material from the Group are not lower than the purchase price from its other supplier, namely, China Hongqiao, during the Track Record Period.

Therefore, our Group is an indispensable supplier of liquid aluminum for Innovation New Material and our stable supply of liquid aluminum plays a key part in Innovation New Material's strategic layout. There has been a mutually beneficial and complementary relationship between our Group and Innovation New Material, and we reasonably believe that the possibility of any material adverse change to the above business relationship will be low.

*(4) Ability to effectively mitigate risk exposure arising from the reliance*

Our Group has established its own marketing development teams to focus on building and reinforcing our image and reputation in the industry for a larger market share and has independent access to independent third-party customers through our own marketing network. For the year ended 31 December 2022, the Group sold liquid aluminum and aluminum ingots to over 100 independent third-party customers, the revenue from which accounted for approximately 95% of our total revenue from sales of electrolytic aluminum in the same year. For the year ended December 31, 2024 and the five months ended May 31, 2025, the Group sold a total of approximately 73,505.80 tons and 68,505.8 tons of aluminum ingots to independent third-party customers, generating revenue of approximately RMB1,303.41 million and RMB1,217.70 million, representing approximately 10.12% and 22.0% of the total revenue from sales of electrolytic aluminum for the same period. Our profit margin for selling aluminum ingots is comparable to that of selling liquid aluminum, therefore the sales of aluminum ingots to independent customers will not materially adversely affect our profitability and financial positions.

As of the Latest Practicable Date, our Group has also entered into contracts with independent third-party customers for sales of electrolytic aluminum in the form of aluminum ingots, with the total contract value of approximately RMB1,424 million and RMB3,361 million for the year ended December 31, 2024 and the year ending December 31, 2025, respectively. In the meantime, our Group is still under commercial negotiation with other independent third-party customers for potential sales of electrolytic aluminum in the form of aluminum ingots. The above have further evidenced the Group's capability to source and sell its products to independent third-party customers.

Our marketing development teams will routinely visit and communicate liquid aluminum demand with potential downstream customers and evaluate such potential commercial opportunities. As advised by the CRU, liquid aluminum can be safely transported up to a 50 km radius. As of the Latest Practicable Date, other than Innovation New Material, there are a number of potential downstream customers within a 25 km radius around the Group's aluminum smelter in Inner Mongolia with a total production capacity of over 1.9 mt, which exceeds the Group's annual production capacity of 788.1 kt and indicates a robust market demand in liquid aluminum from downstream customers in close proximity. Sales to these potential customers will be economical with costs comparable to sales to Innovation New Material. In addition, as of the Latest Practicable Date, the Company had received letters of intent to purchase liquid aluminum with the total indicated demand of approximately 0.78 mt liquid aluminum from these independent third-party customers, which demonstrated the actual sufficient market demand from independent customers in close proximity to purchase liquid aluminum and to utilize the Group's production capacity.

In the past, our independent third-party customer types have included commodity trading companies and production companies. In the future, our Group may consider selling more electrolytic aluminum to trading companies, which will purchase aluminum ingots before re-selling to other customers. According to CRU, such third-party sales via trading companies are not uncommon in China. Trading companies in general offer flexible contract terms, including spot sales, long-term agreements, and volume commitment. Partnering with trading companies helps the smelter to manage the sales channel, mitigate the risk of aluminum price volatility, and optimize the cash flow. Going forward, our Group expects to continue to strengthen cooperation with independent third-party customers, including trading companies.

*Directors and Joint Sponsors' views*

Our Directors are of the view that the sales of the majority of our liquid aluminum to Innovation New Material and its subsidiaries do not indicate any undue reliance by our Group on our Controlling Shareholders and their close associates, considering that:

(i) CRU is of the view that it is an industry norm for upstream electrolytic aluminum manufacturers to sell a majority of their liquid aluminum to downstream aluminum alloy processors who are members of the same group and located in proximity to each other with comparable production capacities;

(ii) our Group is able to effectively mitigate its risk exposure arising from its reliance in light of sufficient demand for liquid aluminum from nearby customers, the Group's capability to sell aluminum ingots as evidenced by the successful historical transactions with Independent Third Parties, and the overall persistent market deficit in the China electrolytic aluminum industry; and

(iii) our Directors expect no material adverse change to our relationship with Innovation New Material given (a) Innovation New Material is mutually dependent on the Group. The Company has been the sole supplier of liquid aluminum for Innovation New Material in Inner Mongolia given it is the only supplier within 10 km from the manufacturing site of Innovation New Material; (b) according to CRU, it is an industry norm for downstream aluminum alloy processors to cooperate with upstream electrolytic aluminum producers who are members of the same group in a long-term stable business relationship given they usually make significant investments to establish industrial parks/factories in proximity with each other for cooperation, and (c) before Listing, the Company intends to enter into the Provision of Products/Services Framework Agreements with Innovation New Material for three years, which will be renewed for another three years upon mutual consent.

Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above that the sales of the majority of the Company's liquid aluminum to Innovation New Material and its subsidiaries do not indicate any undue reliance by the Group on its Controlling Shareholders and their close associates.

***Co-investment into the Saudi Project with Innovation Group and Innovation New Material***

Our Directors believe that the co-investment into the Saudi Project with Innovation Group and Innovation New Material is beneficial to the Company and our Shareholders as a whole and does not indicate any undue reliance on or direct competition with our Controlling Shareholders' close associates, due to the following reasons:

(1) the Saudi Project is a cooperation among the parties to leverage each other's expertise and achieve synergy, enhancing the chances of success and sharing risks in an overseas investment. Therefore, the co-investment in the Saudi Project is mutually beneficial to our Group and our Controlling Shareholders' close associates and reflects a mutual dependency between our Company and our Controlling Shareholders' close associates;

(2) each of our Group, Innovation Group and Innovation New Material specializes in different stages within the aluminum industry chain and has different business focus and competitive advantages in the Saudi Project. Our Group focuses on alumina refining and aluminum smelting within the upstream of the aluminum industry chain. Innovation Group, as a large modern comprehensive enterprise with considerable influence in the metal industry, has the capability to leverage resources and business opportunities. Innovation New Material focuses on the downstream processing of aluminum alloy. Forming a joint venture between our Group, Innovation Group and Innovation New Material enables each party to leverage their respective strengths to operate an integrated aluminum project efficiently, and enhances the Project Company's prospects of seizing the overseas expansion opportunity;

(3) according to CRU, the aluminum industry in Saudi Arabia presents a robust demand with the demand for electrolytic aluminum expected to grow at a CAGR of 5.9% from 2025 to 2028, which provides sufficient market opportunities for each of our Group, Innovation Group and Innovation New Material to participate fully while operating in synergy. Please also see "Business — Our Strategies — Proactively Expand into Overseas Markets and Increase Overseas Production Capacities as a Response to the Belt and Road Initiative (the "BRI") — Saudi Arabia has unique advantages for aluminum smelting investments" for details of the unique market opportunities in Saudi Arabia. By combining each party's distinct capabilities within the value chain, our Group, Innovation Group and Innovation New Material can focus on collaborative growth in international markets. This aligned effort increases the Project Company's overall competitiveness and ensures shared benefits in Saudi Arabia market;

(4) our Group is able to find independent third-party partners with expertise in downstream aluminum alloy processing. Nevertheless, considering the extensive experience and leading positions of Innovation New Material in the aluminum alloy processing sector, coupled with the long-term cooperation history between the Group, Innovation Group and Innovation New Material, our Directors believe that partnering with Innovation Group and Innovation New Material is the most commercially reasonable choice to mitigate risks in the initial stage of our overseas expansion and serves the best interests of our Shareholders as a whole; and

(5) considering that the significant investment and time required for the construction of the Saudi Project, and that this partnership represents the most commercially reasonable option for each party given their respective industry positions and the long-term cooperation history, we anticipate this synergistic relationship to be long-term collaboration and will remain stable and beneficial.

**Financial Independence**

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders or their close associates. We have made tax filings and paid tax independently from our Controlling Shareholders and their close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations.

During the Track Record Period, certain of our Group's bank and other borrowings ("**Guaranteed Loans**") were guaranteed by Mr. Cui and/or his close associates ("**CP Guarantors**") through their personal or corporate guarantees ("**CP Guarantees**"). Our Directors confirm that no consideration was payable or will be payable to the CP Guarantors. As of the Latest Practicable Date, the aggregate outstanding principal amount of our bank, other borrowings and lease liabilities due to the Independent Third Party lenders under the Guaranteed Loans is approximately RMB12.49 billion. The Company had been in negotiation with the lenders of the Guaranteed Loans and other potential Independent Third Party lenders for refinancing arrangement and potential options to release or replace the CP Guarantees, including but not limited to replacement of the CP Guarantees with mortgages secured by the Group's assets. All CP Guarantees will be fully released or replaced before Listing.

Save for the above, as of the Latest Practicable Date, we did not have any outstanding loans or non-trade balances granted, guaranteed or pledged by any our Controlling Shareholders to us.

Based on the above, our Company considers that our business is financially independent of our Controlling Shareholders and their close associates.

## CORPORATE GOVERNANCE

Our Company and Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) where a board meeting or Shareholders' meeting is to be held for considering proposed transactions in which any of our Directors or Controlling Shareholders or any of their respective close associates has a material interest, the relevant Director or Controlling Shareholder will not vote on the relevant resolutions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(c) each Director is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit of our Company and the Shareholders as a whole and does not allow any conflict of interests between his/her duties as a Director and his/her personal interests. A Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting at the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(d) our Company has established a Connected Transaction Control Committee, the chairman and majority being our independent non-executive Directors, to routinely monitor the continuing connected transactions and potential commercial opportunities, which is dedicated to and be responsible for ensuring the continuing connected transactions are conducted on normal commercial terms, to mitigate the risk and safeguard the interests of the shareholders as a whole;

(e) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(f) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review to the extent in compliance with all applicable laws, regulations and rules;

(g) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements;

(h) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses;

(i) our audit committee shall be responsible for overseeing the implementation of the above measures;

(j) our market development teams will routinely visit and communicate liquid aluminum demand with potential downstream customers and evaluate such potential commercial opportunities; and

(k) we have appointed Gram Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after Listing.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Global Offering (assuming the Over-Allotment Option is not exercised), the following persons are expected to have an interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

| **Name** | **Nature of Interest** | **Shares held as of the Latest Practicable Date** | | **Shares held immediately following the completion of the Global Offering[1]** | |
|---|---|---|---|---|---|
| | | *Number* | *Percentage* | *Number* | *Percentage* |
| Mr. Cui[2] . . . . . . . . | Interests in controlled corporation | 1,500,000,000 | 100% | 1,500,000,000 | 75% |
| Bloomsbury Holding[2] . . . . . . | Beneficial owner | 1,500,000,000 | 100% | 1,500,000,000 | 75% |

*Notes:*

(1) The calculation is based on the total number of 2,000,000,000 Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

(2) Bloomsbury Holding, which is wholly owned by Mr. Cui, directly held 1,500,000,000 Shares of our Company as of the Latest Practicable Date. As such, Mr. Cui is deemed to be interested in the Shares held by Bloomsbury Holding.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following completion of the Global Offering (assuming the Over-Allotment Option is not exercised), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

## AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid as of the date of this prospectus and immediately following the completion of the Global Offering.

**As of the date of this prospectus**

***(a) Authorized Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 10,000,000,000 | Ordinary Shares of US$0.000005 each | US$50,000.00 |

***(b) Issued Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 1,500,000,000 | Ordinary Shares of US$0.000005 each | US$7,500.00 |

**Immediately following completion of the Global Offering (assuming the Over-Allotment Option is not exercised)**

***(a) Authorized Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 10,000,000,000 | Ordinary Shares of US$0.000005 each | US$50,000.00 |

***(b) Issued Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 1,500,000,000 | Ordinary Shares of US$0.000005 each | US$7,500.00 |
| 500,000,000 | Ordinary Shares of US$0.000005 each to be issued pursuant to the Global Offering assuming the Over-Allotment Option is not exercised | US$2,500.00 |
| **2,000,000,000** | **Total** | **US$10,000.00** |

**Immediately following completion of the Global Offering (assuming the Over-Allotment Option is fully exercised)**

***(a) Authorized Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 10,000,000,000 | Ordinary Shares of US$0.000005 each | US$50,000.00 |

***(b) Issued Share Capital***

| Number | Description of Shares | Aggregate nominal value of Shares |
|---|---|---|
| 1,500,000,000 | Ordinary Shares of US$0.000005 each | US$7,500.00 |
| 575,000,000 | Ordinary Shares of US$0.000005 each to be issued pursuant to the Global Offering assuming the Over-Allotment Option is fully exercised | US$2,875.00 |
| **2,075,000,000** | **Total** | **US$10,375.00** |

## ASSUMPTIONS

The above tables assume that the Global Offering becomes unconditional and the Shares are issued pursuant to the Global Offering. The above tables also do not take into account any Shares which may be issued or repurchased by us under the general mandates granted to our Directors as referred to below.

## RANKING

The Offer Shares will rank pari passu in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this prospectus. Upon Listing, our Company will have one class of issued Shares and each issued Share shall entitle its holder to one vote at a general meeting of our Company.

## CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Memorandum of Association and Articles, our Company may from time to time by ordinary resolution of shareholders (i) increase its share capital; (ii) consolidate and divide its share capital into shares of larger amount; (iii) divide its shares into several classes; (iv) subdivide its shares into shares of smaller amount; and (v) cancel any shares which have not been taken or agreed to be taken. In addition, our Company may subject to the provisions of the Cayman Companies Act reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See the section headed "Summary of the Constitution of our Company and Cayman Companies Act — Articles of Association — Alteration of Capital" in Appendix III for further details.

## GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate, to allot, issue and deal with Shares with a total nominal value of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the Global Offering (excluding any Shares to be issued pursuant to the exercise of the Over-Allotment Option); and

- the aggregate number of Shares repurchased by our Company (if any) under the general mandate referred to in the paragraph headed "Statutory and General Information — Further Information about Our Company — Resolutions of our Shareholders" in Appendix IV of this prospectus.

This general mandate to issue Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; or

- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum of Association and Articles of Association or any other applicable laws to be held; or

- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

See the section headed "Statutory and General Information — Further Information about Our Company — Resolutions of our Shareholders" in Appendix IV for further details of this general mandate.

## GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate, to exercise all the powers of our Company to repurchase our own securities with nominal value of up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (excluding any Shares to be issued pursuant to the exercise of the Over-allotment Option).

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Statutory and General Information — Further Information about our Company — Repurchase of our Own Securities" in Appendix IV.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; or
- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum of Association and Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See the section headed "Statutory and General Information — Further Information about Our Company — Resolutions of our Shareholders" in Appendix IV for further details of the repurchase mandate.

*You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRSs.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this prospectus, including but not limited to the sections headed "Risk Factors" and "Business."*

*For the purpose of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.*

## OVERVIEW

We mainly produce and sell electrolytic aluminum and alumina and other related types of products, focusing on the high value-added upstream segments of the aluminum industry chain. We focus on alumina refining and aluminum smelting within the upstream of the aluminum industry chain. Our business mainly comprises the production and sales of electrolytic aluminum as well as alumina and other related types of products. As of the Latest Practicable Date, we had an annual production capacity of 788.1 kt of electrolytic aluminum and 1,200.0 kt of alumina. According to CRU, our aluminum smelter in Huolinguole, Inner Mongolia, was the fourth-largest production base of electrolytic aluminum in terms of production output in 2024 in North China. We were the twelfth-largest electrolytic aluminum producer in terms of production output in 2024 in China, according to the same source.

During the Track Record Period, we achieved a continual and stable improvement in our revenue. Our revenue increased by 2.4% from RMB13,489.7 million in 2022 to RMB13,814.7 million in 2023, and by 9.8% from RMB13,814.7 million in 2023 to RMB15,163.2 million in 2024. Our revenue increased by 22.6% from RMB5,883.2 million in the five months ended May 31, 2024 to RMB7,213.5 million in the same period of 2025.

Benefiting from our self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain, we achieved industry-leading cost advantages which significantly unleashed our profitability during the Track Record Period. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our gross profit margin was 15.1%, 16.9%, 28.2%, 27.9% and 19.9%, respectively, with an increase of 11.3 percentage points from 2023 to 2024. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our EBITDA margin (non-IFRS measure) was 20.5%, 21.3%, 31.6%, 31.8% and 23.1%, with an increase of 10.3 percentage points from 2023 to 2024. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, our net profit margin was 6.8%, 7.8%, 17.3%, 17.0% and 11.9%, with an increase of 9.5 percentage points from 2023 to 2024. Our net profit increased by 18.4% from RMB912.9 million in 2022 to RMB1,080.6 million in 2023, and increased significantly from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024. Our net profit decreased by 14.4% from RMB999.4 million in the five months ended May 31, 2024 to RMB855.5 million in the same period of 2025.

## BASIS OF PREPARATION

The Historical Financial Information (as defined in Appendix I to this prospectus) has been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the principle of merger accounting.

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, we have consistently applied all applicable accounting policies which conform with IFRSs, International Accounting Standards ("IASs"), amendments and the related interpretations issued by the IASB, which are effective for our accounting period beginning on January 1, 2025 throughout the Track Record Period.

The Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

See Notes 2, 3 and 4 of the Accountants' Report in Appendix I to this prospectus.

## MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including the following:

### General Factors

Our business and results of operations are impacted by general factors affecting the development of our industry, which include:

- Overall economic conditions;
- The growth and competition environment of the electrolytic aluminum and alumina industry;

- Relevant laws and regulations, governmental policies and initiatives; and
- Occurrence of force majeure events, outbreak of pandemics or epidemics, acts of war, social and economic chaos and natural disasters.

**Company-specific Factors**

Our business and results of operations are also affected by a number of key factors specific to our Group, which mainly include:

***Fluctuations in the prices of electrolytic aluminum and alumina***

Our results of operations are sensitive to fluctuations in the prices of electrolytic aluminum and alumina. In line with market practice, we adopt a standardized pricing policy for our electrolytic aluminum and alumina products. Our revenue and cost of sales were affected by the market prices of electrolytic aluminum and alumina. See "Business — Sales, Marketing and Customer Service — Pricing and Payment." According to CRU, the annual average of the SHFE cash price of electrolytic aluminum per ton was approximately RMB19,945, RMB18,678, RMB19,949, RMB19,659 and RMB20,270 in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, and the annual average of the CRU China alumina price per ton was approximately RMB2,936, RMB2,906, RMB4,030, RMB3,393 and RMB3,517 in the same respective periods, according to CRU. Our revenue generated from electrolytic aluminum amounted to RMB12,881.9 million, RMB12,502.3 million, RMB12,883.7 million, RMB5,276.0 million and RMB5,523.2 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue in the same respective periods. Our revenue generated from alumina and other related types of products amounted to RMB270.6 million, RMB977.4 million, RMB1,849.5 million, RMB449.5 million and RMB1,523.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 2.0%, 7.1%, 12.2%, 7.6% and 21.1% of our total revenue in the same respective periods. Our cost of electrolytic aluminum was RMB11,144.6 million, RMB10,472.6 million, RMB9,414.5 million, RMB3,829.5 million and RMB4,213.1 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 97.3%, 91.2%, 86.5%, 90.3% and 72.9% of our total cost of sales in the same respective periods. Our cost of alumina and other related types of products was RMB253.5 million, RMB916.5 million, RMB1,269.9 million, RMB342.2 million and RMB1,490.6 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 2.2%, 8.0%, 11.7%, 8.1% and 25.8% of our total cost of sales in the same respective periods.

The following table sets forth the sensitivity analysis of hypothetical fluctuation in the sales price of electrolytic aluminum on gross profit during the Track Record Period, assuming all other factors remain unchanged.

| | Increase/decrease in the sales price of electrolytic aluminum | | | |
|---|---|---|---|---|
| | + 5% | - 5% | + 10% | - 10% |
| | (RMB in millions) | | | |
| **Increase/(decrease) in gross profit** | | | | |
| 2022 | 644.1 | (644.1) | 1,288.2 | (1,288.2) |
| 2023 | 625.1 | (625.1) | 1,250.2 | (1,250.2) |
| 2024 | 644.2 | (644.2) | 1,288.4 | (1,288.4) |
| Five months ended May 31, 2025 | 276.2 | (276.2) | 552.3 | (552.3) |

The following table sets forth the sensitivity analysis of hypothetical fluctuation in the sales price of alumina and other related types of products on gross profit during the Track Record Period, assuming all other factors remain unchanged.

| | Increase/decrease in the sales price of alumina and other related types of products | | | |
|---|---|---|---|---|
| | + 5% | - 5% | + 10% | - 10% |
| | (RMB in millions) | | | |
| **Increase/(decrease) in gross profit** | | | | |
| 2022[(1)] | (101.6) | 101.6 | (203.2) | 203.2 |
| 2023 | 5.0 | (5.0) | 10.0 | (10.0) |
| 2024 | 53.3 | (53.3) | 106.6 | (106.6) |
| Five months ended May 31, 2025 | 36.4 | (36.4) | 72.8 | (72.8) |

*Note:*

(1) We have recorded a decrease in gross profit in 2022 when the sales price of alumina and other related types of products increase in the same year because the amount of outsourcing alumina procured exceeded the amount of revenue from the sales of alumina and other related types of products in 2022. The gross profit in 2022 was relatively more sensitive to the change in sales price of alumina and other related types of products because we had higher proportion of outsourcing alumina this year, which was more sensitive to the change in market prices of alumina.

***Our production capacity and utilization rate***

Our results of operations depend on our ability to fulfill customer orders, which partly depends on our production capacity and utilization rate. We have been expanding our production capacity during the Track Record Period and plan to further enhance the production capacity for electrolytic aluminum to meet the increasing demand from downstream customers for our products. For example, we plan to invest in an integrated electrolytic aluminum industry chain project with an expected annual production capacity of 500.0 kt in Saudi Arabia. See "Business — Our Strengths — Active Implementation of Globalization Strategies." We will continue to plan and monitor the use of our production capacity to capture the increasing market demand. As of the Latest Practicable Date, our electrolytic aluminum production base in Huolinguole, Inner Mongolia, had an annual designed production capacity of 788.1 kt, and our alumina production base in Binzhou, Shandong Province, had an annual designed production capacity of 1,200.0 kt. The annual actual production volume of our aluminum smelting was 744.1 kt, 757.9 kt, 755.4 kt, 315.6 kt and 310.7 kt of electrolytic aluminum in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. The annual actual production volume of our alumina refining was 706.2 kt, 1,546.1 kt, 1,539.9 kt, 665.3 kt and 664.5 kt of alumina in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

Furthermore, a higher capacity utilization rate results in lower marginal cost of each unit of products produced. The capacity utilization rate of our aluminum smelting was approximately 94.4%, 96.2%, 95.6%, 96.8% and 95.3% for the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. The capacity utilization rate of our alumina refining was approximately 88.3%, 128.8%, 128.3%, 128.3% and 129.0% for the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. We will constantly monitor our capacity utilization rate to ensure the effective use of our production capacity.

***Our changes in cost structure and gross profit margin***

We are dedicated to optimizing our cost advantages. We have consistently followed a strategy of minimizing costs at every stage of production, establishing comprehensive and sustainable cost advantages within the industry. Our cost of sales amounted to RMB11,448.6 million, RMB11,478.4 million, RMB10,886.7 million, RMB4,242.9 million and RMB5,780.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 84.9%, 83.1%, 71.8%, 72.1% and 80.1% of our total revenue in the same respective periods.

During the Track Record Period, our cost of sales primarily consisted of raw materials, accounting for 78.0%, 77.0%, 73.0%, 73.0% and 75.4% of our total cost of sales in each respective period. Our raw materials primarily consist of bauxite, coal, carbon anodes and alumina. Coal, carbon anodes and alumina are the raw materials used to produce electrolytic aluminum. Bauxite is the raw material used to produce alumina. Our cost of carbon anodes was RMB2,122.3 million, RMB1,680.1 million, RMB1,254.5 million, RMB534.4 million and RMB581.0 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our cost of alumina was RMB2,302.3 million, RMB877.4 million, RMB783.0 million, RMB219.8 million and RMB795.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our cost of bauxite was RMB907.2 million, RMB2,401.4 million, RMB2,790.2 million, RMB1,066.4 million and RMB1,774.4 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

The aluminum smelting process requires continuous and stable electricity supply. We have established power plants and electricity generation facilities to produce our own electricity. The cost of coal is the primary expense for our self-generated electricity. We also procure electricity from the grid. Our cost of outsourced electricity was RMB881.3 million, RMB918.5 million, RMB874.5 million, RMB356.9 million and RMB365.1 million, accounting for 7.7%, 8.0%, 8.0%, 8.4% and 6.3% of our cost of sales in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

We bear the risk of fluctuations in raw material prices and do not proactively pass on price fluctuations to customers, as the prices at which we sell our products are primarily benchmarked against average market prices. The success of our business operation and financial condition depends on our ability to minimize costs at every stage of production. Our cash costs of aluminum per ton amounted to approximately RMB15,112 in 2024, significantly lower than China's average of approximately RMB17,700 per ton, according to CRU. Our Group's cash cost in the five months ended May 31, 2025 was approximately RMB14,791.7 per ton. According to CRU, our ability to manage the cash costs of aluminum per ton was among the top 5% of all aluminum smelting companies in China and competitive on a global scale, ranking among the top 30% in 2024 (comparing our cash costs in 2024 to the industry average cash costs in China and on a global scale in 2024, respectively). We strive to further consolidate our industry-leading cost advantage and maintain or improve our gross profit margin, especially by maintaining long-term collaborative relationships with our suppliers. Our gross profit margin was 15.1%, 16.9%, 28.2%, 27.9% and 19.9% in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

The following table sets forth the sensitivity analysis of hypothetical fluctuation in cost of raw materials on gross profit during the Track Record Period, assuming all other factors remain unchanged.

| | **Increase/decrease in the cost of raw materials** | | | |
|---|---|---|---|---|
| | **+ 5%** | **- 5%** | **+ 10%** | **- 10%** |
| | *(RMB in millions)* | | | |
| **(Decrease)/increase in gross profit** | | | | |
| 2022 | (572.4) | 572.4 | (1,144.9) | 1,144.9 |
| 2023 | (573.9) | 573.9 | (1,147.8) | 1,147.8 |
| 2024 | (544.3) | 544.3 | (1,088.7) | 1,088.7 |
| Five months ended May 31, 2025 | (289.0) | 289.0 | (578.1) | 578.1 |

***Our construction of green power plants***

We proactively adhere to ESG principles to promote sustainable development. Along with the rising carbon price, the adoption of green power is critical to the sustainable development of electrolytic aluminum companies. We are committed to aligning with national goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060. We are constructing wind power plants and solar power plants with a total projected installed capacity of 1,750.0 MW. Phase I comprises (i) a wind power plant with an installed capacity of 540.0 MW, which had been operational and connected to the grid as of the Latest Practicable Date; and (ii) a solar power plant with an installed capacity of 110.0 MW, 60.0 MW of which had been installed and some had been operational and connected to the grid as of the Latest Practicable Date. We expect the remaining capacity to be fully operational and connected to the grid by the end of 2026. As of the date of this prospectus, construction of the majority of the above (i) and (ii) under Phase I, with a total installed capacity of 457.0 MW, had been completed, and the corresponding electricity generators were operational and connected to the grid. Phase II comprises a wind power plant with an installed capacity of 1,000.0 MW, 500.0 MW of which had been under construction since March, 2025 and is expected to be fully operational and connected to the grid by March 2026, and the other 500.0 MW had been under site preparation for construction as of the Latest Practicable Date and is expected to be fully operational and connected to the grid by October 2026. To further our commitment to green power supply, we also plan to construct a 100.0 MW distributed solar power plant on-site, for which we had been designing the construction project as of the Latest Practicable Date. It is expected to commence its initial operation by the end of 2026.

As the majority of the projected installed capacity of the Phase I wind power plants and solar power plants were operational as of the date of this prospectus and the remaining capacity is anticipated to be fully operational by the end of 2026, and as we continue to procure green electricity from the grid, our proportion of green energy utilized will continue to increase towards the end of 2025. By the end of 2026 when both the above Phase I and Phase II wind power plants and solar power plants become fully operational, and with procurement of green electricity from the grid, we aim to achieve over 50% proportion of green energy utilized.

As of the Latest Practicable Date, we had commenced using green energy generators. Our transition to green aluminum smelting operations is economically effective and positively contributes to our financial condition and results of operations. We are constructing larger-scale wind and solar power plants at our aluminum smelter in Inner Mongolia. This includes wind power plants with an installed capacity of 1,540.0 MW and a solar power plant with a capacity of 210.0 MW. With this optimized energy structure, the comprehensive electricity costs for aluminum smelting is expected to reduce by 20% by the end of 2026. We also expect to reduce carbon emissions through the construction of green power plants and the usage of green power. According to CRU, using purely green power in electrolytic aluminum significantly reduces the carbon footprint by approximately 11 tons per ton of electrolytic aluminum produced, compared to using purely thermal power in aluminum smelting. Despite the fact that the construction of green power plants is capital-intensive, by continuously transitioning towards a green power supply, we prioritize sustainable development and strive for a green transition in our operations.

***Our operating cash flow to support our business operation***

We have historically funded our cash requirements principally from cash generated from operations. Our net cash flows generated from operating activities amounted to RMB1,869.1 million, RMB4,554.2 million, RMB3,461.8 million and RMB832.9 million in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. See "— Liquidity and Capital Resources — Cash flow." Our ability to maintain sufficient and healthy operating cash flow is critical for us to fund production expansion and energy transformation projects without compromising our financial stability. By continuously monitoring and optimizing our operating cash flow, we effectively capitalize on market growth opportunities.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our Historical Financial Information. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note 4 of the Accountants' Report in Appendix I to this prospectus.

### Material Accounting Policies

***Revenue from contracts with customers***

During the Track Record Period, we were engaged in the following two principal activities:

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

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

During the Track Record Period, we principally operated in the PRC. All revenue is derived from the PRC and our non-current assets are all located in the PRC as well.

*Revenue from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials*

The performance obligation is satisfied upon delivery of the industrial products. Transportation and handling activities that occur before customers obtain control are considered as fulfillment activities. The normal credit term is seven days for liquid aluminum. For aluminum ingots, alumina and other related types of products and scrap and other materials, a full advance payment is normally required. Revenue arising from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials is recognized at a point in time.

*Revenue from electricity*

Revenue arising from the sales of electricity is recognized at a point in time when electricity is generated and transmitted. The revenue from sales of electricity is based on the on-grid benchmark tariff rates of local coal-fired power plants, which can be adjusted by the government. It is currently settled on a monthly basis.

*Revenue from steam supply*

Revenue arising from the sales of steam is recognized at a point in time and based on steam consumption derived from meter readings. Payment is generally due within 30 days.

See Note 6 of the Accountants' Report in Appendix I to this prospectus.

***Property, plant and equipment***

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings, plant and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with our accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognized in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Our property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives after taking into account their residual values:

| | Useful lives | Residual value |
|---|---|---|
| Buildings | 10-50 years | 5% |
| Plant and machinery | 5-20 years | 5% |
| Furniture and fixtures | 5 years | 5% |
| Motor vehicles | 4-5 years | 5% |

See Notes 4 and 15 of the Accountants' Report in Appendix I to this prospectus.

***Intangible assets***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

The above intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following estimated useful lives:

| | Useful lives |
|---|---|
| Aluminum production quota | 50 years |
| Power generation capacity indicators | 50 years |
| Sewage charges license | 5 years |
| Computer software | 5 years |

See Notes 4 and 17 of the Accountants' Report in Appendix I to this prospectus.

***Right-of-use assets***

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and

- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets in which we are reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from the commencement date to the end of the useful life. Otherwise right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. When we obtain ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment. We present right-of-use assets as a separate line item on the consolidated statements of financial position.

During the Track Record Period, we leased various plant and machinery for our operations. Lease contracts are entered into for a fixed term ranging from three years to eight years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, we apply the definition of a contract and determine the period for which the contract is enforceable.

In addition, we have made lump sum payments upfront to government for leasehold lands. We had obtained the land use right certificates for all such leasehold lands except for leasehold lands with carrying amount of RMB233,848,000, RMB229,075,000, nil and nil as at December 31, 2022, 2023, 2024 and May 31, 2025, respectively. As of the Latest Practicable Date, we had obtained such land use right certificates.

Certain leaseholds lands of our Group had been pledged as securities for bank borrowings as at December 31, 2022, 2023, 2024 and May 31, 2025 as summarized in Note 40 of the Accountants' Report in Appendix I to this prospectus. We regularly entered into short-term leases for plant and machinery. As at December 31, 2022, 2023, 2024 and May 31, 2025, the portfolio of short-term leases was similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 16 of the Accountants' Report in Appendix I to this prospectus.

See Notes 4 and 16 of the Accountants' Report in Appendix I to this prospectus.

***Financial instruments***

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular-way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the reporting period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

See Note 4 of the Accountants' Report in Appendix I to this prospectus.

***Inventories***

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which we must incur to make the sale.

## Critical Accounting Judgments and Estimate

In the application of our accounting policies, which are described in Note 4 of the Accountants' Report in Appendix I to this prospectus, the management of our Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### *Critical accounting judgements*

*Supplier finance arrangement*

As disclosed in Notes 26, 29 and 34(b) of the Accountants' Report in Appendix I to this prospectus, we entered into supplier finance arrangements with a finance provider, which is one of the largest aluminum products trading companies in China with a registered capital of RMB200.0 million, to procure bauxite from overseas suppliers. To the best of our knowledge, the finance provider was conducting business as usual as of the Latest Practicable Date. The company commenced its collaboration with us in 2019 as one of our bauxite suppliers. To the best knowledge of our Company, the finance provider is an Independent Third Party and does not have any current or past family, business, employment, trust or financing relationship with our Group, our substantial shareholders, directors or senior management or any of their respective associates. The total amounts of financing provided by the finance provider were RMB833.1 million, RMB1,200.7 million, RMB165.6 million and nil in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively, representing the payments that the suppliers have already directly received from the finance provider. Our production activities require a large volume of bauxite, and procuring large quantities of bauxite places considerable demand on our working capital. Therefore, we entered into supplier finance arrangements to ensure our liquidity. The finance provider received interest from us under our supplier finance arrangement. These arrangements are common industry practice as the electrolytic aluminum industry involves bulk commodity trading and requires substantial capital for raw material procurement, according to CRU. Going forward, we will evaluate and decide whether to continue using supplier financing arrangements based on a number of factors, such as our liquidity position and finance costs. As advised by our PRC Legal Advisor, the relevant contracts under such arrangements are in compliance with the applicable PRC laws and regulations. We also entered into supplier finance arrangements with Bank of Jinzhou to procure coal and carbon anodes from domestic suppliers and Bank of Qingdao to procure coal and bauxite from domestic suppliers. During the years ended December 31, 2023 and 2024 and the five months ended May 31, 2024 and 2025, bank loans under supplier finance arrangements amounted to RMB77.5 million, RMB87.0 million, RMB83.0 million and RMB100.9 million, respectively, representing the payments to the suppliers by Bank of Jinzhou directly. During the five months ended May 31, 2025, borrowings under supplier finance arrangements of RMB61.7 million represent the payments to the suppliers by Bank of Qingdao directly. Our obligations to suppliers are legally extinguished on settlement by the finance provider, Bank of Jinzhou and Bank of Qingdao. We then settle with the finance provider 90 days after settlement by the finance provider with fixed interest ranging from 4.8%-5.4% per annum, settle with Bank of Jinzhou one year after settlement by Bank of Jinzhou with fixed interest ranging from 3.10%-3.80% per annum and settle with Bank of Qingdao approximately one year after settlement by Bank of Qingdao with fixed interest ranging from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of the respective invoices. In determining whether the liabilities resulting from such arrangements are presented separately from trade payables, our Directors consider whether the nature and function of these liabilities are sufficiently different from trade payables. For liabilities that are part of the working capital used in our normal operating cycle, they are presented within trade payables. In addition, our Directors determine whether the arrangement has extinguished the entity's obligation to suppliers and whether the terms and conditions in the agreements with the finance provider or Bank of Jinzhou and Bank of Qingdao are similar to our financing activities. When the liabilities are part of our financing activities, we present these liabilities within other payables or bank borrowings in the consolidated statement of financial position.

For the purpose of presenting cash flows statement, cash flows related to the liabilities arising from supplier finance arrangements that are classified as trade payable are still part of the working capital used in our principal revenue generating activities. Therefore, the cash outflows to settle the trade payables under supplier finance arrangement are presented as arising from operating activities. On the other hand, for the arrangements where the related liability is not a trade or other payable because the liability represents borrowings of us, we present cash outflows to settle these liabilities as arising from financing activities in the consolidated statement of cash flows.

***Key sources of estimation uncertainty***

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next 12 months.

*Provision of ECL on trade receivables and other receivables*

The credit loss allowance for trade receivables, other receivables and amounts due from related parties are based on assumptions about the expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

*Useful lives of property, plant and equipment, right-of-use assets and intangible assets*

Our management determines the estimated useful lives and the depreciation/amortization method in determining the related charges for its property, plant and equipment, right-of-use assets and intangible assets. This estimate is referenced to useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. The carrying amount of property, plant and equipment at December 31, 2022, 2023, 2024 and May 31, 2025 is approximately RMB6,394.2 million, RMB6,686.1 million, RMB9,152.5 million and RMB10,742.0 million, respectively, as disclosed in Note 15 of the Accountants' Report in Appendix I to this prospectus. The carrying amount of right-of-use assets at December 31, 2022, 2023, 2024 and May 31, 2025 is approximately RMB2,262.7 million, RMB2,233.2 million, RMB928.6 million and RMB1,083.7 million, respectively, as disclosed in Note 16 of the Accountants' Report in Appendix I to this prospectus. The carrying amount of intangible assets at December 31, 2022, 2023, 2024 and May 31, 2025 is approximately RMB3,359.8 million, RMB3,288.5 million, RMB3,217.7 million and RMB3,187.9 million, respectively, as disclosed in Note 17 of the Accountants' Report in Appendix I to this prospectus.

## DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our results of operations in absolute amounts and as a percentage of revenue for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Revenue** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |
| Cost of sales | (11,448.6) | (84.9) | (11,478.4) | (83.1) | (10,886.7) | (71.8) | (4,242.9) | (72.1) | (5,780.9) | (80.1) |
| **Gross profit** | **2,041.1** | **15.1** | **2,336.3** | **16.9** | **4,276.5** | **28.2** | **1,640.3** | **27.9** | **1,432.7** | **19.9** |
| Other income | 93.5 | 0.7 | 97.9 | 0.7 | 55.2 | 0.4 | 19.8 | 0.3 | 22.8 | 0.3 |
| Other expenses | (7.5) | (0.1) | (20.9) | (0.1) | (11.2) | (0.1) | (2.5) | (0.0) | (6.9) | (0.1) |
| Listing expenses | – | – | – | – | (16.4) | (0.1) | – | – | (4.7) | (0.1) |
| Other gains and losses | 206.0 | 1.5 | 5.2 | 0.0 | 18.5 | 0.1 | 10.8 | 0.2 | 6.9 | 0.1 |

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Selling and marketing expenses | (2.8) | (0.0) | (0.3) | (0.0) | (0.6) | (0.0) | (0.1) | (0.0) | (0.9) | (0.0) |
| Administrative expenses | (218.6) | (1.5) | (206.0) | (1.5) | (279.0) | (1.9) | (101.2) | (1.7) | (145.6) | (2.0) |
| Impairment losses (gains) under expected credit loss model, net of reversal | (2.1) | (0.0) | (0.0) | (0.0) | 0.4 | 0.0 | 0.4 | 0.0 | 0.8 | 0.0 |
| Share of results of joint ventures | – | – | – | – | (0.9) | (0.0) | – | – | (7.0) | (0.1) |
| Finance costs | (1,061.9) | (7.9) | (939.7) | (6.8) | (761.6) | (5.0) | (366.5) | (6.2) | (262.4) | (3.6) |
| **Profit before tax** | **1,047.7** | **7.8** | **1,272.5** | **9.2** | **3,280.9** | **21.6** | **1,201.1** | **20.4** | **1,035.6** | **14.3** |
| Income tax expenses | (134.8) | (1.0) | (191.9) | (1.4) | (651.4) | (4.3) | (201.6) | (3.4) | (180.2) | (2.5) |
| **Profit and total comprehensive income for the year/period** | **912.9** | **6.8** | **1,080.6** | **7.8** | **2,629.5** | **17.3** | **999.4** | **17.0** | **855.5** | **11.9** |
| Profit and total comprehensive income for the year/period attributable to: | | | | | | | | | | |
| Owners of the Company | 881.3 | 6.5 | 1,003.5 | 7.2 | 2,056.2 | 13.6 | 879.9 | 15.0 | 756.0 | 10.5 |
| Non-controlling interests | 31.6 | 0.3 | 77.1 | 0.6 | 573.3 | 3.7 | 119.5 | 2.0 | 99.5 | 1.4 |

## Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use EBITDA (*Non-IFRS measure*) as an additional financial measure, which is not required by or presented in accordance with IFRS. We believe that this Non-IFRS measure facilitates comparisons of operating performance from period to period and company to company. We believe that this Non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of EBITDA (*Non-IFRS measure*) may not be comparable to similarly titled measures presented by other companies. The use of such Non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define EBITDA (*Non-IFRS measure*) as profit and total comprehensive income for the year adjusted for (i) depreciation of property, plant and equipment, (ii) depreciation of right-of-use assets, (iii) amortization of intangible assets, (iv) net finance costs, and (v) income tax expenses. The following table reconciles EBITDA (*Non-IFRS measure*) to our profit and total comprehensive income for the year presented in accordance with IFRS for the years indicated:

| | Year ended December 31, | | | Five months ended May 31, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | | *(RMB in millions)* | | |
| | | | | *(unaudited)* | |
| **Reconciliation of profit and total comprehensive income for the year to EBITDA *(Non-IFRS measure)*** | | | | | |
| Profit for the year | 912.9 | 1,080.6 | 2,629.5 | 999.4 | 855.5 |
| Add: | | | | | |
| – Depreciation of property, plant and equipment | 462.6 | 546.9 | 617.1 | 233.1 | 323.5 |
| – Depreciation of right-of-use assets | 201.8 | 162.8 | 71.4 | 52.5 | 18.0 |
| – Amortization of intangible assets | 75.0 | 71.3 | 71.6 | 29.7 | 29.8 |
| – Net finance costs | 971.8 | 890.8 | 743.1 | 357.2 | 260.4 |
| – Income tax expenses | 134.8 | 191.9 | 651.4 | 201.6 | 180.2 |
| **EBITDA *(Non-IFRS measure)*** | **2,758.9** | **2,944.3** | **4,784.1** | **1,873.5** | **1,667.4** |

### Revenue

Our total revenue increased by 2.4% from RMB13,489.7 million in 2022 to RMB13,814.7 million in 2023 and increased by 9.8% from RMB13,814.7 million in 2023 to RMB15,163.2 million in 2024. Our revenue further increased by 22.6% from RMB5,883.2 million in the five months ended May 31, 2024 to RMB7,213.5 million in the same period of 2025.

During the Track Record Period, we generated revenue from the sales of (i) electrolytic aluminum; (ii) alumina and other related types of products; and (iii) others, mainly including scrap and other materials, electricity and steam supply. During the Track Record Period, we generated revenue primarily from electrolytic aluminum. Our revenue from electrolytic aluminum amounted to RMB12,881.9 million, RMB12,502.3 million, RMB12,883.7 million, RMB5,276.0 million and RMB5,523.2 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively, accounting for 95.5%, 90.5%, 85.0%, 89.7% and 76.6% of our total revenue in the same respective periods.

The following table sets forth a breakdown of our revenue by product in absolute amount and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum | 12,881.9 | 95.5 | 12,502.3 | 90.5 | 12,883.7 | 85.0 | 5,276.0 | 89.7 | 5,523.2 | 76.6 |
| – Liquid aluminum | 363.2 | 2.7 | 10,841.4 | 78.5 | 11,579.7 | 76.4 | 5,276.0 | 89.7 | 4,305.5 | 59.7 |
| – Aluminum ingots | 12,518.7 | 92.8 | 1,660.9 | 12.0 | 1,304.0 | 8.6 | – | – | 1,217.7 | 16.9 |
| Alumina and other related types of products | 270.6 | 2.0 | 977.4 | 7.1 | 1,849.5 | 12.2 | 449.5 | 7.6 | 1,523.7 | 21.1 |
| – Alumina(1) | 68.1 | 0.5 | 626.6 | 4.6 | 1,647.8 | 10.9 | 408.4 | 6.9 | 1,338.6 | 18.6 |
| – Other related types of products(2) | 202.5 | 1.5 | 350.8 | 2.5 | 201.7 | 1.3 | 41.1 | 0.7 | 185.1 | 2.6 |
| Others(3) | 337.2 | 2.5 | 335.0 | 2.4 | 430.0 | 2.8 | 157.7 | 2.7 | 166.6 | 2.3 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

*Notes:*

(1) Most of our alumina produced was used for the production of electrolytic aluminum.

(2) Mainly include aluminum hydroxide.

(3) Mainly include scrap and other materials, electricity and steam supply.

Our revenue from aluminum ingots increased significantly from nil in the five months ended May 31, 2024 to RMB1,217.7 million in the same period of 2025, primarily due to (i) our increase in sales of aluminum ingots to independent third parties. Such customers were primarily existing customers; and (ii) our decrease in sales of liquid aluminum to related parties to reduce the proportion of connected transactions. Our revenue from alumina increased significantly from RMB408.4 million in the five months ended May 31, 2024 to RMB1,338.6 million in the same period of 2025, primarily due to our increase in sales of alumina to independent third parties as we increased our procurement of high-lithium salt alumina externally for our aluminum smelting to optimize electrolyte composition, which improves electrolysis efficiency and extends the lifespan of our electrolyzers.

The following table sets forth a breakdown of our revenue by related parties and third parties in absolute amount and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Related parties[(1)] | 76.8 | 0.6 | 10,942.8 | 79.2 | 11,611.0 | 76.6 | 5,290.1 | 89.9 | 4,317.7 | 59.9 |
| Third parties | 13,412.9 | 99.4 | 2,871.9 | 20.8 | 3,552.2 | 23.4 | 593.1 | 10.1 | 2,895.8 | 40.1 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

*Note:*

(1) See Note 41 of the Accountants' Report in Appendix I to this prospectus for details of related parties.

The following table sets forth a breakdown of our revenue by aluminum alloy manufacturers and traders in absolute amount and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Aluminum alloy manufacturers | 3,008.3 | 22.3 | 12,251.4 | 88.7 | 13,573.7 | 89.5 | 5,664.8 | 96.3 | 6,199.5 | 85.9 |
| Traders | 12,251.4 | 77.7 | 1,563.3 | 11.3 | 1,589.5 | 10.5 | 218.4 | 3.7 | 1,014.0 | 14.1 |
| **Total** | **13,489.7** | **100.0** | **13,814.7** | **100.0** | **15,163.2** | **100.0** | **5,883.2** | **100.0** | **7,213.5** | **100.0** |

The following table sets forth the revenue, sales volume and ASP of our major products for the years indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) |
| | *(kt)* | *(RMB in millions)* | *(RMB/ton)* | *(kt)* | *(RMB in millions)* | *(RMB/ton)* | *(kt)* | *(RMB in millions)* | *(RMB/ton)* | *(kt)* | *(RMB in millions)* | *(RMB/ton)* | *(kt)* | *(RMB in millions)* | *(RMB/ton)* |
| Electrolytic Aluminum | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Liquid aluminum | 19.0 | 363.2 | 19,110.5 | 671.3 | 10,841.4 | 16,148.8 | 679.0 | 11,579.7 | 17,053.6 | 315.4 | 5,276.0 | 16,725.6 | 243.6(3) | 4,305.5 | 17,675.3 |
| – Aluminum ingots | 714.1 | 12,518.7 | 17,530.1 | 101.7 | 1,660.9 | 16,331.4 | 73.6 | 1,304.0 | 17,717.4 | – | – | – | 68.5 | 1,217.7 | 17,777.5 |
| Alumina(2) | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |
| – Sales to independent third parties | 27.0 | 68.1 | 2,522.2 | 295.4 | 626.6 | 2,121.2 | 444.5 | 1,647.8 | 3,707.1 | 135.9 | 408.4 | 3,005.2 | 460.7 | 1,338.6 | 2,905.6 |
| – Intragroup sales | 679.3 | 1,706.8 | 2,512.7 | 1,268.3 | 3,166.3 | 2,496.5 | 1,095.1 | 3,760.0 | 3,433.6 | 528.0 | 1,538.2 | 2,913.0 | 199.5 | 601.2 | 3,013.2 |

*Notes:*

(1) The ASP is calculated by dividing the revenue (excluding value-added tax) by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) The volume of our liquid aluminum sold decreased from 315.4 kt in the five months ended May 31, 2024 to 243.6 kt in the same period in 2025, primarily because we proactively increased the production and sales volume of aluminum ingots to independent third parties to further broaden our customer base, therefore leading to a decreased sales volume of liquid aluminum.

### *Product Prices during the Track Record Period*

We mainly determine the price of our electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market, which, as confirmed by CRU, indicates the market-assessed price of electrolytic aluminum traded in China and is the market price indicator typically used by market players in China. See "Business — Sales, Marketing and Customer Services — Pricing and Payment" and "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis."

During the Track Record Period, the ASP of our products fluctuated in line with the fluctuations in relevant market prices. Both the global market price of electrolytic aluminum and the market price of electrolytic aluminum in China decreased in 2023 from 2022, mainly due to the disruption arising from the Russia-Ukraine war, with Europe experiencing significant economic headwinds and China experiencing an economic slowdown. The market prices subsequently increased in 2024 as the global electrolytic aluminum market showed a deficit of 35 kt, and remained relatively stable in early 2025. Both the global market price of alumina and the market price of alumina in China remained relatively stable in 2022 and 2023, and subsequently surged in 2024 due to a global supply deficit mainly attributable to (i) several alumina production disruption incidents as several refineries in Australia, India and Brazil faced bauxite and energy supply constraints; (ii) temporary disruption to Guinea bauxite shipments; and (iii) China's persistent high demand for alumina. The market prices slightly decreased in early 2025 due to a shift in market balance from a deficit in 2024 to a surplus in 2025 mainly attributable to (i) the fact that most of the aforementioned disruptions seen in 2024 had been gradually resolved towards the end of 2025 and in early 2025; and (ii) new refinery capacity is expected to come online in 2025 and 2026. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" and "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis" for detailed analyses on the price changes of electrolytic aluminum and alumina. Similar to the market prices, the ASP of our electrolytic aluminum decreased in 2023 from 2022, subsequently increased in 2024 and remained relatively stable in early 2025. The ASP of our alumina remained relatively stable in 2022 and 2023, subsequently surged in 2024 and slightly decreased in early 2025.

During the Track Record Period, the ASP of our electrolytic aluminum products appeared to be slightly lower than the SHFE spot price. See "Industry Overview — Electrolytic Aluminum Analysis (Global and China) — Electrolytic Aluminum Price Analysis" for details. This discrepancy arises primarily because (i) our ASP excludes the 13% value-added tax, which is included in the SHFE spot price; and (ii) the SHFE spot price reflects solely aluminum ingot prices, whereas our ASP represents both aluminum ingots and liquid aluminum sold to customers. We mainly determine the price of electrolytic aluminum products with reference to the average price of electrolytic aluminum quoted on the website of Shanghai Metals Market as discussed above, and make adjustments taking into account the reasonable costs, such as the processing cost and transportation cost. Our liquid aluminum is typically priced lower than our aluminum ingot products due to the comparatively lower processing and transportation costs associated with selling liquid aluminum. According to CRU, the price of liquid aluminum is usually lower than aluminum ingots. This is mainly because liquid aluminum is directly released from the aluminum smelter without the need for further casting and cooling. In addition, its transportation range is limited due to the high temperature required during transportation. In contrast, aluminum ingots undergo processes such as cooling in molds at the production sites and provide greater market liquidity, justifying a higher price.

The ASP of our liquid aluminum products was higher than that of our aluminum ingot products in 2022. This is because we only sold a relatively small amount of liquid aluminum products in 2022, mostly were sold in the first quarter, whereas we sold a relatively large amount of aluminum ingot products throughout the year. In 2022, the market prices of electrolytic aluminum generally decreased throughout the year, as confirmed by CRU, resulting in the ASP of our liquid aluminum products being higher than that of our aluminum ingot products. Similarly, the ASP of our alumina products sold to independent third parties varied from the ASP of those sold intragroup in 2022, 2023 and 2024. This variance was primarily because we only sold a small amount of alumina products to independent third parties at limited times of 2022, 2023 and 2024. The market prices for alumina fluctuated within 2022 and 2023 and surged in 2024, resulting in the ASP of our alumina products sold to independent third parties differing from those sold intragroup.

During the Track Record Period, the ASP of our alumina products appeared to be slightly lower than the average market price of alumina, namely the CRU China alumina price, in China. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis." This discrepancy is primarily because (i) our ASP excludes the 13% value-added tax, which is included in the market average; and (ii) the CRU China alumina price averages alumina prices in multiple regions, including Henan, Shanxi, Guangxi, Guizhou and Shandong Provinces. According to CRU, the market prices in Shandong Province, where we sold most of our alumina products, differ from the average prices in other provinces tracked by CRU due to regional differences in production costs, transportation expenses as well as supply and demand dynamics. Market prices in Shandong Province are generally slightly lower than those in other provinces monitored by CRU China alumina price. This is mainly because Shandong Province is a key region for alumina production in China, resulting in a relatively more stable supply, lower transportation expenses due to proximity to alumina refineries, and lower production costs due to economies of scale.

The following table sets forth the revenue, sales volume and ASP of our sales by product type and by customer type (aluminum alloy manufacturers and traders) for the years indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic aluminum | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Aluminum alloy manufacturers | 147.5 | 2,573.5 | 17,447.5 | 695.2 | 11,231.3 | 16,155.7 | 696.3 | 11,888.7 | 17,073.4 | 315.4 | 5,276.0 | 16,725.6 | 293.1 | 5,183.2 | 17,684.1 |
| – Traders | 585.6 | 10,308.7 | 17,603.7 | 77.8 | 1,271.0 | 16,336.8 | 56.2 | 995.0 | 17,704.6 | – | – | – | 19.0 | 340.0 | 17,894.7 |
| Alumina(2) | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |
| – Aluminum alloy manufacturers | 704.4 | 1,769.5 | 2,512.1 | 1,531.8 | 3,699.1 | 2,414.9 | 1,425.4 | 5,028.7 | 3,527.9 | 608.5 | 1,780.7 | 2,926.3 | 474.4(3) | 1,430.4(3) | 3,015.2 |
| – Traders | 1.9 | 5.4 | 2,842.1 | 31.9 | 93.8 | 2,940.4 | 114.2 | 379.1 | 3,321.1 | 55.4 | 165.9 | 2,996.3 | 185.8(3) | 509.4(3) | 2,741.6(4) |

*Notes:*

(1) The ASP is calculated by dividing the revenue by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) In the five months ended May 31, 2025, to further optimize our revenue stream and cost structure, we actively expanded alumina sales to nearby customers, achieving increased sales volumes to trader customers. During the same time, we actively decreased the amount of intra-Group sales of alumina (which counted as sales to an aluminum alloy manufacturer) and procured more alumina for our electrolytic aluminum production from nearby suppliers.

(4) The ASP of alumina sold to aluminum alloy manufacturers decreased from RMB2,996.3 in the five months ended May 31, 2024 to RMB2,731.6 in the same period in 2025, primarily due to the dynamic changes in the market prices of alumina. The majority volume of alumina we sold to traders in the five months ended May 31, 2025 was sold after February 2025, where the market price of alumina decreased significantly from the peak in January 2025, according to CRU. In contrast, we sold alumina to traders throughout the five months ended May 31, 2024, during which the market price of alumina steadily increased, according to the same source.

The following table sets forth the revenue, sales volume and ASP by product type and by customer type (aluminum alloy manufacturers and traders) for the years indicated:

| | Year ended December 31, | | | | | | | | | Five months ended May 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | 2023 | | | 2024 | | | 2024 | | | 2025 | | |
| | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) | Volume | Revenue | ASP(1) |
| | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* | *(kt)* | *(RMB in million)* | *(RMB/ton)* |
| Electrolytic aluminum | 733.1 | 12,881.9 | 17,572.3 | 773.0 | 12,502.3 | 16,173.9 | 752.6 | 12,883.7 | 17,119.9 | 315.4 | 5,276.0 | 16,725.6 | 312.1 | 5,523.2 | 17,697.7 |
| – Connected persons | 4.4 | 74.1 | 16,840.9 | 674.6 | 10,892.9 | 16,147.2 | 679.1 | 11,580.3 | 17,052.4 | 315.4 | 5,276.0 | 16,725.6 | 243.6(4) | 4,305.5 | 17,675.3 |
| – Independent Third Parties | 728.7 | 12,807.8 | 17,576.2 | 98.4 | 1,609.4 | 16,355.7 | 73.5 | 1,303.4 | 17,733.3 | – | – | – | 68.5 | 1,217.7 | 17,777.5 |
| Alumina(2)(3) | 706.3 | 1,774.9 | 2,513.0 | 1,563.7 | 3,792.9 | 2,425.6 | 1,539.6 | 5,407.8 | 3,512.5 | 663.9 | 1,946.6 | 2,932.1 | 660.2 | 1,939.8 | 2,938.2 |

*Notes:*

(1) The ASP is calculated by dividing the revenue by volume in the indicated period.

(2) Including the volume and revenue for intra-Group sales of alumina. In 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, the volume of alumina we sold intra-Group amounted to 679.3 kt, 1,268.3 kt, 1,095.1 kt, 528.0 kt and 199.5 kt, respectively, generating revenue of RMB1,706.8 million, RMB3,166.3 million, RMB3,760.0 million, RMB1,538.2 million and RMB601.2 million, respectively.

(3) Except for intra-Group sales of alumina, substantially all of our revenue from alumina and related types of products was generated from Independent Third Parties during the Track Record Period.

(4) The volume of our electrolytic aluminum sold to connected persons, which is all liquid aluminum, decreased from 315.4 kt in the five months ended May 31, 2024 to 243.6 kt in the same period in 2025, primarily because we proactively increased the production and sales volume of aluminum ingots to independent third parties to further broaden our customer base, therefore leading to a decreased sales volume of liquid aluminum sold to connected persons.

## Cost of Sales

Our cost of sales was RMB11,448.6 million, RMB11,478.4 million, RMB10,886.7 million, RMB4,242.9 million and RMB5,780.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily comprised (i) the cost of raw materials, mainly representing the procurement costs for coal, bauxite, carbon anode, alumina and other raw materials; (ii) the cost of outsourced electricity; (iii) depreciation; and (iv) staff costs.

The following table sets forth a breakdown of our cost of sales by product in absolute amount and as a percentage of our total cost of sales for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum | 11,144.6 | 97.3 | 10,472.6 | 91.2 | 9,414.5 | 86.5 | 3,829.5 | 90.3 | 4,213.1 | 72.9 |
| Alumina and other related types of products | 253.6 | 2.2 | 916.5 | 8.0 | 1,269.9 | 11.7 | 342.2 | 8.1 | 1,490.6 | 25.8 |
| Others[1] | 50.4 | 0.5 | 89.3 | 0.8 | 202.3 | 1.8 | 71.2 | 1.6 | 77.2 | 1.3 |
| **Total** | **11,448.6** | **100.0** | **11,478.4** | **100.0** | **10,886.7** | **100.0** | **4,242.9** | **100.0** | **5,780.9** | **100.0** |

*Note:*

(1) Mainly include scrap and other materials, electricity and steam supply.

The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of the total cost of sales for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Raw materials[1] | | | | | | | | | | |
| Coal | 3,122.1 | 27.3 | 3,106.9 | 27.1 | 2,639.6 | 24.2 | 1,071.7 | 25.3 | 988.4 | 17.1 |
| Bauxite | 907.2 | 7.9 | 2,401.4 | 20.9 | 2,790.2 | 25.6 | 1,066.4 | 25.1 | 1,774.4 | 30.7 |
| Carbon anode | 2,122.3 | 18.5 | 1,680.1 | 14.6 | 1,254.5 | 11.5 | 534.4 | 12.6 | 581.0 | 10.1 |
| Alumina | 2,302.3 | 20.1 | 877.4 | 7.6 | 783.0 | 7.2 | 219.8 | 5.2 | 795.7 | 13.8 |
| Other materials[2] | 476.0 | 4.2 | 770.0 | 6.7 | 484.0 | 4.5 | 204.8 | 4.8 | 214.2 | 3.7 |
| Electricity (outsourcing) | 881.3 | 7.7 | 918.5 | 8.0 | 874.5 | 8.0 | 356.9 | 8.4 | 365.1 | 6.3 |
| Depreciation | 711.6 | 6.2 | 735.4 | 6.4 | 643.3 | 5.9 | 255.0 | 6.0 | 336.8 | 5.8 |
| Staff cost | 333.4 | 2.9 | 309.5 | 2.7 | 347.2 | 3.2 | 142.4 | 3.4 | 148.6 | 2.6 |
| Others[3] | 592.5 | 5.2 | 679.1 | 6.0 | 1,070.4 | 9.9 | 391.5 | 9.2 | 576.7 | 9.9 |
| **Total** | **11,448.6** | **100.0** | **11,478.4** | **100.0** | **10,886.7** | **100.0** | **4,242.9** | **100.0** | **5,780.9** | **100.0** |

*Notes:*

(1) Carbon anodes, coal and alumina are raw materials used to produce electrolytic aluminum. Bauxite is the raw material to produce alumina.

(2) Mainly include steam, liquid alkali and aluminum fluoride.

(3) Mainly include equipment costs, maintenance costs and environmental protection costs.

### Gross Profit and Gross Profit Margin

We had gross profit of RMB2,041.1 million, RMB2,336.3 million, RMB4,276.5 million, RMB1,640.3 million and RMB1,432.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our gross profit margin was 15.1%, 16.9%, 28.2%, 27.9% and 19.9% in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum[(1)] | 1,737.3 | 13.5 | 2,029.7 | 16.2 | 3,469.2 | 26.9 | 1,446.5 | 27.4 | 1,310.1 | 23.7 |
| – Liquid aluminum | 83.5 | 23.0 | 1,783.3 | 16.4 | 3,149.7 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| – Aluminum ingots | 1,653.8 | 13.2 | 246.4 | 14.8 | 319.5 | 24.5 | – | – | 267.0 | 21.9 |
| Alumina and other related types of products | 17.0 | 6.3 | 60.9 | 6.2 | 579.6 | 31.3 | 107.3 | 23.9 | 33.1 | 2.2 |
| – Alumina | (0.1) | (0.1) | 40.7 | 5.7 | 511.4 | 31.0 | 97.2 | 23.8 | 36.6 | 2.7 |
| – Other related types of products[(2)] | 17.1 | 8.4 | 20.2 | 7.8 | 68.2 | 33.8 | 10.1 | 24.6 | (3.5) | (1.9) |
| Others[(3)] | 286.8 | 85.1 | 245.7 | 73.3 | 227.7 | 53.0 | 86.5 | 54.9 | 89.5 | 53.7 |
| **Total** | **2,041.1** | **15.1** | **2,336.3** | **16.9** | **4,276.5** | **28.2** | **1,640.3** | **27.9** | **1,432.7** | **19.9** |

*Notes:*

(1) The amounts represent the gross profit and gross profit margin corresponding to sales to external customers for each product. For alumina sold intra-Group, we use it to produce electrolytic aluminum further sold to customers. Therefore, the gross margin corresponding to the intra-Group sales of alumina was absorbed in the gross profit of the sales of electrolytic aluminum.

(2) Mainly include aluminum hydroxide.

(3) Mainly include scrap and other materials, electricity and steam supply.

The following table sets forth a breakdown of our gross profit and gross profit margin by aluminum alloy manufacturers and traders for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | *(RMB in millions, except for percentages)* | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum[(1)] | 1,737.3 | 13.5 | 2,029.7 | 16.2 | 3,469.2 | 26.9 | 1,446.5 | 27.4 | 1,310.1 | 23.7 |
| – Aluminum alloy manufacturers | 331.3 | 12.9 | 1,812.8 | 16.1 | 3,221.3 | 27.1 | 1,446.5 | 27.4 | 1,236.7 | 23.9 |
| – Traders | 1,406.0 | 13.6 | 216.9 | 17.1 | 247.9 | 24.9 | – | – | 73.4 | 21.6 |
| Alumina and other related types of products | 17.0 | 6.3 | 60.9 | 6.2 | 579.6 | 31.3 | 107.3 | 23.9 | 33.1 | 2.2 |
| – Aluminum alloy manufacturers | 10.4 | 7.5 | 36.7 | 5.2 | 421.9 | 32.4 | 61.6 | 24.2 | 33.6 | 3.9 |
| – Traders | 6.6 | 5.0 | 24.1 | 8.8 | 157.7 | 28.9 | 45.7 | 23.5 | (0.5) | (0.1) |
| Others[(2)] | 286.8 | 85.1 | 245.7 | 73.3 | 227.7 | 53.0 | 86.5 | 54.9 | 89.5 | 53.7 |
| **Total** | 2,041.1 | 15.1 | 2,336.3 | 16.9 | 4,276.5 | 28.2 | 1,640.3 | 27.9 | 1,432.7 | 19.9 |

*Notes:*

(1) The amounts represent the gross profit and gross profit margin corresponding to sales to external customers for each product. For alumina sold intra-Group, we use it to produce electrolytic aluminum further sold to customers. Therefore, the gross margin corresponding to the intra-Group sales of alumina was absorbed in the gross profit of the sales of electrolytic aluminum.

(2) Mainly include scrap and other materials, electricity and steam supply.

The following table sets forth a breakdown of our gross profit and gross profit margin by connected persons and Independent Third Parties for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | *(RMB in millions, except for percentages)* | | | | | | *(unaudited)* | | | |
| Electrolytic aluminum[(1)] | 1,737.3 | 13.5 | 2,029.7 | 16.2 | 3,469.2 | 26.9 | 1,446.5 | 27.4 | 1,310.1 | 23.7 |
| – Connected persons | 7.6 | 10.2 | 1,789.2 | 16.4 | 3,149.9 | 27.2 | 1,446.5 | 27.4 | 1,043.1 | 24.2 |
| – Independent Third Parties | 1,729.7 | 13.5 | 240.5 | 14.9 | 319.3 | 24.5 | – | – | 267.0 | 21.9 |
| Alumina and other related types of products[(2)] | 17.0 | 6.3 | 60.9 | 6.2 | 579.6 | 31.3 | 107.3 | 23.9 | 33.1 | 2.2 |
| Others[(3)] | 286.8 | 85.1 | 245.7 | 73.3 | 227.7 | 53.0 | 86.5 | 54.9 | 89.5 | 53.7 |
| **Total** | 2,041.1 | 15.1 | 2,336.3 | 16.9 | 4,276.5 | 28.2 | 1,640.3 | 27.9 | 1,432.7 | 19.9 |

*Notes:*

(1) The amounts represent the gross profit and gross profit margin corresponding to sales to external customers for each product. For alumina sold intra-Group, we use it to produce electrolytic aluminum further sold to customers. Therefore, the gross margin corresponding to the intra-Group sales of alumina was absorbed in the gross profit of the sales of electrolytic aluminum.

(2) Our gross profit from alumina and related types of products was generated solely from third parties during the Track Record Period.

(3) Mainly include scrap and other materials, electricity and steam supply.

## Other Income

We had other income of RMB93.5 million, RMB97.9 million, RMB55.2 million, RMB19.8 million and RMB22.8 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our other income primarily consisted of (i) rental income, mainly related to the lending of our equipment; (ii) interest income, representing bank deposits and amounts due from independent third parties, mainly representing the interests on our loans to third parties; (iii) government grants; and (iv) others.

The following table sets forth a breakdown of our other income in absolute amount and as a percentage of our total other income for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Rental income | – | – | 37.9 | 38.7 | 26.5 | 48.0 | 8.5 | 42.9 | 12.7 | 55.7 |
| Interest income: | | | | | | | | | | |
| Bank deposits | 85.4 | 91.3 | 44.7 | 45.7 | 13.3 | 24.1 | 7.5 | 37.9 | 2.0 | 8.8 |
| Amounts due from independent third parties[(1)] | 4.7 | 5.0 | 4.2 | 4.3 | 5.2 | 9.4 | 1.8 | 9.1 | – | – |
| Government grants | 3.0 | 3.2 | 4.2 | 4.3 | 4.7 | 8.5 | 1.6 | 8.1 | 7.2 | 31.6 |
| Others | 0.4 | 0.5 | 6.9 | 7.0 | 5.5 | 10.0 | 0.4 | 2.0 | 0.9 | 3.9 |
| **Total** | **93.5** | **100.0** | **97.9** | **100.0** | **55.2** | **100.0** | **19.8** | **100.0** | **22.8** | **100.0** |

*Note:*

(1) As advised by our PRC Legal Advisor, our arrangements under amounts due from independent third parties may be deemed as a private lending to the independent third parties and the private lending violates the General Lending Provisions (《貸款通則》) promulgated by the PBOC in June 1996. However, as advised by our PRC Legal Advisor, as the latest Judicial Interpretation of Private Lending of the Supreme People's Court has confirmed the validity of the private loan under certain circumstances and our Company has not received any illegal income from the private lending, the risk of our Company being penalized by regulatory authorities under the General Lending Provisions is remote.

### Other Expenses

We had other expenses of RMB7.5 million, RMB20.9 million, RMB11.2 million, RMB2.5 million and RMB6.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our other expenses consisted of (i) depreciation of leased assets; and (ii) donation.

### Other Gains and Losses

We had net other gains of RMB206.0 million, RMB5.2 million, RMB18.5 million, RMB10.8 million and RMB6.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our other gains and losses primarily consisted of (i) gain on disposal of intangible assets, mainly representing the gain from the sales of our aluminum production quota; (ii) net gain on disposal of property, plant and equipment, mainly representing the loss from the disposal of certain production equipment; (iii) gain on disposal of derivative financial instruments, mainly relating to the futures products we held for the purposes of hedging the fluctuations in the market prices of aluminum ingots; and (iv) loss or gain on disposal of a subsidiary, mainly related to the disposal of a subsidiary as a result of our change in investment strategy.

The following table sets forth a breakdown of our other gains and losses in absolute amounts and as a percentage of our total other gains and losses for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Gain on disposal of intangible assets | 180.7 | 87.7 | – | – | – | – | – | – | – | – |
| Gain/(loss) on disposal of property, plant and equipment, net | 2.2 | 1.1 | 1.7 | 32.7 | 8.7 | 47.0 | 8.6 | 79.6 | (0.1) | (1.4) |
| Gain on disposal of derivative financial instruments | 23.7 | 11.5 | – | – | – | – | – | – | – | – |
| Realized gain from financial assets at FVTPL | 0.1 | 0.0 | 0.1 | 1.9 | – | – | – | – | 0.1 | 1.4 |
| (Loss)/gain on disposal of a subsidiary | – | – | – | – | (0.7) | (3.8) | – | – | 5.2 | 75.4 |
| Net foreign exchange (loss) gain | (0.1) | (0.0) | (0.0) | (0.0) | (0.3) | (1.6) | – | – | 0.5 | 7.2 |
| Fair value changes of financial assets at FVTPL | 0.0 | 0.0 | (0.0) | (0.0) | – | – | – | – | – | – |
| Others | (0.6) | (0.3) | 3.4 | 65.4 | 10.8 | 58.4 | 2.2 | 20.4 | 1.2 | 17.4 |
| **Total** | **206.0** | **100.0** | **5.2** | **100.0** | **18.5** | **100.0** | **10.8** | **100.0** | **6.9** | **100.0** |

### Selling and Marketing Expenses

We had selling and marketing expenses of RMB2.8 million, RMB0.3 million, RMB0.6 million, RMB0.1 million and RMB0.9 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. Our selling and marketing expenses primarily consisted of employee benefit expenses, amounting to RMB2.4 million, RMB0.2 million, RMB0.5 million, RMB0.1 million and RMB0.7 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively.

### Administrative Expenses

We had administrative expenses of RMB218.6 million, RMB206.0 million, RMB279.0 million, RMB101.2 million and RMB145.6 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our administrative expenses primarily consisted of (i) employee benefit expenses, mainly representing salaries, bonuses and other benefits relating to our administrative staff; (ii) taxes and surcharges; (iii) depreciation and amortization expenses, mainly representing the depreciation of our office buildings, office furniture and devices; (iv) professional fees, mainly representing the consultancy fees with respect to taxation and project development consultation; (v) repairs and maintenance; (vi) power and utilities; (vii) business development and travel expenses; (viii) bank and financial institution charges; and (ix) other expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Employee benefit expenses | 77.4 | 35.4 | 78.2 | 38.0 | 89.7 | 32.2 | 36.5 | 36.1 | 44.4 | 30.5 |
| Taxes and surcharges | 64.5 | 29.5 | 64.1 | 31.1 | 62.4 | 22.4 | 23.3 | 23.0 | 27.2 | 18.7 |
| Depreciation and amortization expenses | 19.2 | 8.8 | 15.7 | 7.6 | 14.1 | 5.1 | 5.8 | 5.7 | 10.5 | 7.2 |
| Professional fees | 18.3 | 8.4 | 13.1 | 6.4 | 8.1 | 2.9 | 4.2 | 4.2 | 7.3 | 5.0 |
| Repairs and maintenance | 1.6 | 0.7 | 4.4 | 2.1 | 6.3 | 2.3 | 2.5 | 2.4 | 4.2 | 2.9 |
| Power and utilities | 8.0 | 3.7 | 8.6 | 4.2 | 7.1 | 2.6 | 3.9 | 3.9 | 3.8 | 2.6 |
| Business development and travel expenses | 6.0 | 2.7 | 6.2 | 3.0 | 10.3 | 3.7 | 2.8 | 2.8 | 4.3 | 2.9 |
| Bank and financial institution charge | 0.2 | 0.1 | 2.1 | 1.0 | 3.0 | 1.1 | 2.5 | 2.4 | 5.8 | 4.0 |
| Other expenses[1] | 23.4 | 10.7 | 13.6 | 6.6 | 78.0 | 27.7 | 19.7 | 19.5 | 38.1 | 26.2 |
| **Total** | **218.6** | **100.0** | **206.0** | **100.0** | **279.0** | **100.0** | **101.2** | **100.0** | **145.6** | **100.0** |

*Note:*

(1) Mainly include handling fees, subsidies and expenses in joint research project.

**Finance Costs**

We had finance costs of RMB1,061.9 million, RMB939.7 million, RMB761.6 million, RMB366.5 million and RMB262.4 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, our finance costs primarily consisted of (i) interests on bank borrowings; (ii) interests on bills discounted; (iii) interest on payables for acquisition of aluminum production quota; (iv) interests on lease liabilities; (v) interest on amounts due to related parties; and (vi) interests on bank loans under supplier finance arrangements.

The following table sets forth a breakdown of our finance costs in absolute amount and as a percentage of our total finance costs for the years indicated:

| | Year ended December 31, | | | | | | Five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* | *Amount* | *%* |
| | *(RMB in millions, except for percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Interests on bank borrowings | 839.1 | 79.0 | 765.9 | 81.5 | 648.3 | 85.1 | 280.8 | 76.6 | 285.4 | 108.8 |
| Interests on bills discounted | 108.1 | 10.2 | 50.4 | 5.4 | 46.3 | 6.1 | 28.9 | 7.9 | 5.5 | 2.1 |
| Interests on payable for acquisition of aluminum production quota | 41.8 | 3.9 | 45.0 | 4.8 | 48.6 | 6.4 | 19.7 | 5.4 | 21.1 | 8.0 |
| Interests on lease liabilities | 69.9 | 6.6 | 45.1 | 4.8 | 17.5 | 2.3 | 16.3 | 4.5 | 1.7 | 0.6 |
| Interests on amounts due to related parties | 2.5 | 0.2 | 23.1 | 2.5 | 7.9 | 1.0 | 7.9 | 2.1 | – | – |
| Interests on bank loans under supplier finance arrangements[(1)] | – | – | 3.5 | 0.4 | 2.0 | 0.3 | 2.0 | 0.5 | 5.0 | 1.9 |
| Others | 0.5 | 0.1 | 6.7 | 0.6 | 10.8 | 1.4 | 10.9 | 3.0 | 1.5 | 0.6 |
| Less: amounts capitalized in the cost of qualifying assets | – | – | – | – | (19.8) | (2.6) | – | – | (57.8) | (22.0) |
| **Total** | **1,061.9** | **100.0** | **939.7** | **100.0** | **761.6** | **100.0** | **366.5** | **100.0** | **262.4** | **100.0** |

*Note:*

(1) We entered into certain supplier finance arrangements with banks in 2023 and 2024. The interest rates under such supplier finance arrangements range from 3.10%-3.80%. We entered into such supplier finance arrangements primarily due to their low interest rates, which can reduce our finance costs.

### Impairment Losses or Gains under Expected Credit Loss Model, Net of Reversal

We recorded impairment losses under expected credit loss model of RMB2.1 million and RMB14 thousand in 2022 and 2023, respectively. We recorded net impairment gains under expected credit loss model of RMB0.4 million, RMB0.4 million and RMB0.8 million in 2024 and the five months ended May 31, 2024 and 2025, respectively. Such impairment losses were primarily related to our receivables.

### Income Tax Expenses

We had income tax expenses of RMB134.8 million, RMB191.9 million, RMB651.4 million, RMB201.6 million and RMB180.2 million in 2022, 2023, 2024 and the five months ended May 31, 2024 and 2025, respectively. During the Track Record Period, one of our subsidiaries was subject to the applicable preferential income tax rate of 15%. While all other PRC entities, under the Law of PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, their tax rate is 25% during the Track Record Period. We are exempted from taxation under the laws of the Cayman Islands. During the Track Record Period, since we had no assessable profit subject to Hong Kong Profit Tax, no provision of Hong Kong Profit Tax was made. See Note 11 of the Accountants' Report in Appendix I to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC, and we were not aware of any outstanding or potential disputes with such tax authorities.

## PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

### Five Months Ended May 31, 2025 compared with Five Months Ended May 31, 2024

#### *Revenue*

Our revenue increased by 22.6% from RMB5,883.2 million in the five months ended May 31, 2024 to RMB7,213.5 million in the same period of 2025, primarily due to the increases in revenue from electrolytic aluminum as well as alumina and other related types of products.

***Electrolytic aluminum.*** Our revenue from electrolytic aluminum increased by 4.7% from RMB5,276.0 million in the five months ended May 31, 2024 to RMB5,523.2 million in the same period of 2025, primarily related to the increase in ASP of electrolytic aluminum, which was primarily due to the increase in average market price, driven by the increase in market demand and the slow down of market supply. The annual average SHFE cash price of electrolytic aluminum increased from RMB19,659 per ton in the five months ended May 31, 2024 to RMB20,270 per ton in the same period of 2025, according to CRU.

***Alumina and other related types of products.*** Our revenue from alumina and other related types of products increased significantly from RMB449.5 million in the five months ended May 31, 2024 to RMB1,523.7 million in the same period of 2025, primarily due to (i) an increase in production and sales volume of aluminum hydroxide in the five months ended May 31, 2025 compared to the same period of 2024; and (ii) an increase in the average market price of alumina, mainly as a result of the high alumina price in early 2025. The annual average of CRU China alumina price increased from approximately RMB3,393 per ton in the five months ended May 31, 2024 to approximately RMB3,517 per ton in the same period of 2025.

***Cost of Sales***

Our cost of sales increased by 36.2% from RMB4,242.9 million in the five months ended May 31, 2024 to RMB5,780.9 million in the five months ended May 31, 2025, primarily due to an increase in the costs of raw materials.

***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit decreased by 12.7% from RMB1,640.3 million in the five months ended May 31, 2024 to RMB1,432.7 million in the same period of 2025. Our gross profit margin decreased from 27.9% in the five months ended May 31, 2024 to 19.9% in the same period of 2025, primarily due to the increase in prices of certain raw materials.

***Electrolytic aluminum.*** The gross profit of our electrolytic aluminum decreased by 9.4% from RMB1,446.5 million in the five months ended May 31, 2024 to RMB1,310.1 million in the same period of 2025. The gross profit margin of our electrolytic aluminum decreased from 27.4% in the five months ended May 31, 2024 to 23.7% in the same period of 2025, primarily due to an increase in prices of certain key raw materials, in particular bauxite. The CRU China Bauxite price increased from approximately RMB528 per ton in the five months ended May 31, 2024 to approximately RMB720 per ton in the same period of 2025, according to CRU. The CRU China Bauxite price has increased in 2025, primarily due to (i) the strong demand for bauxite in alumina production in China; and (ii) the reliance on bauxite supply from Guinea in China. The market price of bauxite from Guinea was relatively high, mainly due to (i) the long shipping distance; (ii) the high bauxite quality; and (iii) the political and economic instability in Guinea. See "Industry Overview — Bauxite and Other Raw Material Analysis (Global and China) — Bauxite Price Analysis."

***Alumina and other related types of products.*** The gross profit of our alumina and other related types of products decreased by 69.2% from RMB107.3 million in the five months ended May 31, 2024 to RMB33.1 million in the same period of 2025. The gross profit margin of our alumina and other related types of products decreased from 23.9% in the five months ended May 31, 2024 to 2.2% in the same period of 2025, primarily due to (i) the increase in prices of certain key materials, in particular bauxite, while the increase in prices cannot be passed on to alumina customers, mainly as a result of the surplus in alumina supply in the market; and (ii) the decrease in market price of alumina in 2025. The CRU Global and China alumina prices declined sharply in 2025, primarily due to a change in market dynamic from supply deficit in 2024 to supply surplus in 2025. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis."

*Other Income*

Our other income increased by 15.2% from RMB19.8 million in the five months ended May 31, 2024 to RMB22.8 million in the same period of 2025, primarily due to (i) an increase in government grants, mainly related to the upgrade of our electrolyzers; and (ii) an increase in rental income, mainly due to our increased renting of certain equipment and plants in 2025.

*Other Expenses*

Our other expenses increased significantly from RMB2.5 million in the five months ended May 31, 2024 to RMB6.9 million in the same period of 2025, primarily due to an increase in depreciation of leased assets. See "— Other Income" for more details of the rental income.

*Other Gains and losses*

Our other gains decreased by 36.1% from RMB10.8 million in the five months ended May 31, 2024 to RMB6.9 million in the same period of 2025, primarily because we had net gain on disposal of property, plant and equipment of RMB8.6 million in the five months end May 31, 2024 compared to net loss on disposal of property, plant and equipment of RMB0.1 million in the same period of 2025, mainly as a result of the sales of equipment for the postprocessing of aluminum alloy in 2024. Such increase was partially offset by an increase in gain on disposal of a subsidiary from nil in the five months ended May 31, 2024 to RMB5.2 million in the same period of 2025, mainly as a result of our change in investment strategy.

*Selling and Marketing Expenses*

Our selling and marketing expenses increased from RMB0.1 million in the five months ended May 31, 2024 to RMB0.9 million in the same period of 2025, primarily as a result of the expansion of our sales and marketing team and an increase in average salaries of our sales and marketing staff to increase our efforts in the sales of alumina, aluminum hydroxide and aluminum ingots.

*Administrative Expenses*

Our administrative expenses increased by 43.9% from RMB101.2 million in the five months ended May 31, 2024 to RMB145.6 million in the same period of 2025, primarily due to (i) an increase in employee benefit expenses resulting from an increase in average salaries of our administrative staff; and (ii) an increase in other expenses, mainly due to our increased focus on the joint research project with a university in relation to the research and development of a system for the comprehensive reuse of red mud in the second half of 2024.

***Finance Costs***

Our finance costs decreased by 28.4% from RMB366.5 million in the five months ended May 31, 2024 to RMB262.4 million in the same period of 2025, primarily due to (i) a decrease in interests on bills discounted, mainly as a result of the decrease in bill discounting in 2025; (ii) a decrease in interests on lease liabilities, mainly as a result of our rental payments. See "— Indebtedness — Lease Liabilities;" and (iii) the recognition of amounts capitalized in the costs of qualifying assets of RMB57.8 million in the five months ended May 31, 2025 compared to nil in the same period of 2024, mainly because we had qualifying assets in relation to the construction of green power plants.

***Impairment Gains under Expected Credit Loss Model, Net of Reversal***

Our net reversal of impairment losses under expected credit loss model increased from RMB0.4 million in the five months ended May 31, 2024 to RMB0.8 million in the same period of 2025, primarily due to the improvement on our customer ratings and the recovery of long-aging receivables.

***Income Tax Expenses***

Our income tax expense decreased from RMB201.6 million in the five months ended May 31, 2024 to RMB180.2 million in the same period of 2025, primarily due to a decrease in our taxable income.

***Profit and Total Comprehensive Income for the Period***

As a result of the foregoing, our profit for the period decreased by 14.4% from RMB999.4 million in the five months ended May 31, 2024 to RMB855.5 million in the same period of 2025.

**Year ended December 31, 2024 Compared with Year ended December 31, 2023**

***Revenue***

Our revenue increased by 9.8% from RMB13,814.7 million in 2023 to RMB15,163.2 million in 2024, primarily due to increases in revenue from electrolytic aluminum as well as alumina and other related types of products.

***Electrolytic aluminum.*** Our revenue from electrolytic aluminum increased from RMB12,502.3 million in 2023 to RMB12,883.7 million in 2024, primarily related to the increase in ASP of electrolytic aluminum, which was primarily due to the increase in average market price, driven by the increase in market demand. The annual average SHFE cash price of electrolytic aluminum increased from RMB18,678 per ton in 2023 to RMB19,949 per ton in 2024, according to CRU.

***Alumina and other related types of products.*** Our revenue from alumina and other related types of products increased by 89.2% from RMB977.4 million in 2023 to RMB1,849.5 million in 2024, primarily due to (i) an increase in the average market prices of alumina, mainly as a result of the deficit in alumina supply. The annual average of CRU China alumina price increased from approximately RMB2,906 per ton in 2023 to approximately RMB4,030 per ton in 2024, according to CRU; and (ii) the increase in production and sales volume of alumina in 2024 compared to 2023.

***Cost of Sales***

Our cost of sales decreased by 5.2% from RMB11,478.4 million in 2023 to RMB10,886.7 million in 2024, primarily due to a decrease in the cost of raw materials.

***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit increased by 83.0% from RMB2,336.3 million in 2023 to RMB4,276.5 million in 2024. Our gross profit margin increased from 16.9% in 2023 to 28.2% in 2024, primarily because of (i) an increase in ASP of electrolytic aluminum and alumina, driven by the increase in their average market prices; and (ii) the decrease in price of certain raw materials.

***Electrolytic aluminum.*** The gross profit of our electrolytic aluminum increased by 70.9% from RMB2,029.7 million in 2023 to RMB3,469.2 million in 2024. The gross profit margin of our electrolytic aluminum increased from 16.2% in 2023 to 26.9% in the same period of 2024, primarily due to (i) an increase in ASP of electrolytic aluminum, which was primarily driven by an increase in market price of electrolytic aluminum, driven by the increase in market demand. The annual average of the SHFE cash price of electrolytic aluminum increased from RMB18,678 per ton in 2023 to RMB19,949 per ton in 2024, according to CRU; and (ii) a decrease in price of certain key raw materials, including coal and carbon anodes. Our costs of coal decreased by 15.0% from RMB3,106.9 million in 2023 to RMB2,639.6 million in 2024, primarily due to a decrease in the market prices of coal. The annual average of the CRU CFR South China coal price decreased from RMB801 per ton in 2023 to RMB735 per ton in 2024, according to CRU. Our cost of carbon anodes decreased by 25.3% from RMB1,680.1 million in 2023 to RMB1,254.5 million in 2024, primarily due to a decrease in the market prices of carbon anodes. The annual average CRU China carbon anode price decreased from RMB5,156 per ton in 2023 to RMB4,114 per ton in 2024, according to CRU.

***Alumina and other related types of products.*** The gross profit of our alumina and other related types of products increased significantly from RMB60.9 million in 2023 to RMB579.6 million in 2024. The gross profit margin of alumina and other related types of products increased significantly from 6.2% in 2023 to 31.3% in 2024, primarily related to an increase in ASP of alumina, which was primarily due to the increase in market prices of alumina, mainly as a result of the deficit in alumina supply. The deficit in alumina supply was attributable to (i) several alumina production disruption incidents as several refineries in Australia, India and Brazil faced bauxite and energy supply constraints; (ii) temporary disruption to Guinea bauxite shipments as discussed above; and (iii) China's persistent high demand for alumina as its electrolytic aluminum production reached a new high in 2024. See "Industry Overview — Alumina Analysis (Global and China) — Alumina Price Analysis."

*Other Income*

Our other income decreased by 43.6% from RMB97.9 million in 2023 to RMB55.2 million in 2024, primarily due to (i) a decrease in our interest income from bank deposits, in line with a decrease in our restricted bank deposits. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Restricted Bank Deposits;" and (ii) a decrease in our rental income after selling certain equipment in 2024 which generated rental income in 2023.

*Other Expenses*

Our other expenses decreased by 46.4% from RMB20.9 million in 2023 to RMB11.2 million in 2024, primarily due to a decrease in depreciation of leased assets. See "— Other Income" for details of changes in rental income.

*Other Gains and Losses*

Our other gains increased significantly from RMB5.2 million in 2023 to RMB18.5 million in 2024, primarily due to an increase in gains from disposal of property, plant and equipment, mainly as a result of the sales of equipment for the post-processing of aluminum alloy in 2024.

*Selling and Marketing Expenses*

Our selling and marketing expenses increased from RMB0.3 million in 2023 to RMB0.6 million in 2024, primarily as a result of the expansion of our sales and marketing team and an increase in average salaries of our sales and marketing staff to increase our efforts in the sales of aluminum ingots.

*Administrative Expenses*

Our administrative expenses increased by 35.4% from RMB206.0 million in 2023 to RMB279.0 million in 2024, primarily due to (i) an increase in employee benefit expenses resulting from an increase in average salaries of our administrative staff; and (ii) an increase in other expenses, mainly related to the joint research project with a university in relation to the research and development of a system for the comprehensive reuse of red mud. See "Business — Our Production — Our Green Production."

*Finance Costs*

Our finance costs decreased by 19.0% from RMB939.7 million in 2023 to RMB761.6 million in 2024, primarily due to (i) a decrease in interests on bank borrowings, mainly as a result of the change in our borrowing structure. See "— Indebtedness — Bank and Other Borrowings;" and (ii) a decrease in interests on lease liabilities, mainly as a result of the termination of certain finance lease arrangements. See "— Indebtedness — Lease Liabilities."

*Impairment Losses or Gains under Expected Credit Loss Model, Net of Reversal*

We recorded impairment losses under expected credit loss model of RMB14 thousand in 2023 and impairment gains under expected credit loss model of RMB0.4 million in 2024, mainly due to a decrease in amount due from Innovation Group, mainly as a result of the offset of considerations among related parties as part of the Reorganization.

*Income Tax Expense*

Our income tax expense increased significantly from RMB191.9 million in 2023 to RMB651.4 million in 2024, primarily due to a significant increase in our taxable income. See Note 11 of the Accountants' Report in Appendix I to this prospectus.

*Profit and Total Comprehensive Income for the Period*

As a result of the foregoing, our profit for the period increased significantly from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024.

**Year ended December 31, 2023 Compared with Year ended December 31, 2022**

*Revenue*

Our revenue remained relatively stable at RMB13,489.7 million in 2022 and RMB13,814.7 million in 2023, primarily due to an increase in revenue from alumina and other related types of products, partially offset by a decrease in revenue from electrolytic aluminum products.

***Electrolytic aluminum.*** Our revenue from electrolytic aluminum slightly decreased from RMB12,881.9 million in 2022 to RMB12,502.3 million in 2023, primarily related to the decrease in ASP of electrolytic aluminum, which was primarily due to the decrease in average market price, driven by the slowdown of growth in market demand. The annual average SHFE cash price of electrolytic aluminum decreased from RMB19,945 per ton in 2022 to RMB18,678 per ton in 2023, according to CRU.

***Alumina and other related types of products.*** Our revenue from alumina and other related types of products increased significantly from RMB270.6 million in 2022 to RMB977.4 million in 2023, primarily due to the expansion of production capacity of our alumina and other related types of products because (i) we commenced the operation of a new production line for alumina in 2023; and (ii) the capacity utilization of our alumina refinery increased in 2023.

*Cost of Sales*

Our cost of sales remained relatively stable at RMB11,448.6 million in 2022 and RMB11,478.4 million in 2023.

***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit increased by 14.5% from RMB2,041.1 million in 2022 to RMB2,336.3 million in 2023 at a pace exceeding many of our peers. Our gross profit margin increased from 15.1% in 2022 to 16.9% in 2023, primarily due to a decrease in market price of certain key raw materials.

***Electrolytic aluminum.*** The gross profit of our electrolytic aluminum increased by 16.8% from RMB1,737.3 million in 2022 to RMB2,029.7 million in 2023. The gross profit margin of our electrolytic aluminum increased from 13.5% in 2022 to 16.2% in 2023, primarily due to a decrease in market price of certain key raw materials, including alumina and carbon anode. Our cost of alumina decreased significantly from RMB2,302.3 million in 2022 to RMB877.4 million in 2023, primarily due to an expanded production capacity of our self-supplied alumina, reducing the needs for alumina procurement from third parties. The production volume of alumina increased from 706.2 kt in 2022 to 1,546.1 kt in 2023. See "Business — Our Production — Our Production Capabilities." Our costs of carbon anodes decreased by 20.8% from RMB2,122.3 million in 2022 to RMB1,680.1 million in 2023, primarily due to a decrease in the market prices of carbon anodes. The annual average of the CRU China carbon anode price decreased from RMB6,799 per ton in 2022 to RMB5,156 per ton in 2023, according to CRU.

***Alumina and other related types of products.*** The gross profit of our alumina and other related types of products increased significantly from RMB17.0 million in 2022 to RMB60.9 million in 2023. The gross profit margin of our alumina and other related types of products remained relatively stable at 6.3% in 2022 and 6.2% in 2023. We had gross loss margin of alumina of 0.1% in 2022, compared to gross profit margin of alumina of 5.7% in 2023, primarily due to the high market prices of certain key raw materials, including coal and caustic soda, in 2022. For example, the annual average of the CRU CFR South China coal price decreased from RMB1,124 per ton in 2022 to RMB801 per ton in 2023, according to CRU. The caustic soda delivered price decreased from RMB3,645.3 per ton in 2022 to RMB2,886.9 per ton in 2023, according to CRU.

***Other Income***

Our other income increased by 4.7% from RMB93.5 million in 2022 to RMB97.9 million in 2023, primarily due to an increase in rental income from nil in 2022 to RMB37.9 million in 2023 as we rented out certain equipment and plants in 2023. Such increases were offset by a decrease in interest income from bank deposits, in line with a decrease in our restricted bank deposits. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Restricted Bank Deposits."

***Other Expenses***

Our other expenses increased significantly from RMB7.5 million in 2022 to RMB20.9 million in 2023, primarily due to an increase in depreciation of leased assets. See "— Other Income" for details of the rental income.

***Other Gains***

Our other gains decreased significantly from RMB206.0 million in 2022 to RMB5.2 million in 2023, primarily because we had gain on disposal of intangible assets in 2022, related to the selling of our electrolytic aluminum production quota to other companies in 2022 to better align our total electrolytic aluminum production quota with our electrolytic aluminum capacity. As the electrolytic production quota we obtained was higher than the actual production capacity of our production base, we sold the surplus production quota to obtain additional capital. See "Business — Our Production — Our Production Capabilities."

***Selling and Marketing Expenses***

Our selling and marketing expenses decreased significantly from RMB2.8 million in 2022 to RMB0.3 million in 2023, reflecting decreases in employee benefit expenses and business development expenses, mainly because we increased our sales to Innovation New Material which required less sales and marketing activities. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence — Sales of electrolytic aluminum in liquid form to Innovation New Material."

***Administrative Expenses***

Our administrative expenses remained relatively stable at RMB218.6 million in 2022 and RMB206.0 million in 2023.

***Finance Costs***

Our finance costs decreased by 11.5% from RMB1,061.9 million in 2022 to RMB939.7 million in 2023, primarily due to (i) a decrease in interests on bank borrowing, mainly we continue to repay bank borrowings. See "— Indebtedness — Bank and Other Borrowings;" and (ii) a decrease in interests on bills discounted, mainly as a result of our decreasing bill discounted settlements.

***Impairment Losses under Expected Credit Loss Model, Net of Reversal***

Our impairment losses under expected credit loss model, net of reversal, decreased from RMB2.1 million in 2022 to RMB14 thousand in 2023, primarily because we made impairment provision on receivables in 2022.

***Income Tax Expense***

Our income tax expense increased by 42.4% from RMB134.8 million in 2022 to RMB191.9 million in 2023, generally in line with our growth in profit, and the change in tax effect of additional deduction on environment protection equipment expenditure. See Note 11 of the Accountants' Report in Appendix I to this prospectus.

***Profit and Total Comprehensive Income for the Year***

As a result of the foregoing, our profit for the year increased by 18.4% from RMB912.9 million in 2022 to RMB1,080.6 million in 2023.

## DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 6,394.2 | 6,686.1 | 9,152.5 | 10,742.0 |
| Right-of-use assets | 2,262.7 | 2,233.2 | 928.6 | 1,083.7 |
| Intangible assets | 3,359.8 | 3,288.5 | 3,217.7 | 3,187.9 |
| Prepayments on acquisition of long-lived assets | 47.7 | 98.9 | 1,151.4 | 746.9 |
| Other receivables | – | – | 2.3 | 2.3 |
| Deferred tax assets | 7.1 | 5.6 | 83.1 | – |
| **Total non-current assets** | **12,071.5** | **12,312.3** | **14,535.6** | **15,762.8** |
| **Current assets** | | | | |
| Inventories | 1,761.0 | 1,255.1 | 1,577.7 | 2,253.3 |
| Trade receivables | 40.2 | 96.1 | 39.1 | 84.8 |
| Receivables at fair value through other comprehensive income ("FVTOCI") | 29.1 | 62.7 | 485.8 | 91.0 |
| Prepayments and other receivables | 331.3 | 181.7 | 823.8 | 989.3 |
| Financial assets at fair value through profit or loss ("FVTPL") | 30.0 | – | – | 699.8 |
| Amounts due from related parties | 4,260.1 | 3,752.4 | – | – |
| Tax recoverable | 8.9 | – | – | – |
| Restricted bank deposits | 2,798.7 | 1,309.1 | 681.4 | 591.3 |
| Cash and cash equivalents | 158.9 | 584.1 | 176.4 | 470.9 |
| **Total current assets** | **9,418.2** | **7,241.2** | **3,784.2** | **5,180.4** |
| **Total assets** | **21,489.7** | **19,553.5** | **18,319.8** | **20,943.2** |

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| **Current liabilities** | | | | |
| Trade, bills and other payables | 6,736.1 | 4,698.5 | 2,945.4 | 3,755.9 |
| Contract liabilities | 26.3 | 7.0 | 372.8 | 344.1 |
| Lease liabilities | 280.6 | 346.6 | 10.7 | 46.5 |
| Deferred income | 2.6 | 2.7 | 8.8 | 12.5 |
| Bank and other borrowings | 8,342.3 | 4,251.0 | 4,941.6 | 6,676.5 |
| Amounts due to related parties | 317.2 | 416.1 | – | – |
| Tax payable | – | 159.5 | 458.9 | 66.6 |
| **Total current liabilities** | **15,705.1** | **9,881.4** | **8,738.2** | **10,902.1** |
| **Net current liabilities** | **(6,286.9)** | **(2,640.2)** | **(4,954.0)** | **(5,721.7)** |
| **Total assets less current liabilities** | **5,784.6** | **9,672.1** | **9,581.6** | **10,041.1** |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | 20.5 | 17.3 | – | 60.3 |
| Bank and other borrowings | 2,488.0 | 5,030.8 | 6,006.6 | 5,844.9 |
| Other payables | 656.0 | 701.0 | 749.6 | 702.6 |
| Lease liabilities | 674.0 | 459.8 | 417.9 | 172.8 |
| Deferred income | 16.9 | 14.3 | 81.2 | 78.7 |
| **Total non-current liabilities** | **3,855.4** | **6,223.2** | **7,255.3** | **6,859.3** |
| **Total liabilities** | **19,560.5** | **16,104.6** | **15,993.5** | **17,761.4** |
| **Net assets** | **1,929.2** | **3,448.9** | **2,326.3** | **3,181.8** |
| **Capital and reserves** | | | | |
| Paid-in/Share capital | 2,017.9 | 2,070.6 | – | 0.1 |
| Reserves | (328.0) | 879.8 | 1,254.7 | 2,010.7 |
| | 1,689.9 | 2,950.4 | 1,254.7 | 2,010.8 |
| Equity attributable to owners of the Company | 1,689.9 | 2,950.4 | 1,254.7 | 2,010.8 |
| Non-controlling interests | 239.3 | 498.5 | 1,071.6 | 1,171.0 |
| **Total equity** | **1,929.2** | **3,448.9** | **2,326.3** | **3,181.8** |

**Property, Plant and Equipment**

Our property, plant and equipment consisted of (i) plant and machinery; (ii) buildings; (iii) construction in progress; (iv) motor vehicles; and (v) furniture and fixtures.

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (RMB in millions) | | | |
| Plant and machinery | 3,487.5 | 3,625.5 | 5,123.6 | 6,234.4 |
| Buildings | 2,743.2 | 2,859.9 | 3,277.9 | 3,493.3 |
| Construction in progress | 140.1 | 174.6 | 727.1 | 985.8 |
| Motor vehicles | 20.8 | 19.9 | 14.7 | 14.8 |
| Furniture and fixtures | 2.6 | 6.2 | 9.2 | 13.7 |
| **Total** | **6,394.2** | **6,686.1** | **9,152.5** | **10,742.0** |

We had property, plant and equipment of RMB6,394.2 million, RMB6,686.1 million, RMB9,152.5 million and RMB10,742.0 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

Our property, plant and equipment remained relatively stable at RMB6,394.2 million and RMB6,686.1 million as of December 31, 2022 and 2023.

Our property, plant and equipment increased by 36.9% from RMB6,686.1 million as of December 31, 2023 to RMB9,152.5 million as of December 31, 2024, primarily because (i) our plant and machinery increased from RMB3,625.5 million as of December 31, 2023 to RMB5,123.6 million as of December 31, 2024, primarily due to (a) the reclassification of plant and machinery from right-of-use assets to property, plant and equipment as a result of the settlement of finance lease arrangements, and (b) the phased completion of the construction of the new production line for aluminum hydroxide in 2024; and (ii) our construction in progress increased significantly from RMB174.6 million as of December 31, 2023 to RMB727.1 million as of December 31, 2024, mainly as a result of (a) the construction of green power plants in 2024; and (b) the construction of a new production line for aluminum hydroxide in 2024.

Our property, plant and equipment increased by 17.4% from RMB9,152.5 million as of December 31, 2024 to RMB10,742.0 million as of May 31, 2025, primarily because (i) our plant and machinery increased from RMB5,123.6 million as of December 31, 2024 to RMB6,234.4 million as of May 31, 2025, primarily due to (a) the phased completion of construction of our new production line for aluminum hydroxide, and (b) phased completion of construction of green power plants in 2025; and (ii) our construction in progress increased from RMB727.1 million as of December 31, 2024 to RMB985.8 million as of May 31, 2025, mainly as a result of our continuous construction of our green power plants.

**Right-of-use Assets**

Our right-of-use assets consisted of (i) leased plant and machinery; (ii) leasehold lands; (iii) aircraft; and (iv) offices. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (RMB in millions) | | | |
| Leased plant and machinery | 1,503.7 | 1,443.2 | 67.6 | 62.9 |
| Leasehold lands | 759.0 | 790.0 | 861.0 | 840.5 |
| Aircraft | – | – | – | 166.4 |
| Offices | – | – | – | 13.9 |
| **Total** | **2,262.7** | **2,233.2** | **928.6** | **1,083.7** |

We had right-of-use assets of RMB2,262.7 million, RMB2,233.2 million, RMB928.6 million and RMB1,083.7 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our right-of-use assets remained relatively stable at RMB2,262.7 million and RMB2,233.2 million as of December 31, 2022 and 2023. Our right-of-use assets decreased significantly from RMB2,233.2 million as of December 31, 2023 to RMB928.6 million as of December 31, 2024, primarily due to the decrease in leased plant and machinery. Our right-of-use assets increased by 16.7% from RMB928.6 million as of December 31, 2024 to RMB1,083.7 million as of May 31, 2025, primarily due to an increase in an aircraft from nil as of December 31, 2024 to RMB166.4 million as of May 31, 2025, mainly attributable to the purchase of a commercial plane under finance lease arrangement. Our leased plant and machinery decreased by 4.0% from RMB1,503.7 million as of December 31, 2022 to RMB1,443.2 million as of December 31, 2023, primarily due to the amortization of right-of-use assets in relation to plant and machinery we leased. Our leased plant and machinery decreased significantly from RMB1,443.2 million as of December 31, 2023 to RMB67.6 million as of December 31, 2024, primarily due to the reclassification of plant and machinery from right-of-use assets to property, plant and equipment as a result of the settlement of finance lease arrangements. Our leased plant and machinery remained relatively stable at RMB67.6 million and RMB62.9 million as of December 31, 2024 and May 31, 2025. Our leasehold lands increased by 4.1% from RMB759.0 million as of December 31, 2022 to RMB790.0 million as of December 31, 2023, and further increased by 9.0% to RMB861.0 million as of December 31, 2024, primarily due to the increase in leasehold lands for the construction of the new production line for aluminum hydroxide, solar power plants and wind power plants. Our leasehold lands remained relatively stable at RMB861.0 million and RMB840.5 million as of December 31, 2024 and May 31, 2025.

**Intangible Assets**

Our intangible assets represented (i) aluminum production quota; (ii) power generation capacity indicators; and (iii) computer software. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Aluminum production quota | 3,057.2 | 2,992.1 | 2,927.0 | 2,899.9 |
| Power generation capacity indicators | 302.6 | 296.4 | 290.2 | 287.7 |
| Computer software | – | – | 0.4 | 0.3 |
| **Total** | **3,359.8** | **3,288.5** | **3,217.7** | **3,187.9** |

We had intangible assets of RMB3,359.8 million, RMB3,288.5 million, RMB3,217.7 million and RMB3,187.9 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our intangible assets decreased slightly throughout the Track Record Period, from RMB3,359.8 million as of December 31, 2022 to RMB3,288.5 million as of December 31, 2023 and remained relatively stable at RMB3,217.7 million and RMB3,187.9 million as of December 31, 2024 and May 31, 2025.

**Prepayment on Acquisition of Long-lived Assets**

Our prepayment on acquisition of long-lived assets primarily consisted of our prepayment to suppliers for the purchase of equipment and services for project construction in our normal course of business operations. We had prepayment on acquisition of long-lived assets of RMB47.7 million, RMB98.9 million, RMB1,151.4 million and RMB746.9 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

Our prepayment on acquisition of long-lived assets increased significantly from RMB47.7 million as of December 31, 2022 to RMB98.9 million as of December 31, 2023, primarily related to the purchase of land use rights for the construction of red mud disposal areas in 2023. Our prepayment on acquisition of long-lived assets increased significantly from RMB98.9 million as of December 31, 2023 to RMB1,151.4 million as of December 31, 2024, primarily related to (i) the purchase of equipment and materials for the construction of the new production line for aluminum hydroxide in 2024; (ii) the purchase of power generation facilities; and (iii) the prepayment to outsourced contractors for the construction of wind power plants and solar power plants. Our prepayment on acquisition of long-lived assets decreased by 35.1% from RMB1,151.4 million as of December 31, 2024 to RMB746.9 million as of May 31, 2025, primarily due to (i) the acquisition of equipment and materials for the construction of the new production line for aluminum hydroxide in 2024; and (ii) the termination of our purchase of power generation facilities, mainly as a result of the change in our overseas expansion strategy as we want to focus our first globalization attempt on the Saudi Project. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Prepayments and Other Receivables."

As of September 30, 2025, approximately RMB181.7 million, or 24.3% of our prepayment on acquisition of long-lived assets as of May 31, 2025, had been settled.

**Inventories**

Our inventories consisted of (i) raw materials; (ii) work in progress; (iii) finished goods; and (iv) spare parts and others. The following table sets forth a breakdown of our inventories as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Raw materials | 852.3 | 627.8 | 798.1 | 1,457.4 |
| Work in progress | 580.4 | 556.2 | 666.7 | 713.9 |
| Finished goods | 248.4 | 6.1 | 48.8 | 24.9 |
| Spare parts and others | 79.9 | 65.0 | 64.1 | 57.1 |
| **Total** | **1,761.0** | **1,255.1** | **1,577.7** | **2,253.3** |

We had inventories of RMB1,761.0 million, RMB1,255.1 million, RMB1,577.7 million and RMB2,253.3 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our inventories decreased by 28.7% from RMB1,761.0 million as of December 31, 2022 to RMB1,255.1 million as of December 31, 2023 primarily due to decreases in raw materials and finished goods, mainly because (i) we maintained a high level of raw materials and finished goods in 2022 to ensure the stable supply of products during the public health incidents; and (ii) we primarily sold liquid aluminum and reduced the sales of aluminum ingots in 2023, resulting in the lower inventory level in 2023, since liquid aluminum could not be stored as inventory. Our inventories increased by 25.7% from RMB1,255.1 million as of December 31, 2023 to RMB1,577.7 million as of December 31, 2024 primarily due to (i) an increase in raw materials, resulting from the increase in market prices of alumina and bauxite; and (ii) an increase in work in progress, resulting from an increase in the market price of electrolytic aluminum. Our inventories increased by 42.8% from RMB1,577.7 million as of December 31, 2024 to RMB2,253.3 million as of May 31, 2025, primarily due to an increase in raw materials, mainly because (i) our demand for bauxite increased along with our production capacity expansion on aluminum hydroxide; and (ii) we commenced a new bauxite procurement model and purchased bauxite directly from suppliers. As a result, the timing of title transfer for raw materials was shifted earlier. In specific, under the direct procurement model, title to the bauxite was transferred to us at the loading port, whereas previously, when purchasing through agents, title to the bauxite was transferred at the destination port. Our direct procurement model enables us to secure stable bauxite supply with more competitive prices.

The following table sets forth an aging analysis of the inventories as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (RMB in millions) | | | |
| Within 6 months | 1,730.3 | 1,205.0 | 1,536.7 | 2,202.8 |
| 6 months to 1 year | 7.8 | 11.1 | 8.3 | 12.7 |
| Over 1 year | 22.9 | 39.0 | 32.7 | 37.8 |
| **Total** | **1,761.0** | **1,255.1** | **1,577.7** | **2,253.3** |

The following table sets forth the turnover days of our inventories for the years indicated:

| | Year ended December 31, | | | Five months ended May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (days) | | | |
| Inventory turnover days[(1)] | 50.0 | 47.3 | 46.8 | 49.7 |

*Note:*

(1) Inventory turnover days for a year or period equal the average of the gross value of the opening and closing inventory balance divided by cost of sales for the relevant year or period and multiplied by the number of days in the relevant year or period, which is 360 days for each year and 150 days for the five months ended May 31, 2025.

Our inventory turnover days decreased from 50.0 days in 2022 to 47.3 days in 2023, primarily because we strategically maintained a high level of raw materials and finished goods in 2022 to ensure the stable supply of products during the public health incidents. Our inventory turnover days stayed relatively stable at 47.3 days in 2023 and 46.8 days in 2024. Our inventory turnover days increased from 46.8 days in 2024 to 49.7 days in the five months ended May 31, 2025, primarily due to an increase in inventories as of May 31, 2025, mainly because (i) our demand for bauxite increased along with our production capacity expansion on aluminum hydroxide; and (ii) we commenced a new bauxite procurement model and purchased bauxite directly from suppliers. As a result, the timing of title transfer for raw materials was shifted earlier. In specific, under the direct procurement model, title to the bauxite was transferred to us at the loading port, whereas previously, when purchasing through agents, title to the bauxite was transferred at the destination port. Our direct procurement model enables us to secure stable bauxite supply with more competitive prices.

As of September 30, 2025, approximately RMB1,924.3 million, or 85.4% of our inventories as of May 31, 2025, had been utilized or sold.

**Trade Receivables**

Our trade receivables represented the outstanding amounts of receivables from (i) our related parties, primarily for the sales of liquid aluminum; and (ii) third parties, primarily for the sales of electricity and steam. The following table sets forth a breakdown of our net trade receivables as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(RMB in millions)* | | | |
| Trade receivables | | | | |
| – Related parties | 8.0 | 77.1 | 17.1 | 32.0 |
| – Third parties | 32.8 | 19.4 | 22.5 | 53.6 |
| | 40.8 | 96.5 | 39.7 | 85.6 |
| Less: allowance for credit losses | (0.6) | (0.4) | (0.5) | (0.8) |
| **Total** | **40.2** | **96.1** | **39.1** | **84.8** |

We had trade receivables of RMB40.2 million, RMB96.1 million, RMB39.1 million and RMB84.8 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our trade receivables increased significantly from RMB40.2 million as of December 31, 2022 to RMB96.1 million as of December 31, 2023, and subsequently decreased by 59.3% to RMB39.1 million as of December 31, 2024. Such fluctuations were primarily due to an increase in the trade receivables from related parties as of December 31, 2023, primarily due to certain trade receivables at year-end falling within the middle of our standard settlement cycle. Our trade receivables increased significantly from RMB39.1 million as of December 31, 2024 to RMB84.8 million as of May 31, 2025, primarily due to the increase in sales of aluminum hydroxide and the increase in monthly settlement for the sales of electricity. See "Business — Sales, Marketing and Customer Service — Pricing and Payment."

The following table sets forth an aging analysis of our trade receivables (net of impairment) based on the date of acceptance of goods as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (RMB in millions) | | | |
| Within 1 month | 38.1 | 80.2 | 33.1 | 73.4 |
| 1 to 12 months | 2.1 | 15.4 | 5.2 | 8.8 |
| 1 to 2 years | – | 0.5 | 0.8 | 2.6 |
| **Total** | **40.2** | **96.1** | **39.1** | **84.8** |

We seek to maintain strict control over our outstanding trade receivables and have dedicated credit risk management staff to control and mitigate credit risk. Our senior management assess the recoverability of trade receivables on a regular basis, taking into account historical settlement records of customers. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, we perform impairment assessments under the ECL model on trade balances individually. See Note 36(b) of the Accountants' Report in Appendix I to this prospectus. During the Track Record Period, a majority of our trade receivables, being 94.8%, 83.5%, 84.6% and 86.6% as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively, were aged within one month. The trade receivables aged between one month to 12 months significantly increased from RMB2.1 million as of December 31, 2022 to RMB15.4 million as of December 31, 2023, primarily due to the increase in monthly settlements for rent, utilities, heating fees and other related services associated with the renting of certain equipment and plants in 2023. The trade receivables aged between one month to 12 months significantly decreased from RMB15.4 million as of December 31, 2023 to RMB5.2 million as of December 31, 2024, primarily due to the decrease in monthly settlements for rent, utilities, heating fees and other related services associated with certain equipment which were sold in 2024.

The following table sets forth the turnover days of our trade receivables for the years indicated:

| | Year ended December 31, | | | Five months ended May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(days)* | | | |
| Trade receivables turnover days[1] | 2.3 | 1.8 | 1.6 | 1.3 |

*Note:*

(1) Trade receivables turnover days for a year or period equal the average of opening and closing balance of trade receivables for the relevant year or period divided by revenue for the relevant year or period and multiplied by the number of days in the relevant year or period, which is 360 days for each year and 150 days for the five months ended May 31, 2025.

Our trade receivables turnover days decreased from 2.3 days in 2022 to 1.8 days in 2023, primarily because we had a high level of trade receivables at the beginning of 2022, primarily due to the certain receivables at year-end falling within the middle of our standard settlement cycle.

Our trade receivable turnover days remained relatively stable at 1.8 days in 2023, 1.6 days in 2024 and 1.3 days in the five months ended May 31, 2025.

As of September 30, 2025, approximately RMB72.6 million, or 85.6% of our trade receivables as of May 31, 2025, had been settled.

**Receivables at Fair Value through Other Comprehensive Income**

Our receivables at fair value through other comprehensive income (“FVTOCI”) consisted of bankers’ acceptance we received. We had receivables at FVTOCI of RMB29.1 million, RMB62.7 million, RMB485.7 million and RMB91.0 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

Our receivables at FVTOCI increased significantly from RMB29.1 million as of December 31, 2022 to RMB62.7 million as of December 31, 2023, and further to RMB485.8 million as of December 31, 2024, primarily due to the increased accepted bills we received in 2023, mainly because certain customers increasingly used accepted bills as a settlement method in 2023 and 2024. These accepted bills are bills receivables recorded at fair value through comprehensive income under accounting policies. Our receivables at FVTOCI decreased by 81.3% from RMB485.7 million as of December 31, 2024 to RMB91.0 million as of May 31, 2025, primarily due to the settlement of accepted bills and bills receivables upon maturity. See Note 21 of the Accountants’ Report in Appendix I to this prospectus.

### Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of (i) prepayments to suppliers; (ii) prepaid expense; (iii) value-added tax recoverable; (iv) refundable customs deposits; (v) amounts due from independent third parties; (vi) deposits, primarily for our purchase of bauxite; (vii) refundable cultivated land occupation tax; (viii) consideration receivable for disposal of land; (ix) deferred issue costs; (x) refundable prepayments on acquisition of long-lived assets; and (xi) others. The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Prepayments to suppliers | 194.7 | 95.3 | 644.6 | 226.3 |
| Prepaid expense | 3.7 | 10.2 | 18.3 | 27.3 |
| Value-added tax recoverable | 51.5 | 8.7 | 94.2 | 291.3 |
| Refundable customs deposits | – | – | – | 8.5 |
| Amounts due from independent third parties | 50.0 | 30.7 | – | – |
| Deposits | 23.0 | 36.9 | 56.3 | 23.4 |
| Refundable cultivated land occupation tax | – | – | – | 34.2 |
| Consideration receivable for disposal of land | – | – | – | 11.9 |
| Deferred issue costs | – | – | 5.2 | 6.8 |
| Refundable prepayments on acquisition of long-lived assets | – | – | – | 358.3 |
| Others | 21.6 | 13.4 | 19.2 | 14.2 |
| | 344.5 | 195.2 | 837.8 | 1,002.2 |
| Less: allowance for impairment losses | (13.2) | (13.5) | (14.0) | (12.9) |
| **Total** | **331.3** | **181.7** | **823.8** | **989.3** |
| Non-current | | | | |
| Refundable rental deposit | – | – | 2.3 | 2.3 |
| | 331.2 | 181.7 | 826.1 | 991.6 |

We had prepayments and other receivables of RMB331.3 million, RMB181.7 million, RMB826.1 million and RMB991.6 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. We had allowance for impairment losses of RMB13.2 million, RMB13.5 million, RMB14.0 million and RMB12.9 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our prepayments and other receivables decreased by 45.1% from RMB331.3 million as of December 31, 2022 to RMB181.7 million as of December 31, 2023, primarily due to (i) a decrease in prepayments to suppliers from RMB194.7 million as of December 31, 2022 to RMB95.3 million as of December 31, 2023, mainly because we increased prepayments to coal suppliers to secure a stable supply of coal in 2022 when the market prices of coal soared; (ii) the decrease in value-added tax recoverable from RMB51.5 million as of December 31, 2022 to RMB8.7 million as of December 31, 2023, mainly because we incurred more input tax at the initial stage of construction projects in 2022; and (iii) a decrease in the amounts due from independent third parties from RMB50.0 million as of December 31, 2022 to RMB30.7 million as of December 31, 2023, in relation to the loan to be paid by an independent third party, which was fully repaid in 2024. Our amounts due from independent third parties have been fully settled and received.

Our prepayments and other receivables increased significantly from RMB181.7 million as of December 31, 2023 to RMB826.1 million as of December 31, 2024, primarily due to (i) an increase in prepayments to suppliers from RMB95.3 million as of December 31, 2023 to RMB644.6 million as of December 31, 2024, mainly because we further increased prepayments to alumina and coal suppliers to (a) prepare for the pilot production of the new production line for aluminum hydroxide that commenced in December 2024; and (b) secure a stable supply of coal; and (ii) an increase in value-added tax recoverable from RMB8.7 million as of December 31, 2023 to RMB94.2 million as of December 31, 2024, mainly because we incurred more input tax for the construction and the purchase of equipment related to the new production line for aluminum hydroxide and the green energy projects in 2024. Our prepayments and other receivables increased by 20.0% from RMB826.1 million as of December 31, 2024 to RMB991.6 million as of May 31, 2025, primarily because we had refundable prepayments on acquisition of long-lived assets of RMB358.3 million as of May 31, 2025 compared to nil as of December 31, 2024, mainly due to the termination of our purchase of power generation facilities. We made prepayment for the purchase of power generation facilities to construct an aluminum smelting project in Indonesia. However, we terminated the purchase of power generation facilities since we decided not to proceed with the aluminum smelting project in Indonesia due to our change in overseas expansion strategy as we want to focus our first globalization attempt on the Saudi Project. The prepayment on the acquisition of power generation facilities will be refunded before December 31, 2025. Such an increase was partially offset by a decrease in prepayments to suppliers from RMB644.6 million as of December 31, 2024 to RMB226.3 million as of May 31, 2025, mainly because we commenced a new bauxite procurement model and purchased bauxite directly from suppliers.

As of September 30, 2025, approximately RMB493.9 million, or 49.9% of our prepayments and other receivables as of May 31, 2025, had been settled.

### Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss ("FVTPL") consisted of wealth management products. Our investment in financial assets at FVTPL will be subject to compliance with Chapter 14 of the Listing Rules after Listing. We had financial assets at FVTPL of RMB30.0 million, nil, nil and RMB699.8 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

Our financial assets at FVTPL decreased from RMB30.0 million as of December 31, 2022 to nil as of December 31, 2023, primarily due to the maturity of our wealth management products in 2022. Our financial assets at FVTPL increased from nil as of December 31, 2024 to RMB699.8 million as of May 31, 2025, primarily due to the purchase of new wealth management products in the five months ended May 31, 2025.

From time to time, we may purchase wealth management products with the primary purpose of capital preservation. We primarily invest in short-term and low-risk wealth management products issued by reputable financial institutions to ensure controllable risk exposure from our investments. The investment decisions are made on a case-by-case basis after careful consideration of a number of factors, such as general market conditions, credit of the commercial banks, our cash flow performance and the expected profit or potential loss of the investments. Our deputy general manager and our head of financial department are jointly responsible for the formulation and decision-making of the wealth management products investment strategy. Our financial department is responsible for the screening of wealth management products, execution of investment operations, accounting processing and post-investment tracking and management. Before the purchase of wealth management products, the financial department is required to conduct a comprehensive assessment covering numerous factors, such as the risk level of the wealth management products, the credibility of the issuing institution, market risks and liquidity risks. Based on the assessment results, our financial department will determine whether the product aligns with the our operational and investment objectives, thereby providing a basis for subsequent operations. Our head and members of the financial department have extensive financial expertise and experience.

### Amounts Due from Related Parties

We had amounts due from related parties of RMB4,260.1 million, RMB3,752.4 million, nil and nil as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our amounts due from related parties primarily consisted of amounts due from Innovation Group, which were interest free and unsecured with no fixed repayment terms. Our amounts due from related parties are non-trade in nature. As advised by our PRC Legal Advisor, our arrangements under amounts due from related parties may be deemed as a private lending to the related parties and the private lending violates the General Lending Provisions (《貸款通則》) promulgated by the PBOC in June 1996. However, as advised by our PRC Legal Advisor, as the latest Judicial Interpretation of Private Lending of the Supreme People's Court has confirmed the validity of the private loan under certain circumstances and the Company has not received any illegal income from the private lending, the risk of the Company being penalized by regulatory authorities under the General Lending Provisions is remote. Our amounts due from related parties decreased from RMB4,260.1 million as of December 31, 2022 to RMB3,752.4 million as of December 31, 2023, and further to nil as of December 31, 2024 and May 31, 2025, primarily due to the settlement of the amount due from Innovation Group, mainly as a result of the offset of considerations among related parties as part of the Reorganization. See Note 41(b) of the Accountants' Report in Appendix I to this prospectus.

**Restricted Bank Deposits**

Our restricted bank deposits primarily represented funds held as guarantees for bill payments. We had restricted bank deposits of RMB2,798.7 million, RMB1,309.1 million, RMB681.4 million and RMB591.3 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our restricted bank deposits decreased by 53.2% from RMB2,798.7 million as of December 31, 2022 to RMB1,309.1 million as of December 31, 2023, and further decreased significantly to RMB681.4 million as of December 31, 2024, primarily due to the decreasing issuance of bill payables and letters of credit. Our restricted bank deposits decreased by 13.2% from RMB681.4 million as of December 31, 2024 to RMB591.3 million as of May 31, 2025, primarily due to the settlement of accepted bills and bills receivables upon maturity.

**Trade, Bills and Other Payables**

Our trade and bills payables represented (i) trade payables; (ii) bills payables; and (iii) bills payables under note financing arrangement. The maturities of our bill payables are primarily 180 days and 365 days. See Note 26 of the Accountants' Report in Appendix I to this prospectus. Our other payables represented (i) payable for acquisition of property, plant and equipment; (ii) other taxes payables; (iii) payables to a finance provider; (iv) amounts due to independent third parties; (v) payroll and welfare payables; (vi) payable for acquisition of carbon emission rights; (vii) deposits; (viii) outsourced service payables; (ix) advance receipt of value-added tax from customers; (x) investment deposit received from an independent third party; (xi) accrued listing expenses; (xii) accrued issued costs; (xiii) advance receipt for disposal of property, plant and equipment; (xiv) payable to an independent third party under bankruptcy reorganization; and (xv) payable for the acquisition of aluminum production quota. The following table sets forth our trade, bills and other payables as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Trade payables | 1,360.2 | 980.9 | 1,246.6 | 1,179.5 |
| Bills payables | 204.3 | 407.6 | 72.2 | 150.0 |
| Bills payables under note financing arrangement | 3,871.0 | 2,087.1 | 110.0 | 500.0 |
| | **5,435.5** | **3,475.6** | **1,428.8** | **1,829.5** |

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Other payables – current | | | | |
| Payable for acquisition of property, plant and equipment | 701.9 | 721.5 | 596.1 | 1,183.8 |
| Other taxes payables | 178.4 | 171.0 | 196.7 | 206.4 |
| Payables to a finance provider | 163.4 | 65.1 | – | – |
| Amounts due to independent third parties | 96.2 | 60.0 | 482.8 | 212.9 |
| Payroll and welfare payables | 69.5 | 65.7 | 85.2 | 48.9 |
| Payable for acquisition of carbon emissions rights | 23.9 | 22.4 | 25.0 | 23.3 |
| Deposits | 33.7 | 14.5 | 52.3 | 46.7 |
| Outsourced service payables | 7.9 | 11.1 | 6.0 | 5.6 |
| Advance receipt of value-added tax from customers | 3.4 | 1.0 | 48.4 | 44.7 |
| Investment deposit received from an independent third party | – | 80.0 | – | – |
| Accrued listing expenses | – | – | 10.0 | 6.6 |
| Accrued issue costs | – | – | 3.3 | 2.0 |
| Advance receipt for disposal of property, plant and equipment | – | – | – | 132.7 |
| Others | 22.3 | 10.7 | 10.8 | 12.8 |
| | **1,300.6** | **1,223.0** | **1,516.6** | **1,926.4** |
| Other payables – non-current | | | | |
| Payable to an independent third party under bankruptcy reorganization[1] | 68.1 | 68.1 | 68.1 | – |
| Payable for acquisition of aluminum production quota[2] | 587.9 | 632.9 | 681.5 | 702.6 |
| | **656.0** | **701.0** | **749.6** | **702.6** |

*Notes:*

(1) Amount represented the payable for acquisition of property, plant and equipment to an independent third party under a reorganization project. The amount was fully settled in March 2025.

(2) Amount represented the consideration payables to an independent third party, which was a related party of the independent third party under a reorganization project as disclosed in note (1), for purchase of the annual aluminum production quota in the quantity of 140.0 kt for cash consideration of RMB792.5 million, which was payable in four installments after July 2026. The annual aluminum production quota of 140.0 kt has been included in our total production quota of 788.1 kt per year of aluminum quota. Payable for acquisition of aluminum production quota was measured at amortized cost using the effective interest rate method and 7.375% per annum. In June 2025, a supplementary agreement was entered between Inner Mongolia Chuangyuan and the independent third party, pursuant to which Inner Mongolia Chuangyuan agreed to change the repayment terms. RMB594.3 million has been paid in June 2025 and the remaining amount will be paid after January 1, 2027.

***Trade and Bills Payables***

We had trade and bills payables of RMB5,435.5 million, RMB3,475.6 million, RMB1,428.8 million and RMB1,829.5 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our trade and bills payables decreased by 36.1% from RMB5,435.5 million as of December 31, 2022 to RMB3,475.6 million as of December 31, 2023, primarily due to (i) a decrease in bills payables under note financing arrangement from RMB3,871.0 million as of December 31, 2022 to RMB2,087.1 million as of December 31, 2023, resulting from the settlement of our payables in 2023. See "— Indebtedness — Bills Payables Under Note Financing Arrangement"; and (ii) a decrease in trade payables from RMB1,360.2 million as of December 31, 2022 to RMB980.9 million as of December 31, 2023, partially offset by an increase in bills payables from RMB204.3 million as of December 31, 2022 to RMB407.6 million as of December 31, 2023, mainly due to the change of our settlement method. In specific, our settlement methods with certain carbon anode suppliers have changed from cash payments to bill payments.

Our trade and bills payables decreased by 58.9% from RMB3,475.6 million as of December 31, 2023 to RMB1,428.8 million as of December 31, 2024, primarily due to (i) a decrease in bills payables under note financing arrangement from RMB2,087.1 million as of December 31, 2023 to RMB110.0 million as of December 31, 2024, mainly because we reduced the use of financing arrangement of bill payables. See "— Indebtedness — Bills Payables under Note Financing Arrangement;" and (ii) a decrease in bills payables from RMB407.6 million as of December 31, 2023 to RMB72.2 million as of December 31, 2024, mainly due to a decreased use of bills payables, primarily due to the change of our settlement method with suppliers. In specific, our settlement methods with certain alumina suppliers have changed from bill payments to cash payments. Such a decrease was partially offset by an increase in trade payables from RMB980.9 million as of December 31, 2023 to RMB1,246.6 million as of December 31, 2024, mainly due to our increased settlement period with certain carbon anode suppliers and a change in settlement method with certain alumina suppliers. Our trade and bills payables increased by 28.0% from RMB1,428.8 million as of December 31, 2024 to RMB1,829.5 million as of May 31, 2025, primarily due to an increase in bills payables under note financing arrangement from RMB110.0 million as of December 31, 2024 to RMB500.0 million as of May 31, 2025, mainly as a result of an increase in use of financing arrangements of bill payables. See "— Indebtedness — Bills Payables under Note Financing Arrangement."

Our trade payables are non-interest-bearing and are normally settled within 180 days. The following table sets forth an aging analysis of the trade and bills payables based on the invoice dates as of the dates indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(RMB in millions)* | | | |
| 0 to 30 days | 879.6 | 567.8 | 633.5 | 691.9 |
| 31 to 90 days | 294.7 | 215.6 | 292.8 | 247.0 |
| 91 days to 180 days | 51.1 | 66.9 | 105.2 | 25.7 |
| Over 181 days | 134.8 | 130.6 | 215.1 | 214.9 |
| **Total** | **1,360.2** | **980.9** | **1,246.6** | **1,179.5** |

The following table sets forth the turnover days of our trade payables for the years indicated:

| | For the year ended December 31, | | | Five months ended May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(days)* | | | |
| Trade payables turnover days[1] | 34.3 | 36.7 | 36.8 | 31.5 |

*Note:*

(1) Trade payables turnover days for a year or period equal the average of the opening and closing balance of trade payables for the relevant year or period divided by the cost of sales for the relevant year or period and multiplied by the number of days in the relevant year or period, which is 360 days for each year and 150 days for the five months ended May 31, 2025.

Our trade payables turnover days remained relatively stable at 34.3 days, 36.7 days and 36.8 days in 2022, 2023 and 2024, respectively. Our trade payable turnover days decreased from 36.8 days in 2024 to 31.5 days in the five months ended May 31, 2025, primarily due to our increase in costs of raw materials, mainly as a result of the increase in average market prices of bauxite as well as our increase in production volume of aluminum hydroxide.

As of September 30, 2025, approximately RMB785.4 million, or 66.6% of our trade payables as of May 31, 2025, had been settled.

*Other Payables*

We had other payables of RMB1,956.6 million, RMB1,924.0 million, RMB2,266.2 million and RMB2,629.0 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. Our other payables remained relatively stable at RMB1,956.6 million as of December 31, 2022 and RMB1,924.0 million as of December 31, 2023.

Our other payables increased by 17.8% from RMB1,924.0 million as of December 31, 2023 to RMB2,266.2 million as of December 31, 2024 mainly due to an increase in amounts due to independent third parties from RMB60.0 million as of December 31, 2023 to RMB482.8 million as of December 31, 2024, to meet our business needs. See "— Indebtedness — Amounts Due to Independent Third Parties." Our other payables increased by 16.0% from RMB2,266.2 million as of December 31, 2024 to RMB2,629.0 million as of May 31, 2025, primarily due to an increase in payables for the acquisition of property, plant and equipment, mainly attributable to our continuous construction of our green power plants and new production line for aluminum hydroxide.

As of September 30, 2025, approximately RMB739.5 million, or 28.1% of our other payables as of May 31, 2025, had been settled.

**Contract Liabilities**

Our contract liabilities primarily represented advances from customers for purchasing aluminum ingots and alumina. During the Track Record Period, we had contract liabilities of RMB26.3 million, RMB7.0 million, RMB372.8 million and RMB344.1 million as of December 31, 2022, 2023, 2024 and the five months ended May 31, 2025. Our contact liabilities decreased by 73.5% from RMB26.3 million as of December 31, 2022 to RMB7.0 million as of December 31, 2023, primarily because we did not engage in the sales of aluminum ingots at the end of 2023. Our contract liabilities increased significantly from RMB7.0 million as of December 31, 2023 to RMB372.8 million as of December 31, 2024, primarily due to (i) our increase in sales of aluminum ingots to independent third parties; and (ii) our decrease in sales of liquid aluminum to related parties to reduce the proportion of connected transactions. Our contract liabilities decreased by 7.7% from RMB372.8 million as of December 31, 2024 to RMB344.1 million as of May 31, 2025, primarily due to customer acceptance of aluminum ingots and alumina in the middle of 2025.

As of September 30, 2025, approximately RMB342.8 million, or 99.6% of our contract liabilities as of May 31, 2025, had been recognized as revenue.

## KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years indicated:

| | Year ended December 31, | | | Five months ended May 31, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | | | *(unaudited)* | |
| Gross profit margin (%)[(1)] | 15.1 | 16.9 | 28.2 | 27.9 | 19.9 |
| Net profit margin (%)[(2)] | 6.8 | 7.8 | 17.3 | 17.0 | 11.9 |
| EBITDA margin (Non-IFRS measure) (%)[(3)] | 20.5 | 21.3 | 31.6 | 31.8 | 23.1 |
| Return on equity (%)[(4)] | 62.0 | 40.2 | 91.1 | 34.6 | 31.1 |

*Notes:*

(1) Gross profit margin equals gross profit for the year or period divided by revenue and multiplied by 100%. See "— Period-to-period Comparison of Results of Operations — Year ended December 31, 2023 Compared with Year ended December 31, 2022 — Gross Profit and Gross Profit Margin", "— Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023 — Gross Profit and Gross Profit Margin" and "— Period-to-period Comparison of Results of Operations — Five Months ended May 31, 2025 Compared with Five Months ended May 31, 2024 — Gross Profit and Gross Profit Margin" for the discussion on the changes in gross profit margin during the Track Record Period.

(2) Net profit margin equals profit or total comprehensive income for the year or period divided by revenue for the year or period and multiplied by 100%.

(3) EBITDA margin (Non-IFRS measure) equals EBITDA (Non-IFRS measure) for the year or period divided by revenue for the year or period and multiplied by 100%.

(4) Return on equity equals profit or total comprehensive income for the year or period divided by the average of the beginning and ending total equity for the year or period and multiplied by 100%.

Our net profit margin remained relatively stable at 6.8% and 7.8% in 2022 and 2023, respectively. Our EBITDA margin (Non-IFRS measure) remained relatively stable at 20.5% and 21.3% in 2022 and 2023, respectively. Our net profit margin increased significantly from 7.8% in 2023 to 17.3% in 2024. Our EBITDA margin (Non-IFRS measure) increased from 21.3% in 2023 to 31.6% in 2024. Our increases in net profit margin and EBITDA margin (non-IFRS measure) from 2023 to 2024 were primarily due to an increase in gross profit. See "— Period-to-period Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2023 — Gross Profit and Gross Profit Margin." Our net profit margin decreased from 17.0% in the five months ended May 31, 2024 to 11.9% in the same period of 2025. Our EBITDA margin (non-IFRS measure) decreased from 31.8% in the five months ended May 31, 2024 to 23.1% in the same period of 2025. Our decrease in net profit margin and EBITDA margin (non-IFRS measure) were primarily due to a decreases in gross profit margin. See "— Period-to-period Comparison of Results of Operations — Five Months ended May 31, 2025 compared with Five Months ended May 31, 2024 — Gross Profit and Gross Profit Margin."

Our return on equity decreased from 62.0% in 2022 to 40.2% in 2023, mainly due to the capital injection from a non-controlling interest to Shandong Chuangyuan of RMB439.0 million. Our return on equity increased from 40.2% in 2023 to 91.1% in 2024, primarily due to an increase in profit for the period from RMB1,080.6 million in 2023 to RMB2,629.5 million in 2024, primarily as a result of an increase in gross profit, mainly because of (i) an increase in ASP of electrolytic aluminum and alumina, driven by the increase in average market price; and (ii) the decrease in price of certain raw materials. Our return on equity remained relatively stable at 34.6% in the five months ended May 31, 2024 and 31.1% in the same period of 2025.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations and external financing. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of operating cash flow, equity and debt financing and the estimated net proceeds received from the Global Offering.

### Cash Flow

The following table sets forth our cash flow for the years indicated:

| | Year ended December 31, | | | Five months ended May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in millions)* | | | |
| Net cash flows generated from operating activities | 1,869.1 | 4,554.2 | 3,461.8 | 832.9 |
| Net cash flows (used in)/generated from investing activities | (664.6) | 1,632.1 | (2,426.5) | (1,942.8) |
| Net cash flows (used in)/generated from financing activities | (1,434.0) | (5,761.1) | (1,443.0) | 1,404.4 |
| Net increase/(decrease) in cash and cash equivalents | (229.5) | 425.2 | (407.7) | 294.5 |
| Cash and cash equivalents at the beginning of the year | 388.4 | 158.9 | 584.1 | 176.4 |
| Cash and cash equivalents at end of year | 158.9 | 584.1 | 176.4 | 470.9 |

***Net Cash Flows Generated from Operating Activities***

Our net cash flows generated from operating activities primarily represented our profit before tax for the period adjusted by: (i) non-cash and non-operating items; and (ii) changes in working capital.

In the five months ended May 31, 2025, our net cash flows generated from operating activities were RMB832.9 million, which was primarily attributed to our profit before tax of RMB1,035.6 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) finance costs of RMB262.4 million, and (b) depreciation of property, plant and equipment of RMB323.5 million; and (ii) changes in working capital, primarily comprising (a) an increase in receivables at FVTOCI of RMB38.1 million, and (b) a decrease in prepayments and other receivables of RMB207.4 million.

In 2024, our net cash flows generated from operating activities were RMB3,461.8 million, which was primarily attributed to our profit before tax of RMB3,280.9 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) finance costs of RMB761.6 million; and (b) depreciation of property, plant and equipment of RMB617.1 million; and (ii) changes in working capital, primarily comprising (a) an increase in receivables at FVTOCI of RMB729.6 million; and (b) an increase in prepayments and other receivables of RMB667.7 million.

In 2023, our net cash flows generated from operating activities were RMB4,554.2 million, which was primarily attributed to our profit before tax of RMB1,272.5 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) finance costs of RMB939.7 million; (b) depreciation of property, plant and equipment of RMB546.9 million; and (c) depreciation of right-of-use assets of RMB162.8 million; and (ii) changes in working capital, primarily comprising (a) an increase in trade and bills payables of RMB1,102.2 million; and (b) a decrease in inventories of RMB505.9 million.

In 2022, our net cash flows generated from operating activities were RMB1,869.1 million, which was primarily attributed to our profit before tax of RMB1,047.7 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) finance costs of RMB1,061.9 million; (b) depreciation of property, plant and equipment of RMB462.6 million; and (c) depreciation of right-of-use assets of RMB201.8 million; and (ii) changes in working capital, primarily comprising (a) a decrease in trade and bills payables of RMB240.2 million; and (b) an increase in inventories of RMB347.7 million.

***Net Cash Flows Generated from or Used in Investing Activities***

In the five months ended May 31, 2025, our net cash flows used in investing activities were RMB1,942.8 million, which was primarily attributable to (i) payments for acquisition of property, plant and equipment of RMB1,301.5 million; (ii) placement of restricted bank deposits of RMB1,330.4 million; and (iii) purchases of financial assets at FVTPL of RMB999.9 million, partially offset by (i) withdrawal of restricted bank deposits of RMB1,421.0 million; and (ii) proceeds from disposal of property, plant and equipment of RMB2.5 million.

In 2024, our net cash flows used in investing activities were RMB2,426.5 million, which was primarily attributable to (i) payments for acquisition of property, plant and equipment of RMB3,102.5 million; (ii) placement of restricted bank deposits of RMB2,138.0 million; and (iii) an advance to a related party of RMB1,983.0 million, partially offset by (i) withdrawal of restricted bank deposits of RMB2,758.9 million; and (ii) repayment received from a related party of RMB1,985.1 million.

In 2023, our net cash flows generated from investing activities was RMB1,632.1 million, which was primarily attributable to (i) withdrawal of restricted bank deposits of RMB3,947.7 million; (ii) repayments received from a related party of RMB1,002.9 million, partially offset by placement of restricted bank deposits of RMB2,499.5 million.

In 2022, our net cash flows used in investing activities was RMB664.6 million, which was primarily attributable to (i) placement of restricted bank deposits of RMB2,829.2 million; (ii) payments for acquisition of property, plant and equipment of RMB956.3 million; (iii) purchases of financial assets at FVTPL of RMB594.0 million, partially offset by (i) proceeds from disposal of financial assets at FVTPL of RMB564.1 million; and (ii) proceeds on disposal of intangible assets of RMB354.7 million.

***Net Cash Flows Used in or Generated from Financing Activities***

In the five months ended May 31, 2025, our net cash flows generated from financing activities was RMB1,404.4 million, which was primarily attributable to (i) payments for notes financing (upon maturity of bill) of RMB110.0 million; and (ii) repayment of borrowings of RMB2,417.7 million, partially offset by new borrowings raised of RMB4,330.8 million.

In 2024, our net cash flows used in financing activities was RMB1,443.0 million, which was primarily attributable to (i) payments for notes financing (upon maturity of bill) of RMB3,237.1 million; and (ii) repayment of borrowings of RMB2,386.5 million, partially offset by new borrowings raised of RMB4,238.7 million.

In 2023, our net cash flows used in financing activities was RMB5,761.1 million, which was primarily attributable to (i) repayment of borrowings of RMB6,538.5 million; (ii) payments for notes financing (upon maturity of bill) of RMB5,534.0 million; (iii) payments to an outsourcing supplier; and (iv) repayment of loans from related parties of RMB1,194.3 million, partially offset by (i) new borrowings raised of RMB4,918.0 million; and (ii) proceeds from notes financing of RMB3,704.4 million.

In 2022, our net cash flows used in financing activities was RMB1,434.0 million, which was primarily attributable to (i) payments for notes financing (upon maturity of bill) of RMB2,504.0 million; and (ii) repayment of borrowings of RMB1,519.0 million; partially offset by proceeds from notes financing of RMB3,765.1 million.

## Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | *(RMB in millions)* | | | | |
| **Current assets** | | | | | |
| Inventories | 1,761.0 | 1,255.1 | 1,577.7 | 2,253.3 | 2,111.2 |
| Trade receivables | 40.2 | 96.1 | 39.1 | 84.8 | 100.4 |
| Receivables at fair value through other comprehensive income ("FVTOCI") | 29.1 | 62.7 | 485.8 | 91.0 | 38.4 |
| Prepayments and other receivables | 331.3 | 181.7 | 823.8 | 989.3 | 1,685.7 |
| Financial assets at fair value through profit or loss ("FVTPL") | 30.0 | – | – | 699.8 | – |
| Amounts due from related parties | 4,260.1 | 3,752.4 | – | – | – |
| Tax recoverable | 8.9 | – | – | – | – |
| Restricted bank deposits | 2,798.7 | 1,309.1 | 681.4 | 591.3 | 1,862.2 |
| Cash and cash equivalents | 158.9 | 584.1 | 176.4 | 470.9 | 568.7 |
| **Total current assets** | **9,418.2** | **7,241.2** | **3,784.2** | **5,180.4** | **6,366.6** |
| **Current liabilities** | | | | | |
| Trade, bills and other payables | 6,736.1 | 4,698.5 | 2,945.4 | 3,755.9 | 4,966.6 |
| Contract liabilities | 26.3 | 7.0 | 372.8 | 344.1 | 355.6 |
| Lease liabilities | 280.6 | 346.6 | 10.7 | 46.5 | 59.4 |
| Deferred income | 2.6 | 2.7 | 8.8 | 12.5 | 7.4 |
| Bank and other borrowings | 8,342.3 | 4,251.0 | 4,941.6 | 6,676.5 | 7,564.2 |
| Amounts due to related parties | 317.2 | 416.1 | – | – | – |
| Tax payable | – | 159.5 | 458.9 | 66.6 | 188.0 |
| **Total current liabilities** | **15,705.1** | **9,881.4** | **8,783.2** | **10,902.1** | **13,141.2** |
| **Net current liabilities** | **(6,286.9)** | **(2,640.2)** | **(4,954.0)** | **(5,721.7)** | **(6,774.6)** |

Our net current liabilities decreased significantly from RMB6,286.9 million as of December 31, 2022 to RMB2,640.2 million as of December 31, 2023. The decrease was primarily due to (i) a decrease in bank and other borrowings. See "— Indebtedness — Bank and Other Borrowings;" and (ii) a decrease in trade, bills and other payables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables".

Our net current liabilities increased from RMB2,640.2 million as of December 31, 2023 to RMB4,954.0 million as of December 31, 2024. The increase was primarily due to a decrease in amounts due from related parties, mainly due to a decrease in amounts due from Innovation Group, mainly as a result of the offset of considerations among related parties as part of the Reorganization, which had been settled as of December 31, 2024. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Amounts Due from Related Parties." Such a decrease was partially offset by a decrease in trade, bills and other payables, mainly as a result of a decrease in bills payables under note financing arrangements, resulting from the settlement of payables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables."

Our net current liabilities increased from RMB4,954.0 million as of December 31, 2024 to RMB5,721.7 million as of May 31, 2025. The increase was primarily due to (i) an increase in bank and other borrowings. See "— Indebtedness — Bank and Other Borrowings;" and (ii) an increase in trade, bills and other payables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables." Such an increase was partially offset by an increase in inventories. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Inventories."

Our net current liabilities increased by 18.6% from RMB5,712.7 million as of May 31, 2025 to RMB6,774.6 million as of September 30, 2025. This increase was primarily due to (i) an increase in trade, bills and other payables, mainly as a result of the increase in financing activities to obtain capital; (ii) an increase in bank and other borrowings, mainly as a result of the reclassification from long-term bank borrowings to short-term bank borrowings; (iii) a decrease in financial assets at FVTPL, mainly as a result of the maturity of our wealth management products in June 2025; and (iv) a decrease in inventories, mainly as a result of the consumption of raw materials, primarily attributable to the commencement of production of our new production line for aluminum hydroxide. Such an increase was partially offset by (i) an increase in restricted bank deposits, mainly as a result of an increase in issuance of bill payables; and (ii) an increase in prepayments and other receivables, mainly as a result of the increase in prepayment for bauxite procurement to ensure stable bauxite supply.

We intend to improve our net current liabilities position through the following measures:

(i) ***We continuously enhance our operations through production expansion and cost optimization to boost operating profit and net operating cash inflow.*** We intend to increase our revenue stream and generate operating cash flow by expanding our production capacity. For example, we commenced the pilot production of our aluminum hydroxide production facility with an annual designed production capacity of 1,500.0 kt. In addition, we continuously boost our profitability by strengthening our cost advantages. For example, we are constructing larger-scale wind and solar power plants in Huolinguole, Inner Mongolia and other cities in close proximity to reduce our electricity costs. We also plan to extend the cost advantages to our future overseas operations in Saudi Arabia which has lower electricity costs and raw material costs. See "Business — Our Strategies — Optimize the Energy Structure and Raw Material Supply and Improve the Production Techniques to Strengthen Our Costs Advantages." We anticipate that these measures will further enhance our operations and encourage higher operating profit and net operating cash inflow;

(ii) ***We closely monitor our investment cash flow and capital expenditures and maintain a healthy cash cycle.*** We regularly review our investment cash flow and capital expenditures to ensure that they align with our cash flow surplus, preventing mismatches between our spending on long-term assets and available cash reserves. In addition, we prepare cash flow forecasts from time to time to project our liquidity position for our management to review to ensure the sufficiency of our financial resources.

(iii) ***We utilize multiple financing channels, including equity financing and debt financing.*** We plan to utilize all financial resources available to us, including the net proceeds from the Global Offering, capital injection from equity shareholders and other financing activities to reduce our bank and other borrowings. In addition, we will continue to maintain a stable relationship with our principal banks to promptly obtain, renew or extend our bank borrowings, if necessary, on acceptable terms. We believe that these measures can help us control the current liabilities; and

(iv) ***We plan to improve our borrowing structure.*** We intend to improve our borrowing structure by negotiating with our principal banks and diversifying our borrowing channels to secure more favorable terms and interest rates. For example, we have initiated negotiations with other banks to explore borrowing options with more favorable terms and conditions. We expect that our new borrowing structure will have longer terms, leading to a significant improvement in our net current liabilities position.

## INDEBTEDNESS

As of September 30, 2025, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB14,205.7 million. The following table sets forth the details of our indebtedness as of September 30, 2025:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | *(RMB in millions)* | | | | |
| **Current** | | | | | |
| Bills payables under note financing arrangement | 3,871.0 | 2,087.1 | 110.0 | 500.0 | 1,038.3 |
| Lease liabilities | 280.6 | 346.6 | 10.7 | 46.5 | 59.4 |
| Bank and other borrowings | 8,342.3 | 4,251.0 | 4,941.6 | 6,676.5 | 7,564.2 |
| Amounts due to related parties | 317.2 | 416.1 | – | – | – |
| Amounts due to independent third parties | 96.2 | 60.0 | 482.8 | 212.9 | 456.2 |
| | 12,907.3 | 7,160.8 | 5,545.1 | 7,435.9 | 9,118.1 |
| **Non-current** | | | | | |
| Lease liabilities | 674.0 | 459.8 | 417.9 | 172.8 | 162.3 |
| Bank and other borrowings | 2,488.0 | 5,030.8 | 6,006.6 | 5,844.9 | 4,925.3 |
| | 3,162.0 | 5,490.6 | 6,424.6 | 6,017.7 | 5,087.6 |
| **Total** | **16,069.3** | **12,651.4** | **11,969.6** | **13,453.6** | **14,205.7** |

**Lease Liabilities**

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, our total lease liabilities (including current and non-current portions) amounted to RMB954.6 million, RMB806.4 million, RMB428.6 million, RMB219.3 million and RMB221.7 million, respectively. As of September 30, 2025, we had no lease commitment.

The following table sets forth our lease liabilities in absolute amount as of the dates indicated:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | (RMB in millions) | | | | |
| Non-current lease liabilities | 674.0 | 459.8 | 417.9 | 172.8 | 162.3 |
| Current lease liabilities | 280.6 | 346.6 | 10.7 | 46.5 | 59.4 |
| **Total** | **954.6** | **806.4** | **428.6** | **219.3** | **221.7** |

Our total lease liabilities decreased by 15.5% from RMB954.6 million as of December 31, 2022 to RMB806.4 million as of December 31, 2023, and further decreased to RMB428.6 million as of December 31, 2024, primarily due to our repayment for principals of finance leasing. Our total lease liabilities decreased by 48.8% from RMB428.6 million as of December 31, 2024 to RMB219.3 million as of May 31, 2025, primarily due to our rental payment. Our total lease liabilities remained relatively stable at RMB219.3 million and RMB221.7 million as of May 31, 2025 and September 30, 2025, respectively.

**Bank and Other Borrowings**

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, our bank and other borrowings amounted to RMB10,830.3 million, RMB9,281.8 million, RMB10,948.2 million, RMB12,521.4 million and RMB12,489.5 million, respectively. Our bank borrowings primarily comprise bank loans with effective interest rates ranging from 2.80% to 9.00% during the Track Record Period and up to September 30, 2025. See Note 29 of the Accountants' Report in Appendix I to this prospectus. As of May 31, 2025, the bank borrowing agreements included certain financial covenants, such as requiring positive operating cash flows, positive net profits and debt-to-asset ratios of no more than 70%. Our financial performance as of May 31, 2025 provided us with sufficient headroom with respect to such financial covenants, including a debt-to-asset ratio of 53.0%, below the requirement of no more than 70%, recorded by the relevant subsidiary. We were not restricted from distributing dividends by financial covenants. In addition, certain of our borrowings were guaranteed by Mr. Cui, Ms. Wang, Mr. Wang Chao, Mr. Guo Wei and Innovation Group. These guarantees will be released prior to the Listing as represented by management of our Group. See Note 29 of the Accountants' Report in Appendix I to this prospectus.

As of September 30, 2025, we had unutilized banking facilities of RMB10,439.7 million, accounting for 49.7% of our total banking facilities.

The following table sets forth our bank and other borrowings in absolute amount as of the dates indicated:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | (RMB in millions) | | | | |
| Current | 8,342.3 | 4,251.0 | 4,941.6 | 6,676.5 | 7,564.2 |
| Non-current | 2,488.0 | 5,030.8 | 6,006.6 | 5,844.9 | 4,925.3 |
| **Total** | **10,830.3** | **9,281.8** | **10,948.2** | **12,521.4** | **12,489.5** |

The following table sets forth the breakdown of our bank and other borrowings by nature in absolute amount as of the dates indicated:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | (RMB in millions) | | | | |
| Secured and guaranteed | 10,839.3 | 9,201.1 | 9,503.9 | 9,907.2 | 9,868.2 |
| Secured and unguaranteed | – | – | 400.0 | – | 300.6 |
| Unsecured and guaranteed | – | 3.2 | 957.4 | 2,513.3 | 2,250.6 |
| Unsecured and unguaranteed | – | 77.5 | 87.0 | 100.9 | 70.1 |
| **Total** | **10,839.3** | **9,281.8** | **10,948.2** | **12,521.4** | **12,489.5** |

Our bank and other borrowings decreased by 14.3% from RMB10,830.3 million as of December 31, 2022 to RMB9,281.8 million as of December 31, 2023, primarily due to a decrease in current bank and other borrowings, offset by an increase in non-current bank and other borrowings, mainly as a result of the change in our borrowing structure.

Our bank and other borrowings increased by 18.0% from RMB9,281.8 million as of December 31, 2023 to RMB10,948.2 million as of December 31, 2024, primarily due to (i) the increasingly used accepted bills as a settlement method in 2023 and 2024. These accepted bills, when recorded at fair value through other comprehensive income, were simultaneously recorded as other borrowings under accounting policies. See Note 21A of the Accountants' Report in Appendix I to this prospectus; and (ii) the new borrowings to fund our green power plants.

Our bank and other borrowings increased by 14.4% from RMB10,948.2 million as of December 31, 2024 to RMB12,521.4 million as of May 31, 2025, primarily because we scaled up our bank borrowings for the construction of our green power plants and our new production line for aluminum hydroxide, as well as our business operation.

Our bank and other borrowings remained relatively stable at RMB12,521.4 million and RMB12,489.5 million as of May 31, 2025 and September 30, 2025, respectively.

**Amounts Due to Related Parties**

During the Track Record Period, our amounts due to related parties represent our borrowings from related parties. Our amounts due to related parties are non-trade in nature. Most of our amounts due to related parties were unsecured and carried at an interest rate of 7.0% per annum. See Note 41(b)(ii) of the Accountants' Report in Appendix I to this prospectus. As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, our amount due to related parties amounted to RMB317.2 million, RMB416.1 million, nil, nil and nil, respectively. All our amounts due to related parties will be settled before Listing. As advised by our PRC Legal Advisor, under Article 61 of the General Lending Provisions (《貸款通則》) promulgated by the PBOC in June 1996, financing arrangements or lending transactions between non-financial institutions are prohibited. Therefore, as advised by our PRC Legal Advisor, our transactions under amounts due to related parties do not comply with the General Lending Provisions. However, there are no explicit provisions in the General Lending Provisions imposing penalties on a company acting as a borrower. As such, as advised by our PRC Legal Advisor, the risk of the Company being penalized by regulatory authorities under the General Lending Provisions is remote.

Our amount due to related parties increased by 31.2% from RMB317.2 million as of December 31, 2022 to RMB416.1 million as of December 31, 2023, mainly due to an increase in borrowings from related parties during the initial phase of project construction.

Our amount due to related parties decreased significantly from RMB416.1 million as of December 31, 2023 to nil as of December 31, 2024 and May 31, 2025, primarily due to our repayment of borrowing from related parties.

**Amounts Due to Independent Third Parties**

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, our amounts due to independent third parties amounted to RMB96.2 million, RMB60.0 million, RMB482.8 million, RMB212.9 million and RMB456.2 million, respectively. As advised by our PRC Legal Advisor, under Article 61 of the General Lending Provisions (《貸款通則》) promulgated by the PBOC in June 1996, financing arrangements or lending transactions between non-financial institutions are prohibited. Therefore, as advised by our PRC Legal Advisor, our transactions under amounts due to independent third parties do not comply with the General Lending Provisions. However, there are no explicit provisions in the General Lending Provisions imposing penalties on a company acting as a borrower. As such, as advised by our PRC Legal Advisor, the risk of the Company being penalized by regulatory authorities under the General Lending Provisions is remote. Based on, among other things, the legal advice of the Company's PRC Legal Advisor, and the discussion with the Joint Sponsors' PRC Legal Advisor, nothing has come to the Joint Sponsors' attention that would reasonably case them to doubt the conclusion that the risk of the Company being penalized by regulatory authorities under the General Lending Provisions is remote. Our amounts due to independent third parties decreased by 37.6% from RMB96.2 million as of December 31, 2022 to RMB60.0 million as of December 31, 2023, mainly due to our repayment of payables to an independent third party.

Our amounts due to independent third parties increased significantly from RMB60.0 million as of December 31, 2023 to RMB482.8 million as of December 31, 2024, primarily due to an increase in borrowings from independent third parties as a result of our increased bauxite procurement in preparation for the commencement of operation of the new production line for aluminum hydroxide. Our amounts due to independent third parties decreased by 55.9% from RMB482.8 million as of December 31, 2024 to RMB212.9 million as of May 31, 2025, primarily due to our settlement of amounts due to independent third parties. Our amounts due to independent third parties increased from RMB212.9 million as of May 31, 2025 to RMB456.2 million as of September 30, 2025, primarily due to an increase in borrowings from independent third parties for raw material procurement. During the Track Record Period and up to September 30, 2025, our amounts due to independent third parties were unsecured with interest rates ranging from 0% to 6.0%.

The following table sets forth our amounts due to independent third parties as of the dates indicated:

| | As of December 31, | | | As of May 31, | As of September 30, |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2025 |
| | *(RMB in million)* | | | | |
| Independent third party A[(1)] | 96.2 | 60.0 | 289.5 | – | – |
| Independent third party B[(2)] | – | – | 100.0 | 200.7 | 203.2 |
| Independent third party C[(3)] | – | – | 88.3 | – | – |
| Independent third party D[(4)] | – | – | 5.0 | 12.2 | 15.8 |
| Independent third party E[(5)] | – | – | – | – | 237.2 |
| **Total** | **96.2** | **60.0** | **482.8** | **212.9** | **456.2** |

*Notes:*

(1) Independent third party A is a new energy technology service and metal production technology service provider with a registered capital of RMB1,001 million. To the best of our knowledge, independent third party A was conducting business as usual as of the Latest Practicable Date. In a reorganization project, independent third party A was appointed by court as the reorganization investor to provide funding to another independent third party under bankruptcy reorganization (independent third party F). Shandong Chuangyuan was entrusted to operate the idle assets of independent third party F in the same project. Independent third party A commenced its collaboration with us through the reorganization project in 2018 and provided borrowings to Shandong Chuangyuan under the reorganization project as the investor to provide initial funding to assist in revitalization of the idle assets. As of the Latest Practicable Date, Shandong Chuangyuan has fully acquired and operated the idle assets from independent third party F. See "History, Reorganization and Corporate Structure — Major Shareholding Changes of our Group — Establishment and Major Shareholding Changes of Shandong Chuangyuan." Our amounts due to independent third party A have been settled as of the Latest Practicable Date.

(2) Independent third party B is a coal supplier with a registered capital of RMB10 million. To the best of our knowledge, independent third party B was active and conducting business as usual as of the Latest Practicable Date. Independent third party B commenced its collaboration with us in 2021 as one of our coal suppliers and provided borrowings to us to settle our payments with other suppliers. Our amounts due to independent third party B increased from RMB100.0 million as of December 31, 2024 to RMB200.7 million as of May 31, 2025, primarily due to the increase in borrowings from independent third party B to obtain capital for our business operation. Our borrowings from independent third parties were one of our multiple financing channels under our normal course of business operation. Our amounts due to independent third party B will be settled in December, 2025.

(3) Independent third party C is an aluminum alloy manufacturer with a registered capital of RMB50 million. To the best of our knowledge, independent third party C was active and conducting business as usual as of the Latest Practicable Date. Independent third party C commenced its collaboration with us in 2024 as one of our alumina suppliers and provided borrowings to us to settle our payments with other suppliers. Our amounts due to independent third party C have been settled as of the Latest Practicable Date.

(4) Independent third party D is an investor in metal business with a registered capital of HKD1. To the best of our knowledge, independent third party D was active and conducting business as usual as of the Latest Practicable Date. Independent third party D commenced its collaboration with us in 2024 as one of our investors and provided borrowings to us to settle our payments with suppliers. Our amounts due to independent third party D will be settled in December, 2025.

(5) Independent third party E is an investor in nonferrous metal business with a registered capital of USD10.5 million. To the best of our knowledge, independent third party E was active and conducting business as usual as of the Latest Practicable Date. Independent third party E commenced its collaboration with us in 2025 as one of our finance providers and provided borrowings to us to settle our payments with suppliers. Our amounts due to independent third party E will be settled in December, 2025.

As we maintained good and stable relationships with these independent third parties, we were able to obtain favorable terms for such borrowings. These independent third parties provided borrowings to us under favorable terms and conditions because they had confidence in our operation and had better understanding of our credibility. In particular, one of our independent third parties provided borrowings to us on an interest free basis, primarily because we maintained a long-term collaboration and good relationship with it. In addition, certain of them received interest from us under these arrangements. Therefore, we obtained financing from these independent third parties as one of our multiple financing channels for our business operations to support our specific business projects and procurements. These arrangements are common practice to obtain working capital under our normal course of business. We will not continue entering into such arrangements going forward to streamline our financial risk management and as we have newly gained alternative financing channels.

**Bills Payables under Note Financing Arrangements**

During the Track Record Period, our bills payables under note financing arrangements were primarily related to bills issued by our Group entities in respect of certain intra-group transactions.

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, our bills payables under note financing arrangements amounted to RMB3,871.0 million, RMB2,087.1 million, RMB110.0 million, RMB500.0 million and RMB1,038.3 million, respectively. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Payables."

Our bills payables under note financing arrangements decreased by 46.1% from RMB3,871.0 million as of December 31, 2022 to RMB2,087.1 million as of December 31, 2023, primarily because we settled our payables due to the maturity of certain payables. Our bills payables under note financing arrangements since then decreased by 94.7% from RMB2,087.1 million as of December 31, 2023 to RMB110.0 million as of December 31, 2024, mainly because we reduced the use of financing arrangements of bill payables. Most of our note financing arrangements in 2023 have been concluded upon maturity in 2024. Our bills payables under note financing arrangements increased significantly from RMB110.0 million as of December 31, 2024 to RMB500.0 million as of May 31, 2025, and further increased to RMB1,038.3 million as of September 30, 2025, primarily due to an increase in the use of financing arrangements of bill payables to obtain capital for business operation.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Except as disclosed above, during the Track Record Period and up to September 30, 2025, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured. There has been no material change in the indebtedness statement since September 30, 2025 up to the date of the prospectus.

## CONTINGENT LIABILITIES

As of December 31, 2022, 2023, 2024 and May 31, 2025 and September 30, 2025, we did not have any material contingent liabilities.

## CAPITAL COMMITMENTS

We had capital commitments of RMB277.0 million, RMB252.0 million, RMB2,243.5 million and RMB1,269.8 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively, representing capital expenditure related to acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Historical Financial Information.

## CAPITAL EXPENDITURES

The following table sets forth the details of our capital expenditures for the years indicated:

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | *(RMB in millions)* | | | |
| Payments for acquisition of property, plant and equipment | 956.3 | 452.5 | 3,102.5 | 1,301.5 |
| Payments for acquisition of right-for-use assets | 268.6 | 17.6 | 4.1 | 36.1 |
| Payments for acquisition of intangible assets | 142.9 | 76.0 | 0.7 | – |
| **Total** | **1,367.8** | **546.1** | **3,107.3** | **1,337.6** |

Our capital expenditures in 2022, 2023, 2024 and the five months ended May 31, 2025 were RMB1,367.8 million, RMB546.1 million, RMB3,107.3 million and RMB1,337.6 million, respectively, primarily attributable to (i) property, plant and equipment; (ii) other intangible assets; and (iii) right-of-use assets. We funded our capital expenditure requirements during the Track Record Period mainly from cash generated from operations and external financing. We intend to fund our future capital expenditures and long-term investments with a combination of operating cash flow, equity and debt financing and net proceeds received from the Global Offering. See "Future Plans and Use of Proceeds." We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

## MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see "Connected Transactions" and Note 41 of the Accountants' Report in Appendix I to this prospectus.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

## FINANCIAL RISK

We are exposed to a variety of financial risks, such as market risk, credit risk and impairment assessment and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. See Note 36 of the Accountants' Report in Appendix I to this prospectus for a detailed description of our financial risk management.

### Market Risk

Our activities expose us primarily to the financial risks of interest rates.

There has been no change to our exposure to market risk or the manner in which it manages and measures the risk during the reporting period.

#### *Interest rate risk*

We are exposed to fair value interest rate risk in relation to restricted bank deposits, fixed-rate bank and other borrowings, lease liabilities and amounts due to related parties. We are also exposed to cash flow interest rates in relation to variable-rate bank balances and variable-rate bank borrowings. Our cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances and bank borrowings. We currently do not hedge our exposure to cash flow and fair value interest rate risk; nevertheless, our management monitors interest rate expenses and will consider hedging significant interest rate risk should the need arise.

See Note 36 of the Accountants' Report in Appendix I to this prospectus.

***Sensitivity analysis***

No sensitivity analysis is presented since our management considers the exposure of cash flow interest rate risk arising from variable-rate bank balances and variable-rate bank borrowings is insignificant.

**Credit Risk and Impairment Assessment**

Credit risk refers to the risk that our counterparties will default on their contractual obligations, resulting in financial loss to us. Our credit risk exposures are primarily attributable to trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents and amounts due from related parties. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets.

***Trade receivables***

In order to minimize the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, we use an internal credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, we perform impairment assessments under the ECL model on trade balances individually. In this regard, our management considers that our credit risk is significantly reduced.

We have a concentration of credit risk, as 17.93%, 79.04%, 40.60% and 36.25% of the total trade receivables were due from our largest customer at December 31, 2022, 2023, 2024 and May 31, 2025, respectively.

We provided an ECL impairment loss of RMB556,000 during the year ended December 31, 2022 and we provided an ECL impairment loss of RMB189,000 and reversed an ECL impairment loss of RMB349,000 during the year ended December 31, 2023, based on the individual analysis. We provided an ECL impairment loss of RMB278,000 and reversed an ECL impairment loss of RMB148,000 during the year ended December 31, 2024, based on the individual analysis. We provided an ECL impairment loss of RMB375,000 and reversed an ECL impairment loss of RMB26,000 in the five months ended May 31, 2025, based on the individual analysis. Details of the quantitative disclosures are set out below in this prospectus.

***Other receivables***

For other receivables, our management makes periodic individual assessments on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Our management believes that there are no significant increase in credit risk of these amounts since initial recognition and we provided impairment based on 12m ECL. For the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025, we provided an ECL impairment loss of RMB335,000, RMB592,000, RMB1,201,000 and RMB55,000 and reversed nil, RMB261,000, RMB665,000 and RMB1,197,000 for other receivables, respectively.

***Amounts due from related parties***

Our management estimates the estimated loss rate of amounts due from related parties based on financial background and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the two years ended December 31, 2022 and 2023, we provided an ECL impairment loss of RMB1,235,000 and reversed an ECL impairment loss of RMB157,000 for amounts due from related parties, respectively. For the year ended December 31, 2024, we reversed an ECL impairment loss of RMB1,078,000 for amounts due from related parties. For the five months ended May 31, 2024, we provided an ECL impairment loss of RMB44,000 and reversed an ECL impairment loss of RMB315,000 for amounts due from related parties. For the five months ended May 31, 2025, we provided an ECL impairment loss of nil and reversed an ECL impairment loss of nil for amounts due from related parties. Our amounts due from related parties are non-trade in nature.

***Restricted bank deposits, cash and cash equivalents and receivables at FVTOCI***

The restricted bank deposits, cash and cash equivalents and receivables at FVTOCI are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, cash and cash equivalents and receivables at FVTOCI is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

See Note 36 of the Accountants' Report in Appendix I to this prospectus.

***Financial guarantee contracts***

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to related parties as set out in Note 41(c) that we could be required to pay amounted to RMB920,000,000 and RMB100,000,000 as at December 31, 2022 and 2023, respectively. All of the outstanding financial guarantees have been utilized by the related parties, respectively. The fair value of these financial guarantees, as at dates of initial recognition, was considered insignificant. At the end of each reporting period, our management has performed impairment assessments, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by us is measured at an amount equal to 12m ECL. No loss allowance was recognized in the profit or loss as the amount of the loss allowance was not significant.

### Liquidity Risk

Our Directors have adopted an appropriate liquidity risk management framework for the management of our short-term and long-term funding and liquidity management requirements. We manage liquidity risk by closely and continuously monitoring our consolidated financial position. Our Directors monitor the sufficiency of cash flows with availability of unutilized banking facilities, internally generated funds and alternative refinancing and extension of due date of bank and other borrowings. Our Directors also review the forecasted cash flows on an ongoing basis to ensure that we will be able to meet our financial obligations falling due and have sufficient capital for operation.

We entered into supplier finance arrangements to ease access to credit for our suppliers and facilitate early settlement to the suppliers. Only a small portion of our borrowings is subject to supplier finance arrangements. Therefore, our management does not consider the supplier finance arrangements to result in significant liquidity risk for our Group. For details of the arrangements, see Note 29 of the Accountants' Report in Appendix I to this prospectus.

For details of our remaining contractual maturity for our non-derivative financial liabilities based on the agreed repayment terms as of December 31, 2022, 2023, 2024 and May 31, 2025, see Note 36 of the Accountants' Report in Appendix I to this prospectus.

## DIVIDENDS

No dividend was declared or paid by our Company in 2022, 2023 and the five months ended May 31, 2025. In 2024, one of our subsidiaries declared and paid a cash dividend of RMB330.0 million.

We are an exempted company incorporated under the laws of the Cayman Islands. Under the Cayman Companies Act and the Articles of Association, our Company may pay a dividend out of either the profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. We have no fixed dividend policy, and the declaration and payment of any dividends in the future will be determined by our Board of Directors in its discretion. In addition, our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. A decision to declare or to pay any dividends in the future, and the amount of any such dividends, will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and other factors that our Board may consider important. We do not have a pre-determined dividend payout ratio. There can be no assurance that dividends of any amount will be declared or distributed in any year.

## WORKING CAPITAL CONFIRMATION

Taking into account the available cash and cash equivalents on hand, the maturity profile of the bank and other borrowings, the status of alternative financing, refinancing and/or extension of due dates of the relevant debts, the anticipated cash flow from the operations, the net proceeds from the Global Offering, together with the other financial resources available to us, our Directors are of the view that we have sufficient working capital for our present requirements and for at least the next 12 months commencing from the date of the prospectus. After making reasonable inquiries of the Company's management about its working capital, the Joint Sponsors concur with the Directors' view.

## DISTRIBUTABLE RESERVES

As of May 31, 2025, we did not have any distributable reserves.

## LISTING EXPENSE

Listing expenses consist of professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. During the Track Record Period, our listing expenses were nil, nil, RMB16.4 million and RMB4.7 million in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. We expect to incur listing expenses of approximately RMB161.2 million (HK$176.8 million), comprising: (i) underwriting fees of RMB113.5 million (HK$124.5 million); and (ii) non-underwriting-related expenses of RMB47.7 million (HK$52.4 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB27.6 million (HK$30.2 million); and (b) other fees and expenses of RMB20.2 million (HK$22.1 million), assuming the Over- allotment Option is not exercised and based on the Offer Price of HK$10.58 per Offer Share (being the mid-point of the indicative Offer Price range), approximately RMB32.9 million (HK$36.1 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB128.3 million (HK$140.8 million) of which has been or is expected to be deducted from equity upon the completion of the Global Offering. The listing expenses are expected to represent approximately 3.3% of the gross proceeds of the Global Offering, assuming an Offer Price of HK$10.58 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2025.

## UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative and pro forma statement of our adjusted consolidated net tangible assets attributable to owners of our Company which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering on our consolidated net tangible assets attributed to owners of our Company as of May 31, 2025 as if Global Offering had taken place on May 31, 2025. The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our financial position had the Global Offering been completed as of May 31, 2025 or at any future date.

| | Audited consolidated net tangible liabilities of us attributable to owners of our Company as at May 31, 2025 | Estimated net proceeds from the Global Offering | Unaudited pro forma adjusted consolidated net tangible assets of us attributable to owners of our Company as at May 31, 2025 | Unaudited pro forma adjusted consolidated net tangible assets of us attributable to owners of our Company per share as at May 31, 2025 | |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB* | *HK$* |
| | *(note 1)* | *(note 2)* | | *(note 3)* | *(note 4)* |
| **Based on an Offer Price of HK$10.18 per Share** . | (1,177,137) | 4,504,334 | 3,327,197 | 1.66 | 1.82 |
| **Based on an Offer Price of HK$10.99 per Share** . | (1,177,137) | 4,863,866 | 3,686,729 | 1.84 | 2.02 |

*Notes:*

1. The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at May 31, 2025 is arrived at after deducting intangible assets attributable to owners of the Company of RMB3,187,859,000 from the audited consolidated net assets of RMB2,010,722,000 attributable to owners of the Company at May 31, 2025 as extracted from the Accountants' Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 500,000,000 Shares at the Offer Price of HK$10.18 (equivalent to RMB9.28) and HK$10.99 (equivalent to RMB10.02) per Share, being the low-end and high-end of the stated indicated Offer Price Range, respectively, after deduction of the estimated underwriting fees and commissions and other listing-related expenses not yet recognized in profit or loss up to May 31, 2025 (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any share (i) which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company; or (ii) which may be issued under the restricted shares schemes.

   For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK$ into RMB at an exchange rate of HK$1.00 to RMB0.91151, which was the exchange rate prevailing on November 6, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share are arrived at on the basis that 2,000,000,000 shares including 1,500,000,000 existing ordinary shares in issue and 500,000,000 offer Shares were in issue assuming that the Global Offering had been completed on May 31, 2025, without taking into account any share (i) which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company; or (ii) which may be issued under the restricted shares schemes.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share are converted from RMB into HK$ at an exchange rate of RMB1.00 to HK$1.0971, which was the exchange rate prevailing on November 6, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at May 31, 2025 to reflect any trading result or other transaction of the Group entered into subsequent to May 31, 2025.

## NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our financial or trading position or prospects since May 31, 2025, being the end date of the periods reported in the Accountants' Report of Appendix I to this prospectus, and there has been no event since May 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

## DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

## THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) that may be purchased for an aggregate amount of approximately US$336.0 million (or approximately HK$2,612.2 million, calculated based on an exchange rate of US$1.00 to HK$7.7745) (assuming an Offer Price of HK$10.58 per Share (being the mid-point of the indicative Offer Price range) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Based on the Offer Price of HK$10.99 per Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 248,298,000 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
|---|---|---|---|
| Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital |
| 49.66% | 12.41% | 43.18% | 11.97% |

Based on the Offer Price of HK$10.58 per Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 246,896,000 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
|---|---|---|---|
| Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital |
| 49.38% | 12.34% | 42.94% | 11.90% |

Based on the Offer Price of HK$10.18 per Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 248,958,000 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
|---|---|---|---|
| **Approximate % of the Offer Shares** | **Approximate % of the total issued share capital** | **Approximate % of the Offer Shares** | **Approximate % of the total issued share capital** |
| 49.79% | 12.45% | 43.30% | 12.00% |

Our Company is of the view that the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Further, we believe that we will benefit from the cornerstone investment, taking into account the business sectors they primarily focus on. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's shareholders, business partners or Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise waived/obtained consent by the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and all the Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and/or their close associates will have any Board representation in our Company; (ii) none of the Cornerstone Investors and/or their close associates will become a substantial Shareholder of our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between the Company, and the Cornerstone Investors, or any benefit, direct or indirect, conferred on the Cornerstone Investors, by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement or delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors.

To the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investors and their ultimate beneficial owners are independent of the Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly and indirectly financed by the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, each of the Cornerstone Investor is independent from each other and makes independent investment decisions, and their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the assets managed for the investors (in the case of cornerstone investors which are funds or investment managers) and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be deducted on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Sole Representative (for itself and on behalf of the International Underwriters) to exercise the Over-allotment Option.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Friday, November 21, 2025.

The table below sets forth the details of the Cornerstone Placing:

| | | | Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is fully exercised | |
|---|---|---|---|---|---|---|
| **Cornerstone Investors** | **Total Investment Amount[(1)]** | **Number of Offer Shares to be subscribed[(2)]** | **Approximate % of the Offer Shares** | **Approximate % of our total issued share capital immediately upon completion of the Global Offering** | **Approximate % of the Offer Shares** | **Approximate % of our total issued share capital immediately upon completion of the Global Offering** |
| | *(in millions)* | | | | | |
| **Based on the Offer Price of HK$10.18 (the low-end of the indicative Offer Price range)** | | | | | | |
| HHLRA[(3)] | US$75.0 | 57,277,000 | 11.46% | 2.86% | 9.96% | 2.76% |
| China Hongqiao Group Limited | US$30.0 | 22,910,500 | 4.58% | 1.15% | 3.98% | 1.10% |
| Taikang Life | US$30.0 | 22,910,500 | 4.58% | 1.15% | 3.98% | 1.10% |
| Glencore AG | US$30.0 | 22,910,500 | 4.58% | 1.15% | 3.98% | 1.10% |
| Mercuria Holdings (Singapore) Pte. Ltd. | US$30.0 | 22,910,500 | 4.58% | 1.15% | 3.98% | 1.10% |
| HK Greenwoods | US$8.8 | 6,697,500 | 1.34% | 0.33% | 1.16% | 0.32% |
| Greenwoods OTC Swaps | US$6.2 | 4,757,500 | 0.95% | 0.24% | 0.83% | 0.23% |
| Turquoise Hime | US$15.0 | 11,455,000 | 2.29% | 0.57% | 1.99% | 0.55% |
| Investcorp | US$15.0 | 11,455,000 | 2.29% | 0.57% | 1.99% | 0.55% |
| CPIC IMHK | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| GF Fund | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Fullgoal HK and Fullgoal Fund | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Millennium ICSA | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Jane Street | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Polymer | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Pointer Investment | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Brilliant Partners Fund LP and China Core Fund | US$10.0 | 7,636,500 | 1.53% | 0.38% | 1.33% | 0.37% |
| Cephei Capital | US$6.0 | 4,582,000 | 0.92% | 0.23% | 0.80% | 0.22% |
| **Total** | **US$326.0** | **248,958,000** | **49.79%** | **12.45%** | **43.30%** | **12.00%** |

| Cornerstone Investors | Total Investment Amount[(1)] | Number of Offer Shares to be subscribed[(2)] | Assuming the Over-allotment Option is not exercised: Approximate % of the Offer Shares | Assuming the Over-allotment Option is not exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering | Assuming the Over-allotment Option is fully exercised: Approximate % of the Offer Shares | Assuming the Over-allotment Option is fully exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering |
|---|---|---|---|---|---|---|
| | *(in millions)* | | | | | |
| **Based on the Offer Price of HK$10.58 (the mid-point of the indicative Offer Price range)** | | | | | | |
| HHLRA[(3)] | US$85.0 | 62,460,000 | 12.49% | 3.12% | 10.86% | 3.01% |
| China Hongqiao Group Limited | US$30.0 | 22,044,500 | 4.41% | 1.10% | 3.83% | 1.06% |
| Taikang Life | US$30.0 | 22,044,500 | 4.41% | 1.10% | 3.83% | 1.06% |
| Glencore AG | US$30.0 | 22,044,500 | 4.41% | 1.10% | 3.83% | 1.06% |
| Mercuria Holdings (Singapore) Pte. Ltd. | US$30.0 | 22,044,500 | 4.41% | 1.10% | 3.83% | 1.06% |
| HK Greenwoods | US$8.8 | 6,444,000 | 1.29% | 0.32% | 1.12% | 0.31% |
| Greenwoods OTC Swaps | US$6.2 | 4,577,500 | 0.92% | 0.23% | 0.80% | 0.22% |
| Turquoise Hime | US$15.0 | 11,022,000 | 2.20% | 0.55% | 1.92% | 0.53% |
| Investcorp | US$15.0 | 11,022,000 | 2.20% | 0.55% | 1.92% | 0.53% |
| CPIC IMHK | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| GF Fund | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Fullgoal HK and Fullgoal Fund | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Millennium ICSA | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Jane Street | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Polymer | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Pointer Investment | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Brilliant Partners Fund LP and China Core Fund | US$10.0 | 7,348,000 | 1.47% | 0.37% | 1.28% | 0.35% |
| Cephei Capital | US$6.0 | 4,408,500 | 0.88% | 0.22% | 0.77% | 0.21% |
| **Total** | **US$336.0** | **246,896,000** | **49.38%** | **12.34%** | **42.94%** | **11.90%** |

| Cornerstone Investors | Total Investment Amount[(1)] | Number of Offer Shares to be subscribed[(2)] | Assuming the Over-allotment Option is not exercised: Approximate % of the Offer Shares | Assuming the Over-allotment Option is not exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering | Assuming the Over-allotment Option is fully exercised: Approximate % of the Offer Shares | Assuming the Over-allotment Option is fully exercised: Approximate % of our total issued share capital immediately upon completion of the Global Offering |
|---|---|---|---|---|---|---|
| | *(in millions)* | | | | | |
| **Based on the Offer Price of HK$10.99 (the high-end of the indicative Offer Price range)** | | | | | | |
| HHLRA | US$100.0 | 70,741,000 | 14.15% | 3.54% | 12.30% | 3.41% |
| China Hongqiao Group Limited | US$30.0 | 21,222,000 | 4.24% | 1.06% | 3.69% | 1.02% |
| Taikang Life | US$30.0 | 21,222,000 | 4.24% | 1.06% | 3.69% | 1.02% |
| Glencore AG | US$30.0 | 21,222,000 | 4.24% | 1.06% | 3.69% | 1.02% |
| Mercuria Holdings (Singapore) Pte. Ltd. | US$30.0 | 21,222,000 | 4.24% | 1.06% | 3.69% | 1.02% |
| HK Greenwoods | US$8.8 | 6,204,000 | 1.24% | 0.31% | 1.08% | 0.30% |
| Greenwoods OTC Swaps | US$6.2 | 4,407,000 | 0.88% | 0.22% | 0.77% | 0.21% |
| Turquoise Hime | US$15.0 | 10,611,000 | 2.12% | 0.53% | 1.85% | 0.51% |
| Investcorp | US$15.0 | 10,611,000 | 2.12% | 0.53% | 1.85% | 0.51% |
| CPIC IMHK | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| GF Fund | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Fullgoal HK and Fullgoal Fund | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Millennium ICSA | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Jane Street | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Polymer | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Pointer Investment | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Brilliant Partners Fund LP and China Core Fund | US$10.0 | 7,074,000 | 1.41% | 0.35% | 1.23% | 0.34% |
| Cephei Capital | US$6.0 | 4,244,000 | 0.85% | 0.21% | 0.74% | 0.20% |
| **Total** | **US$351.0** | **248,298,000** | **49.66%** | **12.41%** | **43.18%** | **11.97%** |

*Notes:*

(1) Exclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee.

(2) Subject to rounding down to the nearest whole board lot of 500 Shares. Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion."

(3) HHLRA has agreed in its Cornerstone Investment Agreement that the Overall Coordinators and the Company can reduce the allocation of the number of Offer Shares to HHLRA in their sole and absolute discretion to ensure that no more than 50% of the total number of the Shares initially offered in the Global Offering are allocated to all Cornerstone Investors participating in the Global Offering. The Company may adjust the allocation of the number of Offer Shares to HHLRA where necessary based on the final Offer Price and will disclose the number of the Offer Shares finally allocated to HHLRA in the allotment results announcement of the Company to be published on or around Friday, November 21, 2025.

## THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

### HHLRA

HHLR Advisors, Ltd. ("**HHLRA**"), part of the Hillhouse Group, is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the "**HHLRA Funds**"), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the cornerstone investment agreement with the Company in its capacity as an investment manager and on behalf of the HHLRA Funds.

### China Hongqiao Group Limited

China Hongqiao Group Limited is a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 1378.HK). It is primarily engaged in the manufacturing and sales of aluminum products.

### Taikang Life

Taikang Life Insurance Co., Ltd ("**Taikang Life**"), a company incorporated in China, is a wholly owned subsidiary of Taikang Insurance Group Inc. There is no shareholder holding 30% or more in Taikang Insurance Group Inc. Taikang Life provides a full range of personal security and investment and wealth management products and services for individuals and families. The products on offer correspond to the different requirements of customers in terms of market segments such as the children and teenagers, females and high-income population groups. They also meet multidimensional demands regarding health care and accident cover, pensions and wealth management, among others. Taikang Insurance Group Inc. is an insurance and financial service conglomerate focused on insurance, asset management and health and elderly care as main businesses. The Beijing-headquartered company consists of several subsidiaries including Taikang Life, Taikang AMC, Taikang Pension, Taikang Healthcare, Taikang Health, and TK.CN. Its product offering covers life insurance, internet-based financial insurance, enterprise annuity, asset management, health and elderly care, health management and commercial real estate, among others.

**Glencore AG**

Glencore International AG ("**Glencore AG**") is a wholly-owned subsidiary of Glencore plc. Glencore plc is listed on the London Stock Exchange (Stock code: GLEN), with a secondary listing on the Johannesburg Stock Exchange (Stock code: GLN) and is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities. Through a network of assets, customers and suppliers that spans the globe, Glencore plc produce, process, recycle, source, market and distribute commodities that meet current energy needs.

**Mercuria Holdings (Singapore) Pte. Ltd.**

Mercuria Holdings (Singapore) Pte. Ltd. is a wholly-owned subsidiary of Mercuria Energy Group, one of the world's leading independent energy and commodity trading companies. Headquartered in Geneva, the Mercuria Energy Group operates in over 50 countries across five continents and is engaged in energy and commodity trading, renewable power generation, metals and minerals trading, and infrastructure investment. The ultimate beneficial owners of Mercuria Energy Group are Mr. Marco Dunand and Mr. Daniel Jaeggi.

Mercuria Holdings (Singapore) Pte. Ltd. serves as the Mercuria Energy Group's Asia platform, overseeing operations across the Asia-Pacific region and focusing on the development of sustainable and integrated energy and resource solutions.

**HK Greenwoods**

Greenwoods Asset Management Hong Kong Limited ("**HK Greenwoods**") is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, HK Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods includes institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman, a major shareholder and an ultimate beneficial owner of HK Greenwoods.

As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Golden China Master Fund and no single ultimate beneficial owner holds 30% or more interest in the above fund. HK Greenwoods and Shanghai Greenwoods are affiliate of each other.

**Shanghai Greenwoods and CICC Financial Trading Limited (in connection with Greenwoods OTC Swaps)**

CICC FT and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwoods OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Greenwoods)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Greenwoods) and all economic loss shall be borne by the CICC FT Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Greenwoods OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps according to its internal policy. To the best of CICC FT's knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Greenwoods) is an independent third party of CICC FT, CICCHKS and the companies which are members of the same group of CICCHKS, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Greenwoods).

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix F1 to the Listing Rules) of CICCHKS, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See "Waivers from Strict Compliance with Listing Rules — Consent in Respect of the Proposed Subscription of Shares by A Cornerstone Investor Who Is A Connected Client."

The CICC FT Ultimate Clients (Greenwoods) are certain domestic private funds (including 景林全球基金, 景林景泰全球私募證券投資基金, and 景林致遠私募基金) managed by Shanghai Greenwoods Asset Management Co., Ltd (上海景林資產管理有限公司) ("**Shanghai Greenwoods**"). Shanghai Greenwoods is a private fund management company with the registration under AMAC. Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi is the Chairman, a major shareholder and an ultimate beneficial owner of Shanghai Greenwoods. No other shareholder holds 30% or more interest in Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through TRS mechanism.

According to our PRC Legal Advisors, the aforementioned transaction structure does not violate the PRC laws and regulations.

**Turquoise Hime**

TURQUOISE HIME, L.P. ("**Turquoise Hime**") is a Cayman Islands Exempted Limited Partnership registered as a private fund with the Cayman Islands Monetary Authority. No single ultimate beneficial owner holds 30% or more interest in the Turquoise Hime.

Hime Investment Limited is a Cayman Islands exempted company and acts as general partner of Turquoise Hime. Its ultimate beneficiary owner is ORIX Corporation (TYO:8591, NYSE:IX).

ORIX Asia Asset Management Limited ("**OAAM**"), acts as the investment manager on a discretionary basis of Turquoise Hime. OAAM is a key investment management platform for ORIX Corporation in the Asia-Pacific Region.

ORIX Group (ORIX Corporation: TYO:8591, NYSE:IX) was established in 1964 and has grown from its roots in leasing in Japan to become a global, diverse, and unique corporate group. Today, it is active around the world in financing and investment, life insurance, banking, asset management, real estate, concession, environment and energy, automobile-related services, industrial/ICT equipment, ships and aircraft. Since expanding outside of Japan in 1971, ORIX Group has grown its business globally and now operates in around 30 countries and regions across the world.

**Investcorp**

Founded in 1982, Investcorp is a global investment manager headquartered in the Kingdom of Bahrain specializing in alternative investments across private equity, real assets, private credit and liquid strategies. Investcorp manages $60 billion in assets (including assets managed by third party managers) with 14 offices in the US, Europe, China, Saudi Arabia, UAE, Japan, Singapore and India, employing approximately 500 people from 50 nationalities.

Investcorp Verdant Holdings Limited, an exempted company incorporated in the Cayman Islands and indirectly controlled by the Investcorp Golden Horizon Cooperation Fund (the "**Golden Horizon Fund**"), is entering into the Cornerstone Investment Agreement with the Company. The Golden Horizon Fund was established in collaboration with a number of sovereign wealth funds and leading institutions and other investors from the Middle East and China, including Investcorp, with the mandate to invest in high growth companies across Saudi Arabia, the rest of the countries of the Gulf Cooperation Council and China. As of the Latest Practicable Date, Investcorp (Abu Dhabi) Limited held 80% equity interest in Golden Horizon Fund, and there is no party that owns 30% or more equity interests in Golden Horizon Fund.

**CPIC IMHK**

CPIC Investment Management (H.K.) Company Limited ("**CPIC IMHK**") was established in Hong Kong, and is principally engaged in asset management and provision of investment advisory services, including the investment management of CPIC SV Equity Opportunities Fund SP, a segregated portfolio ("**SP**") of a segregated portfolio company. CPIC IMHK is a wholly-owned subsidiary of China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 2601) and the Shanghai Stock Exchange (stock code: 601601). The subscription of the Offer Shares as a cornerstone investor will be made by CPIC IMHK in its capacity as the discretionary investment manager for the SP, whose ultimate beneficial owners are the unitholders of the SP. No single ultimate beneficial owner holds 30% or more interests in CPIC SV Equity Opportunities Fund SP.

**GF Fund**

GF Management Co., Ltd. (廣發基金管理有限公司) ("**GF Fund Management**") and GF International Investment Management Limited (廣發國際資產管理有限公司) ("**GF Fund HK**", together with GF Fund Management, "**GF Fund**") have, respectively, entered into Cornerstone Investment Agreement with our Company.

GF Fund Management was established on August 5, 2003. GF Fund Management and its subsidiaries are licensed to conduct business as Qualified Investment Manager of Public Fund, Entrusted Domestic Investment Manager of National Social Security Fund (NSSF), qualified investment management institution of Basic Pension Insurance Funds, qualified fund management company to provide asset management services for specific clients, Qualified Domestic Institutional Investor (QDII), RMB Qualified Foreign Institutional Investor (RQFII), Qualified Foreign Institutional Investors (QFII), Qualified Domestic Limited Partner (QDLP), entrusted insurance Funds investment manager, entrusted investment manager of asset management for Insurance Security Funds and fund investment advisor, making it a large Fund management company with comprehensive asset management capabilities and experience. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (廣發證券股份有限公司) ("**GF Securities**"), a limited company listed on the Stock Exchange (stock code: 1776) and Shenzhen Stock Exchange (stock code: 000776), which owns 54.53% shareholding in GF Fund Management. Apart from GF Securities, no other shareholder has a 30% or more shareholding in GF Fund Management.

GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central number in the Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. GF Fund HK is licensed by SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. As GF Fund Management's window company overseas, GF Fund HK strategically connects China and the overseas market. GF Fund HK capitalizes the investment and research capabilities of GF Management and its competitive advantage in the overseas market to provide comprehensive quality service to its clients.

The subscription of the Offer Shares as a cornerstone investor will be made by GF Fund Management and GF Fund HK in their capacity as the discretionary investment manager of GUANGFA GLOBAL SELECTIVE EQUITIES, GF GLOBAL ALLOCATION ELITE NO.1, GUANGFA QUANXIN ACCOUNT NO.1, GFI Global Select Equity Fund, GF LUMINOUS Fund SP, and GF VENUS FUND SP. under their management. Based on the best knowledge of GF Fund Management and GF Fund HK, each fund and/or account is an independent third party, and no ultimate beneficial owner holds more than 30% interest in each of such funds and/or account.

**Fullgoal HK and Fullgoal Fund**

Established in 2012 in Hong Kong, Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") is a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. ("**Fullgoal Fund**"). Fullgoal HK has Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the SFC. The subscription of the Offer Shares as a cornerstone investor will be made by Fullgoal HK in its capacity as the sole management shareholder or investment manager of Fullgoal China Small-Mid Cap Growth Fund (Fullgoal 中國中小盤成長基金) under its management, being one open-ended publicly raised securities investment fund. As confirmed by Fullgoal HK, no single ultimate beneficial owner holds 30% or more interest in such funds, and, to the best knowledge of Fullgoal HK, each of such funds is an Independent Third Party.

Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund are open-ended publicly raised securities investment funds registered with the CSRC. Each of such funds has a wide spread of ultimate clients, none of whom holds more than 30% interest therein, and to the best knowledge of Fullgoal Fund, each fund is an Independent Third Party. The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund. The Offer Shares to be allocated and issued to Fullgoal HK and Fullgoal Fund in their capacity as investment managers acting as agents on behalf of certain clients, will be held on a discretionary basis for and on behalf of clients who are Independent Third Parties to the best knowledge of Fullgoal HK and Fullgoal Fund.

**Millennium ICSA**

Millennium Capital Management (Singapore) Pte. Ltd. ("**Millennium Capital**") is the principal investment manager of Integrated Core Strategies (Asia) Pte. Ltd. ("**Millennium ICSA**"), the cornerstone investor. Millennium Capital is wholly owned by Millennium International Management LP (incorporated in Delaware), whose general partner is Millennium Group Management LLC (incorporated in Delaware). Millennium Capital is one of the investment management entities in the Millennium Group (Millennium Capital, together with its affiliated entities, are collectively referred to herein as "**Millennium**"). Millennium is a global, diversified alternative investment management firm and seeks to pursue a diverse range of investment strategies across industry sectors, asset classes and geographies. Millennium ICSA is incorporated in Singapore and Millennium Capital is licensed by the Monetary Authority of Singapore. No ultimate beneficial owner holds more than 30% interests in Millennium ICSA.

**Jane Street**

Jane Street Asia Trading Limited ("**Jane Street**") is a private company limited by shares formed in Hong Kong and engages in securities investment and trading activities. Its ultimate controlling shareholder is Jane Street Group, LLC which is a limited liability company incorporated in Delaware. There is no individual holding an economic interest of 30% or more in Jane Street.

**Polymer**

Polymer Capital Management (HK) Limited ("**Polymer**") has entered into a cornerstone investment agreement with our Company in its capacity as the investment manager for and on behalf of Polymer Asia Fund LP ("**Polymer Asia Fund**"). Polymer Asia Fund is an investment fund established as an exempted limited partnership under the laws of Cayman Islands. Polymer Asia Fund, being the investor (as defined under the cornerstone investment agreement), is managed by its investment manager, Polymer, which is a company incorporated under the laws of Hong Kong with limited liability and is (i) licensed by the Securities and Futures Commission to carry out Type 9 (asset management) regulated activities (as defined in the SFO) (CE Number: BOO295), (ii) registered as a commodity pool operator under the Commodity Futures Trading Commission of the United States and (iii) approved as a NFA Member and SWAP Firm by the National Futures Association of the United States ("NFA") (NFA ID: 0545181) as of the Latest Practicable Date. As of the Latest Practicable Date, (i) other than Polymer Asia (Cayman) Fund Ltd, there is no entity/individual who holds 30% or more ultimate beneficial ownership interest in Polymer Asia Fund; (ii) there is no entity/individual who holds 30% or more ultimate beneficial ownership interest in Polymer Asia (Cayman) Fund Ltd.; and (iii) other than Wai Yuk Chi Angus and PAG, there is no entity or individual who holds 30% or more ultimate beneficial ownership interest in Polymer Capital Management (HK) Limited.

**Pointer Investment**

Pointer Investment (H.K.) Ltd. ("**Pointer Investment**") is a limited company incorporated in Hong Kong on October 30, 1984 and is primarily engaged in commodities trading, investment, ship leasing and financial leasing. Pointer Investment is wholly-owned by Xiamen ITG Group Corp., Ltd. (廈門國貿集團股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600755.SH), primarily engaging in supply chain management and health technology business, among others.

**Brilliant Partners Fund LP and China Core Fund**

Brilliant Partners Fund LP is a pooled investment fund with many external investors and is in form of a limited partnership established in the Cayman Islands in 2013. The general partner of Brilliant Partners Fund LP is owned as to 100% by Lin Shi who is an Independent Third Party. None of the beneficial owners of Brilliant Partners Fund LP ultimately holds 30% or more equity interest therein.

China Core Fund is a pooled investment fund with many external investors and is in form of a limited company established in the Cayman Islands in 2017. The entire management shares of China Core Fund are ultimately controlled by Lin Shi who is an Independent Third Party. None of the beneficial owners of China Core Fund ultimately holds 30% or more equity interest therein.

Brilliant Partners Fund LP and China Core Fund invest primarily in consumer, leisure and services, advanced manufacturing, cyclicals and internet, and primarily in China A, Hong Kong and US.

**Cephei Capital**

The subscription of the Offer Shares as the cornerstone investor will be made by Cephei Capital Management (Hong Kong) Limited ("**Cephei Capital**") in its capacity as the discretionary investment manager of two cayman funds, namely Cephei QFII China Total Return Fund Ltd ("**Cephei QFII China Total Return Fund**") and Cephei China Equity Relative Return Fund Ltd ("**Cephei Relative Return Fund**").

Cephei Capital is a private company with limited liability incorporated under the laws of Hong Kong and is licensed by the SFC to carry on type 9 (asset management) regulated activity. Cephei Capital's primary business is provision of discretionary investment management services to pooled investment vehicles and separately managed accounts with coverage of investments in the publicly traded securities of issuers that are significantly connected to China. Mr. Li Gang indirectly holds approximately 39% equity interest in Cephei Capital and is the ultimate beneficial owner of Cephei Capital. No other single ultimate beneficial owner holds more than 30% equity interests in Cephei Capital.

Cephei QFII China Total Return Fund is a Cayman Islands exempted company with limited liability incorporated in February 2013 to operate as a private investment fund. Cephei QFII China Total Return Fund invests primarily in China related companies listed in the PRC, Hong Kong and other overseas markets. No single ultimate beneficial owner holds 30% or more interest in the Cephei QFII China Total Return Fund.

Cephei Relative Return Fund is a Cayman Islands exempted company with limited liability incorporated in January 2019 as a private investment fund. Cephei Relative Return Fund invests primarily in China related companies listed in the PRC, Hong Kong and other overseas markets. Mr. Li Gang indirectly holds approximately 35.7% equity interest in Cephei Relative Return Fund. No other single ultimate beneficial owner holds more than 30% equity interests in Cephei Relative Return Fund.

## CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee and Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the Cornerstone Investment Agreement)) accurate, true and complete in all respects and not misleading and that there is no breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

## RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

## FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

## USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$10.58 per Share (being the mid-point of the indicative Offer Price range of HK$10.18 and HK$10.99 per Share), we estimate that we will receive net proceeds of approximately HK$5,113.2 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 50.0% of the net proceeds, or HK$2,556.6 million, is expected to be used for expanding overseas production capacity, including the construction of a aluminum smelter and the purchase and installation of production equipment. We invested in a joint venture which will operate an integrated electrolytic aluminum industry chain project with annual production capacity of 500.0 kt of electrolytic aluminum in Saudi Arabia. As of the Latest Practicable Date, we have not yet invested in the construction of the Saudi Project. See "History, Reorganization and Corporate Structure — Major Acquisitions, Disposals and Mergers — Investment during Track Record Period." The joint venture involves investment partners who are independent third party, including investment holding companies and investment funds. We have investment partners with relevant experience and expertise in the electrolytic aluminum industry. For example, one of our investment partners is an investment holding company, focusing on the investment in the energy industry, high-tech industry as well as metals and mining industry in the Middle East, Africa and Southeast Asia. Our total estimated capital investment of the Saudi Project is approximately USD277.45 million (equivalent to HK$2,157.0 million). The following table sets forth the breakdown of our proceeds to be allocated to the Saudi Project.

| Implementation targets | Estimated investments from net proceeds after Global Offering |
|---|---|
| (i) Electrolytic aluminum smelter . . . | Approximately USD160.11 million (equivalent to HK$1,244.7 million) |
| (ii) Aluminum billets production plant . . . . . . . . . . . . . . . . . . . . . . | Approximately USD36.18 million (equivalent to HK$281.2 million) |
| (iii) Aluminum foils and flat roll production plant . . . . . . . . . . . . . | Approximately USD53.37 million (equivalent to HK$414.9 million) |
| (iv) Grid connection. . . . . . . . . . . . . . | Approximately USD35.82 million (equivalent to HK$278.5 million) |

| Implementation targets | Estimated investments from net proceeds after Global Offering |
|---|---|
| (v) Slag treatment . . . . . . . . . . . . . . . | Approximately USD5.37 million (equivalent to HK$41.8 million) |
| (vi) Other costs . . . . . . . . . . . . . . . . . | Approximately USD38.00 million (equivalent to HK$295.4 million) |

We plan to commence the construction before the end of 2026, with an estimated construction period of 24 months. As of the Latest Practicable Date, the integrated electrolytic aluminum industry chain project to be invested in Saudi Arabia had obtained the relevant land use right and permits. The Overseas Direct Investment related approval from the National Development and Reform Commission has been obtained. As we plan to invest in the Saudi Project through joint venture, we anticipate an increase in our share of results of joint ventures and investment in joint ventures, affecting our net profit and cash flow, respectively, upon the commencement of operations of our Saudi Project. We plan to sell the products produced in Saudi Arabia in the global market, where the specific regions will be subject to the market conditions.

To achieve our production expansion plan, we will establish a production base overseen by our professional team with extensive experience in the aluminum industry in Saudi Arabia. Our Saudi Project focuses on the production of aluminum sheets and rods, meeting the growing market demand for aluminum in Middle East's downstream construction and transportation industries. According to CRU, the demand for aluminum products in the Middle East from 2020 to 2025 is expected to grow with a CAGR of 7.3% in the construction industry and a CAGR of 7.0% in the transportation industry. In addition, leveraging the geographical advantage of Saudi Arabia, we expect to expand our customer base to Europe, North Africa and the Middle East. As of the Latest Practicable Date, we have already obtained local construction permits and essential licenses required for our project construction and development. We plan to construct the Saudi Project in Yanbu near the Red Sea, where the largest industrial port in Saudi Arabia is located, facilitating the import and export of raw materials and products. Furthermore, the well-developed infrastructure and favorable policies in the area enhance the feasibility of the Saudi Project. During the construction, the Saudi Project plans to hire approximately 50 local personnel responsible for project development, management, finance, administration and legal matters. The expected annual salary of our local personnel will be competitive, determined with reference to the local salary level.

The global electrolytic aluminum production capacity has been decelerating due to the global trend in decarbonization and environmental protection, according to CRU. For example, the production capacity of aluminum smelters in Europe and the U.S. have reflected a reduction trend in recent years. At the same time, the global demand for electrolytic aluminum continues to rise, according to CRU. From 2025 to 2028, the global demand for electrolytic aluminum is expected to grow at a CAGR of 1.6%, including a CAGR of 4.7% for Africa, 3.8% for regions in the Asia excluding China and the Middle East, 5.5% for North America, 4.6% for the Middle East (5.9% for Saudi Arabia) and 1.8% for Europe. Moreover, the low electricity prices in Saudi Arabia represent a significant advantage for the development of the electrolytic aluminum industry there. Overall, we believe that the expansion of our electrolytic aluminum production capacity in Saudi Arabia could help us seize the business opportunities and meet the increasing market demand globally.

- approximately 40.0% of the net proceeds, or HK$2,045.3 million, is expected to be used for our green energy projects, including the construction of green power plants, specifically, Phase II of the construction of our wind power plants and solar power plants, and the purchase and installation of equipment used therein. The total estimated cost of the green energy projects is approximately RMB2,699.4 million (equivalent to HK$2,460.5 million). The following table sets forth the breakdown of our proceeds to be allocated to the green energy projects.

| Implementation targets | Estimated investments from net proceeds after Global Offering |
|---|---|
| (i) Wind power plants | Approximately RMB1,552.61 million (equivalent to HK$1,703.4 million) |
| (ii) Solar power plants | Approximately RMB200.00 million (equivalent to HK$219.4 million) |
| (iii) Power transmission and transformation | Approximately RMB111.64 million (equivalent to HK$122.5 million) |

We are constructing wind power plants and solar power plants with a totaling projected installed capacity of 1,750.0 MW. Phase I comprises (i) a wind power plant with an installed capacity of 540.0 MW, which had been operational and connected to the grid as of the Latest Practicable Date; and (ii) a solar power plant with an installed capacity of 110.0 MW, 60.0 MW of which had been installed and some had been operational and connected to the grid as of the Latest Practicable Date. We expect the remaining capacity to be fully operational and connected to the grid by the end of 2026. As of the date of this prospectus, construction of the majority of the above (i) and (ii) under Phase I, with a total installed capacity of 457.0 MW, had been completed, and the corresponding electricity generators were operational and connected to the grid. Phase II comprises a wind power plant with an installed capacity of 1,000.0 MW, 500.0 MW of which had been under construction since March, 2025 and is expected to be fully operational and connected to the grid by March 2026, and the other 500.0 MW had been under site preparation for the construction as of the Latest Practicable Date and is expected to be fully operational and connected to the grid by October 2026. To further our commitment to green power supply, we also plan to construct a 100.0 MW distributed solar power plant on-site, for which we had been designing the construction project as of the Latest Practicable Date. It is expected to commence its initial operation by the end of 2026.

As the majority of the projected installed capacity of the Phase I wind power plants and solar power plants were operational as of the date of this prospectus and the remaining capacity is anticipated to be fully operational by the end of 2026, and as we continue to procure green electricity from the grid, our proportion of green energy utilized will continue to increase towards the end of 2025. By the end of 2026 when both the above Phase I and Phase II wind power plants and solar power plants become fully operational, and with procurement of green electricity from the grid, we expect to achieve over 50% proportion of green energy utilized. Upon the full operation of our green power plants, we anticipate a decrease in costs and an increase in gross profit and gross profit margin.

Driven by the national goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, the demand for green power aluminum continues to grow. The abundant wind and solar power resources available at low costs in Huolinguole, Inner Mongolia, where our green energy projects are located, allow us to increase the utilization of green power in aluminum smelting. As of the Latest Practicable Date, we had commenced using green energy generators. By the end of 2026, we expect to achieve over 50% proportion of green energy utilized, significantly exceeding the 25.0% target requirement imposed by industrial policies in China. We believe that our green energy projects can capture the growing demand for green power aluminum in domestic and overseas markets, enhance environmental protection and reduce our production cost.

- approximately 10.0% of the net proceeds, or HK$511.3 million, is expected to be used for working capital and general corporate uses.

However, unforeseen factors could hinder us to execute our business plans and strategies, including unpredictable market developments, increased competition, changes in macroeconomy and supply chain disruptions. See "Risk Factors — We may not be successful in executing our business plans and strategies effectively, and our business, financial condition and results of operations may be materially and adversely affected."

If the Offer Price is set at the high-end of the indicative Offer Price range or the low-end of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease to approximately HK$5,312.8 million and HK$4,918.4 million, respectively. If the Offer Price is higher or lower than the mid-point of the indicative Offer Price Range, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be: (i) HK$802.7 million (assuming an Offer Price of HK$10.99 per Share, being the maximum Offer Price of the indicative Offer Price range); (ii) HK$772.8 million (assuming an Offer Price of HK$10.58 per Share, being the mid-point of the indicative Offer Price range); and (iii) HK$743.6 million (assuming an Offer Price of HK$10.18 per Share, being the minimum Offer Price of the indicative Offer Price range).

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes, we will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

## HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
Huatai Financial Holdings (Hong Kong) Limited
UOB Kay Hian (Hong Kong) Limited
CMB International Capital Limited
BOCI Asia Limited
AVICT Global Asset Management Limited
South China Securities Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited
Livermore Holdings Limited

## UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 50,000,000 Hong Kong Offer Shares and the International Offering of initially 450,000,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

## UNDERWRITING ARRANGEMENTS AND EXPENSES

### Hong Kong Public Offering

#### *Hong Kong Underwriting Agreement*

The Hong Kong Underwriting Agreement was entered into on November 13, 2025. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus, and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

***Grounds for Termination***

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), in their sole and absolute discretion, shall have the right by giving a notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there shall develop, occur, exist or come into effect:

(i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a local, national, regional or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19, Severe Acute Respiratory Syndrome (SARS), swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome and such related/mutated forms), comprehensive sanctions, economic sanctions, strikes, labour disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, rebellion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, interruptions or delay in transportation) in or affecting Hong Kong, the PRC, the United States, the Cayman Islands, BVI, the United Kingdom, the European Union (or any member thereof), Singapore, Japan, or any other jurisdiction relevant to the Group (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**");

(ii) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions;

(iii) the imposition or declaration of any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on (i) trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market;

(iv) any general moratorium on commercial banking activities in the PRC (imposed by the People's Bank of China), Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by any relevant competent authority) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;

(v) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any other competent governmental authority in or affecting any of the Relevant Jurisdictions;

(vi) the imposition of comprehensive sanctions or export controls under any sanctions laws or regulations, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by or for any of the Relevant Jurisdictions or relevant to the Company or any member of the Group;

(vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the United States dollar, the Hong Kong dollar or RMB against any foreign currencies or a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares;

(viii) other than with the prior written consent of the Joint Sponsors and the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or an amendment to this prospectus, the offering circular, the CSRC filing or other documents in connection with the offer and sale of the

Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange, the CSRC and/or the SFC;

(ix) any demand by any creditors for payment or repayment or payment of any of the indebtedness of any member of the Group or an order or petition for the winding up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

(x) any litigation, dispute, proceeding, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Director or any member of the senior management of the Company as named in this prospectus or the Controlling Shareholders, or announcing an intention to take any such action;

(xi) any contravention by any member of the Group or any Director or any member of the senior management of the Company as named in this prospectus of any applicable laws and regulations, including the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Company Law of the PRC;

(xii) the chief executive officer, the chief financial officer, any Director or any member of the senior management of the Company as named in this prospectus seeks to retire, or is removed from office or is vacating his or her office;

(xiii) any non-compliance of this prospectus, the formal notice or the CSRC filing (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering) with the Listing Rules or any other applicable laws and regulations (including, without limitation, the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the relevant rules of the CSRC); or

(xiv) any change or development or any event involving a prospective change or development, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in this prospectus,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will have or is likely to have a material adverse effect;

(2) has or will have or is likely to have a material adverse effect on the success or marketability of the Global Offering or the level of applications for or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Offering;

(3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the International Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offer Related Documents (as defined below); or

(4) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting the Hong Kong Public Offering) incapable or impracticable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Sponsors and/or the Overall Coordinators that:

(i) any statement contained in any of the offering documents, the CSRC filing and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto but excluding names and addresses of the Underwriters) (the "**Offer Related Documents**") was, when it was issued, or has become, untrue, incorrect, inaccurate or incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents (including any supplement or amendment thereto) is not fair and honest and not based on reasonable grounds or, where appropriate, not based on reasonable assumptions with reference to the facts and circumstances then subsisting taken as a whole;

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material misstatement in, or material omission from any of the Offer Related Documents;

(iii) there is a breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the representations, warranties or undertakings given by the Company or any of the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;

(iv) there is a material breach of any of the obligations imposed upon the Company or any of the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;

(v) there is an event, act or omission which gives or is likely to give rise to any liability of the Company or any of the Controlling Shareholders pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable;

(vi) there is any material adverse change;

(vii) the approval of the Stock Exchange of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), other than subject to customary conditions, is refused or not granted on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(viii) the notice of acceptance of the CSRC filing issued by the CSRC and/or the results of the CSRC filing published on the website of the CSRC is rejected, withdrawn, revoked or invalidated;

(ix) any person named as an expert in this prospectus (other than the Joint Sponsors) has withdrawn or is subject to withdrawing its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;

(x) the Company withdraws any of the offering documents or the Global Offering;

(xi) there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including pursuant to any exercise of the Over-allotment Option) pursuant to the terms of the Global Offering;

(xii) any Director or member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or taking a directorship of a company or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action;

(xiii) there is an order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(xiv) a material portion of the orders placed or confirmed in the bookbuilding process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled.

***Undertakings to the Stock Exchange pursuant to the Listing Rules***

*(A) Undertakings by the Company*

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued by the Company or form the subject of any agreement to such an issue within six (6) months from the Listing Date (whether or not such issue of Shares or securities will be completed within six (6) months from the Listing Date), except for: (a) any capitalization issue, capital reduction or consolidation or sub-division of Shares; or (b) issue of Shares or securities pursuant to the Global Offering and the Over-allotment Option; or (c) any other applicable circumstances provided under Rule 10.08 of the Listing Rules.

*(B) Undertakings by the Controlling Shareholders*

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, except pursuant to the Global Offering (including the Over-allotment Option), it/he will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

(i) in the period commencing on the date by reference to which disclosure of its shareholdings in the Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares in respect of which it is shown by this prospectus to be the beneficial owner; and

(ii) in the period of a further six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a controlling shareholder of the Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he will and will procure that the relevant registered holder(s) will:

(a) when it pledges or charges any securities of the Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and

(b) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged shares will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above by the Controlling Shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

***Undertakings Pursuant to the Hong Kong Underwriting Agreement***

*(A) Undertakings by the Company*

Pursuant to the Hong Kong Underwriting Agreement, the Company undertakes to each of the Joint Sponsors and the Underwriters that, except for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), the Company will not, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date hereof and ending on, and including, the date falling six months after the Listing Date (the "**First Six-Month Period**"):

(i) offer, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant, agree to grant or sell any option, warrant, right or contract or right to subscribe for or purchase, grant, agree to grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities of the Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company or any interest in any of the foregoing), or deposit any Shares or other securities of the Company, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any Shares or other securities of the Company, or any interest therein, or any interest in any of the foregoing (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company or any interest in any of the foregoing); or

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any such transaction described in (i), (ii) or (iii) above,

in each case, whether any of the transactions described in (i), (ii) or (iii) above is to be settled by delivery of any Shares or other securities of the Company or, in cash or otherwise (whether or not the issue of such Shares or other securities of the Company will be completed within the First Six-Month Period).

In addition, the Company further undertakes to each of the Joint Sponsors and the Underwriters, in the event that, at any time during the period of six months immediately following the expiry of the First Six-Month Period (the "**Second Six-Month Period**"), the Company enters into any such transactions or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions described in (i), (ii) or (iii) above, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of the Company.

*(B) Undertakings by the Controlling Shareholders*

Pursuant to the Hong Kong Underwriting Agreement, each of the Controlling Shareholders jointly and severally agrees and undertakes to the Company, the Joint Sponsors and the Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

(a) during the First Six-Month Period, it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him will not,:

(i) offer, pledge, charge, sell, offer to sell, contract or agree to sell, assign, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to purchase or subscribe for, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company, or deposit any share capital or other securities of the Company with a depository in connection with the issue of depository receipts) legally or beneficially owned by it/him as at the Listing Date (the "**Locked-up Securities**"); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer to or contract to or agree to or publicly disclose that it/he will or may enter into any transaction described in (i), (ii) or (iii) above,

in each case, whether any such transaction described in (i), (ii) or (iii) above is to be settled by delivery of such Shares or other securities of the Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period);

(b) during the Second Six-Month Period, it/he will not enter into any transaction described in (a)(i), (a)(ii) or (a)(iii) above or offer, agree or contract to or publicly announce any intention to enter into any such transaction, if, immediately following such transaction, it/he will cease, whether individually or collectively with the other Controlling Shareholder, to be a "controlling shareholder" (as the term is defined under the Listing Rules) of the Company;

(c) in the event that it/he enters into any of the transactions specified in (a)(i), (a)(ii) or (a)(iii) above or offer to or agrees to or announce any intention to effect any such transaction within the Second Six-Month Period, it/he shall take all reasonable steps to ensure that it/he will comply with all the restrictions and requirements under the Lising Rules and will not create a disorderly or false market for any Shares or other securities of the Company;

(d) at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, it/he will:

    (i) if and when it/he or the relevant registered holder(s) pledges or charges any Shares or other securities of the Company beneficially owned by it/him, immediately inform the Company, the Joint Sponsors and the Overall Coordinators in writing of such pledge or charge together with the number of Shares or other securities (or interests therein) of the Company so pledged or charged; and

    (ii) if and when it/he or the relevant registered holder(s) receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other securities (or interests therein) of the Company will be disposed of, immediately inform the Company, the Joint Sponsors, and the Overall Coordinators in writing of such indications.

***Hong Kong Underwriters' Interests in the Company***

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

## International Offering

### *International Underwriting Agreement*

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering.”

### *Over-allotment Option*

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 75,000,000 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any. See “Structure of the Global Offering — Over-allotment Option.”

### *Commissions and Expenses*

The Capital Market Intermediaries will receive an underwriting commission of 1.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees (if any).

The Capital Market Intermediaries may receive a discretionary incentive fee of up to 1.0% of the aggregate Offer Price of all the Offer Shares to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

Assuming full payment of the discretionary fees and no exercise of the Over-allotment Option, and based on the maximum Offer Price of HK$10.99 per Offer Share, the fixed fees and the discretionary fees payable to the Capital Market Intermediaries represent approximately 39.2% and 60.8%, respectively, of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Capital Market Intermediaries in relation to the Global Offering (assuming an indicative Offer Price of HK$10.58 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) will be approximately HK$144.3 million representing approximately 2.5% of the estimated gross proceeds from the Global Offering.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$197.5 million (assuming an indicative Offer Price of HK$10.58 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by the Company.

**Indemnity**

The Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

## ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of the Offer Shares in the Global Offering.

## THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the Shares on the Main Board of the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued as mentioned in this prospectus.

500,000,000 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of initially 50,000,000 Offer Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" below; and

- the International Offering of initially 450,000,000 Offer Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "— The International Offering" below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 25.0% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

## THE HONG KONG PUBLIC OFFERING

### Number of Offer Shares initially offered

The Company is initially offering 50,000,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.5% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" below.

**Allocation**

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B with any odd lots being allocated to pool A. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 25,000,000 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

**Reallocation**

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 25,000,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 75,000,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) and the final Offer Price should be fixed at the lower end of the indicative Offer Price range (that is, HK$10.18 per Offer Share) stated in this prospectus, in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

### Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share, amounting to a total of HK$5,550.42 for one board lot of 500 Offer Shares. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

## THE INTERNATIONAL OFFERING

### Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 450,000,000 Offer Shares offered by the Company (subject to reallocation and the Over-allotment Option), representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 22.5% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

### Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

### Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part described in the paragraph headed "— Over-allotment Option" in this section, and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering and/or any Offer Shares from the International Offering to the Hong Kong Public Offering at the discretion of the Overall Coordinators.

## OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 75,000,000 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 3.6% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

## STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager (or any person acting for it) reasonably regards as the best interest of the Company, (b) may be discontinued at any time, and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraphs (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the Shares;

- no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Friday, December 19, 2025 being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;

- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

**Over-allocation**

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among others, exercising the Over-allotment Option in full or in part, using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

## STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may choose to borrow up to 75,000,000 Shares (being the maximum number of Shares which may be issued pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or any person acting for it) and Bloomsbury Holding on or about the Price Determination Date.

The same number of Shares so borrowed must be returned to Bloomsbury Holding or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day on which the Over-allotment Option may be exercise and (b) the day on which the Over-allotment Option is exercised in full.

The Shares borrowing arrangement described above will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Bloomsbury Holding by the Stabilizing Manager (or any person acting for it) in relation to such Shares borrowing arrangement.

## PRICING AND ALLOCATION

### Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Thursday, November 20, 2025 and, in any event, no later than 12:00 noon on Thursday, November 20, 2025 by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$10.99 per Offer Share and is expected to be not less than HK$10.18 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, amounting to a total of HK$5,550.42 for one board lot of 500 Offer Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered below and/or the Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at **www.innovationigi.com** and **www.hkexnews.hk**, respectively, notices of the reduction, and the cancelation of the Global Offering and relaunch of the offer at the revised number of Offer Shares and/or the revised indicative Offer Price range.

The Company will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the change in the number of Offer Shares and/or the indicative Offer Price range, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: (i) updated Offer Price range and market capitalization; (ii) updated listing timetable and underwriting obligations; (iii) updated price/earnings multiple, unaudited pro forma and adjusted net tangible assets; and (iv) updated use of proceeds and confirmation of the working capital adequacy based on the revised estimated proceeds.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares and the indicative Offer Price range will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If there is any change to the offer size due to change in the number of Offer Shares offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price falling outside the indicative Offer Price range as stated in this prospectus, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer with a supplemental prospectus or a new prospectus in FINI.

**Announcement of Final Pricing of the Offer Shares**

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

## UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting."

## CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

- the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company;

- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company by 12:00 noon on Thursday, November 20, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the websites of the Company and the Stock Exchange at **www.innovationigi.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Monday, November 24, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

## DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, November 24, 2025, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, November 24, 2025.

The Shares will be traded in board lots of 500 Shares each and the stock code of the Shares will be 02788.

## NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE SFC CODE OF CONDUCT

### Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**Code**") imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as the Overall Coordinators for this offering and is subject to additional requirements under the Code.

Paragraph 21.3.3(c) of the Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the Company and provide sufficient information to the Overall Coordinators to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the Code as having an association (the "**Association**") with the Company, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Offer Shares. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Company or any CMI (including its group companies) and inform the Underwriters accordingly.

Prospective investors to whom the allocation of Offer Shares will be subject to restrictions or require prior consent from the Stock Exchange under the Listing Rules and other regulatory requirements or guidance issued by the Stock Exchange from time to time (the "**Stock Exchange Requirements**") (e.g. a connected person of a listed issuer) would be considered as "Restricted Investors." Offer Shares may only be allocated to Restricted Investors in accordance with applicable Stock Exchange Requirements. CMIs should specifically disclose whether their investor clients are Restricted Investors when submitting orders for the Offer Shares.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, in each case, subject to the applicable Stock Exchange Requirements (in the case of a Stock Exchange listed issuer) and selling restrictions set out elsewhere in this prospectus. CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should inquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Offer Shares (except for omnibus orders where underlying investor information should be provided to the Overall Coordinators when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Offer Shares.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Underwriters in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Offer Shares, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Private banks who disclose that they are placing their order other than on a "principal" basis (i.e. they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the Code. Private banks should be aware that if any of their group companies is a CMI of this offering, placing an order on a "principal" basis may require the Underwriters to apply the "proprietary orders" of the Code to such order and will require the Underwriters to apply the "rebates" requirements of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) are requested to provide the underlying investor information, preferably in Excel Workbook format, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the Overall Coordinators; (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the Overall Coordinators. By submitting an order and providing such information to the Overall Coordinators, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the Overall Coordinators and/or any other third parties as may be required by the Code, including to the Company, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Underwriters may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Underwriter with such evidence within the timeline requested.

**Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of this offering of the Offer Shares, including certain Underwriters, are CMIs subject to Paragraph 21 of the Code. This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as the Overall Coordinators for this offering and is subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the Code as having an Association with the Company, the CMI or the relevant group company (as the case may be). Prospective investors associated with the Company or any CMI (including its group companies) should specifically disclose this when placing an order for the Offer Shares and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors to whom the allocation of Offer Shares will be subject to restrictions or require prior consent from the Stock Exchange under the Stock Exchange Requirements (e.g. a connected person of a listed issuer) would be considered as "Restricted Investors." Offer Shares may only be allocated to Restricted Investors in accordance with applicable Stock Exchange Requirements. Prospective investors who are Restricted Investors should specifically disclose whether they are Restricted Investors when placing an order for the Offer Shares. Prospective investors who do not disclose they are Restricted Investors are hereby deemed not to be Restricted Investors.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Underwriter, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Underwriter or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." If a prospective investor is otherwise affiliated with any Underwriter, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant Underwriter when placing such order and such orders will be subject to applicable requirements in accordance with the Code. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Underwriters and/or any other third parties as may be required by the Code, including to the Company, the Overall Coordinators, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

**IMPORTANT NOTICE TO INVESTORS**
**OF HONG KONG OFFER SHARES**

**FULLY ELECTRONIC APPLICATION PROCESS**

**The Company has adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.**

**This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and the Company's website at www.innovationigi.com.**

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

## A. APPLICATION FOR HONG KONG OFFER SHARES

### 1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **White Form eIPO** service only)*; and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to the Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder;
- are a Director or chief executive of the Company and/or a director or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;

- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

## 2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, November 14, 2025 and end at 12:00 noon on Wednesday, November 19, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

| Application Channel | Platform | Target Investors | Application Time |
|---|---|---|---|
| **White Form eIPO service** . . | **www.eipo.com.hk** | Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name. | From 9:00 a.m. on Friday, November 14, 2025 until 11:30 a.m. on Wednesday, November 19, 2025, Hong Kong time.<br><br>The latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, November 19, 2025, Hong Kong time. |
| **HKSCC EIPO channel** . | Your broker or custodian who is a HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction | Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account. | Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian. |

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

***Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance***

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

## 3. Information Required to Apply

You must provide the following information with your application:

**For Individual/Joint Applicants**

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

**For Corporate Applicants**

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

*Notes:*

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares in the Hong Kong Public Offering. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the **HKSCC EIPO** channel, and making an application under a power of attorney, the Company and the Overall Coordinators, as the Company's agents, have discretion to consider whether to accept it on any conditions the Company thinks fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

## 4. Permitted Number of Hong Kong Offer Shares for Application

| | | |
|---|---|---|
| **Board lot size** | : | 500 Shares for one board lot |
| **Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment** | : | Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.<br><br>The maximum Offer Price is HK$10.99 per Share.<br><br>If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for. |

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

| No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application | No. of Hong Kong Offer Shares applied for | Amount payable(2) on application |
|---|---|---|---|---|---|---|---|
| | *HK$* | | *HK$* | | *HK$* | | *HK$* |
| 500 | 5,550.42 | 8,000 | 88,806.67 | 70,000 | 777,058.39 | 1,000,000 | 11,100,834.16 |
| 1,000 | 11,100.84 | 9,000 | 99,907.51 | 80,000 | 888,066.73 | 2,000,000 | 22,201,668.30 |
| 1,500 | 16,651.25 | 10,000 | 111,008.34 | 90,000 | 999,075.07 | 3,000,000 | 33,302,502.46 |
| 2,000 | 22,201.66 | 15,000 | 166,512.51 | 100,000 | 1,110,083.41 | 4,000,000 | 44,403,336.60 |
| 2,500 | 27,752.08 | 20,000 | 222,016.68 | 200,000 | 2,220,166.84 | 5,000,000 | 55,504,170.76 |
| 3,000 | 33,302.50 | 25,000 | 277,520.85 | 300,000 | 3,330,250.25 | 6,000,000 | 66,605,004.90 |
| 3,500 | 38,852.92 | 30,000 | 333,025.02 | 400,000 | 4,440,333.65 | 7,000,000 | 77,705,839.06 |
| 4,000 | 44,403.34 | 35,000 | 388,529.20 | 500,000 | 5,550,417.08 | 8,000,000 | 88,806,673.20 |
| 4,500 | 49,953.75 | 40,000 | 444,033.37 | 600,000 | 6,660,500.49 | 9,000,000 | 99,907,507.36 |
| 5,000 | 55,504.16 | 45,000 | 499,537.53 | 700,000 | 7,770,583.90 | 10,000,000 | 111,008,341.50 |
| 6,000 | 66,605.01 | 50,000 | 555,041.71 | 800,000 | 8,880,667.32 | 20,000,000 | 222,016,683.00 |
| 7,000 | 77,705.85 | 60,000 | 666,050.05 | 900,000 | 9,990,750.74 | 25,000,000(1) | 277,520,853.76 |

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

**5. Multiple Applications Prohibited**

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

**6. Terms and Conditions of An Application**

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Overall Coordinators, as the Company's agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of Shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to the Company, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in "— C. Circumstances in which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither the Company nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that the Company and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC or the **White Form eIPO** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

## B. PUBLICATION OF RESULTS

### Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

| Platform | | Date/Time |
|---|---|---|
| Applying through the **White Form eIPO** service or **HKSCC EIPO** channel: | | |
| Website . . . . | The designated results of allocation website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.<br><br>The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**). | 24 hours, from 11:00 p.m. on Friday, November 21, 2025 to 12:00 midnight on Thursday, November 27, 2025 (Hong Kong time) |
| | The Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.innovationigi.com** which will provide links to the above mentioned websites of the Hong Kong Share Registrar. | No later than 11:00 p.m. on Friday, November 21, 2025 (Hong Kong time) |
| Telephone. . . | +852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar | between 9:00 a.m. and 6:00 p.m. on Monday, November 24, 2025, Tuesday, November 25, 2025, Wednesday, November 26, 2025 and Thursday, November 27, 2025 (Hong Kong time) |

For those applying through the **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, November 20, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, November 20, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

**Allocation Announcement**

The Company expects to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.innovationigi.com** by no later than 11:00 p.m. on Friday, November 21, 2025 (Hong Kong time).

## C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying:

**1. If your application is revoked:**

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**2. If the Company or its agents exercise(s) their discretion to reject your application:**

The Company, the Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

**3. If the allocation of Hong Kong Offer Shares is void:**

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

**4. If:**

- you make multiple applications or suspected multiple applications. You may refer to "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Overall Coordinators believe(s) that by accepting your application, it or the Company would violate applicable securities or other laws, rules or regulations.

**5. If there is money settlement failure for allotted Offer Shares:**

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

**There is a risk of money settlement failure**. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted Offer Shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of the Company, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

## D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Offer Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, November 24, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

| | White Form eIPO service | HKSCC EIPO channel |
|---|---|---|
| **Despatch/collection of Share certificate[1]** | | |
| **For physical share certificates of 1,000,000 or more Offer Shares issued under your own name** . . . . . . . . . | Collection in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong<br><br>**Time:** from 9:00 a.m. to 1:00 p.m. on Monday, November 24, 2025 (Hong Kong time), or any other place or date notified by the Company<br><br>If you are an individual, you must not authorize any other person to collect for you.<br><br>If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.<br><br>Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. | Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.<br><br>No action by you is required. |

| | White Form eIPO service | HKSCC EIPO channel |
|---|---|---|
| | **Note:** If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk | |
| **For physical share certificates of less than 1,000,000 Offer Shares issued under your own name** . . . . . . . . . | Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.<br><br>**Date:** Friday, November 21, 2025 | |

**Refund mechanism for surplus application monies paid by you**

| | | |
|---|---|---|
| **Date** . . . . . . . . . . . | Monday, November 24, 2025 | Subject to the arrangement between you and your broker or custodian |
| **Responsible party**. | Hong Kong Share Registrar | Your broker or custodian |
| **Application monies paid through single bank account** . . | **White Form** e-Refund payment instructions to your designated bank account | Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it. |
| **Application monies paid through multiple bank accounts** . . . . . . | Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk. | |

*Note:*

(1) Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or Extreme Conditions in force in Hong Kong in the morning on Friday, November 21, 2025, rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, in which case the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.

## E. SEVERE WEATHER ARRANGEMENTS

### The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, November 19, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"),

(collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, November 19, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.innovationigi.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Friday, November 21, 2025, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, November 24, 2025.

If a **Severe** Weather Signal is hoisted on Friday, November 21, 2025, for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, the despatch of physical Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, November 21, 2025 or on Monday, November 24, 2025).

If a **Severe** Weather Signal is hoisted on Monday, November 24, 2025, for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, physical Share certificate(s) will be available for collection in person at the Hong Kong Share Registrar's office after the **Severe** Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, November 24, 2025 or on Tuesday, November 25, 2025).

**Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.**

## F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

## G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

### 1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### 2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

**3. Purposes**

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

**4. Transfer of personal data**

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

**5. Retention of personal data**

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

**6. Access to and correction of personal data**

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Share Registrar, at their registered address disclosed in "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

*The following is the text of a report set out on pages I-1 to I-106, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.*

Deloitte. 德勤

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHUANGXIN INDUSTRIES HOLDINGS LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED**

**Introduction**

We report on the historical financial information of Chuangxin Industries Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-106, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024, and 31 May 2025, the statements of financial position of the Company as at 31 December 2023 and 2024, and 31 May 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-106 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 14 November 2025 (the "Document") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

**Directors' responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2022, 2023 and 2024, and 31 May 2025, of the Company's financial position as at 31 December 2023 and 2024 and 31 May 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

**Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended May 31 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

***Dividends***

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the group entities in respect of the Track Record Period and states that no dividend was declared or paid by the Company since its incorporation.

**Deloitte Touche Tohmatsu**
*Certified Public Accountants*
Hong Kong
14 November 2025

## HISTORICAL FINANCIAL INFORMATION OF THE GROUP

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Year ended 31 December | | | Five Months ended 31 May | |
|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Revenue | *6* | 13,489,726 | 13,814,657 | 15,163,182 | 5,883,228 | 7,213,526 |
| Cost of sales | | (11,448,584) | (11,478,369) | (10,886,722) | (4,242,896) | (5,780,865) |
| Gross profit | | 2,041,142 | 2,336,288 | 4,276,460 | 1,640,332 | 1,432,661 |
| Other income | *7* | 93,503 | 97,948 | 55,243 | 19,792 | 22,807 |
| Other expenses | | (7,500) | (20,947) | (11,172) | (2,528) | (6,863) |
| Listing expenses | | – | – | (16,438) | – | (4,736) |
| Other gains and losses | *8* | 205,962 | 5,245 | 18,471 | 10,845 | 6,888 |
| Selling and marketing expenses | | (2,834) | (313) | (563) | (120) | (861) |
| Administrative expenses | | (218,619) | (206,009) | (279,018) | (101,197) | (145,594) |
| Impairment (losses) gains under expected credit loss ("ECL") model, net of reversal | | (2,126) | (14) | 412 | 400 | 793 |
| Share of results of joint ventures | | – | – | (851) | – | (7,005) |
| Finance costs | *9* | (1,061,869) | (939,706) | (761,647) | (366,468) | (262,444) |
| **Profit before tax** | *10* | 1,047,659 | 1,272,492 | 3,280,897 | 1,201,056 | 1,035,646 |
| Income tax expenses | *11* | (134,757) | (191,860) | (651,377) | (201,620) | (180,195) |
| **Profit and total comprehensive income for the year/period** | | 912,902 | 1,080,632 | 2,629,520 | 999,436 | 855,451 |
| Profit and total comprehensive income for the year/period attributable to: | | | | | | |
| Owners of the Company | | 881,286 | 1,003,572 | 2,056,227 | 879,941 | 755,955 |
| Non-controlling interests | | 31,616 | 77,060 | 573,293 | 119,495 | 99,496 |
| | | 912,902 | 1,080,632 | 2,629,520 | 999,436 | 855,451 |
| **Earnings per share** | *14* | | | | | |
| – Basic (RMB) | | 0.59 | 0.67 | 1.37 | 0.59 | 0.50 |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Notes | As at 31 December 2022 | As at 31 December 2023 | As at 31 December 2024 | As at 31 May 2025 |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current assets** | | | | | |
| Property, plant and equipment | *15* | 6,394,185 | 6,686,105 | 9,152,466 | 10,741,958 |
| Right-of-use assets | *16* | 2,262,694 | 2,233,194 | 928,604 | 1,083,733 |
| Intangible assets | *17* | 3,359,808 | 3,288,524 | 3,217,685 | 3,187,859 |
| Prepayments on acquisition of long-lived assets | | 47,687 | 98,870 | 1,151,436 | 746,964 |
| Other receivables | *22* | – | – | 2,303 | 2,292 |
| Deferred tax assets | *18* | 7,104 | 5,608 | 83,126 | – |
| | | 12,071,478 | 12,312,301 | 14,535,620 | 15,762,806 |
| **Current assets** | | | | | |
| Inventories | *19* | 1,761,037 | 1,255,138 | 1,577,704 | 2,253,286 |
| Trade receivables | *20* | 40,232 | 96,131 | 39,140 | 84,755 |
| Receivables at fair value through other comprehensive income ("FVTOCI") | *21* | 29,102 | 62,678 | 485,699 | 90,972 |
| Prepayments and other receivables | *22* | 331,176 | 181,666 | 823,813 | 989,316 |
| Financial assets at fair value through profit or loss ("FVTPL") | *23* | 30,044 | – | – | 699,900 |
| Amounts due from related parties | *24* | 4,260,136 | 3,752,415 | – | – |
| Tax recoverable | | 8,919 | – | – | – |
| Restricted bank deposits | *25* | 2,798,680 | 1,309,070 | 681,440 | 591,314 |
| Cash and cash equivalents | *25* | 158,909 | 584,126 | 176,401 | 470,857 |
| | | 9,418,235 | 7,241,224 | 3,784,197 | 5,180,400 |
| **Current liabilities** | | | | | |
| Trade, bills and other payables | *26* | 6,736,129 | 4,698,653 | 2,945,451 | 3,755,878 |
| Contract liabilities | *27* | 26,336 | 6,979 | 372,807 | 344,055 |
| Lease liabilities | *28* | 280,630 | 346,554 | 10,698 | 46,539 |
| Deferred income | | 2,564 | 2,677 | 8,790 | 12,532 |
| Bank and other borrowings | *29* | 8,342,273 | 4,250,981 | 4,941,606 | 6,676,496 |
| Amounts due to related parties | *30* | 317,191 | 416,131 | – | – |
| Tax payable | | – | 159,487 | 458,908 | 66,630 |
| | | 15,705,123 | 9,881,462 | 8,738,260 | 10,902,130 |
| **Net current liabilities** | | (6,286,888) | (2,640,238) | (4,954,063) | (5,721,730) |
| **Total assets less current liabilities** | | 5,784,590 | 9,672,063 | 9,581,557 | 10,041,076 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | *18* | 20,465 | 17,281 | – | 60,262 |
| Bank and other borrowings | *29* | 2,488,003 | 5,030,826 | 6,006,637 | 5,844,895 |
| Other payables | *26* | 655,990 | 700,982 | 749,556 | 702,595 |
| Lease liabilities | *28* | 673,967 | 459,842 | 417,924 | 172,849 |
| Deferred income | | 16,939 | 14,262 | 81,172 | 78,702 |
| | | 3,855,364 | 6,223,193 | 7,255,289 | 6,859,303 |
| **Net assets** | | 1,929,226 | 3,448,870 | 2,326,268 | 3,181,773 |
| **Capital and reserves** | | | | | |
| Paid-in/share capital | *31* | 2,017,901 | 2,070,551 | –* | 54 |
| Reserves | *32* | (327,936) | 879,808 | 1,254,713 | 2,010,668 |
| Equity attributable to owners of the Company | | 1,689,965 | 2,950,359 | 1,254,713 | 2,010,722 |
| Non-controlling interests | *33* | 239,261 | 498,511 | 1,071,555 | 1,171,051 |
| Total equity | | 1,929,226 | 3,448,870 | 2,326,268 | 3,181,773 |

* Less than RMB1,000.

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

| | | As at 31 December | | As at 31 May |
|---|---|---|---|---|
| | *Notes* | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current assets** | | | | |
| Property, plant and equipment | *15* | – | – | 3,129 |
| Right-of-use assets | *16* | – | – | 13,882 |
| Other receivables | *22* | – | 2,303 | 2,292 |
| | | – | 2,303 | 19,303 |
| **Current assets** | | | | |
| Cash and cash equivalents | | – | 865 | 28 |
| Other receivables | *22* | – | 5,789 | 11,524 |
| Amount due from a related party | *41* | –* | –* | – |
| | | –* | 6,654 | 11,552 |
| **Current liabilities** | | | | |
| Other payables | *26* | – | 18,627 | 13,695 |
| Lease liabilities | *28* | – | – | 5,465 |
| Amount due to subsidiaries | *41* | – | 8,098 | 26,869 |
| | | – | 26,725 | 46,029 |
| **Net current liabilities** | | –* | (20,071) | (34,477) |
| **Total assets less current liabilities** | | –* | (17,768) | (15,174) |
| **Non-current liability** | | | | |
| Lease liabilities | *28* | – | – | 9,378 |
| | | – | – | 9,378 |
| **Net liabilities** | | –* | (17,768) | (24,552) |
| **Capital and reserves** | | | | |
| Share capital | *31* | –* | –* | 54 |
| Reserves | *32* | – | (17,768) | (24,606) |
| Total deficit | | –* | (17,768) | (24,552) |

* Less than RMB1,000.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Paid-in/ share capital | Statutory surplus reserve | Safety fund reserve | Other reserve | (Accumulated losses) retained Earnings | Sub-total | Non-controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|
| | *(note 31)* | *(note 32)* | *(note 32)* | | | | *(note 33)* | |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2022 | 2,017,901 | 156,217 | 22,438 | – | (1,387,877) | 808,679 | 207,645 | 1,016,324 |
| Profit and total comprehensive income for the year | – | – | – | – | 881,286 | 881,286 | 31,616 | 912,902 |
| Transfer to statutory surplus reserve | – | 3,617 | – | – | (3,617) | – | – | – |
| Transfer to safety funds reserve, net of utilisation | – | – | 29,443 | – | (29,443) | – | – | – |
| At 31 December 2022 | 2,017,901 | 159,834 | 51,881 | – | (539,651) | 1,689,965 | 239,261 | 1,929,226 |
| Profit and total comprehensive income for the year | – | – | – | – | 1,003,572 | 1,003,572 | 77,060 | 1,080,632 |
| Capital injection from a non-controlling interest to Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源新材料科技有限公司) ("Shandong Chuangyuan") *(note 15)* | 52,650 | – | – | 204,172 | – | 256,822 | 182,190 | 439,012 |
| Issue of one ordinary share by the Company | –** | – | – | – | – | – | – | –** |
| Transfer to statutory surplus reserve | – | 11,353 | – | – | (11,353) | – | – | – |
| Transfer to safety funds reserve, net of utilisation | – | – | 16,753 | – | (16,753) | – | – | – |
| At 31 December 2023 | 2,070,551 | 171,187 | 68,634 | 204,172 | 435,815 | 2,950,359 | 498,511 | 3,448,870 |
| Profit and total comprehensive income for the year | – | – | – | – | 2,056,227 | 2,056,227 | 573,293 | 2,629,520 |
| Capital injection from Shandong Innovation Group Co., Ltd* (山東創新集團有限公司) ("Innovation Group") to Shandong Chuangyuan *(note a)* | – | – | – | 192,699 | – | 192,699 | 136,701 | 329,400 |

| | Paid-in/ share capital | Statutory surplus reserve | Safety fund reserve | Other reserve | (Accumulated losses) retained Earnings | Sub-total | Non-controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|
| | *(note 31)* | *(note 32)* | *(note 32)* | | | | *(note 33)* | |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Acquisition of Shandong Chuangyuan | (70,551) | – | – | (680,821) | – | (751,372) | – | (751,372) |
| Capital injection to Inner Mongolia Chuangyuan Metal Co., Ltd* (內蒙古創源金屬有限公司) ("Inner Mongolia Chuangyuan") as part of the Reorganisation (as defined in note 2) *(note 2)* | 32,320 | – | – | – | – | 32,320 | – | 32,320 |
| Dividend declared and paid *(note 13)* | – | – | – | – | (193,050) | (193,050) | (136,950) | (330,000) |
| Acquisition of 99% equity interest in Inner Mongolia Chuangyuan | (2,000,000) | – | – | (1,000,000) | – | (3,000,000) | – | (3,000,000) |
| Acquisition of 1% equity interest in Inner Mongolia Chuangyuan | (32,320) | – | – | (150) | – | (32,470) | – | (32,470) |
| Transfer to statutory surplus reserve | – | 214,442 | – | – | (214,442) | – | – | – |
| Transfer to safety funds reserve, net of utilisation | – | – | 27,709 | – | (27,709) | – | – | – |
| At 31 December 2024 | –** | 385,629 | 96,343 | (1,284,100) | 2,056,841 | 1,254,713 | 1,071,555 | 2,326,268 |
| Profit and total comprehensive income for the period | – | – | – | – | 755,955 | 755,955 | 99,496 | 855,451 |
| Issue of ordinary shares | 54 | – | – | – | – | 54 | – | 54 |
| Transfer to statutory surplus reserve | – | 61,209 | – | – | (61,209) | – | – | – |
| Transfer to safety funds reserve, net of utilisation | – | – | 2,354 | – | (2,354) | – | – | – |
| At 31 May 2025 | 54 | 446,838 | 98,697 | (1,284,100) | 2,749,233 | 2,010,722 | 1,171,051 | 3,181,773 |
| At 31 December 2023 | 2,070,551 | 171,187 | 68,634 | 204,172 | 435,815 | 2,950,359 | 498,511 | 3,448,870 |
| Profit and total comprehensive income for the period (unaudited) | – | – | – | – | 879,941 | 879,941 | 119,495 | 999,436 |

| | Paid-in/ share capital | Statutory surplus reserve | Safety fund reserve | Other reserve | (Accumulated losses) retained Earnings | Sub-total | Non-controlling Interests | Total |
|---|---|---|---|---|---|---|---|---|
| | *(note 31)* | *(note 32)* | *(note 32)* | | | | *(note 33)* | |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Capital injection from Innovation Group to Shandong Chuangyuan *(note a)* (unaudited) | – | – | – | 192,699 | – | 192,699 | 136,701 | 329,400 |
| Acquisition of Shandong Chuangyuan | (70,551) | – | – | (680,821) | – | (751,372) | – | (751,372) |
| Dividend declared and paid *(note 13)* (unaudited) | – | – | – | – | (193,050) | (193,050) | (136,950) | (330,000) |
| Transfer to statutory surplus reserve (unaudited) | – | 89,331 | – | – | (89,331) | – | – | – |
| Transfer to safety funds reserve, net of utilisation (unaudited) | – | – | 14,696 | – | (14,696) | – | – | – |
| At 31 May 2024 (unaudited) | 2,000,000 | 260,518 | 83,330 | (283,950) | 1,018,679 | 3,078,577 | 617,757 | 3,696,334 |

* *English name is for identification purpose only*

** Less than RMB1,000.

*Note:*

(a) On 12 January 2024, Innovation Group made capital injection into Shandong Chuangyuan in form of cash.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year ended 31 December | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| **OPERATING ACTIVITIES** | | | | | |
| Profit before tax | 1,047,659 | 1,272,492 | 3,280,897 | 1,201,056 | 1,035,646 |
| Adjustments for: | | | | | |
| (Gain) loss on disposal of property, plant and equipment | (2,167) | (1,690) | (8,699) | (8,582) | 56 |
| Gain on disposal of intangible assets | (180,749) | – | – | – | – |
| Loss on disposal of land use right | – | – | – | – | (10) |
| Depreciation of property, plant and equipment | 462,642 | 546,932 | 617,124 | 233,146 | 323,450 |
| Depreciation of right-of-use assets | 201,817 | 162,849 | 71,430 | 52,524 | 18,021 |
| Amortisation of intangible assets | 74,981 | 71,284 | 71,587 | 29,700 | 29,826 |
| Impairment loss on property, plant and equipment | 15,316 | 19,084 | 11,246 | 5,767 | 9,559 |
| Write-down of inventories | 5,440 | – | – | – | – |
| Finance costs | 1,061,869 | 939,706 | 761,647 | 366,468 | 262,444 |
| Interest income | (90,116) | (48,878) | (18,526) | (9,315) | (2,037) |
| Share of results of joint ventures | – | – | 851 | – | 7,005 |
| Gain on disposal of derivative financial instruments | (23,702) | – | – | – | – |
| Impairment loss under ECL model, net of reversal | 2,126 | 14 | (412) | (400) | (793) |
| Fair value changes of financial assets at FVTPL | (44) | 44 | – | – | – |
| Realised gain from financial assets at FVTPL | (93) | (99) | – | – | (83) |
| Net foreign exchange losses (gains) | 78 | 11 | 295 | – | (496) |
| Loss (gain) on disposal of subsidiaries | – | – | 728 | – | (5,174) |
| **Operating cash flows before movements in working capital** | 2,575,057 | 2,961,749 | 4,788,168 | 1,870,364 | 1,677,414 |
| (Increase) decrease in inventories | (347,705) | 505,899 | (322,566) | 157,868 | (675,582) |
| Decrease (increase) in trade receivables | 88,052 | (55,739) | 56,861 | 45,216 | (45,964) |
| Increase in receivables at FVTOCI | (13,290) | (38,342) | (729,629) | (281,792) | (38,126) |
| Decrease (increase) in prepayments and other receivables | 131,535 | 129,919 | (667,689) | (76,254) | 207,416 |
| (Decrease) increase in trade and bills payables | (240,219) | 1,102,211 | 208,066 | 166,782 | 72,951 |
| (Decrease) increase in contract liabilities | (32,735) | (19,357) | 365,828 | 312,597 | (28,752) |
| (Decrease) increase in other payables | (118,799) | (4,422) | 136,462 | (20,369) | 91,319 |
| Increase (decrease) in deferred income | 10,940 | (2,564) | 73,023 | 28,762 | 1,272 |
| **Cash generated from operations** | 2,052,836 | 4,579,354 | 3,908,524 | 2,203,174 | 1,261,948 |
| Income taxes refund | 44,246 | 53,465 | – | – | – |
| Income taxes paid | (227,943) | (78,607) | (446,755) | (212,262) | (429,085) |
| **NET CASH FROM OPERATING ACTIVITIES** | 1,869,139 | 4,554,212 | 3,461,769 | 1,990,912 | 832,863 |

| | Year ended 31 December | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| **INVESTING ACTIVITIES** | | | | | |
| Payments for acquisition of property, plant and equipment | (956,322) | (452,479) | (3,102,539) | (519,877) | (1,301,498) |
| Payments for acquisition of intangible assets | (142,862) | (76,010) | (748) | – | – |
| Payments for acquisition of right-of-use assets | (268,620) | (17,581) | (4,110) | (2,281) | (36,088) |
| Payments for rental deposit | – | – | (2,303) | – | – |
| Proceeds on disposal of property, plant and equipment | 7,438 | 2,441 | 97,884 | 97,459 | 2,472 |
| Proceeds on disposal of intangible assets | 354,717 | – | – | – | – |
| Interest received | 96,865 | 89,617 | 25,224 | 13,152 | 1,562 |
| Withdrawal of restricted bank deposits | 2,942,291 | 3,947,661 | 2,758,927 | 1,780,676 | 1,421,043 |
| Placement of restricted bank deposits | (2,829,166) | (2,499,530) | (2,137,995) | (1,253,750) | (1,330,442) |
| Purchases of financial assets at FVTPL | (594,000) | (65,000) | – | – | (999,900) |
| Proceeds from disposal of financial assets at FVTPL | 564,093 | 95,099 | – | – | 300,083 |
| Purchases of derivative financial instruments | (30,842) | – | – | – | – |
| Proceeds from disposal of derivative financial instruments | 54,544 | – | – | – | – |
| Repayments received from a related party | 228,551 | 1,002,927 | 1,985,146 | 1,620,616 | – |
| Advance to a related party | (246,240) | (495,049) | (1,983,025) | (1,560,214) | – |
| Repayments received from a third party | 205,000 | 20,000 | 75,140 | 16,550 | – |
| Advance to a third party | (50,000) | – | (44,400) | (21,427) | – |
| Investment deposit received from a third party | – | 80,000 | (80,000) | – | – |
| Net cash outflow on acquisition of a subsidiary | – | – | (13,557) | – | – |
| Net cash outflow on disposal of subsidiaries | – | – | (157) | – | – |
| **NET CASH (USED IN) FROM INVESTING ACTIVITIES** | (664,553) | 1,632,096 | (2,426,513) | 170,904 | (1,942,768) |

| | Year ended 31 December | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **FINANCING ACTIVITIES** | | | | | |
| Dividends paid | – | – | (330,000) | (330,000) | – |
| New borrowings raised | 620,000 | 4,918,000 | 4,238,690 | 695,294 | 4,330,819 |
| Repayments of borrowings | (1,519,018) | (6,538,542) | (2,386,513) | (877,585) | (2,417,705) |
| Proceeds from notes financing | 3,765,131 | 3,704,439 | 1,220,317 | 430,000 | 500,000 |
| Payments for notes financing | (2,504,000) | (5,534,030) | (3,237,060) | (1,587,060) | (110,000) |
| Payments of lease liabilities | (346,948) | (232,786) | (379,862) | (379,862) | (359,049) |
| Interest paid | (899,456) | (824,701) | (671,772) | (322,139) | (286,613) |
| Payments to a finance provider | (722,787) | (1,298,975) | (230,691) | (139,293) | – |
| Loans raised from related parties | 320,300 | 1,276,029 | 1,012,385 | 135,179 | – |
| Repayments of loans from related parties | (205,267) | (1,194,325) | (1,428,516) | (520,986) | – |
| Loans raised from third parties | 73,000 | 64,300 | 471,982 | 194,109 | 207,185 |
| Repayments of loans from third parties | (15,000) | (100,500) | (49,200) | (30,800) | (457,550) |
| Capital injection from Innovation Group to Shandong Chuangyuan | – | – | 329,400 | 329,400 | – |
| Capital injection to Inner Mongolia Chuangyuan as part of the Reorganisation (as defined in Appendix I of this document) | – | – | 32,320 | – | – |
| Acquire 1% of Inner Mongolia Chuangyuan from Carnaby Management | – | – | (32,470) | – | – |
| Payments of issue costs | – | – | (1,991) | – | (2,780) |
| Proceeds from issue of ordinary shares | – | – | – | – | 54 |
| **NET CASH (USED IN) FROM FINANCING ACTIVITIES** | (1,434,045) | (5,761,091) | (1,442,981) | (2,403,743) | 1,404,361 |
| **NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS** | (229,459) | 425,217 | (407,725) | (241,927) | 294,456 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD** | 388,368 | 158,909 | 584,126 | 584,126 | 176,401 |
| **CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD** | 158,909 | 584,126 | 176,401 | 342,199 | 470,857 |

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

Chuangxin Industries Holdings Limited (the "Company") is an exempted limited liability company incorporated in the Cayman Islands on 4 July 2023. The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" of the Document.

Pursuant to the Reorganisation (as defined and detailed in note 2) completed on 23 October 2024, the Company became the holding company of the entities now comprising the Group since then.

The Company is an investment holding company. During the Track Record Period, the Company, together with its subsidiaries as set out in note 43 (collectively referred to as the "Group") are principally engaged in production and sales of electrolytic aluminum and alumina in the People's Republic of China ("PRC"), focusing on alumina refining and aluminum smelting within the upstream of the aluminum industry chain.

Mr. Cui Lixin, the founder of the Group, as at 31 December 2022 and 2023, owned effectively 71.82% equity interest of the Group through Innovation Group and owned 100% equity interest of the Company upon completion of the Reorganisation (as defined in note 2) since October 2024. Accordingly, Mr. Cui Lixin is the ultimate controlling shareholder ("Mr. Cui" or the "Controlling Shareholder") of the Group prior to and upon completion of the Reorganisation (as defined in note 2).

The functional currency of the Company and its subsidiaries is Renminbi ("RMB"), which is the same as the presentation currency of the Historical Financial Information.

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in note 4 which conform with IFRS Accounting Standards and the principle of merger accounting conventions applicable for group reorganisation (details are set out below).

During the Track Record Period, Innovation Group is owned by Mr. Cui as to 71.82%, while the remaining minority interests totaling 28.18% were held by 3 individuals.

Historically, the Group's principal business is carried out by Inner Mongolia Chuangyuan, Shandong Chuangyuan and other subsidiaries. In preparation for the initial listing of shares of the Company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"), the Group underwent a series of group reorganisation (the "Reorganisation") following the incorporation of the Company as described below.

The major steps of the Reorganisation comprised the following:

On 28 June 2023, Mr. Cui incorporated a wholly-owned special purpose vehicle, Bloomsbury Holding Limited ("Bloomsbury Holding"), in the British Virgin Islands ("BVI") for purpose of Reorganisation.

On 4 July 2023, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. Upon incorporation, the Company allotted and issued one ordinary share with a par value of United States Dollars ("USD") 0.0001 to ICS Corporate Services (Cayman) Limited, and ICS Corporate Services (Cayman) Limited subsequently transferred such share to Bloomsbury Holding at nominal value on the same day. Upon completion of such share transfer, the Company became a wholly owned subsidiary of Bloomsbury Holding.

On 15 September 2023, Phineas Management Limited ("Phineas Management") was incorporated by the Company in Hong Kong. Upon incorporation, Phineas Management allotted and issued one ordinary share to the Company at HKD1 and has been wholly owned by the Company.

On 29 January 2024 and 29 March 2024, Inner Mongolia Chuangyuan acquired 58.5% equity interests in aggregate of Shandong Chuangyuan from Innovation Group in stages at a total consideration of RMB751,372,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Inner Mongolia Chuangyuan to Innovation Group. The 41.5% equity interest of Shandong Chuangyuan continued to be held by Innovation Group and was accounted for as the Group's non-controlling interests.

On 9 May 2024, Phineas Management established a wholly foreign-owned enterprise, Beijing Chuangyuan Zhixin Trading Co., Ltd.* (北京創源智新商貿有限公司) ("Beijing Chuangyuan"), as a limited liability company in the PRC.

On 30 August 2024, Carnaby Management Limited ("Carnaby Management"), an independent third party, entered into a capital subscription agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Carnaby Management subscribed for an increased registered share capital of RMB32,320,000 in Inner Mongolia Chuangyuan. Such capital contribution has been fully paid on 13 September 2024. Upon completion of the capital contribution, Inner Mongolia Chuangyuan was held by Innovation Group and Carnaby Management as to 99% and 1%, respectively.

On 9 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% equity interest in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3,000,000,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.

On 15 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Carnaby Management, pursuant to which Beijing Chuangyuan acquired the 1% equity interest held by Carnaby Management in Inner Mongolia Chuangyuan at a cash consideration of RMB32,470,000. Such consideration has been fully settled on 23 October 2024. Upon completion of the share transfer, Inner Mongolia Chuangyuan is held as to 100% by Beijing Chuangyuan and became an indirect wholly owned subsidiary of the Company.

Details of the Reorganisation has been more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the Document.

The Reorganisation was in substance a continuation of an existing group before the Reorganisation, which comprised Inner Mongolia Chuangyuan and its subsidiaries (including Shandong Chuangyuan). Reorganisation involved insertion of holding companies to Inner Mongolia Chuangyuan and its subsidiaries (including Shandong Chuangyuan) which were all entities under common control of Mr. Cui before and after the Reorganisation. Accordingly, the Historical Financial Information before completion of Reorganisation has been prepared on a combined basis by applying the principle of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the year ended 31 December 2022 and 2023, including the results, changes in equity and cash flows of the entities now comprising the Group, as if the Company had always been the holding company of the Group and the group structure upon completion of the Reorganisation had been in existence throughout the Track Record Period, or since their respective date of establishment, incorporation or acquisition, where this is a shorter period.

The combined statements of financial position of the Group as at 31 December 2022 and 2023 have been prepared to present the assets and liabilities of the entities now comprising the Group, as if the Company had always been the holding company of the Group and the group structure upon completion of the Reorganisation had been in existence at those dates taking into account the respective dates of establishment, incorporation or acquisition, where applicable.

No statutory financial statements of the Company has been prepared since its date of incorporate as it is incorporated in a jurisdiction where there are no statutory audit requirements.

**Going Concern Assumption**

The management of the Group have given careful consideration to the going concern of the Group in light of the fact that as at 31 May 2025, the Group's current liabilities exceeded its current assets by RMB5,721,730,000. In addition, as at 31 May 2025, the Group had capital commitments contracted for but not provided in the Historical Financial Information amounting to RMB1,269,805,000, as disclosed in note 39.

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

Nevertheless, the management of the Group, according to the Group's level of profitability, together with their historical successful experience, is confident that they can successfully seek for alternative financing, refinancing, extension of due dates of the relevant debts and/or drawdown from unutilised credit facilities, which enables the Group to continue as a going concern. Currently, the Group has been continuously negotiating with banks and financial institutions to seek for alternative financing, refinancing and/or extension of due dates of the relevant debts, details and status of which are set out in note 29.

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

## 3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's accounting period beginning on 1 January 2025, throughout the Track Record Period.

**New and amendments to IFRS Accounting Standards in issue but not yet effective**

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

| | |
|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[2] |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity[2] |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1] |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11[2] |
| IFRS 18 | Presentation and Disclosure in Financial Statements[3] |

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income.

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

**Basis of consolidation**

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

**Merger accounting for business consolidation involving businesses under common control**

The Historical Financial Information incorporates the financial statements items of the combining businesses in which the common control consolidation occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control consolidation.

Expenditure incurred in relation to a common control consolidation that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

The combined statements of profit or loss and other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where there is a shorter period.

The comparative amounts in the Historical Financial Information are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

**Changes in the Group's interests in existing subsidiaries**

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS accounting standards).

**Business combinations or asset acquisitions**

***Asset acquisitions***

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

***Business combinations***

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

**Investment in a joint venture**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture is incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of a joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

**Revenue from contracts with customers**

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 6 and 27.

**Property, plant and equipment**

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and plant and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Intangible assets**

***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**Leases**

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

***The Group as lessee***

*Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

*Short-term leases*

The Group applies the short-term lease recognition exemption to leases of certain office premises and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

*Right-of-use assets*

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

*Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

*Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments); and

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

*Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases 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 particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

***The Group as a lessor***

*Classification and measurement of leases*

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

*Lease modification*

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

***Sale and leaseback transactions***

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

*The Group as a seller-lessee*

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

**Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

**Impairment on property, plant and equipment, right-of-use assets and intangible assets**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

**Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the reporting period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***Financial assets***

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

*Impairment of financial assets subject to impairment assessment under IFRS 9*

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents and amounts due from related parties) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises payables or a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserves is reclassified to profit or loss.

***Financial liabilities and equity***

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities the Group hold are subsequently measured at amortised cost using the effective interest method.

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

*Offsetting a financial asset and a financial liability*

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**Taxation**

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

**Employee benefits**

***Retirement benefit costs***

Payments to defined contribution retirement benefit plans, including state-managed retirement schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

***Short-term employee benefits***

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgement in applying accounting policies**

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

***Supplier finance arrangement***

As disclosed in note 26, 29 and 34b, the Group entered into supplier finance arrangements with a procurement agent, which is one of the largest aluminum products trading company in China, to procure bauxite from overseas suppliers, Bank of Jinzhou to procure coals and carbon anodes from domestic suppliers and Bank of Qingdao to procure coals and bauxite from domestic suppliers. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider amounted to RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent the payments to suppliers by the finance provider directly. During the year ended 31 December 2023 and 2024 and the five months ended 31 May 2024 and 2025, bank loans under supplier finance arrangements amounted to RMB77,500,000, RMB112,490,000, RMB75,520,000 (unaudited) and nil, respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of

RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly. Under these arrangements, the procurement agent, Bank of Jinzhou and Bank of Qingdao settles the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by the procurement agent, Bank of Jinzhou and Bank of Qingdao. The Group then settles with the procurement agent 90 days after settlement by the procurement agent with fixed interest ranges from 4.8%-5.4% per annum, settles with Bank of Jinzhou 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao approximately 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. In determining whether the liabilities resulting from such arrangements are presented separately from trade payables, the directors of the Group consider whether the nature and function of these liabilities are sufficiently different from trade payables. For liabilities that are part of the working capital used in the Group's normal operating cycle, they are presented within trade payable. In addition, the directors of the Group determine whether the arrangement has extinguished the entity's obligation to suppliers and whether the terms and conditions in the agreements with the procurement agent or Bank of Jinzhou and Bank of Qingdao are similar to the Group's financing activities. When the liabilities are part of the Group's financing activities, the Group presents these liabilities within other payables or bank borrowings in the consolidated statement of financial position.

For the purpose of presenting cash flows statement, cash flows related to the liabilities arising from supplier finance arrangements that are classified as trade payable are still part of the working capital used in the entity's principal revenue generating activities. Therefore, the cash outflows to settle the trade payables under supplier finance arrangement are presented as arising from operating activities. On the other hand, for the arrangements which the related liability is not a trade payable because the liability represents borrowings of the Group, the Group presents cash outflows to settle these liabilities as arising from financing activities in the consolidated statement of cash flows.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

***Provision of ECL on trade receivables and other receivables***

The credit loss allowance for trade receivables, other receivables and amounts due from related parties are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

***Useful lives of property, plant and equipment, right-of-use assets and intangible assets***

The Group's management determines the estimated useful lives and the depreciation/amortisation method in determining the related charges for its property, plant and equipment, right-of-use assets and intangible assets. This estimate is referenced to useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. The carrying amount of property, plant and equipment at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB6,394,185,000, RMB6,686,105,000, RMB9,152,466,000 and RMB10,741,958,000, respectively, as disclosed in note 15. The carrying amount of right-of-use assets at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB2,262,694,000, RMB2,233,194,000, RMB928,604,000 and RMB1,083,733,000, respectively, as disclosed in note 16. The carrying amount of intangible assets at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB3,359,808,000, RMB3,288,524,000, RMB3,217,685,000 and RMB3,187,859,000, respectively, as disclosed in note 17.

## 6. REVENUE AND SEGMENT INFORMATION

During the Track Record Period, the Company and its subsidiaries (the "Group") are engaged in the following two principal activities:

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

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

### (a) Disaggregation of revenue from contracts with customers

***For the year ended 31 December 2022***

| | For the year ended 31 December 2022 | | |
|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | |
| Electrolytic aluminum | 12,881,870 | – | 12,881,870 |
| Alumina and other related types of products | – | 270,599 | 270,599 |
| Scrap and other materials | 251,332 | 14,000 | 265,332 |
| Electricity | 96 | 62,902 | 62,998 |
| Steam supply | 750 | 8,177 | 8,927 |
| Total | 13,134,048 | 355,678 | 13,489,726 |

***For the year ended 31 December 2023***

| | For the year ended 31 December 2023 | | |
|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | |
| Electrolytic aluminum | 12,502,317 | – | 12,502,317 |
| Alumina and other related types of products | – | 977,358 | 977,358 |
| Scrap and other materials | 188,708 | 14,072 | 202,780 |
| Electricity | 11,541 | 98,617 | 110,158 |
| Steam supply | 5,803 | 16,241 | 22,044 |
| Total | 12,708,369 | 1,106,288 | 13,814,657 |

***For the year ended 31 December 2024***

| | For the year ended 31 December 2024 | | |
|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | |
| Electrolytic aluminum | 12,883,738 | – | 12,883,738 |
| Alumina and other related types of products | – | 1,849,457 | 1,849,457 |
| Scrap and other materials | 130,191 | 44,707 | 174,898 |
| Electricity | 135,948 | 95,225 | 231,173 |
| Steam supply | 12,515 | 11,401 | 23,916 |
| Total | 13,162,392 | 2,000,790 | 15,163,182 |

***Five months ended 31 May 2024***

| | Five months ended 31 May 2024 | | |
|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Total |
| | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* |
| **Types of goods** | | | |
| Electrolytic aluminum | 5,275,979 | – | 5,275,979 |
| Alumina and other related types of products | – | 449,480 | 449,480 |
| Scrap and other materials | 60,430 | 17,282 | 77,712 |
| Electricity | 31,327 | 39,105 | 70,432 |
| Steam supply | 5,150 | 4,475 | 9,625 |
| Total | 5,372,886 | 510,342 | 5,883,228 |

***Five months ended 31 May 2025***

| | Five months ended 31 May 2025 | | |
|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | |
| Electrolytic aluminum | 5,523,248 | – | 5,523,248 |
| Alumina and other related types of products | – | 1,523,687 | 1,523,687 |
| Scrap and other materials | 50,014 | 21,242 | 71,256 |
| Electricity | 52,084 | 34,567 | 86,651 |
| Steam supply | 5,986 | 2,698 | 8,684 |
| Total | 5,631,332 | 1,582,194 | 7,213,526 |

| | For the year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| **Timing of revenue recognition** | | | | | |
| A point in time | 13,489,726 | 13,814,657 | 15,163,182 | 5,883,228 | 7,213,526 |

**(b) Performance obligations for contracts with customers and revenue recognition policies**

***Revenue from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials***

The performance obligation is satisfied upon delivery of the industrial products. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. The normal credit term is 7 days for liquid aluminum. For aluminum ingots, alumina and other related types of products and scrap and other materials, a full advance payment is normally required. However, for certain aluminum ingots and alumina, payment is made after delivery. Revenue arising from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials is recognised at a point in time.

***Revenue from electricity***

Revenue arising from the sales of electricity is recognised at a point in time when electricity is generated and transmitted. The revenue from sales of electricity is based on the on-grid benchmark tariff rates of local coal-fired power plants, which can be adjusted by the government. It is currently settled on a monthly basis.

***Revenue from steam supply***

Revenue arising from the sales of steam is recognised at a point in time and based on steam consumption derived from meter readings. Payment is generally due within 30 days.

**(c) Transaction price allocated to the remaining performance obligation for contracts with customers**

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

***Operating Segments***

Information reported to Chief Executive Officer ("CEO"), being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on major types of goods delivered.

The Group's operating businesses are structured and managed separately according to products. The principal activities of the Group are production and sales of electrolytic aluminum in Inner Mongolia and alumina and other related types of products in Shandong. The Group identified an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenue and incur expenses; and (b) whose operating results are reviewed regularly by the CEO, being the CODM, to make decisions about resources allocation and performance assessment.

***Segment revenues and results***

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

*For the year ended 31 December 2022*

| | For the year ended 31 December 2022 | | | |
|---|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Adjustments and elimination | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | | |
| External sales | 13,134,048 | 355,678 | – | 13,489,726 |
| Inter-segment sales | – | 1,706,773 | (1,706,773) | – |
| | 13,134,048 | 2,062,451 | (1,706,773) | 13,489,726 |
| Segment profit | 937,692 | 101,743 | 8,224 | 1,047,659 |
| Group's profit before tax | | | | 1,047,659 |

*For the year ended 31 December 2023*

| | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Adjustments and elimination | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | | |
| External sales | 12,708,369 | 1,106,288 | – | 13,814,657 |
| Inter-segment sales | – | 3,258,345 | (3,258,345) | – |
| | 12,708,369 | 4,364,633 | (3,258,345) | 13,814,657 |
| Segment profit | 1,016,793 | 247,903 | 7,796 | 1,272,492 |
| Group's profit before tax | | | | 1,272,492 |

| | For the year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Adjustments and elimination | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | | |
| External sales | 13,162,392 | 2,000,790 | – | 15,163,182 |
| Inter-segment sales | – | 4,409,511 | (4,409,511) | – |
| | 13,162,392 | 6,410,301 | (4,409,511) | 15,163,182 |
| Segment profit | 1,454,498 | 2,063,442 | (207,137) | 3,310,803 |
| Central administration costs and directors' salaries | | | | (12,617) |
| Share of results of joint ventures | | | | (851) |
| Listing expenses | | | | (16,438) |
| Group's profit before tax | | | | 3,280,897 |

*Five months ended 31 May 2024*

| | Five Months ended 31 May 2024 | | | |
|---|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Adjustments and elimination | Total |
| | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* |
| **Types of goods** | | | | |
| External sales | 5,372,886 | 510,342 | – | 5,883,228 |
| Inter-segment sales | – | 1,623,656 | (1,623,656) | – |
| | 5,372,886 | 2,133,998 | (1,623,656) | 5,883,228 |
| Segment profit | 777,485 | 476,468 | (48,922) | 1,205,031 |
| Central administration costs and directors' salaries | | | | (3,975) |
| Group's profit before tax | | | | 1,201,056 |

*Five Months ended 31 May 2025*

| | Five Months ended 31 May 2025 | | | |
|---|---|---|---|---|
| | Electrolytic Aluminum Business | Alumina Business | Adjustments and elimination | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Types of goods** | | | | |
| External sales | 5,631,332 | 1,582,194 | – | 7,213,526 |
| Inter-segment sales | – | 1,525,982 | (1,525,982) | – |
| | 5,631,332 | 3,108,176 | (1,525,982) | 7,213,526 |
| Segment profit | 731,597 | 94,941 | 228,856 | 1,055,394 |
| Central administration costs and directors' salaries | | | | (8,007) |
| Share of results of joint ventures | | | | (7,005) |
| Listing expenses | | | | (4,736) |
| Group's profit before tax | | | | 1,035,646 |

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of corporate items including central administration costs and directors' salaries, share of results of joint ventures and listing expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

***Segment assets and liabilities***

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

*Segment assets*

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Electrolytic Aluminum Business | 19,352,234 | 16,861,564 | 13,990,784 | 13,549,250 |
| Alumina Business | 2,137,479 | 2,691,961 | 4,320,076 | 7,363,101 |
| Total reportable segment assets | 21,489,713 | 19,553,525 | 18,310,860 | 20,912,351 |
| Unallocated | | | | |
| Property, plant and equipment | – | – | – | 3,129 |
| Right-of-use assets | – | – | – | 13,882 |
| Cash and cash equivalents | – | – | 865 | 28 |
| Other receivables | – | – | 8,092 | 13,816 |
| Consolidated assets | 21,489,713 | 19,553,525 | 18,319,817 | 20,943,206 |

*Segment liabilities*

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Electrolytic Aluminum Business | 17,391,322 | 14,347,475 | 13,413,447 | 12,730,653 |
| Alumina Business | 2,169,165 | 1,757,180 | 2,561,475 | 5,002,242 |
| Total reportable segment liabilities | 19,560,487 | 16,104,655 | 15,974,922 | 17,732,895 |
| Unallocated | | | | |
| Lease liabilities | – | – | – | 14,843 |
| Other payables | – | – | 18,627 | 13,695 |
| Consolidated liabilities | 19,560,487 | 16,104,655 | 15,993,549 | 17,761,433 |

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

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

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

***Other Segment information***

*For the year ended 31 December 2022*

| | Electrolytic Aluminum Business | Alumina Business | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts included in the measure of segment profit or loss or segment assets: | | | |
| Addition to non-current assets | 457,653 | 1,017,889 | 1,475,542 |
| Impairment of property, plant and equipment | 15,316 | – | 15,316 |
| Depreciation and amortisation | 614,006 | 125,434 | 739,440 |
| Impairment losses recognised on trade receivables, net of reversal | 230 | 326 | 556 |
| Impairment losses recognised on other receivables, net of reversal | 236 | 99 | 335 |
| Impairment losses recognised on amounts due from related parties, net of reversal | 1,235 | – | 1,235 |
| Gain on disposal of intangible assets | 180,749 | – | 180,749 |
| Gain on disposal of property, plant and equipment | 2,167 | – | 2,167 |
| Write-down of inventories | – | 5,440 | 5,440 |

*For the year ended 31 December 2023*

| | Electrolytic Aluminum Business | Alumina Business | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts included in the measure of segment profit or loss or segment assets: | | | |
| Addition to non-current assets | 242,556 | 749,480 | 992,036 |
| Impairment of property, plant and equipment | 19,084 | – | 19,084 |
| Depreciation and amortisation | 616,649 | 164,416 | 781,065 |
| Impairment losses recognised on trade receivables, net of reversal | (206) | 46 | (160) |
| Impairment losses recognised on other receivables, net of reversal | (117) | 448 | 331 |
| Impairment losses recognised on amounts due from related parties, net of reversal | (157) | – | (157) |
| Gain on disposal of property, plant and equipment | 167 | 1,523 | 1,690 |

*For the year ended 31 December 2024*

| | Electrolytic Aluminum Business | Alumina Business | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts included in the measure of segment profit or loss or segment assets: | | | |
| Addition to non-current assets | 756,340 | 1,195,164 | 1,951,504 |
| Impairment of property, plant and equipment | 11,246 | – | 11,246 |
| Depreciation and amortisation | 599,413 | 160,728 | 760,141 |
| Impairment losses recognised on trade receivables, net of reversal | 184 | (54) | 130 |
| Impairment losses recognised on other receivables, net of reversal | (110) | 646 | 536 |
| Impairment losses recognised on amounts due from related parties, net of reversal | (1,078) | – | (1,078) |
| Gain on disposal of property, plant and equipment | 8,699 | – | 8,699 |

*Five months ended 31 May 2024*

| | Electrolytic Aluminum Business | Alumina Business | Total |
|---|---|---|---|
| | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* | *RMB'000* *(unaudited)* |
| Amounts included in the measure of segment profit or loss or segment assets: | | | |
| Addition to non-current assets | 194,558 | 121,080 | 315,638 |
| Impairment of property, plant and equipment | 5,767 | – | 5,767 |
| Depreciation and amortisation | 245,646 | 69,724 | 315,370 |
| Impairment losses recognised on trade receivables, net of reversal | (367) | 15 | (352) |
| Impairment losses recognised on other receivables, net of reversal | 102 | 379 | 481 |
| Impairment losses recognised on amounts due from related parties, net of reversal | 315 | (44) | 271 |
| Gain on disposal of property, plant and equipment | 8,582 | – | 8,582 |

*Five months ended 31 May 2025*

| | Electrolytic Aluminum Business | Alumina Business | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts included in the measure of segment profit or loss or segment assets: | | | |
| Addition to non-current assets | 737,556 | 1,575,214 | 2,312,770 |
| Impairment of property, plant and equipment | 9,559 | – | 9,559 |
| Depreciation and amortisation | 260,820 | 110,477 | 371,297 |
| Impairment losses recognised on trade receivables, net of reversal | (257) | (92) | (349) |
| Impairment losses recognised on other receivables, net of reversal | 4 | 1,138 | 1,142 |
| Loss on disposal of property, plant and equipment | (56) | – | (56) |

***Information about major customers***

Revenue from customers contributing for 10% or more of the Group's revenue during the Track Record Period are as follows:

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | | | | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Customer A *(note a)* | 1,598,141 | N/A *(note c)* | N/A *(note c)* | N/A *(note c)* | N/A *(note c)* |
| Customer B *(note a)* | 1,482,735 | N/A *(note c)* | N/A *(note c)* | N/A *(note c)* | N/A *(note c)* |
| Customer C *(note b)* | N/A *(note c)* | 10,891,848 | 11,608,881 | 5,289,226 | 4,315,938 |
| Total | 3,080,876 | 10,891,848 | 11,608,881 | 5,289,226 | 4,315,938 |

*Notes:*

(a) Revenue from sales of electrolytic aluminum.

(b) Revenue from sales of electrolytic aluminum, electricity, steam supply, and sales of scrap and other materials.

(c) The corresponding revenue did not contribute over 10% of the revenue of the Group.

***Geographical information***

During the Track Record Period, the Group principally operates in the PRC. All revenue of the Group are derived from the PRC and substantially all the Group's non-current assets are located in the PRC.

## 7. OTHER INCOME

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Interest income | | | | | |
| – bank deposits | 85,373 | 44,668 | 13,342 | 7,542 | 2,037 |
| – amounts due from independent third parties | 4,743 | 4,210 | 5,184 | 1,773 | – |
| Rental income | – | 37,911 | 26,467 | 8,457 | 12,651 |
| Government grants *(note)* | 2,954 | 4,210 | 4,686 | 1,593 | 7,176 |
| Others | 433 | 6,949 | 5,564 | 427 | 943 |
| Total | 93,503 | 97,948 | 55,243 | 19,792 | 22,807 |

*Notes:* During the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, the Group received government subsidies of approximately RMB12,660,000, nil, RMB75,700,000, RMB30,000,000 (unaudited) and RMB5,900,000, respectively, as to subsidies certain of the Group's construction projects. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries. This policy has resulted in a credit to income during the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025 of RMB1,720,000, RMB2,564,000, RMB2,677,000, RMB1,237,000 (unaudited) and RMB4,628,000, respectively. The other government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies.

## 8. OTHER GAINS AND LOSSES

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Gain on disposal of intangible assets *(note)* | 180,749 | – | – | – | – |
| Gain (loss) on disposal of property, plant and equipment | 2,167 | 1,690 | 8,699 | 8,582 | (56) |
| Gain on disposal of derivative financial instruments | 23,702 | – | – | – | – |
| Realised gain from financial assets at FVTPL | 93 | 99 | – | – | 83 |
| (Loss) gain on disposal of a subsidiary *(note 38)* | – | – | (728) | – | 5,174 |
| Net foreign exchange (loss) gain | (78) | (11) | (295) | – | 496 |
| Fair value changes of financial assets at FVTPL | 44 | (44) | – | – | – |
| Others | (715) | 3,511 | 10,795 | 2,263 | 1,191 |
| Total | 205,962 | 5,245 | 18,471 | 10,845 | 6,888 |

*Note:* During the year ended 31 December 2022, Inner Mongolia Chuangyuan disposed of the annual aluminum production quota in the quantity of 47,000 tons with carrying amount of RMB173,968,000 to an independent third party for cash consideration of RMB354,717,000, resulting in gain on disposal of RMB180,749,000.

## 9. FINANCE COSTS

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Interests on bank borrowings | 839,067 | 765,906 | 648,320 | 280,796 | 285,395 |
| Interests on bills discounted | 108,080 | 50,387 | 46,291 | 28,920 | 5,510 |
| Interests on lease liabilities | 69,898 | 45,087 | 17,498 | 16,315 | 1,654 |
| Interests on payable for aluminum production quota | 41,794 | 44,992 | 48,574 | 19,738 | 21,110 |
| Interests on amounts due to related parties | 2,532 | 23,082 | 7,855 | 7,855 | – |
| Interests on bank loans under supplier finance arrangements | – | 3,451 | 1,956 | 1,956 | 4,978 |
| Others | 498 | 6,801 | 10,992 | 10,888 | 1,589 |
| Total borrowing costs | 1,061,869 | 939,706 | 781,486 | 366,468 | 320,236 |
| Less: amounts capitalised in the cost of qualifying assets | – | – | (19,839) | – | (57,792) |
| | 1,061,869 | 939,706 | 761,647 | 366,468 | 262,444 |

*Note:* There was no significant borrowing cost increased directly attributable to the acquisition, construction or production of qualifying assets, which are necessary to be capitalised during the year ended 31 December 2022 and 2023 and five months ended 31 May 2024.

Borrowing costs capitalised during the year ended 31 December 2024 and five months ended 31 May 2025 arose on the specific borrowing are calculated by applying a capitalization rate of 4.70% to 4.95% and 3.10% to 5.00% per annum, respectively, and arose on the general borrowing pool are calculated by applying a capitalisation rate of 4.77% and 4.44% per annum per annum.

## 10. PROFIT FOR THE YEAR/PERIOD

Profit for the year/period for the Track Record Period has been arrived at after charging (crediting):

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB5,440,000 during the year ended 31 December 2022) | 11,220,124 | 11,390,946 | 10,768,394 | 4,193,329 | 5,736,243 |
| Depreciation of property, plant and equipment | 462,642 | 546,932 | 617,124 | 233,146 | 323,450 |
| Depreciation of right-of-use assets | 201,817 | 162,849 | 71,430 | 52,524 | 18,021 |
| Amortisation of intangible assets | 74,981 | 71,284 | 71,587 | 29,700 | 29,826 |
| Total depreciation and amortisation expenses | 739,440 | 781,065 | 760,141 | 315,370 | 371,297 |
| Capitalised in inventories | (720,169) | (765,398) | (746,039) | (309,604) | (360,771) |
| | 19,271 | 15,667 | 14,102 | 5,766 | 10,526 |

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Analysed as: | | | | | |
| – charged in administrative expenses | 19,194 | 15,662 | 14,102 | 5,766 | 10,526 |
| – charged in selling and marketing expenses | 77 | 5 | – | – | – |
| | 19,271 | 15,667 | 14,102 | 5,766 | 10,526 |
| Listing expenses | – | – | 16,438 | – | 4,736 |
| Auditors' remuneration | – | – | 2,118 | – | 1,200 |
| Directors' remuneration *(note 12)*: | | | | | |
| Salaries, allowances and other benefits in kind | 472 | 475 | 763 | 228 | 324 |
| Bonus | 3,981 | 6,483 | 10,492 | 3,738 | 5,556 |
| Retirement benefit scheme contributions | 12 | 12 | 32 | 9 | 16 |
| | 4,465 | 6,970 | 11,287 | 3,975 | 5,896 |
| Other staff costs: | | | | | |
| Salaries, allowances and other benefits in kind | 340,684 | 314,684 | 353,010 | 143,223 | 168,297 |
| Bonus | 36,244 | 34,116 | 45,664 | 19,660 | 17,894 |
| Retirement benefit scheme contributions | 24,543 | 24,936 | 29,884 | 12,933 | 14,772 |
| | 401,471 | 373,736 | 428,558 | 175,816 | 200,963 |
| Total staff costs | 405,936 | 380,706 | 439,845 | 179,791 | 206,859 |
| Capitalised in inventories | (326,156) | (302,376) | (349,639) | (143,151) | (161,784) |
| | 79,780 | 78,330 | 90,206 | 36,640 | 45,075 |
| Analysed as: | | | | | |
| – charged in administrative expenses | 77,363 | 78,167 | 89,732 | 36,542 | 44,425 |
| – charged in selling and marketing expenses | 2,417 | 163 | 474 | 98 | 650 |
| | 79,780 | 78,330 | 90,206 | 36,640 | 45,075 |
| Impairment losses recognised on property, plant and equipment included in | | | | | |
| – cost of sales | 15,316 | 19,084 | 11,246 | 5,767 | 9,559 |
| Other expense comprised: | | | | | |
| – depreciation of leased assets | – | 20,867 | 10,567 | 2,523 | 5,863 |
| – donation | 7,500 | 80 | 605 | 5 | 1,000 |
| | 7,500 | 20,947 | 11,172 | 2,528 | 6,863 |

## 11. INCOME TAX EXPENSES

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Current tax – PRC Enterprise Income Tax ("EIT") | 120,683 | 193,350 | 746,179 | 241,255 | 85,578 |
| Under (over) provision in prior years | 62 | 198 | (3) | (3) | (7,320) |
| Deferred tax *(note 18)* | 14,012 | (1,688) | (94,799) | (39,632) | 101,937 |
| Total income tax expenses | 134,757 | 191,860 | 651,377 | 201,620 | 180,195 |

During the Track Record Period, Inner Mongolia Chuangyuan was subject to the applicable preferential income tax rate of 15%. While all other PRC entities, under the Law of PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, their tax rate is 25% during the Track Record Period.

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

No provision of Hong Kong Profit Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profit Tax during the Track Record Period.

Income tax expenses for the Track Record Period can be reconciled to profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Profit before tax | 1,047,659 | 1,272,492 | 3,280,897 | 1,201,056 | 1,035,646 |
| Tax at PRC EIT rate of 25% | 261,915 | 318,123 | 820,224 | 300,264 | 258,912 |
| Preferential income tax rates applicable to subsidiaries | (90,775) | (115,869) | (153,733) | (90,358) | (71,532) |
| Tax effect of expenses not deductible for tax purpose | 1,983 | 2,070 | 5,624 | 809 | 2,671 |
| Utilisation of tax losses previously not recognised | (361) | (575) | – | – | – |
| Tax effect of tax losses not recognised | 603 | 147 | 769 | 309 | 1,521 |
| Tax effect of additional deduction on environmental protection equipment expenditures | (37,236) | (11,580) | (19,087) | (7,953) | – |
| Under (over) provision in prior years | 62 | 198 | (3) | (3) | (7,320) |
| Others | (1,434) | (654) | (2,417) | (1,448) | (4,057) |
| Income tax expenses for the year/period | 134,757 | 191,860 | 651,377 | 201,620 | 180,195 |

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

### 12.1 Directors' and the chief executive's emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors and chief executive of the Company (including emoluments for services as employee/directors of the group entities prior to their becoming directors of the Company) for their services during the Track Record Period are as follows:

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Year ended 31 December 2022** | | | | | |
| Executive directors: | | | | | |
| Mr. Cao Yong | 7 January 2025 | 256 | 6 | 3,641 | 3,903 |
| Mr. Zhang Jianxiang | 7 January 2025 | – | – | – | – |
| Ms. Zhang Yue | 7 January 2025 | – | – | – | – |
| Mr. Fu Qian | 7 January 2025 | 216 | 6 | 340 | 562 |
| Non-executive director: | | | | | |
| Mr. Cui | 4 July 2023 | – | – | – | – |
| Independent non-executive directors: | | | | | |
| Mr. Liu Yanzhao | 9 November 2025 | – | – | – | – |
| Ms. Zheng Juan | 9 November 2025 | – | – | – | – |
| Ms. Shen Lingyan | 9 November 2025 | – | – | – | – |
| | | 472 | 12 | 3,981 | 4,465 |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Year ended 31 December 2023** | | | | | |
| Executive directors: | | | | | |
| Mr. Cao Yong | 7 January 2025 | 258 | 6 | 5,957 | 6,221 |
| Mr. Zhang Jianxiang | 7 January 2025 | – | – | – | – |
| Ms. Zhang Yue | 7 January 2025 | – | – | – | – |
| Mr. Fu Qian | 7 January 2025 | 217 | 6 | 526 | 749 |
| Non-executive director: | | | | | |
| Mr. Cui | 4 July 2023 | – | – | – | – |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Independent non-executive directors: | | | | | |
| Mr. Liu Yanzhao | 9 November 2025 | – | – | – | – |
| Ms. Zheng Juan | 9 November 2025 | – | – | – | – |
| Ms. Shen Lingyan | 9 November 2025 | – | – | – | – |
| | | 475 | 12 | 6,483 | 6,970 |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Year ended 31 December 2024** | | | | | |
| Executive directors: | | | | | |
| Mr. Cao Yong | 7 January 2025 | 246 | 10 | 7,470 | 7,726 |
| Mr. Zhang Jianxiang | 7 January 2025 | 144 | 6 | 1,594 | 1,744 |
| Ms. Zhang Yue | 7 January 2025 | 149 | 6 | 775 | 930 |
| Mr. Fu Qian | 7 January 2025 | 224 | 10 | 653 | 887 |
| Non-executive director: | | | | | |
| Mr. Cui | 4 July 2023 | – | – | – | – |
| Independent non-executive directors: | | | | | |
| Mr. Liu Yanzhao | 9 November 2025 | – | – | – | – |
| Ms. Zheng Juan | 9 November 2025 | – | – | – | – |
| Ms. Shen Lingyan | 9 November 2025 | – | – | – | – |
| | | 763 | 32 | 10,492 | 11,287 |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **Five months ended 31 May 2024 (unaudited)** | | | | | |
| Executive directors: | | | | | |
| Mr. Cao Yong | 7 January 2025 | 103 | 4 | 3,112 | 3,219 |
| Mr. Zhang Jianxiang | 7 January 2025 | 32 | 1 | 354 | 387 |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Ms. Zhang Yue | 7 January 2025 | – | – | – | – |
| Mr. Fu Qian | 7 January 2025 | 93 | 4 | 272 | 369 |
| Non-executive director: | | | | | |
| Mr. Cui | 4 July 2023 | – | – | – | – |
| Independent non-executive directors: | | | | | |
| Mr. Liu Yanzhao | 9 November 2025 | – | – | – | – |
| Ms. Zheng Juan | 9 November 2025 | – | – | – | – |
| Ms. Shen Lingyan | 9 November 2025 | – | – | – | – |
| | | 228 | 9 | 3,738 | 3,975 |

| | Date of appointment as a director of the Company | Salaries, allowances and benefits in kind | Retirement benefit scheme contributions | Bonus* | Total |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Five months ended 31 May 2025** | | | | | |
| Executive directors: | | | | | |
| Mr. Cao Yong | 7 January 2025 | 79 | 4 | 3,779 | 3,862 |
| Mr. Zhang Jianxiang | 7 January 2025 | 65 | 4 | 1,025 | 1,094 |
| Ms. Zhang Yue | 7 January 2025 | 93 | 4 | 425 | 522 |
| Mr. Fu Qian | 7 January 2025 | 87 | 4 | 327 | 418 |
| Non-executive director: | | | | | |
| Mr. Cui | 4 July 2023 | – | – | – | – |
| Independent non-executive directors: | | | | | |
| Mr. Liu Yanzhao | 9 November 2025 | – | – | – | – |
| Ms. Zheng Juan | 9 November 2025 | – | – | – | – |
| Ms. Shen Lingyan | 9 November 2025 | – | – | – | – |
| | | 324 | 16 | 5,556 | 5,896 |

* Bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

Mr. Cao Yong was also appointed as the CEO of the Company on 7 January 2025.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument.

### 12.2 Five highest paid employees

The five individuals with the highest emoluments in the Group, included 1, 1, 2, 2 (unaudited) and 2 directors of the Company whose emoluments are included in the disclosures in note 12.1 above for the years ended 31 December 2022, 2023 and 2024, and 31 May 2024 and 2025. The emoluments of the remaining 4, 4, 3, 3(unaudited) and 3 individuals for each of the three years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025 were as follows:

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Salaries, allowances and benefits in kind | 849 | 856 | 501 | 209 | 240 |
| Bonus | 4,866 | 5,689 | 8,718 | 3,632 | 2,125 |
| Retirement benefit scheme contributions | 25 | 25 | 29 | 12 | 14 |
| Total | 5,740 | 6,570 | 9,248 | 3,853 | 2,379 |

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar ("HK$")):

| | As at 31 December | | | As at 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | No. of employees | No. of employees | No. of employees | No. of employees *(unaudited)* | No. of employees |
| Nil to HK$1,000,000 | – | – | – | 2 | 2 |
| HK$1,000,001 to HK$1,500,000 | 2 | 2 | – | 1 | 2 |
| HK$1,500,001 to HK$2,000,000 | 1 | – | 1 | 1 | – |
| HK$2,000,001 to HK$2,500,000 | 1 | 1 | 1 | – | – |
| HK$2,500,001 to HK$3,000,000 | – | 1 | – | – | – |
| HK$3,000,001 to HK$3,500,000 | – | – | 1 | 1 | – |
| HK$4,000,001 to HK$4,500,000 | 1 | – | – | – | 1 |
| HK$4,500,001 to HK$5,000,000 | – | – | 1 | – | – |
| HK$6,500,001 to HK$7,000,000 | – | 1 | – | – | – |
| HK$8,000,001 to HK$8,500,000 | – | – | 1 | – | – |
| Total | 5 | 5 | 5 | 5 | 5 |

During the Track Record Period, no emoluments were paid by the Group to any of the directors, CEO or the five highest paid individuals of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

### 13. DIVIDENDS

No dividend was declared or paid by the Company and the entities now comprising the Group in respect of the Track Record Period, except for Shandong Chuangyuan declared and paid cash dividend of RMB330,000,000 during the year ended 31 December 2024.

## 14. EARNINGS PER SHARE

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

| | Year ended 31 December | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Profit for the year/period attributable to owners of the Company, for the purposes of basic earnings per share | 881,286 | 1,003,572 | 2,056,227 | 879,941 | 755,955 |

| | Number of shares | | | | |
|---|---|---|---|---|---|
| | 31/12/2022 | 31/12/2023 | 31/12/2024 | 31/05/2024 | 31/05/2025 |
| | | | | *(unaudited)* | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 1,500,000,000 | 1,500,000,000 | 1,500,000,000 | 1,500,000,000 | 1,500,000,000 |

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation, the Share Subdivision (as defined in note 31) and issue of 1,499,999,980 ordinary shares (details are set out in note 31) are completed on 1 January 2022.

No diluted earnings per share is presented as there were no dilutive potential ordinary shares outstanding during the year ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 (unaudited) and 2025.

## 15. PROPERTY, PLANT AND EQUIPMENT

### The Group

| | Buildings | Plant and machinery | Furniture and fixtures | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **COST** | | | | | | |
| At 1 January 2022 | 2,425,636 | 4,371,833 | 3,900 | 59,976 | 133,902 | 6,995,247 |
| Additions | – | 166,736 | 725 | 3,095 | 777,404 | 947,960 |
| Transfer | 650,808 | 120,389 | – | – | (771,197) | – |
| Disposals | – | (30,335) | – | (1,570) | – | (31,905) |
| At 31 December 2022 | 3,076,444 | 4,628,623 | 4,625 | 61,501 | 140,109 | 7,911,302 |
| Additions | – | 89,266 | 4,462 | 6,931 | 389,450 | 490,109 |
| Capital injection from a non-controlling interest *(note)* | 141,133 | 227,445 | – | – | – | 368,578 |
| Transfer | 126,915 | 228,014 | – | – | (354,929) | – |
| Disposals | – | (63,037) | – | (1,068) | – | (64,105) |
| At 31 December 2023 | 3,344,492 | 5,110,311 | 9,087 | 67,364 | 174,630 | 8,705,884 |
| Additions | 126,015 | 184,708 | 5,049 | 2,746 | 1,538,909 | 1,857,427 |
| Transfer | 456,102 | 531,392 | – | – | (987,494) | – |
| Acquired on acquisition of a subsidiary | – | – | – | – | 1,164 | 1,164 |
| Transfer from right-of-use assets | – | 1,645,432 | – | – | – | 1,645,432 |
| Disposals | – | (178,693) | (35) | (1,717) | – | (180,445) |

| | Buildings | Plant and machinery | Furniture and fixtures | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 31 December 2024 | 3,926,609 | 7,293,150 | 14,101 | 68,393 | 727,209 | 12,029,462 |
| Additions | – | 379,836 | 5,685 | 2,940 | 1,536,568 | 1,925,029 |
| Transfer | 265,426 | 1,012,515 | – | – | (1,277,941) | – |
| Disposals | – | (75,056) | (277) | – | – | (75,333) |
| At 31 May 2025 | 4,192,035 | 8,610,445 | 19,509 | 71,333 | 985,836 | 13,879,158 |
| **DEPRECIATION AND IMPAIRMENT** | | | | | | |
| At 1 January 2022 | 228,983 | 803,540 | 1,374 | 31,896 | – | 1,065,793 |
| Provided for the year | 104,309 | 347,588 | 646 | 10,099 | – | 462,642 |
| Impairment loss recognised | – | 15,316 | – | – | – | 15,316 |
| Eliminated on disposals | – | (25,331) | – | (1,303) | – | (26,634) |
| At 31 December 2022 | 333,292 | 1,141,113 | 2,020 | 40,692 | – | 1,517,117 |
| Provided for the year | 151,283 | 387,283 | 982 | 7,384 | – | 546,932 |
| Impairment loss recognised | – | 19,084 | – | – | – | 19,084 |
| Eliminated on disposals | – | (62,710) | – | (644) | – | (63,354) |
| At 31 December 2023 | 484,575 | 1,484,770 | 3,002 | 47,432 | – | 2,019,779 |
| Provided for the year | 164,184 | 444,024 | 1,948 | 6,968 | – | 617,124 |
| Transfer from right-of-use assets | – | 320,107 | – | – | – | 320,107 |
| Impairment loss recognised | – | 11,246 | – | – | – | 11,246 |
| Eliminated on disposals | – | (90,551) | (30) | (679) | – | (91,260) |
| At 31 December 2024 | 648,759 | 2,169,596 | 4,920 | 53,721 | – | 2,876,996 |
| Provided for the year | 49,928 | 269,673 | 1,070 | 2,779 | – | 323,450 |
| Impairment loss recognised | – | 9,559 | – | – | – | 9,559 |
| Eliminated on disposals | – | (72,787) | (18) | – | – | (72,805) |
| At 31 May 2025 | 698,687 | 2,376,041 | 5,972 | 56,500 | – | 3,137,200 |
| **CARRYING VALUES** | | | | | | |
| At 31 December 2022 | 2,743,152 | 3,487,510 | 2,605 | 20,809 | 140,109 | 6,394,185 |
| At 31 December 2023 | 2,859,917 | 3,625,541 | 6,085 | 19,932 | 174,630 | 6,686,105 |
| At 31 December 2024 | 3,277,850 | 5,123,554 | 9,181 | 14,672 | 727,209 | 9,152,466 |
| At 31 May 2025 | 3,493,348 | 6,234,404 | 13,537 | 14,833 | 985,836 | 10,741,958 |

*Note:* In June 2023, Wudi Qixing High-Tech Aluminum Co., Ltd.* (無棣齊星高科技鋁材有限公司) ("Wudi Qixing"), an independent third party, injected certain assets related to an alumina factory and power plant to Shandong Chuangyuan, and in return to obtain 20% equity interest of Shandong Chuangyuan. Shandong Chuangyuan was then held by Innovation Group and Wudi Qixing as to 80% and 20%, respectively.

After a short period in August 2023, Innovation Group acquired from Wudi Qixing the 20% equity interest in Shandong Chuangyuan at a consideration equivalent to the appraisal value of the injected assets, including property, plant and equipment of RMB368,578,000, leasehold lands of RMB32,199,000 (as shown in note 16), together with an input value-added tax recoverable of RMB38,235,000, totalling RMB439,012,000.

The above items of property, plant and equipment (except for construction in progress) are depreciated on a straight-line basis over the following estimated useful lives after taking into account their residual values:

| | Useful lives | Residual value |
|---|---|---|
| Buildings | 10-50 years | 5% |
| Plant and machinery | 5-20 years | 5% |
| Furniture and fixtures | 5 years | 5% |
| Motor vehicles | 4-5 years | 5% |

Certain buildings, plant and machinery and furniture and fixtures of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 as summarised in note 40.

The Group has obtained certificates for all buildings except for certain buildings with carrying amounts of RMB186,329,000, RMB169,398,000 and RMB198,485,000 and RMB229,257,000 as at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively, in which the Group is in the process of obtaining.

According to the relevant terms of construction agreement entered between Inner Mongolia Chuangyuan Alloy Co., Ltd. *(內蒙古創源合金有限公司)("Chuangyuan Alloy") and Group's related party Shandong Hongjie New Energy Technology Co., Ltd.* (山東洪傑新能源科技有限公司)("Shandong Hongjie"), ownership of photovoltaic power station under the agreement belongs to Shandong Hongjie until the related payables had been settled by the Group. Shandong Hongjie is a subsidiary of Hainan Fujuanyong trading Co., Ltd.*(海南福雋永貿易有限公司) ("Hainan Fujuanyong"). As at 31 May 2025, certain wind power plants amounting to RMB41,802,000 are treated as pledged assets.

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

During the year ended 31 December 2022, the directors of the Company conducted a review and determined to abandon the development plan in relation to silicon business due to the management of the Group's decision to focus on the Group's principal businesses. As a result, certain plant and machinery in relation to a silicon manufacturing plant were impaired and an impairment of approximately RMB3,989,000 had been recognised in profit or loss.

During the years ended 31 December 2022, 2023 and 2024 and 31 May 2025, Group wrote off the electrolytic cell lining materials due to periodic maintenance or use of new cathode materials to improve production efficiency and reduce energy consumption. The related impairment losses of the electrolytic cell lining materials were approximately RMB11,327,000, RMB19,084,000, RMB11,246,000 and RMB9,559,000 respectively, which were recognised in profit or loss.

**The Group as lessor**

The Group leases out a number of plant, machineries and office rooms under operating leases. The lease typically run for an initial period of 1 year. The lease does not include variable lease payments. The properties are held partly for rentals, and partly for the production of goods or administrative purposes. As they could not be sold (or leased out under a finance lease) separately, and the portion which is held for use in the production of goods or for administrative purposes is not insignificant, the properties are classified as property, plant and equipment. The disaggregation of these plant, machineries and office rooms under operating leases included within plant and machinery and buildings, and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

| | Buildings | Plant and machinery | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **COST** | | | |
| At 1 January 2022 and 31 December 2022 | – | – | – |
| Additions | 108,947 | 141,767 | 250,714 |
| At 31 December 2023 | 108,947 | 141,767 | 250,714 |
| Additions | 138,063 | 13,699 | 151,762 |
| Termination of leases | (19,771) | (139,646) | (159,417) |
| At 31 December 2024 | 227,239 | 15,820 | 243,059 |
| Additions | 21,493 | – | 21,493 |
| At 31 May 2025 | 248,732 | 15,820 | 264,552 |
| **DEPRECIATION** | | | |
| At 1 January 2022 and 31 December 2022 | – | – | – |
| Provided for the year | 6,724 | 14,143 | 20,867 |
| At 31 December 2023 | 6,724 | 14,143 | 20,867 |
| Provided for the year | 9,430 | 1,137 | 10,567 |
| Eliminated on termination of leases | (2,029) | (13,607) | (15,636) |
| At 31 December 2024 | 14,125 | 1,673 | 15,798 |
| Provided for the year | 5,251 | 613 | 5,864 |
| At 31 May 2025 | 19,376 | 2,286 | 21,662 |
| **CARRYING VALUES** | | | |
| At 31 December 2022 | – | – | – |
| At 31 December 2023 | 102,223 | 127,624 | 229,847 |
| At 31 December 2024 | 213,114 | 14,147 | 227,261 |
| At 31 May 2025 | 229,356 | 13,534 | 242,890 |

**The Company**

| | Construction in progress |
|---|---|
| | *RMB'000* |
| **COST** | |
| At 1 January 2025 | – |
| Additions | 3,129 |
| At 31 May 2025 | 3,129 |

## 16. RIGHT-OF-USE ASSETS

**The Group**

| | Leased plant and machinery | Leasehold lands | Aircraft | Offices | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost** | | | | | |
| At 1 January 2022 | 1,805,275 | 600,896 | – | – | 2,406,171 |
| Additions | – | 268,620 | – | – | 268,620 |
| At 31 December 2022 | 1,805,275 | 869,516 | – | – | 2,674,791 |
| Additions | 83,569 | 17,581 | – | – | 101,150 |
| Capital injection from a non-controlling interest *(note 15)* | – | 32,199 | – | – | 32,199 |
| Decrease due to termination of leases | (159,843) | – | – | – | (159,843) |
| At 31 December 2023 | 1,729,001 | 919,296 | – | – | 2,648,297 |
| Additions | – | 80,120 | – | – | 80,120 |
| Acquired on acquisition of a subsidiary | – | 12,045 | – | – | 12,045 |
| Decrease due to termination of leases *(note)* | (1,645,432) | – | – | – | (1,645,432) |
| At 31 December 2024 | 83,569 | 1,011,461 | – | – | 1,095,030 |
| Additions | – | 304 | 169,251 | 15,477 | 185,032 |
| Disposal of leasehold lands | – | (12,044) | – | – | (12,044) |
| At 31 May 2025 | 83,569 | 999,721 | 169,251 | 15,477 | 1,268,018 |
| **DEPRECIATION** | | | | | |
| At 1 January 2022 | 116,528 | 93,752 | – | – | 210,280 |
| Additions | 185,027 | 16,790 | – | – | 201,817 |
| At 31 December 2022 | 301,555 | 110,542 | – | – | 412,097 |
| Additions | 144,053 | 18,796 | – | – | 162,849 |
| Decrease due to termination of leases | (159,843) | – | – | – | (159,843) |
| At 31 December 2023 | 285,765 | 129,338 | – | – | 415,103 |
| Additions | 50,305 | 21,125 | – | – | 71,430 |
| Decrease due to termination of leases | (320,107) | – | – | – | (320,107) |
| At 31 December 2024 | 15,963 | 150,463 | – | – | 166,426 |
| Additions | 4,693 | 8,880 | 2,853 | 1,595 | 18,021 |
| Disposal of leasehold lands | – | (162) | – | – | (162) |
| At 31 May 2025 | 20,656 | 159,181 | 2,853 | 1,595 | 184,285 |
| **Carrying amount** | | | | | |
| At 31 December 2022 | 1,503,720 | 758,974 | – | – | 2,262,694 |
| At 31 December 2023 | 1,443,236 | 789,958 | – | – | 2,233,194 |
| At 31 December 2024 | 67,606 | 860,998 | – | – | 928,604 |
| At 31 May 2025 | 62,913 | 840,540 | 166,398 | 13,882 | 1,083,733 |

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Expenses relating to short-term leases | 577 | 279 | 2,000 | 257 | 3,107 |
| Total cash outflow for leases | 302,438 | 277,136 | 397,272 | 395,529 | 362,939 |

*Note:* During the year ended 31 December 2024, due to the early repayment of financing lease payments, right-of-use assets transferred to plant and machinery.

During the Track Record Period, the Group leased various plant, machinery, offices and an aircraft for its operations. Lease contracts are entered into for a fixed term ranging from 3 years to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group has made lump sum payments upfront to government for leasehold lands. The Group has obtained the land use right certificates for all such leasehold lands except for leasehold lands with carrying amount of RMB233,848,000, RMB229,075,000, nil and nil at 31 December 2022, 2023 and 2024, and 31 May 2025, respectively, in which the Group is in the process of obtaining.

Certain leasehold lands of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 and 31 May 2025 as summarised in note 40.

The Group regularly entered into short-term leases for plant and machinery. As at 31 December 2022, 2023 and 2024 and 31 May 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

**Termination options**

The Group has termination options in a number of leases for leased plant, machinery and aircraft. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. In May 2024, the finance lease contracts were terminated due to the early repayment.

**Restrictions or covenants on leases**

As at 31 December 2022, 2023 and 2024 and 31 May 2025, lease liabilities of RMB954,597,000, RMB806,396,000, RMB428,622,000 and RMB219,388,000 are recognised with related right-of-use assets of RMB1,503,720,000, RMB1,443,236,000, RMB67,606,000 and RMB243,193,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Group is restricted from assigning and subleasing the leased assets outside the Group.

**Sale and leaseback transactions – seller-lessee**

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended 31 December 2022, 2023 and 2024 and 31 May 2025, the Group raised RMB30,000,000, RMB80,000,000, RMB104,000,000 and RMB600,000,000 borrowings in respect of such sale and leaseback arrangements, respectively.

Details of the borrowings are set out in notes 29 and 36(b).

**The Company**

| | Offices |
|---|---|
| | *RMB'000* |
| **Cost** | |
| At 31 December 2024 | – |
| Additions | 15,477 |
| At 31 May 2025 | 15,477 |
| **DEPRECIATION** | |
| At 31 December 2024 | – |
| Additions | 1,595 |
| At 31 May 2025 | 1,595 |
| **Carrying amount** | |
| At 31 December 2024 | – |
| At 31 May 2025 | 13,882 |

## 17. INTANGIBLE ASSETS

| | Aluminum production quota *(note i)* | Power generation capacity indicators *(note ii)* | Sewage charges license *(note iii)* | Computer software | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **COST** | | | | | |
| At 1 January 2022 | 3,428,751 | 50,377 | 21,900 | 2,182 | 3,503,210 |
| Additions | – | 258,962 | – | – | 258,962 |
| Disposals | (173,968) | – | – | – | (173,968) |
| At 31 December 2022 and 2023 | 3,254,783 | 309,339 | 21,900 | 2,182 | 3,588,204 |
| Additions | – | – | – | 748 | 748 |
| At 31 December 2024 and 31 May 2025 | 3,254,783 | 309,339 | 21,900 | 2,930 | 3,588,952 |
| **AMORTISATION** | | | | | |
| At 1 January 2022 | 132,448 | 1,265 | 17,520 | 2,182 | 153,415 |
| Provided for the year | 65,095 | 5,506 | 4,380 | – | 74,981 |
| At 31 December 2022 | 197,543 | 6,771 | 21,900 | 2,182 | 228,396 |
| Provided for the year | 65,097 | 6,187 | – | – | 71,284 |
| At 31 December 2023 | 262,640 | 12,958 | 21,900 | 2,182 | 299,680 |
| Provided for the year | 65,096 | 6,187 | – | 304 | 71,587 |
| At 31 December 2024 | 327,736 | 19,145 | 21,900 | 2,486 | 371,267 |
| Provided for the year | 27,123 | 2,578 | – | 125 | 29,826 |
| At 31 May 2025 | 354,859 | 21,723 | 21,900 | 2,611 | 401,093 |
| **CARRYING VALUES** | | | | | |
| At 31 December 2022 | 3,057,240 | 302,568 | – | – | 3,359,808 |
| At 31 December 2023 | 2,992,143 | 296,381 | – | – | 3,288,524 |
| At 31 December 2024 | 2,927,047 | 290,194 | – | 444 | 3,217,685 |
| At 31 May 2025 | 2,899,924 | 287,616 | – | 319 | 3,187,859 |

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following estimated useful lives:

| | Useful lives |
|---|---|
| Aluminum production quota | 50 years |
| Power generation capacity indicators | 50 years |
| Sewage charges license | 5 years |
| Computer software | 5 years |

Aluminum production quota of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 and 31 May 2025 as summarised in note 40.

*Notes:*

(i) Historically the Group acquired the annual aluminum production quota from independent third parties for its aluminum production lines. Aluminum production quota are initially recorded at cost and subsequently stated at cost less any amortisation. Aluminum production quota do not have a definite legal or prescribed service life. Amortisation is provided on a straight-line basis over estimated expected usage of the asset by management of the Group considering the replacement of electrolytic cell and useful life of related lands and buildings.

(ii) The Group acquired the annual power generation capacity indicators from independent third parties for providing thermal power to its aluminum production lines. Power generation capacity indicators are initially recorded at cost and subsequently stated at cost less any amortisation. Power generation capacity indicators do not have a definite legal or prescribed service life. Amortisation is provided on a straight-line basis over estimated expected usage of the asset by management of the Group. As the power generation capacity indicators are obtained for thermal power plant to provide electricity supply for aluminum smelting process, the management of the Group determined the useful life of power generation capacity indicators is the same as aluminum production quota.

(iii) The Group acquired sewage charges license from a government authority. Amortisation is provided on a straight-line basis over 5 years from the commence date of discharge according to the sewage charges acquisition agreement.

## 18. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Deferred tax assets | 7,104 | 5,608 | 83,126 | – |
| Deferred tax liabilities | (20,465) | (17,281) | – | (60,262) |
| | (13,361) | (11,673) | 83,126 | (60,262) |

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

| | Impairment of assets | Deferred income | Accrued expense | Unrealised profit on intra-group sales | Right-of-use assets | Lease liabilities | Accelerated tax depreciation | Amortisation of intangible assets | Tax losses | ECL | Share of results of a joint venture | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2022 | 1,926 | 1,284 | 94,914 | (9,117) | (34,252) | 34,397 | (108,368) | 19,867 | – | – | – | 651 |
| Credit (charge) to profit or loss | 3,657 | 2,907 | 6,016 | (2,101) | 22,835 | (22,768) | (51,663) | 9,764 | 16,979 | 362 | – | (14,012) |
| At 31 December 2022 | 5,583 | 4,191 | 100,930 | (11,218) | (11,417) | 11,629 | (160,031) | 29,631 | 16,979 | 362 | – | (13,361) |
| Credit (charge) to profit or loss | 1,503 | (469) | 14,165 | 7,640 | (8,301) | 8,201 | (25,064) | 9,764 | (5,802) | 51 | – | 1,688 |
| At 31 December 2023 | 7,086 | 3,722 | 115,095 | (3,578) | (19,718) | 19,830 | (185,095) | 39,395 | 11,177 | 413 | – | (11,673) |
| Credit (charge) to profit or loss | 1,687 | 15,897 | 19,853 | 59,610 | 2,817 | (2,601) | (1,176) | 9,764 | (11,177) | (3) | 128 | 94,799 |
| At 31 December 2024 | 8,773 | 19,619 | 134,948 | 56,032 | (16,901) | 17,229 | (186,271) | 49,159 | – | 410 | 128 | 83,126 |
| (Charge) credit to profit or loss | (1,687) | (11,665) | 7,591 | (55,334) | (40,426) | 32,606 | (70,443) | (3,678) | – | (224) | (128) | (143,388) |
| At 31 May 2025 | 7,086 | 7,954 | 142,539 | 698 | (57,327) | 49,835 | (256,714) | 45,481 | – | 186 | – | (60,262) |

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had unused tax losses approximately RMB78,585,000, RMB53,642,000, RMB3,182,000 and RMB9,266,000, respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of the approximately RMB67,916,000, RMB44,709,000, nil and nil of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB10,669,000, RMB8,933,000, RMB3,182,000 and RMB9,266,000 due to the unpredictability of future profit streams with expiry dates as disclosed in the following table.

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 2026 | 8,254 | 5,953 | – | – |
| 2027 | 2,415 | 2,391 | 2 | 2 |
| 2028 | NA | 589 | 231 | 231 |
| 2029 | NA | NA | 2,949 | 2,949 |
| 2030 | NA | NA | NA | 6,084 |
| | 10,669 | 8,933 | 3,182 | 9,266 |

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had no other unrecognised deductible temporary differences.

## 19. INVENTORIES

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Raw materials | 852,321 | 627,835 | 798,099 | 1,457,353 |
| Work-in-progress | 580,439 | 556,186 | 666,720 | 713,876 |
| Finished goods | 248,439 | 6,138 | 48,761 | 24,904 |
| Spare parts and others | 79,838 | 64,979 | 64,124 | 57,153 |
| Total | 1,761,037 | 1,255,138 | 1,577,704 | 2,253,286 |

As at 31 December 2022, 2023 and 2024 and 31 May 2025, certain raw materials amounting to RMB163,385,000, RMB65,095,000, nil and nil, although ownership belonged to the Group, had been restricted to take out from the bonded warehouses until the related payables to a finance provider had been settled by the Group according to the relevant terms of agreement with the finance provider. The Group had settled all the outstanding payables in respect of these raw materials subsequently in 2023 and 2024, and the restrictions of these raw materials had no longer been imposed to the Group, accordingly.

Certain inventories of the Group had been pledged as securities for bank borrowings as at 31 May 2025 as summarised in note 40.

All inventories are expected to be recovered within 12 months.

## 20. TRADE RECEIVABLES

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade receivables | | | | |
| – related parties | 8,031 | 77,086 | 17,159 | 32,000 |
| – third parties | 32,757 | 19,441 | 22,507 | 53,630 |
| | 40,788 | 96,527 | 39,666 | 85,630 |
| Less: allowance for credit losses | (556) | (396) | (526) | (875) |
| Total | 40,232 | 96,131 | 39,140 | 84,755 |

As at 1 January 2022, trade receivables amounted to RMB128,840,000 (net of impairment loss allowance of nil).

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

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 month | 38,053 | 80,243 | 33,132 | 73,410 |
| 1 to 12 months | 2,179 | 15,410 | 5,191 | 8,765 |
| 1 to 2 years | – | 478 | 817 | 2,580 |
| Total | 40,232 | 96,131 | 39,140 | 84,755 |

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

Details of impairment assessment of receivables are set out in note 36(b).

As of 31 December 2022, 2023 and 2024 and 31 May 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,179,000, RMB15,888,000, RMB6,008,000 and RMB11,345,000, respectively, which are past due but not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

## 21. RECEIVABLES AT FVTOCI

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Bills receivables | 29,102 | 62,678 | 485,699 | 90,972 |

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

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0-180 days | 29,102 | 62,678 | 485,499 | 90,972 |
| 181-365 days | – | – | 200 | – |
| | 29,102 | 62,678 | 485,699 | 90,972 |

RMB430,000,000 of receivables at FVTOCI are pledged as securities for bank borrowings as at 31 December 2024 as summarised in note 40.

The Group considers the credit risk of bank acceptance bills receivables is limited because counterparties are banks with good credit standing assigned by credit agencies, and the ECL are considered insignificant. For commercial acceptance bills receivables issued by customers, the Group performed impairment assessment under ECL model individually.

Details of impairment assessment and fair value measurement are set out in note 36(b).

## 21A. Transfers of Financial Assets

### *21A.1 Transferred financial assets that are not derecognised in their entirety*

The following were the Group's financial assets as at 31 December 2022, 2023 and 2024 and 31 May 2025, that were transferred to suppliers for settlement of trade payables by endorsing or banks to obtain bank loans by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount. These financial assets are carried at amortised cost in the consolidated statements of financial position.

*At 31 December 2022*

| | Bills endorsed to suppliers with full recourse |
|---|---|
| | *RMB'000* |
| Carrying amount of transferred assets | 26,687 |
| Carrying amount of associated liabilities | (26,687) |
| Net position | – |

*At 31 December 2023*

| | Bills endorsed to suppliers with full recourse |
|---|---|
| | *RMB'000* |
| Carrying amount of transferred assets | 52,495 |
| Carrying amount of associated liabilities | (52,495) |
| Net position | – |

*At 31 December 2024*

| | Bills discounted to banks with full recourse | Bills endorsed to suppliers with full recourse | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount of transferred assets | 430,000 | 38,158 | 468,158 |
| Carrying amount of associated liabilities | (430,000) | (38,158) | (468,158) |
| Net position | – | – | – |

*At 31 May 2025*

| | Bills endorsed to suppliers with full recourse |
|---|---|
| | *RMB'000* |
| Carrying amount of transferred assets | 20,487 |
| Carrying amount of associated liabilities | (20,487) |
| Net position | – |

*21A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement*

As of 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB4,507,966,000, RMB2,631,551,000, RMB2,066,782,000 and RMB2,182,254,000, respectively. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued the involvement in them, but the amount arising from continuing involvement is insignificant.

## 22. PREPAYMENTS AND OTHER RECEIVABLES

**The Group**

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Current | | | | |
| Prepayments to suppliers | 194,704 | 95,284 | 644,578 | 226,297 |
| Prepaid expense | 3,656 | 10,182 | 18,305 | 27,274 |
| Value-added tax recoverable | 51,514 | 8,686 | 94,191 | 291,265 |
| Amount due from an independent third party *(note i)* | 50,000 | 30,740 | – | – |
| Deposits *(note ii)* | 23,018 | 36,908 | 56,274 | 23,356 |
| Refundable cultivated land occupation tax | – | – | – | 34,230 |
| Consideration receivable for disposal of land use right | – | – | – | 11,892 |
| Refundable customs deposits | – | – | – | 8,528 |
| Deferred issue costs | – | – | 5,260 | 6,778 |
| Refundable prepayments on acquisition of long-lived assets *(note iii)* | – | – | – | 358,358 |
| Others | 21,459 | 13,372 | 19,247 | 14,238 |
| | 344,351 | 195,172 | 837,855 | 1,002,216 |

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Less: allowance for impairment losses | (13,175) | (13,506) | (14,042) | (12,900) |
| | 331,176 | 181,666 | 823,813 | 989,316 |
| Non-current | | | | |
| Refundable rental deposits | – | – | 2,303 | 2,292 |
| | 331,176 | 181,666 | 826,116 | 991,608 |

*Notes:*

(i) The amount of RMB50,000,000 represented a short-term advance to an independent third party, with maturity date on 20 June 2023 and carried at a fixed interest rate of 6% per annum. Upon the maturity date, as agreed with the counterparty, the amount of RMB30,000,000 was further extended to 31 December 2024. The amount was subsequently settled in full in September 2024.

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

(iii) On 31 May 2025, Shandong Chuangyuan terminated the contract for the purchase of power plant equipment with an independent third-party supplier. Prepayment on acquisition of long-lived assets of RMB358,358,000 will be refunded within one year.

**The Company**

| | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 |
| Current | | | |
| Deferred issue costs | – | 5,260 | 6,778 |
| Prepaid expense | – | 529 | 4,746 |
| | – | 5,789 | 11,524 |
| Non-current | | | |
| Refundable rental deposit | – | 2,303 | 2,292 |
| | – | 8,092 | 13,816 |

## 23. FINANCIAL ASSETS AT FVTPL

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Wealth management products | 30,044 | – | – | 699,900 |

During the year ended 31 December 2022 and 31 May 2025, the Group entered into several contracts of wealth management products with reputable banks in the PRC, of which will be matured within 12 months.

Details of its fair value measurement is set out in note 36(b).

## 24. AMOUNTS DUE FROM RELATED PARTIES

Amounts due from related parties arose from non-trade transactions, and are interest free, unsecured and repayable on demand. Details are set out in note 41(b)(i).

## 25. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

**Restricted bank deposits**

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Deposits for bills payable and letter of credit *(note i)* | 2,764,575 | 1,309,070 | 666,924 | 591,309 |
| Deposits for bank borrowing *(note ii)* | – | – | 14,516 | 5 |
| Others *(note iii)* | 34,105 | – | – | – |
| Total | 2,798,680 | 1,309,070 | 681,440 | 591,314 |

*Notes:*

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

As at 31 December 2022, 2023 and 2024 and 31 May 2025, restrict bank deposits for the issue of bills payables and letters of credit carried interest at market rates ranging from 1.71% to 3.91%, 1.71% to 2.80%, 0.05% to 1.60% and 0.05% to 1.60% per annum, respectively.

(ii) The use of deposits needs to be reviewed and approved by the bank. The deposits carried interest at market rates ranging from 0.00% to 1.60%.

(iii) The deposits were restricted by banks pertaining to certain construction contract disputes. Such restricted deposits were released in 2023.

Details of impairment assessment of restrict bank deposits are set out in the note 36(b).

**Cash and cash equivalents**

As at 31 December 2022, 2023 and 2024 and 31 May 2025, bank balances carried interest at market rates ranging from 0.05% to 0.35%, 0.05% to 0.35%, 0.00% to 0.35% and 0.00% to 0.35% per annum, respectively.

Details of impairment assessment of cash and cash equivalents are set out in the note 36(b).

## 26. TRADE, BILLS AND OTHER PAYABLES

**The Group**

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade payables | 1,360,244 | 980,926 | 1,246,574 | 1,179,519 |
| Bills payables | 204,279 | 407,623 | 72,250 | 150,000 |
| Bills payables under note financing arrangements *(note i)* | 3,871,030 | 2,087,060 | 110,000 | 500,000 |
| | 5,435,553 | 3,475,609 | 1,428,824 | 1,829,519 |

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Other payables – current | | | | |
| Payables for acquisition of property, plant and equipment | 701,870 | 721,485 | 596,102 | 1,183,798 |
| Other taxes payables | 178,362 | 170,990 | 196,738 | 206,375 |
| Payables to a finance provider *(note ii)* | 163,385 | 65,095 | – | – |
| Amount due to independent third parties *(note iii)* | 96,199 | 59,999 | 482,781 | 212,920 |
| Payroll and welfare payables | 69,464 | 65,718 | 85,167 | 48,881 |
| Payables for acquisition of carbon emissions rights | 23,874 | 22,358 | 24,991 | 23,272 |
| Deposits *(note iv)* | 33,695 | 14,466 | 52,367 | 46,692 |
| Outsourced service payable | 7,858 | 11,123 | 6,050 | 5,638 |
| Advance receipt of value-added tax from customers | 3,424 | 907 | 48,408 | 44,656 |
| Investment deposit received from an independent third party *(note v)* | – | 80,000 | – | – |
| Accrued listing expenses | – | – | 10,003 | 6,568 |
| Accrued issue costs | – | – | 3,269 | 2,007 |
| Advanced receipt for disposal of property, plant and equipment *(note 15)* | – | – | – | 132,743 |
| Others | 22,445 | 10,903 | 10,751 | 12,809 |
| | 1,300,576 | 1,223,044 | 1,516,627 | 1,926,359 |
| | 6,736,129 | 4,698,653 | 2,945,451 | 3,755,878 |
| Other payables – non-current | | | | |
| Payable to an independent third party under bankruptcy reorganisation *(note vi)* | 68,071 | 68,071 | 68,071 | – |
| Payable for acquisition of aluminum production quota *(note vii)* | 587,919 | 632,911 | 681,485 | 702,595 |
| | 655,990 | 700,982 | 749,556 | 702,595 |

*Notes:*

i. Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB3,871,030,000, RMB2,087,060,000, RMB1,260,000,000 and RMB500,000,000, respectively, which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.

ii. The Group has entered into supplier financing arrangements. Under these arrangements, the finance provider settles the prepayments to the sellers on behalf of the Group. The Group then settles with the finance provider within 90 days after settlement by the finance provider with fixed interest ranges from 4.8% to 5.4% per annum. These arrangements have extended the payment terms beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangements is set out in note 34b.

iii. RMB96,199,000, RMB59,999,000, RMB289,499,000 and nil at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively, represent short term advances from an independent third party, the related party of the independent third party under a reorganisation project disclosed in note vi, which was unsecured, interest free and repayable on demand. The amount was subsequently settled in full in January and March 2025.

RMB100,000,000 at 31 December 2024 represent short term advances from two independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year, and was subsequently settled in full in February and March 2025. RMB200,706,000 at 31 May 2025 represent short term advances from the same independent third party. The amount is unsecured, carried at interest rate of 2.85% and repayable within one year.

RMB88,250,000 at 31 December 2024 represent short term advances from an independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year. Amount of RMB88,250,000 was subsequently settled in full in April 2025.

RMB5,032,000, RMB12,214,000 at 31 December 2024 and 31 May 2025, respectively, represent short term advances from Carnaby Management. The amount is unsecured, carried at interest rate of 5% and repayable within one year.

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

v. In December 2023, the Group entered into a share sale agreement with an independent third party, pursuant to which Inner Mongolia Chuangyuan conditionally agreed to dispose of and the third party conditionally agreed to purchase 49% equity interests in Chuangyuan Alloy. RMB80,000,000 had been received as the investment deposit.

Such transaction has been subsequently terminated in August 2024 since the management of the Group decided to develop the projects on its own and the amount was repaid in full in June 2024.

vi. Amount represented the payable for acquisition of property, plant and equipment to an independent third party under a reorganisation project. The amount was fully settled in March 2025.

vii. Amount represented the consideration payables to an independent third party, which was a related party of the independent third party under a reorganisation project as disclosed in note vi, for purchase of the annual aluminum production quota in the quantity of 140,000 tons for cash consideration of RMB792,453,000, which was payable in four instalments after July 2026. Payable for acquisition of aluminum production quota was measured at amortised cost using the effective interest rate method and 7.375% per annum. In June 2025, a supplementary agreement was entered between Inner Mongolia Chuangyuan and the independent third party, pursuant to which Inner Mongolia Chuangyuan agreed to change the repayment terms. RMB594,340,000 has been paid in June 2025 and the remaining amount will be paid after 1 January 2027. The adjustment to the carrying amount of payable for acquisition of aluminum production quota is recognised in other loss of RMB65 million at the date of the payment term modification subsequent to 31 May 2025.

The suppliers generally allow the credit period ranged from 0 to 180 days to the Group over the Track Record Period.

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

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0 to 30 days | 879,557 | 567,806 | 633,473 | 691,850 |
| 31 to 90 days | 294,715 | 215,555 | 292,816 | 247,069 |
| 91 days to 180 days | 51,103 | 66,936 | 105,205 | 25,720 |
| Over 181 days | 134,869 | 130,629 | 215,080 | 214,880 |
| | 1,360,244 | 980,926 | 1,246,574 | 1,179,519 |

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

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0-180 days | 3,121,249 | 2,494,683 | 182,250 | 650,000 |
| 181-365 days | 954,060 | – | – | – |
| | 4,075,309 | 2,494,683 | 182,250 | 650,000 |

**The Company**

| | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Accrued listing expenses | – | 10,003 | 6,568 |
| Accrued issue costs | – | 3,269 | 2,007 |
| Amount due to an independent third party | – | 5,032 | 5,029 |
| Others | – | 323 | 91 |
| | – | 18,627 | 13,695 |

## 27. CONTRACT LIABILITIES

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Alumina and other related types of products | 14,649 | 5,748 | 107,086 | 67,607 |
| Electrolytic aluminum – aluminum ingots | 11,537 | – | 264,389 | 276,192 |
| Scrap and other materials | 150 | 1,231 | 1,332 | 256 |
| | 26,336 | 6,979 | 372,807 | 344,055 |

As at 1 January 2022, contract liabilities amounted to RMB59,071,000.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised that was included in the balance of contact liabilities at the beginning the year.

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five months ended 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Electrolytic aluminum – aluminum ingots | 57,012 | 11,537 | – | 264,389 |
| Alumina and other related types of products | 373 | 14,649 | 5,748 | 107,086 |
| Scrap and other materials | 1,686 | 150 | 1,231 | 1,332 |
| | 59,071 | 26,336 | 6,979 | 372,807 |

## 28. LEASE LIABILITIES

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Lease liabilities payable:** | | | | |
| Within one year | 280,630 | 346,554 | 10,698 | 46,539 |
| Within a period of more than one year but not exceeding two years | 336,152 | 41,481 | 11,002 | 42,847 |
| Within a period of more than two years but not exceeding five years | 337,815 | 394,095 | 394,618 | 122,783 |
| Within a period of more than five years | – | 24,266 | 12,304 | 7,219 |
| | 954,597 | 806,396 | 428,622 | 219,388 |
| Less: Amount due for settlement within one year shown under current liabilities | (280,630) | (346,554) | (10,698) | (46,539) |
| Amount due for settlement after 12 months shown under non-current liabilities | 673,967 | 459,842 | 417,924 | 172,849 |

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the incremental borrowing rates applied to lease liabilities ranged from 2.55% to 10.36%, 2.80% to 10.36%, 2.55% to 2.80% and 2.55% to 5.00% per annum, respectively.

As at 31 May 2025, lease liabilities of RMB134,845,000 were guaranteed by Innovation Group. These guarantee will be released prior to the Listing as represented by management of the Group.

**The Company**

| | 31 May 2025 |
|---|---|
| | *RMB'000* |
| **Lease liabilities payable:** | |
| Within one year | 5,465 |
| Within a period of more than one year but not exceeding two years | 5,744 |
| Within a period of more than two years but not exceeding five years | 3,634 |
| | 14,843 |
| Less: Amount due for settlement within one year shown under current liabilities | (5,465) |
| Amount due for settlement after 12 months shown under non-current liabilities | 9,378 |

As at 31 May 2025, the incremental borrowing rates applied to lease liabilities was 5.00% per annum.

## 29. BANK AND OTHER BORROWINGS

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Bank loans | 10,807,661 | 9,124,307 | 9,454,926 | 11,105,395 |
| Bank loans under supplier finance arrangements *(note)* | – | 77,500 | 86,960 | 100,892 |
| Other loans | 22,615 | 80,000 | 1,406,357 | 1,315,104 |
| | 10,830,276 | 9,281,807 | 10,948,243 | 12,521,391 |
| Fixed-rate borrowings | 10,830,276 | 9,281,807 | 9,330,886 | 10,345,271 |
| Variable-rate borrowings | – | – | 1,617,357 | 2,176,120 |
| | 10,830,276 | 9,281,807 | 10,948,243 | 12,521,391 |
| Secured and guaranteed | 10,830,276 | 9,201,133 | 9,503,894 | 9,907,165 |
| Secured and unguaranteed | – | – | 400,000 | – |
| Unsecured and guaranteed | – | 3,174 | 957,389 | 2,513,334 |
| Unsecured and unguaranteed | – | 77,500 | 86,960 | 100,892 |
| | 10,830,276 | 9,281,807 | 10,948,243 | 12,521,391 |
| Carrying amount repayable (based on scheduled repayment terms) | | | | |
| Within one year | 8,342,273 | 4,250,981 | 4,941,606 | 6,676,496 |
| More than one year but not exceeding two years | 2,021,003 | 1,958,826 | 4,663,342 | 4,166,382 |
| More than two years but not exceeding five years | 467,000 | 3,072,000 | 700,650 | 883,858 |
| Within a period of more than five years | – | – | 642,645 | 794,655 |
| | 10,830,276 | 9,281,807 | 10,948,243 | 12,521,391 |
| Less: Amount due for settlement within one year and shown under current liabilities | (8,342,273) | (4,250,981) | (4,941,606) | (6,676,496) |
| Amounts shown under non-current liabilities | 2,488,003 | 5,030,826 | 6,006,637 | 5,844,895 |

**Note: bank loans under supplier finance arrangements**

The Group has entered into certain supplier finance arrangements with Bank of Jinzhou in 2023, 2024 and 2025, and Bank of Qingdao in 2025. Under these arrangements, Bank of Jinzhou and Bank of Qingdao settle the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by Bank of Jinzhou and Bank of Qingdao. The Group then settles with Bank of Jinzhou within 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao within 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangements is set out in note 34b.

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

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| Effective interest rate | | | | |
| – fixed-rate borrowings | 4.46% to 7.50% | 3.65% to 8.64% | 3.10% to 9.00% | 3.10% to 8.64% |
| – variable-rate borrowings | N/A | N/A | 2.90% to 4.95% | 2.90% to 5.64% |

**Types of borrowings are as follows:**

| Counter party | Types of borrowings | Guaranteed/secured by | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 | Notes |
|---|---|---|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | |
| Bank of Jinzhou* (錦州銀行) | Secured and guaranteed bank loans | Guaranteed by Mr. Cui** and Ms. Wang Xiaomei ("Ms. Wang")**, spouse of Mr. Cui, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of use assets and intangible assets of the Group | 3,864,802 | 9,044,196 | 7,524,560 | 6,889,467 | |
| | | Guaranteed by the legal representative at the time of signing the borrowing agreement, Mr. Cui** and Ms. Wang**, and certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of use assets and intangible assets of the Group | 6,942,859 | – | – | – | |
| | | The Group pledged 100% equity of Inner Mongolia Chuangyuan as securities for all of the above borrowings | | | | | |
| | Unsecured and unguaranteed bank loans under supplier finance arrangements | N/A | – | 77,500 | 86,960 | 36,970 | |
| | | | 10,807,661 | 9,121,696 | 7,611,520 | 6,926,437 | *a* |

| Counter party | Types of borrowings | Guaranteed/secured by | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 | Notes |
|---|---|---|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | |
| Bank of Weifang* (濰坊銀行) | Secured and guaranteed bank loans | Guaranteed by Innovation Group**. Secured by certain right-of use assets of the Group | – | 76,937 | 80,120 | – | |
| | Guaranteed bank loans | Guaranteed by Innovation Group** | – | 3,174 | – | – | |
| | | | – | | | | |
| | | Guaranteed by Mr. Cui**, Innovation Group**, and certain subsidiaries of the Group. | – | – | – | 69,135 | |
| | | | – | | | | |
| | | | – | 80,111 | 80,120 | 69,135 | *b* |
| | | | – | | | | |
| Shandong Wudi Rural Commercial Bank* (山東無棣農村商業銀行) | Secured and guaranteed bank loans | Guaranteed by Mr. Wang Chao**, former management of Shandong Chuangyuan. Secured by certain right-of-use assets of the Group | – | – | 29,029 | – | |
| | | | – | | | | |
| | | Guaranteed by Mr. Guo Wei**, management of Shandong Chuangyuan. Secured by certain right-of-use assets of the Group | – | – | – | 71,064 | |
| | | | – | | | | |
| | | | – | – | 29,029 | 71,064 | *c* |
| Huaxia Bank* (華夏銀行) | Secured and guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain right-of-use assets and bank deposits of the Group | – | – | 400,383 | – | *d* |
| Industrial and Commercial Bank of China* (工商銀行) | Secured and guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang**, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, plant, right-of-use assets of the Group, the right to collect electricity charges and 100% equity of Chuangyuan Alloy | – | – | 600,242 | 804,576 | *e* |
| | | | – | | | | |
| Far East Horizon Financial Leasing (Guangdong) Ltd.* (遠東宏信融資租賃(廣東)有限公司) | Secured and guaranteed other loans | Guaranteed by Mr. Cui**, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, and equipment of the Group under sale and leaseback arrangement | – | 80,000 | 42,005 | 31,905 | *m* |
| | | | – | | | | |

| Counter party | Types of borrowings | Guaranteed/secured by | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 | Notes |
|---|---|---|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | |
| Far East International Financial Leasing Co., Ltd.* (遠東國際融資租賃有限公司) | Secured and guaranteed other loans | Guaranteed by Mr. Cui** and certain subsidiaries of the Group. Secured by certain property, plant and equipment of the Group under sale and leaseback arrangement | 22,615 | – | – | – | |
| JD International Financial Leasing Co., Ltd* (京東國際融資租賃有限公司) | Secured and guaranteed other loans | Guaranteed by Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement | – | – | 38,351 | 30,282 | *i* |
| Bank of Beijing* (北京銀行) | Secured and guaranteed bank loans | Guaranteed by Innovation Group**. Secured by certain right-of-use assets of the Group | – | – | 92,410 | – | *f* |
| China's Industrial Bank* (興業銀行) | Secured and guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain right-of-use assets, property, plant and equipment of the Group | – | – | 616,732 | 621,747 | |
| | Guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang**, Innovation Group** and certain subsidiaries of the Group. | – | – | 111,389 | 222,209 | |
| | | | – | – | 728,121 | 843,956 | *g* |
| China Merchants Bank* (招商銀行) | Secured bank loans | Secured by certain receivables at FVTOCI. | – | – | 400,000 | – | |
| | Secured and guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain receivables at FVTOCI | – | – | 30,000 | – | |
| | Guaranteed bank loans | Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. | – | – | – | 29,927 | |
| | | | – | – | 430,000 | 29,927 | *h* |
| Chongqing Weiqiao Financial Factoring Co., Ltd.* (重慶魏橋金融保理有限公司) | Guaranteed other loans | Guaranteed by Innovation Group** | – | – | 746,000 | 516,000 | *k* |

| Counter party | Types of borrowings | Guaranteed/secured by | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 | Notes |
|---|---|---|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | |
| Hongqiao Commercial Factoring (Shenzhen) Co., Ltd.* (宏橋商業保理(深圳)有限公司) | Guaranteed other loans | Guaranteed by Innovation Group** | – | – | 100,000 | – | *l* |
| SPDB Financial Leasing Co., Ltd.* (浦銀金融租賃股份有限公司) | Secured and guaranteed other loans | Guaranteed by Mr. Cui** and Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement | – | – | 50,062 | 323,385 | *j* |
| Bank of Inner Mongolia* (內蒙古銀行) | Secured and guaranteed bank loans | Guaranteed by certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of-use assets of the Group and the right to collect electricity charges | – | – | – | 318,483 | *n* |
| | Secured and guaranteed bank loans | Guaranteed by Mr. Cui**, Innovation Group and certain subsidiaries of the Group. Secured by inventories of the Group. | – | – | – | 400,500<br>718,983 | *n* |
| Qilu Bank Co., Ltd.* (齊魯銀行) | Guaranteed bank loans | Guaranteed by Innovation Group**. | – | – | – | 600,750 | *o* |
| China CITIC Bank* (中信銀行) | Guaranteed bank loans | Guaranteed by Innovation Group**. | – | – | – | 374,982 | *p* |
| CITIC Trust Co., Ltd.* (中信信託有限責任公司) | Guaranteed other loans | Guaranteed by Mr. Cui** and Innovation Group** | – | – | – | 100,472 | *q* |
| China Everbright Bank* (光大銀行) | Guaranteed bank loans | Guaranteed by Innovation Group**. | – | – | – | 100,825 | *r* |
| Dongying Bank (東營銀行) | Secured and guaranteed bank loans | Guaranteed by Innovation Group**. Secured by certain right-of-use assets. | – | – | – | 120,096 | *s* |
| CPI Ronghe International Financial Leasing Co., Ltd. (中電投融和融資租賃有限公司) | Secured and guaranteed other loans | Guaranteed by Innovation Group**. Secured by certain right-of-use assets and property, and equipment of the Group under sale and leaseback arrangement | – | – | – | 93,354 | *t* |

| Counter party | Types of borrowings | Guaranteed/secured by | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 | Notes |
|---|---|---|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | |
| AVIC International Leasing Co., Ltd.* (中航國際融資租賃有限公司) . . . . . . | Secured and guaranteed other loans | Guaranteed by Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement | – | – | – | 202,306 | *u* |
| BQD Financial Leasing Co., Ltd. (青島青銀金融租賃有限公司) . . | Guaranteed other loans | Guaranteed by Mr. Cui** and Innovation Group**. | – | – | – | 17,400 | *v* |
| Bank of Qingdao (青島銀行) . . . | Guaranteed bank loans | Guaranteed by Mr. Cui** and Innovation Group** | – | – | – | 221,598 | |
| | Guaranteed bank loans | Guaranteed by Mr. Cui**, Innovation Group** and certain subsidiaries of the Group. | – | – | – | 260,036 | |
| | Unsecured and unguaranteed bank loans under supplier finance arrangements | N/A | – | – | – | 63,922 | |
| | | | | | | 545,556 | *w* |

* *English name is for identification purpose only.*

** *These guarantee will be released prior to the Listing as represented by management of the Group.*

Details of the securities pledged in respect of the Group's bank and other borrowings are set out in note 40.

*Notes:*

(a) Bank of Jinzhou

As at 31 December 2022, 2023 and 2024 and 31 May 2025, borrowings from Bank of Jinzhou were with the following maturity and effective interest rates:

| | As at 31 December 2022 | | As at 31 December 2023 | | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|---|---|---|---|
| **Maturity date** | **RMB'000** | **Effective interest rate** | **RMB'000** | **Effective interest rate** | **RMB'000** | **Effective interest rate** | **RMB'000** | **Effective interest rate** |
| Within one year . . . . . . . | 8,319,658 | 6.00%-7.50% per annum | 4,132,696 | 3.65%-7.50% per annum | 3,209,520 | 3.10%-6.55% per annum | 3,449,437 | 3.10%-6.55% per annum |
| More than one year but not exceeding two years . . . . . | 2,021,003 | 7.38%-7.50% per annum | 1,917,000 | 7.50% per annum | 4,402,000 | 6.55% per annum | 3,477,000 | 6.55% per annum |
| More than two years but not exceeding five years. . . . . . . . . | 467,000 | 7.50% per annum | 3,072,000 | 7.50% per annum | – | – | – | – |
| | 10,807,661 | | 9,121,696 | | 7,611,520 | | 6,926,437 | |

In June 2025, the Group and the Bank of Jinzhou had agreed to adjust the interest rate on all borrowings which were originally at 6.55% to 5.50%.

(b) Bank of Weifang

As at 31 December 2023 and 2024 and 31 May 2025, borrowings from Bank of Weifang were with the following maturity and effective interest rate:

| | As at 31 December 2023 | | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|---|---|
| **Maturity date** | **RMB'000** | **Effective Interest rate** | **RMB'000** | **Effective Interest rate** | **RMB'000** | **Effective Interest rate** |
| Within one year . . . | 80,111 | 5.00% per annum | 80,120 | 5.00% per annum | 69,135 | 4.50% per annum |

(c) Shandong Wudi Rural Commercial Bank

As at 31 December 2024 and 31 May 2025, borrowings from Shandong Wudi Rural Commercial Bank were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| **Maturity date** | **RMB'000** | **Effective Interest rate** | **RMB'000** | **Effective Interest rate** |
| Within one year . . . . . . . . . . . . . | 29,029 | 3.65% per annum | 64 | 3.25% per annum |
| More than two years but not exceeding five years . . . . . . . . . | – | – | 71,000 | 3.25% per annum |
| | 29,029 | | 71,064 | |

(d) Huaxia Bank

As at 31 December 2024, borrowings from Huaxia Bank were with the following maturity and effective interest rate:

| **Maturity date** | **RMB'000** | **Effective Interest rate** |
|---|---|---|
| Within one year . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 67,049 | 4.30% per annum |
| More than one year but not exceeding two years . . . . . . . . . | 66,667 | 4.30% per annum |
| More than two years but not exceeding five years . . . . . . . . | 200,000 | 4.30% per annum |
| More than five years . . . . . . . . . . . . . . . . . . . . . . . . . | 66,667 | 4.30% per annum |
| | 400,383 | |

(e) Industrial and Commercial Bank of China

As at 31 December 2024 and 31 May 2025, borrowings from Industrial and Commercial Bank of China were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| **Maturity date** | **RMB'000** | **Effective Interest rate** | **RMB'000** | **Effective Interest rate** |
| Within one year . . . . . . . . . . . . . | 242 | 2.90% per annum | 4,576 | 2.90% per annum |
| More than one year but not exceeding two years . . . . . . . . . | 28,575 | 2.90% per annum | 76,200 | 2.90% per annum |
| More than two years but not exceeding five years . . . . . . . . . | 171,450 | 2.90% per annum | 228,600 | 2.90% per annum |
| More than five years . . . . . . . . . . | 399,975 | 2.90% per annum | 495,200 | 2.90% per annum |
| | 600,242 | | 804,576 | |

(f) Bank of Beijing

As at 31 December 2024, borrowings from Bank of Beijing were with the following maturity and effective interest rate:

| Maturity date | RMB'000 | Effective Interest rate |
|---|---|---|
| Within one year | 92,410 | 4.50% per annum |

(g) China's Industrial Bank

As at 31 December 2024 and 31 May 2025, borrowings from China's Industrial Bank were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| Maturity date | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 112,111 | 4.70%-4.95% per annum | 293,947 | 4.50%-4.70% per annum |
| More than one year but not exceeding two years | 132,002 | 4.70%-4.95% per annum | 132,002 | 4.70% per annum |
| More than two years but not exceeding five years | 308,005 | 4.70%-4.95% per annum | 286,005 | 4.70% per annum |
| More than five years | 176,003 | 4.70%-4.95% per annum | 132,002 | 4.70% per annum |
| | 728,121 | | 843,956 | |

(h) China Merchants Bank

As at 31 December 2024 and 31 May 2025, borrowings from China Merchants Bank were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| Maturity date | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 430,000 | 3.30%-3.50% per annum | 29,927 | 3.10% per annum |

(i) JD International Financial Leasing Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from JD International Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| Maturity date | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 16,391 | 6.20% per annum | 16,903 | 6.20% per annum |
| More than one year but not exceeding two years | 17,432 | 6.20% per annum | 13,379 | 6.20% per annum |
| More than two years but not exceeding five years | 4,528 | 6.20% per annum | – | 6.20% per annum |
| | 38,351 | | 30,282 | |

(j) SPDB Financial Leasing Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from SPDB Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| Maturity date | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 16,729 | 5.60% per annum | 120,475 | 5.60% per annum |
| More than one year but not exceeding two years | 16,666 | 5.60% per annum | 115,949 | 5.60% per annum |
| More than two years but not exceeding five years | 16,667 | 5.60% per annum | 86,961 | 5.60% per annum |
| | 50,062 | | 323,385 | |

(k) Chongqing Weiqiao Financial Factoring Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from Chongqing Weiqiao Financial Factoring Co., Ltd. were with the following maturity and effective interest rate:

| | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|
| Maturity date | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 746,000 | 6.50%-8.00% per annum | 516,000 | 6.50%-7.00% per annum |

(l) Hongqiao Commercial Factoring (Shenzhen) Co., Ltd.

As at 31 December 2024, borrowings from Hongqiao Commercial Factoring (Shenzhen) Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | RMB'000 | Effective Interest rate |
|---|---|---|
| Within one year | 100,000 | 9.00% per annum |

(m) Far East Horizon Financial Leasing (Guangdong) Ltd.

As at 31 December 2023, 2024 and 31 May 2025, borrowings from Far East Horizon Financial Leasing (Guangdong) Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 December 2023 | | As at 31 December 2024 | | As at 31 May 2025 | |
|---|---|---|---|---|---|---|
| | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate | RMB'000 | Effective Interest rate |
| Within one year | 38,174 | 8.64% per annum | 42,005 | 8.64% per annum | 31,905 | 8.64% per annum |
| More than one year but not exceeding two years | 41,826 | 8.64% per annum | – | – | – | – |
| | 80,000 | | 42,005 | | 31,905 | |

(n) Bank of Inner Mongolia

As at 31 May 2025, borrowings from Bank of Inner Mongolia were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 417,568 | 3.70%-4.50% per annum |
| More than one year but not exceeding two years | 33,490 | 3.70% per annum |
| More than two years but not exceeding five years | 100,472 | 3.70% per annum |
| More than five years | 167,453 | 3.70% per annum |
| | 718,983 | |

(o) Qilu Bank Co., Ltd.

As at 31 May 2025, borrowings from Qilu Bank Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 600,750 | 4.50% per annum |

(p) China CITIC Bank

As at 31 May 2025, borrowings from China CITIC Bank were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 374,982 | 4.20%-4.50% per annum |

(q) CITIC Trust Co., Ltd.

As at 31 May 2025, borrowings from CITIC Trust Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 100,472 | 5.00% per annum |

(r) China Everbright Bank

As at 31 May 2025, borrowings from China Everbright Bank were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 4,825 | 4.50% per annum |
| More than one year but not exceeding two years | 96,000 | 4.50% per annum |
| | 100,825 | |

(s) Dongying Bank

As at 31 May 2025, borrowings from Dongying Bank were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 2,096 | 4.80% per annum |
| More than one year but not exceeding two years | 118,000 | 4.80% per annum |
| | 120,096 | |

(t) CPI Ronghe International Financial Leasing Co., Ltd.

As at 31 May 2025, borrowings from CPI Ronghe International Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 31,160 | 5.64% per annum |
| More than one year but not exceeding two years | 31,097 | 5.64% per annum |
| More than two years but not exceeding five years | 31,097 | 5.64% per annum |
| | 93,354 | |

(u) AVIC International Leasing Co., Ltd.

As at 31 May 2025, borrowings from AVIC International Leasing Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 66,718 | 4.70% per annum |
| More than one year but not exceeding two years | 67,794 | 4.70% per annum |
| More than two years but not exceeding five years | 67,794 | 4.70% per annum |
| | 202,306 | |

(v) BQD Financial Leasing Co., Ltd.

As at 31 May 2025, borrowings from BQD Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| More than one year but not exceeding two years | 5,471 | 5.50% per annum |
| More than two years but not exceeding five years | 11,929 | 5.50% per annum |
| | 17,400 | |

(w) Bank of Qingdao

As at 31 May 2025, borrowings from Bank of Qingdao were with the following maturity and effective interest rate:

| Maturity date | As at 31 May 2025 | |
|---|---|---|
| | RMB'000 | Effective Interest rate |
| Within one year | 545,556 | 3.95%-4.50% per annum |

**New facilities obtained and new borrowing raised subsequent to end of the reporting period**

During June 2025, July 2025, August 2025, September 2025 and October 2025, the Group obtained new borrowings of RMB23,798,000, RMB14,680,000, RMB10,761,000, RMB2,236,000, and RMB365,000 with Bank of Inner Mongolia, which is part of the total loan facility of RMB370,000,000, of which RMB370,000,000 has been drawn down.

During June 2025, July 2025 and September 2025, the Group obtained new borrowings of RMB223,000,000, RMB7,340,000 and RMB22,785,000 with China's Industrial Bank, which is part of the total loan facility of RMB449,280,000, of which RMB253,125,000 has been drawn down.

On 13 June 2025, the Group obtained new borrowings of RMB9,392,000 with China CITIC Bank, which is part of the total loan facility of RMB800,000,000, of which RMB209,392,000 has been drawn down.

During June 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB182,238,000.

On 16 June 2025, the Group obtained new borrowings with Xiamen Xiangyu Commercial Factoring Co., Ltd.* (廈門象嶼商業保理有限責任公司) amounting to RMB300,000,000.

On 9 July 2025, the Group obtained new borrowings with Mengshang Bank* (蒙商銀行股份有限公司) amounting to RMB400,000,000.

On 30 June 2025, 21 August 2025 and 29 September 2025, the Group obtained new borrowings of RMB17,400,000, RMB85,000,000 and RMB17,400,000 with BQD Financial Leasing Co., Ltd..

During July 2025, the Group obtained new borrowings with China's Industrial Bank amounting to RMB129,000,000.

During July 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB91,780,000.

On 14 August 2025, the Group obtained new bank facility with China Everbright Bank amounting to RMB80,000,000, of which RMB50,000,000 has been drawn down.

During September 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB157,900,000.

On 31 October 2025, the Group obtained new borrowings with Shanghai Banghui Commercial Factoring Co., Ltd.* (上海邦匯商業保理有限公司) amounting to RMB30,000,000.

***Loan covenant***

*(i) Shandong Wudi Rural Commercial Bank*

In respect of bank borrowing from Shandong Wudi Rural Commercial Bank with carrying amount of RMB29,029,000 as at 31 December 2024 and RMB71,064,000 as at 31 May 2025, Shandong Chuangyuan is required to comply with the following financial covenant which is tested on a yearly basis:

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

Shandong Chuangyuan has complied with the relevant covenant at each test date on or before the end of the reporting period.

**30. AMOUNTS DUE TO RELATED PARTIES**

Amounts due to related parties are all non-trade in nature. Details are set out in note 41(b)(ii).

**31. PAID-IN SHARE CAPITAL**

**The Group**

The Reorganisation has been completed on 23 October 2024. As mentioned in note 2, the Historical Financial Information has been prepared as if the Group structure after the Reorganisation had been in existence throughout the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025.

For the purposes of presentation of the consolidated statements of financial position, the balance of paid-in capital as at 1 January 2022 and 31 December 2022 represented the paid-in capital of Inner Mongolia Chuangyuan and 58.5% of paid-in capital of Shandong Chuangyuan, and the balance of paid-in/share capital as at 31 December 2023 represented the share capital of the Company, paid-in capital of Inner Mongolia Chuangyuan and 58.5% of paid-in capital of Shandong Chuangyuan prior to the completion of the Reorganisation. As at 31 December 2024 and 31 May 2025, the balance of share capital represented the share capital of the Company.

| | As at 1 January | As at 31 December | | | As at 31 May |
|---|---|---|---|---|---|
| Name of the entity | 2022 | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| The Company | N/A | N/A | –* | –* | 54 |
| Inner Mongolia Chuangyuan | 2,000,000 | 2,000,000 | 2,000,000 | N/A | N/A |
| Shandong Chuangyuan | 17,901 | 17,901 | 70,551 | N/A | N/A |
| | 2,017,901 | 2,017,901 | 2,070,551 | –* | 54 |

Details of the share capital of the Company were as follows:

**The Company**

| | Par value per share | Number of ordinary shares | Share capital | Share capital presented in RMB |
|---|---|---|---|---|
| | *US$* | | *US$000* | *RMB'000* |
| **Authorised** | | | | |
| On 4 July 2023 (date of incorporation), 31 December 2023 and 2024 | 0.0001 | 500,000,000 | 50 | 360 |
| Share Subdivision | N/A | 9,500,000,000 | – | – |
| On 31 May 2025 | 0.000005 | 10,000,000,000 | 50 | 360 |

| | Par value per share | Number of ordinary shares | Share capital | Share capital presented in RMB |
|---|---|---|---|---|
| | *US$* | | *US$000* | *RMB'000* |
| **Issued** | | | | |
| On 4 July 2023 (date of incorporation), 31 December 2023 and 2024 | 0.0001 | 1 | –* | –* |
| Share Subdivision | N/A | 19 | –* | –* |
| Issue of ordinary shares | 0.000005 | 1,499,999,980 | 7 | 54 |
| On 31 May 2025 | 0.000005 | 1,500,000,000 | 7 | 54 |

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

* Less than RMB1,000.

## 32. RESERVES

### Statutory surplus reserve

In accordance with the PRC Companies Law and the PRC subsidiaries' articles of association, subsidiaries registered in the PRC as a domestic companies are required to appropriate 10% of their annual statutory net profit as determined under PRC Generally Accepted Accounting Practice ("PRC GAAP") (after offsetting any prior years' losses) to the statutory surplus fund. When the balance of this fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus fund can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus fund must be maintained at a minimum of 25% of the capital after those usages.

### Safety fund reserve

Pursuant to regulation in the PRC, the Group's subsidiaries, including Inner Mongolia Chuangyuan and Chuangyuan Alloy, carrying on Electrolytic Aluminum Business, are required to transfer an amount to safety fund ranging from 0.05%-3% of annual revenue from electrolytic aluminum for the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025. Shandong Chuangyuan, another subsidiary of the Group carrying on Alumina Business, is required to transfer an amount to safety fund ranging from 0.2%-3% of annual revenue from alumina and other related types of products, ranging from 1.5%-3.0% of annual revenue from electricity, and at RMB1.5 to RMB4 per ton of red mud, which is generated from the production process, for the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025.

Pursuant to the requirement of PRC government, a portion of retained earning is apportioned to safety fund reserve which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be reclassified out from safety fund reserve to retained earnings. At the same time, the safety facilities costs or expenditures are recognised as assets or in profit or loss respectively. This safety fund is not available for distribution to shareholders. During the Track Record Period, safety fund provided, amounted to RMB51,214,000 and RMB45,794,000, RMB55,072,000, RMB22,525,000 (unaudited) and RMB21,278,000, utilised amounted to RMB21,771,000, RMB29,041,000, RMB27,363,000, RMB7,829,000 (unaudited) and RMB18,924,000 during the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, respectively.

The movement of the Company's reserves has been set forth below:

| | Accumulated losses |
|---|---|
| | *RMB'000* |
| At 4 July 2023 (date of incorporation) and 31 December 2023 | – |
| Loss and total comprehensive expense for the year | (17,768) |
| At 31 December 2024 | (17,768) |
| Loss and total comprehensive expense for the year | (6,838) |
| At 31 May 2025 | (24,606) |

## 33. NON-CONTROLLING INTERESTS

Non-controlling interests represents the corresponding 41.5% equity interest of Shandong Chuangyuan which were held by Innovation Group over the Track Record Period.

## 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 34a. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

| | Bank and other borrowings | Bills payables under note financing arrangements | Payables to a finance provider | Lease liabilities | Amounts due to related parties | Amounts due to independent third parties | Prepaid/ Accrued issue costs | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2022 | 11,722,236 | 2,504,000 | 53,048 | 1,299,094 | 199,626 | 38,199 | – | 15,816,203 |
| Net financing cash flows | (1,731,027) | 1,261,131 | (722,787) | (414,395) | 115,033 | 58,000 | – | (1,434,045) |
| *Non-cash changes* | | | | | | | | |
| Payments to a finance provider under supplier finance arrangement entered | – | – | 833,124 | – | – | – | – | 833,124 |
| Interest expenses | 839,067 | 105,899 | – | 69,898 | 2,532 | – | – | 1,017,396 |
| At 31 December 2022 | 10,830,276 | 3,871,030 | 163,385 | 954,597 | 317,191 | 96,199 | – | 16,232,678 |
| Net financing cash flows | (2,395,326) | (1,829,591) | (1,298,975) | (276,857) | 75,858 | (36,200) | – | (5,761,091) |
| *Non-cash changes* | | | | | | | – | |
| Interest expenses | 769,357 | 45,621 | – | 45,087 | 23,082 | – | – | 883,147 |
| New lease entered | – | – | – | 83,569 | – | – | – | 83,569 |
| Advance under a finance provider | – | – | 1,200,685 | – | – | – | – | 1,200,685 |
| New bank borrowings under supplier finance arrangement entered | 77,500 | – | – | – | – | – | – | 77,500 |
| At 31 December 2023 | 9,281,807 | 2,087,060 | 65,095 | 806,396 | 416,131 | 59,999 | – | 12,716,488 |
| Net financing cash flows | 1,203,670 | (2,016,743) | (230,691) | (395,272) | (423,986) | 422,782 | (1,991) | (1,442,231) |

| | Bank and other borrowings | Bills payables under note financing arrangements | Payables to a finance provider | Lease liabilities | Amounts due to related parties | Amounts due to independent third parties | Prepaid/ Accrued issue costs | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| *Non-cash changes* | | | | | | | | |
| Expire of bills discounted to banks that are not derecognised in their entirety | (300,000) | – | – | – | – | – | – | (300,000) |
| Issue costs incurred | – | – | – | – | – | – | 5,260 | 5,260 |
| Interest expenses | 650,276 | 39,683 | – | 17,498 | 7,855 | – | – | 715,312 |
| Advance under a finance provider | – | – | 165,596 | – | – | – | – | 165,596 |
| New bank borrowings under supplier finance arrangement entered | 112,490 | – | – | – | – | – | – | 112,490 |
| At 31 December 2024 | 10,948,243 | 110,000 | – | 428,622 | – | 482,781 | 3,269 | 11,972,915 |
| Net financing cash flows | 1,651,026 | 387,343 | – | (359,832) | – | (271,450) | (2,780) | 1,404,307 |
| *Non-cash changes* | | | | | | | | |
| *Issue costs incurred* | – | – | – | – | – | – | 1,518 | 1,518 |
| Expire of bills discounted to banks that are not derecognised in their entirety | (430,000) | – | – | – | – | – | – | (430,000) |
| New bank borrowings under supplier finance arrangement entered | 61,749 | – | – | – | – | – | – | 61,749 |
| New lease entered | – | – | – | 148,944 | – | – | – | 148,944 |
| Interest expenses | 290,373 | 2,657 | – | 1,654 | – | 1,589 | – | 296,273 |
| At 31 May 2025 | 12,521,391 | 500,000 | – | 219,388 | – | 212,920 | 2,007 | 13,455,706 |
| | | | | | | | | |
| At 31 December 2023 | 9,281,807 | 2,087,060 | 65,095 | 806,396 | 416,131 | 59,999 | – | 12,716,488 |
| Net financing cash flows | (463,460) | (1,182,620) | (139,293) | (395,272) | (385,807) | 163,309 | – | (2,403,143) |
| *Non-cash changes* | | | | | | | | |
| Expire of bills discounted to banks that are not derecognised in their entirety | 30,000 | – | – | – | – | – | – | 30,000 |
| Interest expenses | 282,752 | 25,560 | – | 16,315 | 7,855 | – | – | 332,482 |
| Advance under a finance provider | – | – | 106,024 | – | – | – | – | 106,024 |
| New bank borrowings under supplier finance arrangement entered | 75,520 | – | – | – | – | – | – | 75,520 |
| At 31 May 2024 (unaudited) | 9,206,619 | 930,000 | 31,826 | 427,439 | 38,179 | 223,308 | – | 10,857,371 |

### 34b. Information of Supplier Finance Arrangements

| | 01/01/2022 | 31/12/2022 | 31/12/2023 | 31/12/2024 | 31/05/2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Carrying amount of the financial liabilities that are subject to supplier finance arrangements** | | | | | |
| Presented as part of "Trade, bills and other payables" | N/A | 163,385 | 65,095 | – | – |
| – Of which suppliers have already received payment from the finance provider *(note 26)* | N/A | 163,385 | 65,095 | – | – |
| Presented as part of "Bank and other borrowings" *(note 29)* | N/A | N/A | 77,500 | 86,960 | 100,892 |
| – Of which suppliers have already received payment from the finance provider | N/A | N/A | 77,500 | 86,960 | 100,892 |

| | 01/01/2022 | 31/12/2022 | 31/12/2023 | 31/12/2024 | 31/05/2025 |
|---|---|---|---|---|---|
| | *Days* | *Days* | *Days* | *Days* | *Days* |
| **Range of payment due dates** | | | | | |
| For liabilities presented as part of "Trade, bills and other payables" *(note 26)* | | | | | |
| – Liabilities that are part of supplier finance arrangements | N/A | 90 | 90 | N/A | N/A |
| – Comparable trade payables that are not part of supplier finance arrangements | N/A | – | – | N/A | N/A |
| For liabilities presented as part of "Bank and other borrowings" *(note 29)* | | | | | |
| – Liabilities that are part of supplier finance arrangements | N/A | N/A | 365 | 365 | 318-365 |
| – Comparable trade payables that are not part of supplier finance arrangements | N/A | N/A | – | – | – |

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider of RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent suppliers have already received payments from the finance supplier which is the finance provider directly. During the years ended 31 December 2023 and 2024 and the five months ended 31 May 2024, borrowings under supplier finance arrangement of RMB77,500,000, RMB112,490,000 and RMB75,520,000 (unaudited), respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly. There were no other material non-cash changes in these liabilities.

### 35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities now comprising the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes bank and other borrowings and lease liabilities disclosed in notes 29 and 28, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising paid-in capital/share capital (accumulated losses) retained earnings, other reserves and non-controlling interests.

Management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and raise of new borrowings or the redemption of existing debt.

## 36. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial assets** | | | | |
| Financial assets at FVTPL | 30,044 | – | – | 699,900 |
| Receivables at FVTOCI | 29,102 | 62,678 | 485,699 | 90,972 |
| Financial assets at amortised cost (including cash and cash equivalents) | 7,316,241 | 5,772,348 | 904,489 | 1,529,334 |
| | 7,375,387 | 5,835,026 | 1,390,188 | 2,320,206 |
| **Financial liabilities** | | | | |
| Amortised cost | 18,291,760 | 14,860,865 | 14,299,665 | 16,538,634 |

### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, receivables at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, amounts due from related parties, trade, bills and other payables, bank and other borrowings, amounts due to related parties and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

***Market risk***

The Group's activities expose it primarily to the financial risks of currency risk and interest rates.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk during the reporting period.

*Currency risk*

As at 31 December 2024 and 31 May 2025, the Group has bank balances, restricted deposits, trade and other receivables and trade and other payables denominated in the USD and HKD, which expose the Group to foreign currency risk.

For the year ended 31 December 2024 and five months ended 31 May 2025, the impact of HKD is not presented, since the outstanding monetary items denominated in HKD are not significant and their impact is immaterial.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

| | At 31 December 2024 | |
|---|---|---|
| | Assets | Liabilities |
| | *RMB'000* | *RMB'000* |
| USD | 283,300 | 1,129 |

| | At 31 May 2025 | |
|---|---|---|
| | Assets | Liabilities |
| | *RMB'000* | *RMB'000* |
| USD | 990 | 192,747 |

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

*Sensitivity analysis*

The following table details the Group's sensitivity to a 10% increase and decrease in USD against RMB, 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where a USD strengthen 10% against RMB. For a 10% weakening of USD against RMB, there would be an equal and opposite impact on the post-tax profit and the balances below would be negative.

| | Profit for the year ended 31 December 2024 | Profit for the Five months ended 31 May 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| **USD** | 21,248 | (14,382) |

*Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (see note 25 for details), fixed-rate bank and other borrowings (see note 29 for details), lease liabilities (see note 28 for details) and amounts due to related parties (see note 41(b)(ii) for details). The Group is also exposed to cash flow interest rate in relation to variable-rate bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances and bank borrowings. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

*Sensitivity analysis*

No sensitivity analysis is presented since the management of the Group considers the exposure of cash flow interest rate risk arising from variable-rate bank balances and variable-rate bank borrowings is insignificant.

***Credit risk and impairment assessment***

Credit risk refers to the risk that the Group's counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents and amounts due from related parties. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

*Trade receivables*

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 17.93%, 79.04%, 40.60% and 36.25% of the total trade receivables was due from the Group's largest customer and five largest customers at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively.

The Group provided an ECL impairment loss of RMB556,000 during the year ended 31 December 2022 while provided an ECL impairment loss of RMB189,000 and reversed an ECL impairment loss of RMB349,000 during the year ended 31 December 2023, provided an ECL impairment loss of RMB278,000 and reversed an ECL impairment loss of RMB148,000 during the year ended 31 December 2024 and provided an ECL impairment loss of RMB375,000 and reversed an ECL impairment loss of RMB26,000 during the five months ended 31 May 2025, based on the individual analysis. Details of the quantitative disclosures are set out below in this note.

*Other receivables*

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, the Group provided an ECL impairment loss of RMB335,000, RMB592,000, RMB1,201,000 and RMB55,000 and reversed nil, RMB261,000, RMB665,000 and RMB1,197,000 for other receivables, respectively.

*Amounts due from related parties*

The management estimates the estimated loss rate of amounts due from related parties based on financial background and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, the Group provided an ECL impairment loss of RMB1,235,000, nil, nil and nil and reversed an ECL impairment loss of nil, RMB157,000, RMB1,078,000 and nil for amounts due from related parties, respectively.

*Restricted bank deposits, cash and cash equivalents*

The restricted bank deposits, cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, cash and cash equivalents is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

*Receivables at FVTOCI*

Bank acceptance bills receivables are determined to have low credit risk at the end of each reporting period. The credit risk on bank acceptance bills receivables is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low. Commercial acceptance bills receivables are issued by customers and assessed individually. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, no loss allowance was recognised in other comprehensive income as the amount of impairment loss for receivables at FVTOCI was insignificant.

*Financial guarantee contracts*

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to related parties as set out in note 41(c) that the Group could be required to pay amounted to RMB920,000,000, RMB100,000,000, nil and nil as at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively. All of the outstanding financial guarantees has been utilised by the related parties. The fair value of these financial guarantees, as at dates of initial recognition, were considered insignificant. At the end of each reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

The Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating | Description | Trade receivables | Other financial assets |
|---|---|---|---|
| Low risk | The counterparty has a low risk of default and does not have any past-due amounts | Lifetime ECL – not credit impaired | 12m ECL |
| Watch list | Debtor frequently repays after due dates but usually settle in full | Lifetime ECL – not credit impaired | 12m ECL |
| Doubtful | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL – not credit impaired | Lifetime ECL – not credit-impaired |
| Loss | There is evidence indicating the asset is credit-impaired | Lifetime ECL – credit impaired | Lifetime ECL – credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off | Amount is written off |

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

| 31 December 2022 | *Notes* | Internal credit rating | 12m or lifetime ECL | Gross carrying amount | Average loss rate |
|---|---|---|---|---|---|
| | | | | *RMB'000* | |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables | *20* | Low risk | Lifetime ECL (not credit impaired) | 40,788 | 1.36% |
| Other receivables | *22* | Low risk | 12m ECL | 71,459 | 0.47% |
| Cash and cash equivalents | *25* | Low risk | 12m ECL | 158,909 | – |
| Restricted bank deposits | *25* | Low risk | 12m ECL | 2,798,680 | – |
| Amounts due from related parties | *24* | Low risk | 12m ECL | 4,261,371 | 0.03% |
| | | | | 7,331,207 | |
| Receivables at FVTOCI | *21* | Low risk | 12m ECL | 29,102 | – |

| 31 December 2023 | Notes | Internal credit rating | 12m or lifetime ECL | Gross carrying amount | Average loss rate |
|---|---|---|---|---|---|
| | | | | *RMB'000* | |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables | 20 | Low risk | Lifetime ECL (not credit impaired) | 96,527 | 0.41% |
| Other receivables | 22 | Low risk | 12m ECL | 44,112 | 1.51% |
| Cash and cash equivalents | 25 | Low risk | 12m ECL | 584,126 | – |
| Restricted bank deposits | 25 | Low risk | 12m ECL | 1,309,070 | – |
| Amounts due from related parties | 24 | Low risk | 12m ECL | 3,753,493 | 0.03% |
| | | | | 5,787,328 | |
| Receivables at FVTOCI | 21 | Low risk | 12m ECL | 62,678 | – |

| 31 December 2024 | Notes | Internal credit rating | 12m or lifetime ECL | Gross carrying amount | Average loss rate |
|---|---|---|---|---|---|
| | | | | *RMB'000* | |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables | 20 | Low risk | Lifetime ECL (not credit impaired) | 39,666 | 1.33% |
| Other receivables | 22 | Low risk | 12m ECL | 19,247 | 6.25% |
| Cash and cash equivalents | 25 | Low risk | 12m ECL | 176,401 | – |
| Restricted bank deposits | 25 | Low risk | 12m ECL | 681,440 | – |
| | | | | 916,754 | |
| Receivables at FVTOCI | 21 | Low risk | 12m ECL | 485,699 | – |

| 31 May 2025 | Notes | Internal credit rating | 12m or lifetime ECL | Gross carrying amount | Average loss rate |
|---|---|---|---|---|---|
| | | | | *RMB'000* | |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables | 20 | Low risk | Lifetime ECL (not credit impaired) | 85,630 | 1.02% |
| Other receivables | 22 | Low risk | 12m ECL | 395,308 | 0.02% |
| Cash and cash equivalents | 25 | Low risk | 12m ECL | 470,857 | – |
| Restricted bank deposits | 25 | Low risk | 12m ECL | 591,314 | – |
| | | | | 1,543,109 | |
| Receivables at FVTOCI | 21 | Low risk | 12m ECL | 90,972 | – |

The following table shows the movements in lifetime ECL that have been recognised for trade receivables under the simplified approach.

| | Lifetime ECL (not credit impaired) |
|---|---|
| | *RMB'000* |
| **As at 1 January 2022** | – |
| Impairment losses recognised | 556 |
| **As at 31 December 2022** | 556 |
| Impairment losses recognised | 189 |
| Impairment losses reversed | (349) |
| **As at 31 December 2023** | 396 |
| Impairment losses recognised | 278 |
| Impairment losses reversed | (148) |
| **As at 31 December 2024** | 526 |
| Impairment losses recognised | 375 |
| Impairment losses reversed | (26) |
| **As at 31 May 2025** | 875 |

The following table shows the movement in ECL that has been recognised for other receivables.

| | 12m ECL |
|---|---|
| | *RMB'000* |
| **As at 1 January 2022** | – |
| Impairment losses recognised | 335 |
| **As at 31 December 2022** | 335 |
| Impairment losses recognised | 592 |
| Impairment losses reversed | (261) |
| **As at 31 December 2023** | 666 |
| Impairment losses recognised | 1,201 |
| Impairment losses reversed | (665) |
| **As at 31 December 2024** | 1,202 |
| Impairment losses recognised | 55 |
| Impairment losses reversed | (1,197) |
| **As at 31 May 2025** | 60 |

The following table shows the movements in ECL that have been recognised for amounts due from related parties.

| | 12m ECL |
|---|---|
| | *RMB'000* |
| **As at 1 January 2022** | – |
| Impairment losses recognised | 1,235 |
| **As at 31 December 2022** | 1,235 |
| Impairment losses reversed | (157) |
| **As at 31 December 2023** | 1,078 |
| Impairment losses reversed | (1,078) |
| **As at 31 December 2024** | – |

***Liquidity risk***

The directors of the Company have adopted an appropriate liquidity risk management framework for the management of the Group's short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group's consolidated financial position. The directors of the Company monitor the sufficiency of cash flows with availability of unutilised banking facilities, internally generated funds and alternative refinancing and extension of due date of bank and other borrowings. The directors of the Company also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's borrowings is subject to supplier finance arrangements. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in note 29.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

| | Weighted average interest rate | On demand or less than 1 year | 1-2 years | 2-5 years | More than 5 years | Total undiscounted cash flows | Total carrying amounts |
|---|---|---|---|---|---|---|---|
| | *%* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 31 December 2022** | | | | | | | |
| Bank and other borrowings | | | | | | | |
| – fixed rates | 7.42 | 8,995,865 | 2,128,904 | 473,421 | – | 11,598,190 | 10,830,276 |
| Trade payables | – | 1,360,244 | – | – | – | 1,360,244 | 1,360,244 |
| Other payables | – | 1,052,771 | – | 860,524 | – | 1,913,295 | 1,708,740 |
| Bills payables (including those under note financing arrangement) | – | 4,075,309 | – | – | – | 4,075,309 | 4,075,309 |
| Amounts due to related parties | 7.00 | 326,059 | – | – | – | 326,059 | 317,191 |
| Lease liabilities | 6.89 | 319,546 | 354,438 | 341,487 | – | 1,015,471 | 954,597 |
| Financial guarantee contracts | – | 920,000 | – | – | – | 920,000 | – |
| | | 17,049,794 | 2,483,342 | 1,675,432 | – | 21,208,568 | 19,246,357 |
| **As at 31 December 2023** | | | | | | | |
| Bank and other borrowings | | | | | | | |
| – fixed rates | 7.46 | 4,606,052 | 2,290,764 | 3,439,110 | – | 10,335,926 | 9,281,807 |
| Trade payables | – | 980,926 | – | – | – | 980,926 | 980,926 |
| Other payables | – | 986,336 | – | 860,524 | – | 1,846,860 | 1,687,318 |
| Bills payables (including those under note financing arrangement) | – | 2,494,683 | – | – | – | 2,494,683 | 2,494,683 |
| Amounts due to related parties | 7.00 | 424,723 | – | – | – | 424,723 | 416,131 |
| Lease liabilities | 6.73 | 714,334 | 46,321 | 51,026 | 24,983 | 836,664 | 806,396 |
| Financial guarantee contracts | – | 100,000 | – | – | – | 100,000 | – |
| | | 10,307,054 | 2,337,085 | 4,350,660 | 24,983 | 17,019,782 | 15,667,261 |

| | Weighted average interest rate | On demand or less than 1 year | 1-2 years | 2-5 years | More than 5 years | Total undiscounted cash flows | Total carrying amounts |
|---|---|---|---|---|---|---|---|
| | % | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| **As at 31 December 2024** | | | | | | | |
| Bank and other borrowings | | | | | | | |
| – fixed rates | 6.55 | 4,938,697 | 4,947,179 | 91,459 | – | 9,977,335 | 9,330,886 |
| – variable rates | 3.67 | 132,222 | 284,664 | 791,694 | 695,698 | 1,904,278 | 1,617,357 |
| Trade payables | – | 1,246,574 | – | – | – | 1,246,574 | 1,246,574 |
| Other payables | | | | | | | |
| – interest bearing | 0.97 | 102,645 | 383,250 | – | – | 485,895 | 482,781 |
| – non-interest bearing | – | 690,261 | 475,472 | 385,052 | – | 1,550,785 | 1,439,817 |
| Bills payables (including those under note financing arrangement) | – | 182,250 | – | – | – | 182,250 | 182,250 |
| Lease liabilities | 2.80 | 372,196 | 12,491 | 37,474 | 24,983 | 447,144 | 428,622 |
| | | 7,664,845 | 6,103,056 | 1,305,679 | 720,681 | 15,794,261 | 14,728,287 |
| **As at 31 May 2025** | | | | | | | |
| Bank and other borrowings | | | | | | | |
| – fixed rates | 5.32 | 6,715,474 | 3,747,552 | 127,759 | 376,759 | 10,967,544 | 10,345,271 |
| – variable rates | 3.77 | 201,799 | 390,979 | 1,243,433 | 682,786 | 2,518,997 | 2,176,120 |
| Trade payables | | 1,179,519 | – | – | – | 1,179,519 | 1,179,519 |
| Other payables | | | | | | | |
| – interest bearing | 3.36 | 1,591 | 215,129 | – | – | 216,720 | 212,920 |
| – non-interest bearing | – | 1,272,209 | 713,208 | 79,245 | – | 2,064,662 | 1,974,804 |
| Bills payables (including those under note financing arrangement) | | 650,000 | – | – | – | 650,000 | 650,000 |
| Lease liabilities | 3.36 | 50,880 | 49,864 | 138,128 | 7,406 | 246,278 | 219,388 |
| | | 10,071,472 | 5,116,732 | 1,588,565 | 1,066,951 | 17,843,720 | 16,758,022 |

***Fair value measurements of financial instruments***

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

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

| | Fair value as at | | | | | |
|---|---|---|---|---|---|---|
| | 31 December | | | 31 May | Fair value hierarchy | Valuation technique and key input |
| | 2022 | 2023 | 2024 | 2025 | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | | |
| **Financial assets:** | | | | | | |
| Wealth management products classified as financial assets at FVTPL | 30,044 | – | – | 699,900 | Level 2 | Discounted cash flow method using the expected return based on observable market inputs. |

| | Fair value as at | | | | Fair value hierarchy | Valuation technique and key input |
|---|---|---|---|---|---|---|
| | 31 December | | | 31 May | | |
| | 2022 | 2023 | 2024 | 2025 | | |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | | |
| Receivables at FVTOCI . . . . . . . . | 29,102 | 62,678 | 485,699 | 90,972 | Level 2 | Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable. |

There were no transfers between Level 1 and 2 during the both years.

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

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

## 37. ACQUISITION OF A SUBSIDIARY

In September 2024, Inner Mongolia Chuangyuan acquired a 100% equity interest in Inner Mongolia Kanghong New Materials Co., Ltd.* (內蒙古康鴻新材料有限公司) ("Kanghong New Materials") for RMB14,000,000. Following completion of the acquisition, Kanghong New Materials become a wholly owned subsidiary of Inner Mongolia Chuangyuan.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of purchase.

**Assets and liabilities recognised at the date of acquisition**

| | *RMB'000* |
|---|---|
| Right-of-use assets . . . . . . . . | 12,045 |
| Property, plant and equipment . . . . . . . . | 1,164 |
| Prepayments and other receivables . . . . . . . . | 1,045 |
| Cash and cash equivalents . . . . . . . . | 443 |
| Other payables . . . . . . . . | (697) |
| Net assets . . . . . . . . | 14,000 |

**Net cash outflows arising on acquisition of Kanghong New Materials**

| | *RMB'000* |
|---|---|
| Consideration paid in cash . . . . . . . . | 14,000 |
| Less: cash and cash equivalents acquired . . . . . . . . | (443) |
| | 13,557 |

* *English name is for identification purpose only*

## 38. DISPOSAL OF A SUBSIDIARY

### (i) Inner Mongolia Chuangyuan Logistics Co., Ltd.* (內蒙古創源物流有限公司) ("Inner Mongolia Chuangyuan Logistics")

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics, to its related party, Zouping Chuangyuan Logistics Co., Ltd.* (鄒平創源物流有限公司) ("Zouping Chuangyuan Logistics"), for RMB3,820,000. The net assets of Inner Mongolia Chuangyuan Logistics at the date of disposal were as follows:

**Analysis of assets and liabilities over which control was lost:**

| | 30 November 2024 |
|---|---|
| | *RMB'000* |
| Trade receivables | 18,020 |
| Prepayments and other receivables | 1,850 |
| Cash and cash equivalents | 3,977 |
| Trade and other payables | (19,299) |
| Net assets disposed of | 4,548 |

**Consideration received:**

| | |
|---|---|
| | *RMB'000* |
| Cash received | 3,820 |

**Gain on disposal of a subsidiary:**

| | |
|---|---|
| Consideration received | 3,820 |
| Net assets disposed of | (4,548) |
| Loss on disposal | (728) |

**Net cash outflow arising on disposal:**

| | |
|---|---|
| Cash consideration | 3,820 |
| Less: cash and cash equivalents disposed of | (3,977) |
| | (157) |

### (ii) Harrington Management Limited

On 30 May 2025, Inner Mongolia Chuangyuan disposed of its 100% interest in Harrington Management Limited to a third party at a consideration of HKD10,000 (equivalent to RMB9,000). This transaction has resulted in the recognition of a disposal gain of RMB5,174,000. The consideration has not been received yet.

## 39. CAPITAL COMMITMENTS

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the Historical Financial Information | 277,012 | 251,967 | 2,243,511 | 1,269,805 |

* *English name is for identification purpose only*

### 40. PLEDGE OF ASSETS

The following assets have been pledged to various banks for securing of the Group's banking facilities, and the issue of bills payables or letter of credit at the end of each reporting period were summarised below:

| | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 May 2025 |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Property, plant and equipment | 5,158,400 | 4,934,408 | 7,290,813 | 8,838,852 |
| Receivables at FVTOCI | – | – | 430,000 | – |
| Right-of-use assets | 415,535 | 483,108 | 591,425 | 686,143 |
| Intangible assets | 3,057,240 | 2,992,143 | 2,927,047 | 2,899,924 |
| Restricted bank deposits | 2,764,575 | 1,309,070 | 681,440 | 591,314 |
| Inventories | – | – | – | 400,000 |
| | 11,395,750 | 9,718,729 | 11,920,725 | 13,416,233 |

During the Track Record Period, Innovation Group pledged 100% of equity interests in Inner Mongolia Chuangyuan in favour of Bank of Jinzhou as security for bank loans, and pledged 100% of equity interests in Chuangyuan Alloy in favour of Industrial and Commercial Bank of China as security for bank loans. Details of which are set out in note 29.

### 41. RELATED PARTY TRANSACTIONS

During the Track Record Period, the directors of the Company are of the view that the following are related parties of the Group and the Company:

| Name of party | Relationship |
|---|---|
| Innovation Group | Controlled by Mr. Cui |
| Innovation New Material Technology Co., Ltd.* (創新新材料科技股份有限公司) ("Innovation New Material") and its subsidiaries | Controlled by Mr. Cui |
| Shandong Luyu Valve Co., Ltd.* (山東魯豫閥門有限公司) ("Shandong Luyu") | Controlled by family of Mr. Cui |
| Hainan Fujuanyong and its subsidiaries | Controlled by family of Mr. Cui |
| Shandong Suotong Innovation Materials Co., Ltd.* (山東索通創新炭材料有限公司) (formerly known as Shandong Innovation Carbon Materials Co., Ltd.* (山東創新炭材料有限公司)) ("Shandong Suotong") | Associate of Innovation Group |
| Zouping Minsheng Metal Material Co., Ltd.* (鄒平縣民生金屬材料有限公司) ("Zouping Minsheng") | Controlled by family of Mr. Cui |
| Zouping Chuangyuan Logistics | Controlled by Mr. Cui |
| Zouping Innovation Property Co., Ltd.* (鄒平創新物業有限公司) ("Zouping Innovation Property") | Controlled by family of Mr. Cui |
| Ms. Cui Jiao | Family of Mr. Cui |
| Mr. Cui Dong | Family of Mr. Cui |
| Shandong Innovation Metal Technology Co., Ltd.* (山東創新金屬科技有限公司) ("Shandong Innovation Metal Technology") | Controlled by Mr. Cui |
| Suzhou Chuangtai Alloy Material Co., Ltd.* (蘇州創泰合金材料有限公司) ("Suzhou Chuangtai") | Controlled by Mr. Cui |
| Huolingol Qiyuan Aluminum Industry Co., Ltd.* (霍林郭勒市齊源鋁業有限公司) ("Huolingol Qiyuan") | Controlled by Mr. Cui |
| Tongliao Smart Mining Co., Ltd.* (通遼市智慧礦業有限公司) ("Tongliao Smart Mining") | Controlled by Mr. Cui |
| Shandong Lide New Energy Technology Co., Ltd.* (山東禮德新能源科技有限公司) ("Shandong Lide") | Associate of Innovation New Material |
| Shandong Chuangfeng new material Technology Co., Ltd.* (山東創豐新材料科技有限公司) | Controlled by Mr. Cui |
| Shandong Chuanghui new material Technology Co., Ltd.* (山東創輝新材料科技有限公司) | Controlled by Mr. Cui |

| Name of party | Relationship |
|---|---|
| Shandong Innovation Precision Technology Co., Ltd.* (山東創新精密科技有限公司) | Controlled by Mr. Cui |
| Shandong Yuanwang Electrical Technology Co., Ltd.* (山東元旺電工科技有限公司) | Controlled by Mr. Cui |
| Shandong Innovation Plate Co., Ltd.* (山東創新板材有限公司) | Controlled by Mr. Cui |
| Shandong Innovation Beihai Co., Ltd.* (山東創新北海有限公司) | Controlled by Mr. Cui |
| Binzhou Chuangtai Trading Co., Ltd.* (濱州創泰貿易有限公司) ("Binzhou Chuangtai") *(note)* | Controlled by Mr. Cui |
| Shandong Kangtai Ecological Agriculture Park Co., Ltd.* (山東康泰生態農業園區有限公司) ("Shandong Kangtai") | Controlled by family of Mr. Cui |
| Shandong Chuangtai New Materials Technology Co., Ltd.* (山東創泰新材料科技有限公司) ("Chuangtai New Materials") *(note)* | Controlled by Mr. Cui |
| Inner Mongolia innovation lightweight New Material Co., Ltd.* (內蒙古創新輕量化新材料有限公司) ("Innovation Lightweight") | Controlled by Mr. Cui |
| Inner Mongolia Yuanwang Metal Technology Co., Ltd.* (內蒙古元旺金屬科技有限公司) ("Yuanwang Metal") | Controlled by Mr. Cui |
| Inner Mongolia Chuangxin New Material Co., Ltd.* (內蒙古創新新材料有限公司) ("Inner Mongolia Chuangxin New Material") | Controlled by Mr. Cui |

*Note:* On 6 February 2025, Innovation Group disposed Binzhou Chuangtai and Chuangtai New Materials to an independent third party. Thus, transactions between the Group and Binzhou Chuangtai as well as Chuangtai New Materials after date of disposal are no longer regarded as related party transactions.

**The Group**

***(a) Related party transactions***

During the Track Record Period, save as disclosed elsewhere in the historical financial information, the Group had the following related party transactions:

*(i) Revenue from related parties*

| | | Year ended | | | Five Months ended 31 May | |
|---|---|---|---|---|---|---|
| | Nature of transactions | 2022 | 2023 | 2024 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Innovation New Material and its subsidiaries | Electrolytic aluminum, electricity, steam supply, and scrap and other materials | 195 | 10,891,848 | 11,608,881 | 5,289,226 | 4,315,938 |
| Shandong Luyu | Scrap and other materials | 2,474 | 245 | 2,119 | 848 | – |
| Chuangtai New Materials | Electricity, natural gas and Lime | – | – | – | – | 98 |
| Hainan Fujuanyong and its subsidiaries | Electrolytic aluminum and scrap and other materials | 74,132 | 50,664 | – | – | 1,654 |
| Total | | 76,801 | 10,942,757 | 11,611,000 | 5,290,074 | 4,317,690 |

* *English name is for identification purpose only.*

*(ii) Purchases of goods*

| | Nature of transactions | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Shandong Suotong | Carbon anodes | 1,093,033 | 914,032 | 623,265 | 196,526 | 253,816 |
| Zouping Minsheng | Spare parts and others | 88 | 949 | 758 | 331 | 169 |
| Shandong Luyu | Spare parts and others | 277 | 434 | 2,430 | 153 | 119 |
| Innovation New Material and its subsidiaries | Spare parts and others | – | 43 | 890 | 4 | 1 |
| Hainan Fujuanyong and its subsidiaries | Spare parts and others | – | – | 498 | – | – |
| Total | | 1,093,398 | 915,458 | 627,841 | 197,014 | 254,105 |

*(iii) Purchases of services*

| | Nature of transactions | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Zouping Chuangyuan Logistics | Transportation service | 27,466 | 17,348 | 23,991 | 9,947 | 17,298 |
| Zouping Innovation Property | Property management fee | 1,409 | 222 | – | – | 234 |
| Innovation Group | Labor cost | – | 1,923 | 650 | – | – |
| Innovation New Material and its subsidiaries | Testing fee | – | 913 | – | – | – |
| Shandong Luyu | Repair fee | – | 106 | – | – | – |
| Total | | 28,875 | 20,512 | 24,641 | 9,947 | 17,532 |

*(iv) Purchases of equipment*

| | Year ended 2022 | Year ended 2023 | Year ended 2024 | Five Months ended 31 May 2024 | Five Months ended 31 May 2025 |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Zouping Minsheng | 1,881 | 14,228 | 22,226 | 1,138 | 8,015 |
| Shandong Luyu | 129 | 6,929 | – | – | – |
| Innovation New Material and its subsidiaries *(Note)* | – | – | 134,408 | 489 | 465 |
| Hainan Fujuanyong and its subsidiaries | – | – | 51,079 | 17,378 | 42,536 |
| Shandong Kangtai | – | – | 265 | – | – |
| Total | 2,010 | 21,157 | 207,978 | 19,005 | 51,016 |

*Note:* On 28 April 2024, Chuangyuan Mental acquired a plant and an office building under construction from Innovation Lightweight, a subsidiary of Innovation New Material, at a consideration of RMB130,625,000 which was determined with reference to an independent valuation report.

*(v) Interest expense*

| | Year ended | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (unaudited) | *RMB'000* |
| Ms. Cui Jiao | 1,497 | 3,287 | – | – | – |
| Innovation Group | 828 | 18,940 | 7,855 | 7,855 | – |
| Mr. Cui Dong | 207 | 855 | – | – | – |
| Total | 2,532 | 23,082 | 7,855 | 7,855 | – |

*(vi) Gain on disposal of property, plant and equipment*

On 31 October 2022, Chuangyuan Alloy sold machinery equipment to Innovation Lightweight, subsidiaries of Innovation New Material at a consideration of RMB 2,180,000 respectively, which was determined with reference to carrying amount of equipment, resulting in a gain on disposal of nil.

On 4 April 2023, Chuangyuan Alloy sold machinery equipment to Shandong Innovation Metal Technology and Suzhou Chuangtai, subsidiaries of Innovation New Material at a consideration of RMB11,159,000 and RMB3,729,000 respectively, which was determined with reference to carrying amount of equipment, resulting in a gain on disposal of nil.

On 1 January 2024, Chuangyuan Alloy sold machinery equipment to Yuanwang Metal and Inner Mongolia Chuangxin New Material, the subsidiaries of Innovation New Materials, with respective sale prices of RMB17,848,000 and RMB77,756,000, resulting in gain on disposal of property, plant and equipment of RMB4,393,000 and RMB4,190,000 respectively.

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

*(vii) Acquisition of a subsidiary*

In November 2024, Inner Mongolia Chuangyuan acquired from Innovation Group a 100% equity interest of Harrington Management Limited, which in turn holding 55% equity interest of PT Kayong Aluminum Nusantara at nil consideration.

Harrington Management Limited and PT Kayong Aluminum Nusantara have no material operation since its establishment in June 2024 and July 2024, respectively, and up to the acquisition date.

*(viii) Disposal of a subsidiary*

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics to its related party, Zouping Chuangyuan Logistics for RMB3,820,000. Details of which are set out in note 38.

*(ix) Other income*

(i) Rental income

| | Year ended | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Huolingol Qiyuan | – | 6 | – | – | – |
| Tongliao Smart Mining | – | 6 | – | – | – |
| Innovation New Material and its subsidiaries | – | 37,158 | 25,652 | 8,420 | 12,557 |
| Total | – | 37,170 | 25,652 | 8,420 | 12,557 |

(ii) Others

| | Year ended | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Innovation New Material and its subsidiaries | 86 | 7,410 | 5,856 | 2,850 | 1,359 |
| Shandong Lide | 2,782 | – | – | – | – |
| Total | 2,868 | 7,410 | 5,856 | 2,850 | 1,359 |

***(b) Outstanding balances with related parties:***

*Non-trade in nature*

As disclosed in the consolidated statements of financial position, the Group had outstanding balances due from (to) related parties at 31 December 2022 and 2023.

(i) Amounts due from related parties:

| | | | | | Maximum amount outstanding during | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 December | | | As at 31 May | Year ended 31 December | | | Five Months ended 31 May |
| | 2022 | 2023 | 2024 | 2025 | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Innovation Group *(note)* | 4,261,296 | 3,753,412 | – | – | 4,385,832 | 4,285,815 | 3,753,412 | – |
| Huolingol Qiyuan | 75 | 78 | – | – | 81 | 78 | 78 | – |
| Chuangtai New Materials | – | – | – | – | – | – | 11,825 | – |
| Innovation New Material and its subsidiaries | – | 3 | – | – | – | 3 | 3 | – |
| Total | 4,261,371 | 3,753,493 | – | – | | | | |
| Less: allowance for impairment losses | (1,235) | (1,078) | – | – | | | | |
| | 4,260,136 | 3,752,415 | – | – | | | | |

*Note:* The amount due from Innovation Group was unsecured, interest-free and has no fixed repayment terms. As part of the Reorganisation as detailed in note 2, the amount of RMB751,372,000 has been settled through offsetting the consideration of an equivalent amount for the Group's acquisition of 58.5% equity interests, in aggregate, in Shandong Chuangyuan from Innovation Group in stages on 29 January 2024 and 29 March 2024. And the amount of RMB3,000,000,000 has been settled through offsetting the consideration of an equivalent amount for the Group's acquisition of 99% equity interest in Inner Mongolia Chuangyuan from Innovation Group on 9 October 2024.

(ii) Amounts due to related parties:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Innovation Group | 215,187 | 416,131 | – | – |
| Mr. Cui Dong | 14,617 | – | – | – |
| Ms. Cui Jiao | 87,087 | – | – | – |
| Tongliao Smart Mining | 300 | – | – | – |
| Total | 317,191 | 416,131 | – | – |

*Note:* The amounts due to Innovation Group, Mr. Cui Dong and Ms. Cui Jiao are unsecured, carried at interest rate of 7.00% per annum and payable on demand.

*Trade in nature*

(i) Trade receivables

| | 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Shandong Luyu | 988 | 1,112 | 1,266 | 1,266 |
| Hainan Fujuanyong and its subsidiaries | 7,043 | – | – | – |
| Innovation New Material and its subsidiaries | – | 75,974 | 15,893 | 30,734 |
| | 8,031 | 77,086 | 17,159 | 32,000 |
| Less: allowance for credit losses | (2) | (22) | (5) | (9) |
| | 8,029 | 77,064 | 17,154 | 31,991 |

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

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 month | 7,041 | 73,175 | 16,861 | 30,726 |
| 1 to 12 months | 988 | 3,016 | 293 | 1,265 |
| 1 to 2 years | – | 873 | – | – |
| Total | 8,029 | 77,064 | 17,154 | 31,991 |

(ii) Trade payables

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Shandong Suotong | 334,901 | 250,301 | 288,100 | 195,827 |
| Zouping Chuangyuan Logistics | 9,005 | 6,513 | 10,363 | – |
| Shandong Luyu | 600 | – | 1,047 | 974 |
| Innovation New Material and its subsidiaries | 11 | 232 | – | – |
| Total | 344,517 | 257,046 | 299,510 | 196,801 |

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

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0 to 30 days | 200,743 | 252,930 | 126,601 | 152,500 |
| 31 to 90 days | 139,013 | – | 116,754 | 43,373 |
| 91 days to 180 days | 4,761 | 4,116 | 56,155 | 928 |
| | 344,517 | 257,046 | 299,510 | 196,801 |

(iii) Prepayments and other receivables

| | | As at 31 December | | | As at 31 May |
|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Shandong Luyu | Spare parts and others | 4,384 | – | – | 150 |
| Innovation Group | Labor cost | 1,098 | – | – | – |
| Zouping Minsheng | Spare parts and others | 8 | 3,158 | 416 | 918 |
| Binzhou Chuangtai | Alumina and other related types of products | – | – | 1,259 | N/A |
| Innovation New Material and its subsidiaries | Spare parts and others | – | – | 412 | – |
| Hainan Fujuanyong and its subsidiaries | Spare parts and others | – | – | – | 740 |
| Zouping Chuangyuan Logistics | Transportation service | – | – | – | 74 |
| Total | | 5,490 | 3,158 | 2,087 | 1,882 |

(iv) Contract liabilities

| | | As at 31 December | | | As at 31 May |
|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Binzhou Chuangtai | Alumina and other related types of products | – | – | 26,431 | N/A |
| Innovation New Material and its subsidiaries | Primary aluminum | – | – | – | 646 |
| | | – | – | 26,431 | 646 |

(v) Other payables

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Hainan Fujuanyong and its subsidiaries | – | – | – | 39,759 |

***(c) Details of guarantees***

During the two years ended 31 December 2022 and 2023, Inner Mongolia Chuangyuan provided financial guarantees in favor of several banks enabling Shandong Chuangfeng New Material Technology Co., Ltd., Shandong Chuanghui New Material Technology Co., Ltd., Shandong Innovation Precision Technology Co., Ltd., Shandong Yuanwang Electrical Technology Co., Ltd., Shandong Innovation Metal Technology, Shandong Innovation Plate Co., Ltd. and Shandong Innovation Beihai Co., Ltd., subsidiaries of Innovation New Material, to obtain bank borrowings for a period of 1 year. The aggregate amount of outstanding financial guarantees granted to related parties that the Group could be required to pay amounted to RMB920,000,000 and RMB100,000,000 as at 31 December 2022 and 2023, respectively. All of the outstanding financial guarantees has been utilised by the related parties. The financial guarantees were provided at nil consideration. The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant.

The above financial guarantee contracts have all expired by the end of March 2024.

***(d) Compensation of key management personnel***

The remuneration of directors and other members of key management during the Track Record Period was as follows:

| | Year ended | | | Five Months ended 31 May | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Salaries, allowances and benefits in kind | 796 | 830 | 1,070 | 355 | 472 |
| Bonus | 5,191 | 9,570 | 17,419 | 6,624 | 6,847 |
| Retirement benefit scheme contributions | 28 | 28 | 42 | 18 | 26 |
| Total | 6,015 | 10,428 | 18,531 | 6,997 | 7,345 |

**The Company**

***(a) Outstanding balances***

*Non-trade in nature*

(i) Amount due from a related party

| | As at 31 December | | As at 31 May |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Bloomsbury Holding | –* | –* | – |

(ii) Amount due to subsidiaries

| | As at 31 December | | As at 31 May |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Inner Mongolia Chuangyuan | – | 8,098 | 22,915 |
| Phineas Management | – | – | 3,954 |
| Total | – | 8,098 | 26,869 |

* *Less than RMB1,000.*

**42. MAJOR NON-CASH TRANSACTIONS**

The Group has carried out the following major non-cash transactions during the Track Record Period.

i. During the year ended 31 December 2023 and 2024 and the five months ended 31 May 2024, bank loans under supplier finance arrangements amounted to RMB77,500,000, RMB112,490,000 and RMB75,520,000 (unaudited), respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly.

ii. During the year ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider amounted to RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent the payments to suppliers by the finance provider directly.

iii. During the year ended 31 December 2023, a non-controlling interest made capital injection into Shandong Chuangyuan in form of property, plant and equipment and leasehold lands, and amounting to RMB439,012,000. Details of which are set out in notes 15 and 16.

iv. The Group entered into new lease agreements for the use of leased plant and machinery for eight years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB83,569,000 and RMB83,569,000, respectively, during the year ended 31 December 2023. During the five months ended 31 May 2025, additional lease liabilities amounted to RMB148,944,000 recognised with related right-of-use assets amounted to RMB184,728,000, represents the new lease entered of aircraft and offices.

v. On 29 January 2024 and 29 March 2024, Inner Mongolia Chuangyuan acquired 58.5% equity interests in aggregate of Shandong Chuangyuan from Innovation Group in stages at a total consideration of RMB751,372,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Inner Mongolia Chuangyuan to Innovation Group.

vi. On 9 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% equity interest in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3,000,000,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.

## 43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 43.1 General information of subsidiaries

As at 31 December 2022, 2023 and 2024, 31 May 2025 and the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

| Name of subsidiary/consolidated affiliated entity | Place of incorporation/ registration/ operations | Date of incorporation/ registration | Issued and fully paid share/ registered capital | Proportion of ownership interest and voting power held by the Company | | | | | Principal activities | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 31 December | | | 31 May | | | |
| | | | | 2022 | 2023 | 2024 | 2025 | Date of this report | | |
| | | | RMB'000 | | | | | | | |
| Directly held: | | | | | | | | | | |
| Phineas Management | Hong Kong | 15 September 2023 | –** | N/A | 100% | 100% | 100% | 100% | Investment holding | (note c) |
| Brentford Management Pte. Ltd. | Singapore | 10 September 2024 | – | N/A | N/A | N/A | N/A | 100% | Investment holding | |
| Innovation Global Oasis FZ-LLC | United Arab Emirates | 5 April 2025 | – | N/A | N/A | N/A | 100% | 100% | Investment holding | |
| Innovation Global Industries UK Ltd. | The United Kingdom of Great Britain and Northern Ireland | 21 January 2025 | – | N/A | N/A | N/A | 100% | 100% | Commodity trading platform | |
| Cedarway Management Limited | Hong Kong | 14 March 2025 | – | N/A | N/A | N/A | 100% | 100% | Commodity trading platform | |
| Camden Management Limited | Hong Kong | 14 March 2025 | – | N/A | N/A | N/A | 100% | 100% | Commodity trading platform | |
| Indirectly held: | | | | | | | | | | |
| Inner Mongolia Chuangyuan | PRC | 10 May 2012 | 2,032,320 | 100% | 100% | 100% | 100% | 100% | Smelting and selling electrolytic aluminum | (note a and j) |
| Chuangyuan Alloy | PRC | 28 January 2019 | 400,000 | 100% | 100% | 100% | 100% | 100% | Providing electricity transmission services | (note a) |

| Name of subsidiary/consolidated affiliated entity | Place of incorporation/ registration/ operations | Date of incorporation/ registration | Issued and fully paid share/ registered capital | Proportion of ownership interest and voting power held by the Company | | | | Date of this report | Principal activities | *Notes* |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 31 December | | | 31 May | | | |
| | | | | 2022 | 2023 | 2024 | 2025 | | | |
| | | | *RMB'000* | | | | | | | |
| Inner Mongolia Chuangyuan Industry and Trade Co., Ltd.* (內蒙古創源工貿有限公司) | PRC | 19 April 2017 | – | 100% | 100% | N/A | N/A | N/A | Import and export trading of metals | *(note c, g and j)* |
| Inner Mongolia Chuangyuan Wind Power Co., Ltd.* (內蒙古創源風電有限公司), | PRC | 20 July 2018 | 100,000 | 100% | 100% | 100% | 100% | 100% | Developing wind power generation | *(note c)* |
| Inner Mongolia Chuangyuan Keyou Energy Co., Ltd.* (內蒙古創源科右新能源有限公司) | PRC | 11 November 2022 | – | 100% | 100% | 100% | 100% | 100% | Providing electricity transmission services | *(note c)* |
| Inner Mongolia Hongchuangxin Energy Co., Ltd.* (內蒙古宏創新能源有限公司) | PRC | 7 June 2023 | – | – | 100% | N/A | N/A | N/A | Providing electricity transmission services | *(note c and h)* |
| Inner Mongolia Hongshi New Energy Co., Ltd.* (內蒙古宏實新能源有限公司) | PRC | 8 August 2023 | – | – | 100% | N/A | N/A | N/A | Providing electricity transmission services | *(note c and i)* |
| Inner Mongolia Chuangyuan Material Recycling Co., Ltd.* (內蒙古創源物資再生利用有限公司) | PRC | 26 July 2018 | – | 100% | 100% | 100% | 100% | 100% | Recycling and processing metals | *(note c)* |
| Inner Mongolia Chuangyuan New Material Co., Ltd.* (內蒙古創源新材料有限公司) | PRC | 13 January 2022 | 20,000 | 100% | 100% | 100% | 100% | 100% | Manufacturing and selling eco-environmental materials | *(note c)* |

| Name of subsidiary/consolidated affiliated entity | Place of incorporation/ registration/ operations | Date of incorporation/ registration | Issued and fully paid share/ registered capital | Proportion of ownership interest and voting power held by the Company | | | | Date of this report | Principal activities | *Notes* |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 31 December | | | 31 May | | | |
| | | | | 2022 | 2023 | 2024 | 2025 | | | |
| | | | *RMB'000* | | | | | | | |
| Chuangyuan Smart Energy | PRC | 4 June 2018 | 20,000 | 100% | 100% | 100% | 100% | 100% | Providing electricity transmission services | *(note c)* |
| Huolingol Chuangjin Aluminum Industry Co., Ltd.* (霍林郭勒市創金鋁業有限公司) | PRC | 12 April 2018 | – | 100% | N/A | N/A | N/A | N/A | Smelting non-ferrous metals | *(notes c and d)* |
| Huolingol Chuangyuan Faxiang Aluminum Industry Co., Ltd.* (霍林郭勒市創源發祥鋁業有限公司) | PRC | 13 March 2018 | – | 100% | N/A | N/A | N/A | N/A | Smelting non-ferrous metals | *(notes c and d)* |
| Inner Mongolia Huomei Chuangyuan Mining Co., Ltd.* (內蒙古霍煤創源礦業有限公司) | PRC | 30 May 2014 | – | 100% | 100% | N/A | N/A | N/A | Selling coal and non-ferrous metals | *(note c and g)* |
| Inner Mongolia Zhenyuan Aluminum Industry Co., Ltd.* (內蒙古振源鋁業有限公司) | PRC | 25 May 2018 | – | 100% | N/A | N/A | N/A | N/A | Smelting non-ferrous metals | *(notes c and d)* |
| Shandong Chuangyuan | PRC | 12 November 2018 | 450,000 | – | – | 58.5% | 58.5% | 58.5% | Producing and selling alumina and other related types of products | *(note b)* |
| Inner Mongolia Chuangyuan New Energy Co., Ltd.* (內蒙古創源新能源有限公司) | PRC | 24 May 2021 | – | 100% | N/A | N/A | N/A | N/A | Providing electricity transmission services | *(notes c and e)* |

| Name of subsidiary/consolidated affiliated entity | Place of incorporation/ registration/ operations | Date of incorporation/ registration | Issued and fully paid share/ registered capital | Proportion of ownership interest and voting power held by the Company | | | | | Principal activities | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 31 December | | | 31 May | | | |
| | | | | 2022 | 2023 | 2024 | 2025 | Date of this report | | |
| | | | *RMB'000* | | | | | | | |
| Inner Mongolia Chuangyuan Supply Chain Management Co., Ltd.* (內蒙古創源供應鏈管理有限公司) (formerly known as Inner Mongolia Tengxin Industry and Trade Co., Ltd.* (內蒙古騰信工貿有限公司)) | PRC | 27 June 2023 | – | N/A | 100% | 100% | 100% | 100% | Selling coal and non-ferrous metals | *(note c and j)* |
| Beijing Chuangyuan | PRC | 9 May 2024 | – | N/A | N/A | 100% | 100% | 100% | Investment holding | *(note c and f)* |
| Kanghong New Materials | PRC | 25 May 2023 | – | N/A | – | 100% | 100% | 100% | Investment holding | *(note c)* |
| Harrington Management Limited | Hong Kong | 20 June 2024 | – | N/A | N/A | 100% | – | – | Investment holding | *(note k)* |
| Kingston Management Pte. Ltd. | Singapore | 26 September 2024 | – | N/A | N/A | 100% | 100% | 100% | Investment holding | |
| Beijing Chuangyuan Xinchuang Metal Materials Design & Research Co., Ltd.* (北京創源新創金屬材料設計研究有限公司) | PRC | 23 October 2025 | – | N/A | N/A | N/A | N/A | 100% | Designing and researching of metal materials | |

* *English name is for identification purpose only.*

** *Less than RMB1,000.*

All entities now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

*Notes:*

(a) The statutory financial statements of the entities for the years ended 31 December 2022 and 2023 prepared under PRC GAAP were audited by Shandong Aizhinuo Accountants (General Partnership)* (山東艾智諾會計師事務所(普通合夥)), certified public accountants registered in the PRC. No statutory financial statements have been prepared for the year ended 31 December 2024.

(b) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 prepared under PRC GAAP were audited by Shandong Huasheng Certified Public Accountants Co., Ltd* (山東華盛會計師事務所有限公司), certified public accountants registered in the PRC.

(c) No statutory financial statements have been prepared for other subsidiaries of the Company for each of the three years ended 31 December 2022, 2023 and 2024, as there were no statutory audit requirements for these subsidiaries.

(d) The subsidiaries were deregistered on 24 August 2023.

(e) The subsidiary was deregistered on 8 June 2023.

(f) The subsidiary was established on 5 May 2024, and is a foreign owned enterprise established in the PRC.

(g) The subsidiaries were deregistered on 15 March 2024.

(h) The subsidiary was deregistered on 18 March 2024.

(i) The subsidiary was deregistered on 30 April 2024.

(j) The subsidiaries had entered into the non-compliant bill discounting in 2023 and ceased all non-compliant bill discounting since 21 November 2023. Details are set out in the section headed "Business — Legal Proceedings and Compliance Matters — Non-compliant Bill Discounting." in the Document.

(k) As disclosed in note 38, the subsidiary was disposed to a third party on 30 May 2025.

None of the subsidiaries had issued any debt securities at the end of each reporting period.

* *English name is for identification purpose only.*

## 44. INVESTMENT IN JOINT VENTURES

### (i) PT Kayong Aluminum Nusantara

In November 2024, Inner Mongolia Chuangyuan entered into a joint venture agreement with PT Cipta Langgeng Kemakmuran to jointly control PT Kayong Aluminum Nusantara.

PT Kayong Aluminum Nusantara is owned by Harrington Management Limited ("Harrington Management"), a wholly owned subsidiary of the Group, and PT Cipta Langgeng Kemakmuran, an independent third party, as to 55% and 45%, respectively. PT Kayong Aluminum Nusantara was accounted for as a jointly controlled entity as unanimous consent from both parties was assessed to be required for key business decisions.

PT Kayong Aluminum Nusantara was located in Indonesia, and will construct an aluminum smelting project in Indonesia.

As disclosed in note 38, on 30 May 2025, the Group disposed of its entire 100% equity interest in Harrington Management to an independent third party, while, in turn, the Group's 45% equity interest in PT Kayong Aluminum Nusantara was also disposed of, accordingly.

### (ii) Red Sea Aluminium Holdings Pte. Ltd. ("Red Sea JV")

Red Sea JV was incorporated in Singapore in October 2024 for the purpose to acquire a new integrated electrolytic aluminum industry chain project, which targeted to construct primarily an electrolytic aluminum smelting facility and an aluminum alloy processing facility in Saudi Arabia ("Saudi Project"). Saudi Project was undertaken by Red Sea Aluminium Industrial Company LLC ("Red Sea Aluminium Industrial"), a wholly owned subsidiary of Innovation Group.

On date of incorporation and up to 31 May 2025, Red Sea JV is owned by Kingston Management Pte. Ltd. ("Kingston Management"), a wholly owned subsidiary of the Group, Innovation Group, and other 2 independent third parties as to 33%, 32% and 35%, respectively. As at 31 May 2025, Kingston Management has not yet injected capital into Red Sea JV.

On 5 May 2025, Red Sea JV completed the acquisition of 100% equity interest in Red Sea Aluminium Industrial from Innovation Group.

Red Sea Aluminum Industrial had not carried out any substantive business operation.

## 45. RETIREMENT BENEFITS PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, the total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB24,555,000, RMB24,948,000, RMB29,916,000, RMB12,942,000 (unaudited) and RMB14,788,000, respectively.

## 46. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in notes 26 and 29, there were no other significant events taken place subsequent to the end of the five months ended 31 May 2025.

## 47. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 May 2025 and up to the date of this report.

*The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended 31 December 2024 and the five months ended 31 May 2025 (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, respectively, and is included herein for information only.*

*The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set forth in Appendix I to this document, respectively.*

## A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the Share of the Company (the "Global Offering") on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Global Offering had taken place on 31 May 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at 31 May 2025 or at any further dates. It is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 May 2025 as derived from the Accountants' Report set out in Appendix I to this document and adjusted as described below.

| | **Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 May 2025** | **Estimated net proceeds from the Global Offering** | **Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 May 2025** | **Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 May 2025** | |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB* | *HK$* |
| | *(note 1)* | *(note 2)* | | *(note 3)* | *(note 4)* |
| **Based on an Offer Price of HK$10.18 per Share** . | (1,177,137) | 4,504,334 | 3,327,197 | 1.66 | 1.82 |
| **Based on an Offer Price of HK$10.99 per Share** . | (1,177,137) | 4,863,866 | 3,686,729 | 1.84 | 2.02 |

*Notes:*

1. The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 May 2025 is arrived at after deducting intangible assets attributable to owners of the Company of Renminbi ("RMB") 3,187,859,000 from the audited consolidated net assets of RMB2,010,722,000 attributable to owners of the Company at 31 May 2025 as extracted from the Accountants' Report set out in Appendix I to this document.

2. The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 500,000,000 Shares at the Offer Price of Hong Kong Dollar ("HK$") 10.18 (equivalent to RMB9.28) and HK$10.99 (equivalent to RMB10.02) per Share, being the low-end and high-end of the stated indicated Offer Price Range respectively, after deduction of the estimated underwriting fees and commissions and other listing related expenses not yet recognised in profit or loss up to 31 May 2025 (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any share (i) which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company; or (ii) which may be issued under the restricted shares schemes.

   For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK$ into RMB at an exchange rate of HK$1.00 to RMB0.91151, which was the exchange rate prevailing on 6 November 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would be RMB1.66 (equivalent to HK$1.82) based on an Offer Price of HK$10.18 per Share and RMB1.84 (equivalent to HK$2.02) based on an Offer Price of HK$10.99 per Share, respectively, on the basis that 2,000,000,000 shares including 1,500,000,000 existing ordinary shares in issue and 500,000,000 offer Shares were in issue assuming that the Global offering had been completed on 31 May 2025, without taking into account of any share (i) which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company; or (ii) which may be issued under the restricted shares schemes.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share, is converted from RMB into HK$ at an exchange rate of RMB1.00 to HK$1.0971, which was the exchange rate prevailing on 6 November 2025 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 May 2025 to reflect any trading result or other transaction of the Group entered into subsequent to 31 May 2025.

*The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this document.*

Deloitte. 德勤

## B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

**To the Directors of Chuangxin Industries Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuangxin Industries Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 May 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 14 November 2025 (the "Document"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Document.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global offering (as defined in the Document) on the Group's financial position as at 31 May 2025 as if the proposed Global offering had taken place at 31 May 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended 31 December 2024 and the five months ended 31 May 2025, on which an accountants' report set out in Appendix I to the Document has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 May 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*
Hong Kong
14 November 2025

## SUMMARY OF THE CONSTITUTION OF THE COMPANY

### 1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on November 9, 2025 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Cayman Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed "Documents Delivered to the Registrar of Companies and Available on Display".

### 2 Articles of Association

The Articles of Association of the Company were conditionally adopted on November 9, 2025 and include provisions to the following effect:

#### *2.1 Classes of Shares*

The share capital of the Company consists of ordinary shares. The authorized share capital of the Company at the date of adoption of the Articles is US$50,000.00 divided into 10,000,000,000 shares of US$0.000005 each.

#### *2.2 Directors*

*(a) Power to allot and issue Shares*

Subject to the provisions of the Cayman Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Cayman Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

*(b) Power to dispose of the assets of the Company or any subsidiary*

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Cayman Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Cayman Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

*(c) Compensation or payment for loss of office*

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

*(d) Loans to Directors*

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

*(e) Financial assistance to purchase Shares*

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

*(f) Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

(i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:

(A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

(B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

*(g) Remuneration*

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

*(h) Retirement, appointment and removal*

The number of Directors shall not be less than two.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director).

The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after this appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors and which Directors who are to retire by rotation at such meeting.

No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors. The office of a Director shall be vacated:

(i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

(ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;

(iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;

(iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;

(vi) if he is removed from office by a notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or

(vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

*(i) Borrowing powers*

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

*(j) Proceedings of the Board*

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

***2.3 Alteration to constitutional documents***

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

### *2.4 Variation of rights of existing shares or classes of shares*

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorized representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

### *2.5 Alteration of capital*

The Company may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled subject to the provisions of the Cayman Companies Act; and

(c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Cayman Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorized and subject to any conditions prescribed by the Cayman Companies Act.

### *2.6 Special resolution — majority required*

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Cayman Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives), and any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

### *2.7 Voting rights*

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member (except the holder of treasury share(s) (as defined under the Companies Act, the "**Treasury Share(s)**")) present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any meeting of the Company (including general meeting and creditors meeting of the Company) or at any general meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorization, including, where a show of hands is allowed, the right to vote individually on a show of hands.

All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.

A Treasury Share shall not be voted, directly or indirectly, at any general meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles of Association or the Companies Act.

### *2.8 Annual general meetings and extraordinary general meetings*

The Company must hold a general meeting as its annual general meeting each financial year. Such meeting must be held within six months after the end of the Company's financial year. The annual general meeting shall be specified as such in the notices calling it.

Extraordinary general meetings may be convened on the requisition of one or more shareholders (or any one member which is a recognized clearing house (or its nominee(s)) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

### *2.9 Accounts and audit*

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Cayman Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Cayman Companies Act or any other relevant law or regulation or as authorized by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a statement of financial position as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting and fix the remuneration of such auditor(s) being appointed. The removal of any auditor before the expiration of his period of office shall be approved at a general meeting; and the members shall at that meeting appoint new auditor in its place for the remainder of the term. Subject to compliance with the Listing Rules, the Board may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act.

### *2.10 Notice of meetings and business to be conducted thereat*

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place (except in the case of a virtual meeting held in accordance with the Articles of Association) and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

### *2.11 Transfer of shares*

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may, in its absolute discretion, and without assigning any reason, refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be canceled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required);

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favor of the Company; and

(f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

*2.12 Power of the Company to purchase its own shares*

The Company is empowered by the Cayman Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. The holder of the shares being purchased shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Directors shall specify the certificate(s) thereof, if any, and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof. The Board shall have the discretion to cancel such certificate(s).

Subject to the Listing Rules, the Directors may, prior to the purchase, redemption or surrender of any share, determine that such share shall be held as a Treasury Share or canceled, and may resolve to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper.

*2.13 Power of any subsidiary of the Company to own shares*

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

*2.14 Dividends and other methods of distribution*

Subject to the Cayman Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend may be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share. Notwithstanding the foregoing, nothing in the Articles of Association prevent an allotment of shares as fully paid up bonus shares in respect of a Treasury Share and shares allotted as fully paid up bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

### *2.15 Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favor of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorized in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

### *2.16 Calls on shares and forfeiture of shares*

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by installments and shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and installments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or installment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the bolder of such shares requiring payment of so much of the call or installment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

***2.17 Inspection of register of members***

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

### *2.18 Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company (excluding the holder of a Treasury Share) present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

### *2.19 Rights of minorities in relation to fraud or oppression*

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

### *2.20 Procedure on liquidation*

Subject to the Cayman Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Cayman Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Cayman Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

### *2.21 Untraceable members*

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

## SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

### 1 Introduction

The Cayman Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Cayman Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

## 2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 July 2023 under the Cayman Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

## 3 Share Capital

The Cayman Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The Cayman Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Cayman Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

**4 Dividends and Distributions**

With the exception of section 34 of the Cayman Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

**5 Shareholders' Suits**

The Cayman Islands courts can be expected to follow English case law precedents. The rule in Foss v. Harbottle (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

**6 Protection of Minorities**

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

**7 Disposal of Assets**

The Cayman Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

**8 Accounting and Auditing Requirements**

The Cayman Companies Act requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

**9 Register of Members**

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

**10 Inspection of Books and Records**

Members of a company will have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

**11 Special Resolutions**

The Cayman Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

**12 Subsidiary Owning Shares in Parent**

The Cayman Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

**13 Mergers and Consolidations**

The Cayman Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

**14 Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing 75% in value of creditors, or (ii) a majority of 75% in value of shareholders or class of shareholders, as the case may be, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

**15 Take-overs**

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

### 16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

### 17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, ratably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

### 18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

### 19 Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

  (i) on or in respect of the shares, debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2018 Revision).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

## 20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

## 21 Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act (As Revised) ("**ES Law**") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Law. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, if an exempted company incorporated in the Cayman Islands is tax resident outside the Cayman Islands, it will not be required to satisfy the economic substance test set out in the ES Law.

## 22 General

Campbells, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available for inspection as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

## A. FURTHER INFORMATION ABOUT OUR COMPANY

### 1. Incorporation

Our Company was incorporated in the Cayman Islands on July 4, 2023 as an exempted company with limited liability. Our registered office address is at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in the section headed "Summary of the Constitution of Our Company and Cayman Company Law" in Appendix III to this prospectus.

Our principal place of business in Hong Kong is at Room 3601, East, Cheung Kong Center II, 10 Harcourt Road, Central, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on November 29, 2024. Ms. Wong Hoi Ting has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As at the date of this prospectus, our Company's head office was located at Zone C, Southwest Industrial Park, Huolinguole, Inner Mongolia, PRC.

### 2. Changes in Share Capital

On January 6, 2025, our Company implemented the share subdivision whereby every ordinary share of a par value of US$0.0001 each in the authorized share capital of our Company (including issued and unissued share capital) was subdivided into 20 Ordinary Shares of a par value of US$0.000005 each; such that immediately following the share subdivision, the authorized share capital of our Company was altered to US$50,000 divided into 10,000,000,000 Ordinary Shares of par value of US$0.000005 each.

### 3. Changes in Share Capital of our Subsidiary

A summary of the corporate information and the particulars of our subsidiaries are set out in note 43 to the Accountants' Report as set out in Appendix I to this prospectus.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus:

**Kanghong New Material** . . . . . . On May 25, 2023, Kanghong New Material was established in Huolinguole, Inner Mongolia, the PRC, with a registered capital of RMB100,000,000.

**Shandong Chuangyuan** . . . . . . . On June 21, 2023, the registered capital of Shandong Chuangyuan was increased from RMB360,000,000 to RMB450,000,000.

**Chuangyuan Supply Chain Management** . . . . . . . . . . . . . . On June 27, 2023, Chuangyuan Supply Chain Management was established in Huolinguole, Inner Mongolia, the PRC, with a registered capital of RMB10,000,000.

**Phineas Management Limited** . On September 15, 2023, Phineas Management Limited was incorporated in Hong Kong with a share capital of HK$1.00.

**Inner Mongolia Chuangyuan** . . On January 19, 2024, the registered capital of Inner Mongolia Chuangyuan was increased from RMB2,000,000,000 to RMB3,200,000,000.

On August 30, 2024, the registered capital of Inner Mongolia Chuangyuan was increased from RMB3,200,000,000 to RMB3,232,320,000.

**Beijing Chuangyuan** . . . . . . . . . On May 9, 2024, Beijing Chuangyuan was established in Beijing, the PRC, with a registered capital of RMB5,000,000.

**Brentford Management** . . . . . . . On September 10, 2024, Brentford Management was established in Singapore with a registered capital of USD100.

**Kingston Management** . . . . . . . On September 26, 2024, Kingston Management was established in Singapore with a registered capital of USD100.

**Innovation Global Industries UK Ltd.** . . . . . . . . . . . . . . . . . On January 21, 2025, Innovation Global Industries UK Ltd. was incorporated in the UK with a share capital of GBP100.

**Cedarway Management Limited** . . . . . . . . . . . . . . . . . . On March 14, 2025, Cedarway Management Limited was incorporated in Hong Kong with a share capital of HK$10,000.

**Camden Management Limited** . On March 14, 2025, Camden Management Limited was incorporated in Hong Kong with a share capital of HK$10,000.

**Innovation Global Oasis FZ-LLC** . . . . . . . . . . . . . . . . . On April 5, 2025, Innovation Global Oasis FZ-LLC was incorporated in The United Arab Emirates with a share capital of AED50,000.

**Chuangyuan Xinchuang** . . . . . . On October 23, 2025, Chuangyuan Xinchuang was established in Beijing, the PRC, with a registered capital of RMB10,000,000.

**4. Resolutions of our Shareholders**

On November 9, 2025, resolutions of our Company were passed by the Shareholders that, among other things, conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in "Structure of the Global Offering — Conditions of the Global Offering" and pursuant to the terms set out therein:

(a) our Company approved and adopted the amended and restated Memorandum and Articles of Association with effect from the Listing Date;

(b) the Global Offering and the grant of the Over-allotment Option were approved and any one Director from time to time or (if applicable) any of his/her duly authorized attorney (the "**Authorized Signatory**") was authorized to allot and issue new Shares pursuant to the Global Offering and the exercise of the Over-allotment Option;

(c) the Global Offering was approved and any Authorized Signatory would be authorized to implement the Global Offering;

(d) subject to the "lock-up" provisions under Rule 10.08 of the Listing Rules, a general unconditional mandate would be granted to the Directors to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below), provided that the aggregate number of Shares allotted or agreed to be allotted by the Directors other than pursuant to a (i) rights issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares; or (iii) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of:

(A) 20% of the total number of Shares in issue immediately following completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-Allotment Option); and

(B) the aggregate number of Shares repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph below.

Such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and Articles of Association or any applicable laws to be held, and (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholder(s) in general meeting (the "**Relevant Period**"); and

(e) a general unconditional mandate would be granted to the Directors to exercise all the powers of our Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose) not exceeding in aggregate 10% of the total number of Shares in issue immediately following the completion of the Global Offering but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option of our Company in accordance with all applicable laws and the requirements of the Listing Rules, such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions, (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and Articles of Association or any applicable laws to be held, and (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholder(s) in general meeting.

**5. Repurchase of Our Own Securities**

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

***(a) Provision of the Listing Rules***

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restriction, the most important of which are summarized below:

*(i) Shareholders' Approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on November 9, 2025, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (excluding any Shares which may be sold, or issued and allotted pursuant to the exercise of the Over-allotment Option), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

*(ii) Source of Funds*

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands laws, any purchases by our Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act.

*(iii) Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

*(iv) Status of Repurchased Shares*

Under the laws of the Cayman Islands, unless the Directors resolve to hold the shares purchased by our Company as treasury shares prior to the purchase, shares purchased by our Company shall be treated as canceled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

Our Company may re-deposit its treasury Shares into CCASS established and operated by HKSCC only if it has an imminent plan to resell them on the Stock Exchange, and it should complete the resale as soon as possible. For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, our Company will have appropriate measures to ensure that it would not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws with respect to treasury Shares. These measures include, for example, an approval by the Board that (i) our Company should procure its broker not to give any instructions to HKSCC to vote at general meetings for the treasury Shares deposited with CCASS pending resale; and (ii) in the case of dividends or distributions, our Company should withdraw the treasury Shares from CCASS, and either re-register them in our Company's name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

Holders of treasury Shares (if any) shall abstain from voting on matters that require Shareholders' approval at our Company's general meetings.

*(v) Suspension of Repurchase*

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

*(vi) Reporting Requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

*(vii) Core Connected Persons*

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from "a core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

***(b) Reasons for Repurchases***

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

### *(c) Funding of Repurchases*

Repurchase of our Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase our Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of our Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital.

However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for our Company.

### *(d) General*

The exercise in full of the Repurchase Mandate, on the basis of 2,000,000,000 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) could accordingly result in up to approximately 200,000,000 Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held; or

- the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to our Company.

No core connected person (as defined in the Listing Rules) has notified us that he/she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than the highest of (i) approximately 25% of our Company's total issued share capital; (ii) such percentage of Shares held by the public after completion of the Global Offering (assuming that the Over-allotment Option is not exercised); and (iii) such percentage of Shares held by the public after the full or partial exercise of the Over-allotment Option could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

## B. FURTHER INFORMATION ABOUT OUR BUSINESS

### 1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, HHLR ADVISORS, LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 100,000,000;

(b) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, CHINA HONGQIAO GROUP LIMITED (中國宏橋集團有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 30,000,000;

(c) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, TAIKANG LIFE INSURANCE CO., LTD (泰康人壽保險有限責任公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 30,000,000;

(d) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, GLENCORE INTERNATIONAL AG, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 30,000,000;

(e) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, MERCURIA HOLDINGS (SINGAPORE) PTE. LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 30,000,000;

(f) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, GREENWOODS ASSET MANAGEMENT HONG KONG LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 8,770,000;

(g) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, CICC FINANCIAL TRADING LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, pursuant to which CICC FINANCIAL TRADING LIMITED has agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 6,230,000, and hold such Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by CICC FINANCIAL TRADING LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION LIMITED and SHANGHAI GREENWOODS ASSET MANAGEMENT CO., LTD (上海景林資產管理有限公司);

(h) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, TURQUOISE HIME, L.P. (acting by its general partner HIME INVESTMENT LIMITED), HIME INVESTMENT LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000 by TURQUOISE HIME, L.P. (acting by its general partner HIME INVESTMENT LIMITED), where HIME INVESTMENT LIMITED acts as guarantor of performance by TURQUOISE HIME, L.P. (acting by its general partner HIME INVESTMENT LIMITED);

(i) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, INVESTCORP VERDANT HOLDINGS LIMITED, INVESTCORP GOLDEN HORIZON CHINA FUND LP, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000 by INVESTCORP VERDANT HOLDINGS LIMITED, where INVESTCORP GOLDEN HORIZON CHINA FUND LP acts as guarantor of performance by INVESTCORP VERDANT HOLDINGS LIMITED;

(j) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, CPIC INVESTMENT MANAGEMENT (H.K.) COMPANY LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(k) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, GF FUND MANAGEMENT CO., LTD. (廣發基金管理有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 4,700,000;

(l) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, GF INTERNATIONAL INVESTMENT MANAGEMENT LIMITED (廣發國際資產管理有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,300,000;

(m) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, FULLGOAL ASSET MANAGEMENT (HK) LIMITED (富國資產管理(香港)有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,330,000;

(n) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 4,670,000;

(o) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, INTEGRATED CORE STRATEGIES (ASIA) PTE. LTD. (by Millennium Capital Management (Singapore) Pte. Ltd., its investment manager), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(p) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, JANE STREET ASIA TRADING LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(q) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, Polymer Capital Management (HK) Limited (as the investment manager for and on behalf of POLYMER ASIA FUND LP), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(r) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, POINTER INVESTMENT (H.K.) LTD. (寶達投資(香港)有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(s) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, BRILLIANT PARTNERS FUND LP (acting through its general partner, BRILLIANCE CAPITAL GP, LTD.), China Core Fund, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(t) a cornerstone investment agreement dated November 12, 2025 entered into among our Company, CEPHEI CAPITAL MANAGEMENT (HONG KONG) LIMITED (as the investment manager for and on behalf of CEPHEI QFII CHINA TOTAL RETURN FUND LTD and CEPHEI CHINA EQUITY RELATIVE RETURN FUND LTD), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED and HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 6,000,000; and

(u) the Hong Kong Underwriting Agreement.

## 2. Intellectual Property Rights

### *(a) Trademarks*

#### *(i) Registered Trademarks*

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

| No. | Trademark | Place of Registration | Registered Owner | Class | Registered Number | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|---|---|
| 1. . . | CYSi | PRC | Inner Mongolia Chuangyuan | 1 | 26941560 | 20/10/2028 |
| 2. . . | CYC | PRC | Inner Mongolia Chuangyuan | 9 | 26958499 | 20/10/2028 |
| 3. . . | CYAI | PRC | Inner Mongolia Chuangyuan | 6 | 26952745 | 20/10/2028 |
| 4. . . | 创源金属 | PRC | Inner Mongolia Chuangyuan | 6 | 26179087 | 20/03/2029 |
| 5. . . | 可汗山 KEHANSHAN | PRC | Chuangyuan New Material | 19 | 72508326 | 20/12/2033 |
| 6. . . | | PRC | Chuangyuan New Material | 19 | 72490453 | 20/12/2033 |
| 7. . . | 鲁渝博创 | PRC | Shandong Chuangyuan | 1, 35, 39 | 68091842 | 27/05/2033 |

| No. | Trademark | Place of Registration | Registered Owner | Class | Registered Number | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|---|---|
| 8. . . | | PRC | Inner Mongolia Chuangyuan | 6 | 82155631 | 20/05/2035 |
| 9. . . | | PRC | Inner Mongolia Chuangyuan | 6 | 82163802 | 20/05/2035 |
| 10. . | | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717501AA | 06/11/2034 |
| 11. . | | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717501AA | 06/11/2034 |
| 12. . | | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717501AB | 06/11/2034 |
| 13. . | | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717501AB | 06/11/2034 |
| 14. . | 创新国际 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6 | 306717510 | 06/11/2034 |
| 15. . | 创新国际 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 16, 40 | 306717510 | 06/11/2034 |
| 16. . | 創新國際 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6 | 306717510 | 06/11/2034 |
| 17. . | 創新國際 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717510 | 06/11/2034 |
| 18. . | 创新实业 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717529 | 06/11/2034 |
| 19. . | 创新实业 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717529 | 06/11/2034 |
| 20. . | 創新實業 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717529 | 06/11/2034 |
| 21. . | 創新實業 INNOVATION GLOBAL | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717529 | 06/11/2034 |
| 22. . | INNOVATION GLOBAL INDUSTRIES | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717538 | 06/11/2034 |

| No. | Trademark | Place of Registration | Registered Owner | Class | Registered Number | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|---|---|
| 23. . | INNOVATION GLOBAL INDUSTRIES | HK | Inner Mongolia Chuangyuan | 1, 6, 16, 40 | 306717538 | 06/11/2034 |
| 24. . | 创源金属 | PRC | Inner Mongolia Chuangyuan | 40 | 26169059 | 20/03/2029 |

*(ii) Trademarks Applications*

As of the Latest Practicable Date, we had applied for the registration of the following trademark, which we consider to be material to our business:

| No. | Trademark Applied | Place of Application | Class | Application Number | Application Date (dd/mm/yyyy) |
|---|---|---|---|---|---|
| 1. . . | 創新實業 INNOVATION GLOBAL | PRC | 6 | 82155706 | 25/11//2024 |
| 2. . . | 创新实业 INNOVATION GLOBAL | PRC | 40 | 82170179 | 25/11/2024 |
| 3. . . | 創新實業 INNOVATION GLOBAL | PRC | 6 | 82163889 | 25/11/2024 |
| 4. . . | 創新實業 INNOVATION GLOBAL | PRC | 40 | 82173883 | 25/11/2024 |
| 5. . . | | PRC | 6 | 79762077 | 12/07/2024 |
| 6. . . | | PRC | 40 | 82152247 | 25/11/2024 |
| 7. . . | 创新国际 INNOVATION GLOBAL | PRC | 6 | 82146141 | 25/11/2024 |
| 8. . . | 创新国际 INNOVATION GLOBAL | PRC | 40 | 82153301 | 25/11/2024 |
| 9. . . | 創新國際 INNOVATION GLOBAL | PRC | 6 | 82157010 | 25/11/2024 |
| 10. . | 創新國際 INNOVATION GLOBAL | PRC | 40 | 82170170 | 25/11/2024 |

| No. | Trademark Applied | Place of Application | Class | Application Number | Application Date (dd/mm/yyyy) |
|---|---|---|---|---|---|
| 11. . | | PRC | 40 | 82147252 | 25/11/2024 |
| 12. . . | 创新实业 CHUANGXIN INDUSTRIES | HK | 1, 6, 16, 40 | 307052823 | 09/10/2025 |
| 13. . . | 創新實業 CHUANGXIN INDUSTRIES | HK | 1, 6, 16, 40 | 307052823 | 09/10/2025 |
| 14. . . | 创新实业 CHUANGXIN INDUSTRIES | HK | 1, 6, 16, 40 | 307052823 | 09/10/2025 |
| 15. . . | 創新實業 CHUANGXIN INDUSTRIES | HK | 1, 6, 16, 40 | 307052823 | 09/10/2025 |

### *(b) Patents*

As of the Latest Practicable Date, we have registered the following patents which we considered to be or may be material to our business:

| No. | Patent Name | Patentee | Place of Registration | Patent Number | Grant Date (dd/mm/yyyy) | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|---|---|
| 1. . . | A flap unloader for bulk alumina unloading (一種散裝氧化鋁卸料用翻板卸車機) | Inner Mongolia Chuangyuan | PRC | ZL202122641294.4 | 19/04/2022 | 28/10/2031 |
| 2. . . | An automatic incoming coal sampling machine suitable for use in extremely cold weather (一種適用於極寒天氣使用的入廠煤自動採樣機) | Inner Mongolia Chuangyuan | PRC | ZL202122793816.2 | 15/04/2022 | 14/11/2031 |

| No. | Patent Name | Patentee | Place of Registration | Patent Number | Grant Date (dd/mm/yyyy) | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|---|---|
| 3. . . | A kind of frequency conversion speed regulation device for lifting pump in aluminum plant (一種用於鋁廠提升泵的變頻調速裝置) | Inner Mongolia Chuangyuan | PRC | ZL202220503636.8 | 05/07/2022 | 07/03/2032 |
| 4. . . | A kind of flue gas desulfurization absorption tower with fire-fighting facilities (一種具有消防設施的煙氣脫硫吸收塔) | Inner Mongolia Chuangyuan | PRC | ZL202020436974.5 | 18/12/2020 | 29/03/2030 |
| 5. . . | A kind of aluminum electrolytic cell semi-cavity coke grain roasting method (一種鋁電解槽半空腔焦粒焙燒方法) | Inner Mongolia Chuangyuan | PRC | ZL201510640060.4 | 25/07/2017 | 29/09/2035 |
| 6. . . | A kind of aluminum alloy casting stable core-pulling device (一種鋁合金鑄造穩定抽芯裝置) | Inner Mongolia Chuangyuan | PRC | ZL201910645191.X | 27/04/2021 | 16/07/2039 |
| 7. . . | Aluminum electrolytic cell blanking system and aluminum electrolytic cell system (鋁電解槽下料系統及鋁電解槽系統) | Inner Mongolia Chuangyuan | PRC | ZL201610011169.6 | 29/09/2017 | 07/01/2036 |
| 8. . . | Electrolytic aluminum flue gas deep purification device and method (一種電解鋁煙氣深度淨化裝置及方法) | Inner Mongolia Chuangyuan | PRC | ZL201910397245.5 | 16/04/2024 | 13/05/2039 |

### *(c) Domain Name*

As of the Latest Practicable Date, we had registered the following internet domain name which we consider to be or may be material to our business:

| No. | Domain Name | Registered Owner | Registration Number | Expiry Date (dd/mm/yyyy) |
|---|---|---|---|---|
| 1. . . | innovationigi.com | Inner Mongolia Chuangyuan | 蒙ICP備17006093號-2 | 22/11/2026 |
| 2. . . | nmcyjt.com | Inner Mongolia Chuangyuan | 蒙ICP備17006093號-1 | 05/12/2026 |
| 3. . . | innovationglobalindustries.com | Inner Mongolia Chuangyuan | 蒙ICP備17006093號-3 | 22/11/2026 |

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS

### 1. Particulars of Directors' service contracts and appointment letters

### *(a) Executive Directors*

Each of our executive Directors has entered into a service contract with us pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the date of their appointments. Either party has the right to give not less than three months' written notice to terminate the agreement.

### *(b) Non-executive Director and Independent Non-executive Directors*

Each of the non-executive Director and Independent Non-executive Directors has entered into an appointment letter with our Company. The initial term for their appointment letters shall be three years from the date of their appointments or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Memorandum and Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Details of our Company's remuneration policy is described in section headed "Directors and Senior Management — Remuneration of Directors and Senior Management."

**2. Remuneration of Our Directors**

(a) Saved as disclosed above, none of our Directors has or is proposed to have a service contract with our Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(b) During the three years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025, the aggregate amount of fees, salaries, allowances, retirement benefits scheme contributions and other benefits we paid to our Directors were RMB4,465 thousand, RMB6,970 thousand, RMB11,287 thousand and RMB5,896 thousand. Further information on the remuneration of each Director during the Track Record Period is set out in Appendix I to this prospectus.

(c) Under the arrangements currently in force, the aggregate amount of remuneration (excluding any discretionary bonus which may be paid) payable by our Group to our Directors for the year ending December 31, 2025, is expected to be approximately RMB15,750 thousand.

(d) No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or has been received by, our Directors, former Directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.

(e) Saved as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

**3. Disclosure of Interests of Directors and Chief Executive of our Company**

***(a) Interests and short positions of our Directors and chief executive in the share capital of our Company and its associated corporations following completion of the Global Offering***

Immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option), the interests or short positions of our Directors and chief executives in our Shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

*(i) Interest in Shares*

| Name | Nature of interest | Number of Shares held | Approximate percentage of shareholding in the total issued share capital of the Company as of the Latest Practicable Date | Approximate percentage of shareholding in the total issued share capital of the Company immediately following completion of the Global Offering (assuming the Over-Allotment Option is not exercised) | Approximate percentage of shareholding in the total issued share capital of the Company immediately following completion of the Global Offering (assuming the Over-Allotment Option is fully exercised) |
|---|---|---|---|---|---|
| Mr. Cui[1] . . . . . . | Interests in controlled corporation | 1,500,000,000 | 100% | 75% | 72.3% |

*Note:*

(1) Immediately prior to the Global Offering, Bloomsbury Holding, which is wholly owned by Mr. Cui, directly held 1,500,000,000 Shares of our Company as of the Latest Practicable Date. As such, Mr. Cui is deemed to be interested in the Shares held by Bloomsbury Holding.

*(ii) Interest in Associated Corporations*

| Name | Nature of interest | Name of associated corporation | Approximate percentage of shareholding in the total share capital of the associated corporation |
|---|---|---|---|
| Mr. Cui[1] . . . . . . . | Beneficial Owner | Bloomsbury Holding | 100% |
| Mr. Cui[2] . . . . . . . | Interests in controlled corporation | Shandong Chuangyuan | 41.5% |

*Notes:*

(1) As at the Latest Practicable Date, Bloomsbury Holding was directly wholly owned by Mr. Cui.

(2) As at the Latest Practicable Date, Shandong Chuangyuan was owned as to 41.5% by Innovation Group, which was in turn owned as to 71.82% by Mr. Cui. As such, Mr. Cui is deemed to be interested in the equity interests in Shandong Chuangyuan held by Innovation Group under the SFO.

***(b) Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO***

For information on the persons who will, immediately following the completion of the Global Offering, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed "Substantial Shareholders."

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

**4. Disclaimers**

Save as disclosed in this prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of our Group;

(b) none of the Directors or the experts named in the paragraph headed "Other Information — Consent of Experts" in this section is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(c) none of the Directors or the experts named in the paragraph headed "Other Information — Consent of Experts" in this section has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of our Company within the two years ended on the date of this prospectus;

(e) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(f) saved as disclosed in this prospectus, none of the Directors is interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with the business of our Group;

(g) taking no account of any Shares which may be taken up under the Global Offering, so far as is known to any Director or chief executive of our Company, no other person (other than a Director or chief executive of our Company) will, immediately following completion of the Global Offering, have interests or short positions in our Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of our Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(h) none of the Directors or chief executive of our Company has any interests or short positions in our Shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange once our Shares are listed thereon.

## D. OTHER INFORMATION

### 1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

### 2. Litigation

Save as disclosed in this prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

### 3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue, our Shares to be issued pursuant to the Global Offering (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option).

Each of the Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors' fee in relation to the Listing is US$1 million, which is payable by our Company to the Joint Sponsors.

### 4. Consent of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

| Name | Qualification |
|---|---|
| China International Capital Corporation Hong Kong Securities Limited | A licensed corporation under the SFO for carrying on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO |
| Huatai Financial Holdings (Hong Kong) Limited | A licensed corporation under the SFO for carrying on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO |
| Deloitte Touche Tohmatsu | Certified Public Accountants and Registered Public Interest Entity Auditor |
| Commerce & Finance Law Offices | Legal Advisor to our Company as to PRC laws |

| Name | Qualification |
|---|---|
| Campbells | Legal Advisor to our Company as to Cayman Islands laws |
| CRU International Limited | Industry consultant |
| Shandong Tianjian Law Firm | PRC Litigation Counsel of the Incident |

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

**5. Binding Effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**6. Bilingual Prospectus**

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**7. Compliance Advisor**

Our Company has appointed Gram Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

**8. Preliminary Expenses**

We have not incurred any material preliminary expenses.

**9. No Material Adverse Change**

The Directors confirm that there has been no material change in our financial or trading position since May 31, 2025.

**10. Miscellaneous**

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and

(ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) Save as disclosed in this prospectus:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries; and

(ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) Save as disclosed in the paragraph head "Further Information about Our Business — Summary of Material Contracts" in this section, none of our Directors or proposed Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(d) We do not have any promoter for the purpose of the Listing Rules. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus within the two years immediately preceding the date of this prospectus.

(e) Save as disclosed in this prospectus, no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought.

(f) Save as disclosed in this prospectus, our Company has no outstanding convertible debt securities or debentures.

(g) There is no arrangement under which future dividends are waived or agreed to be waived.

(h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

## 1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to the section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus; and

(b) the written consents referred to in the section headed "Statutory and General Information — D. Other Information — 4. Consent of Experts" in Appendix IV to this prospectus.

## 2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.innovationigi.com** during a period of 14 days from the date of this prospectus:

(a) the Memorandum of Association and the Articles of Association;

(b) the Accountants' Report for the three years ended December 31, 2024 and for the five months ended May 31, 2025 from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the report on the unaudited pro forma financial information from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus;

(d) the audited financial statements of our Group for the three years ended December 31, 2024 and for the five months ended May 31, 2025;

(e) the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Adviser, in respect of certain general corporate matters and the property interests of the Group;

(f) the letter of advice issued by Campbells, our Cayman legal adviser, in respect of certain of the Cayman Companies Act referred to in Appendix III to this prospectus;

(g) the Cayman Companies Act;

(h) the report issued by CRU, the summary of which is set forth in the section headed "Industry Overview" in this prospectus;

(i) the legal opinion issued by Shandong Tianjian Law Firm, the PRC Litigation Counsel, in respect of the Incident;

(j) the material contracts referred to the section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this prospectus;

(k) the written consents referred to in the section headed "Statutory and General Information — D. Other Information — 4. Consent of Experts" in Appendix IV to this prospectus; and

(l) the service contracts and letters of appointment entered into between our Company and each of the Directors referred to in "Statutory and General Information — C. Further Information about our Directors — 1. Particulars of Directors' service contracts and appointment letters" in Appendix IV to this prospectus.

創新實業集團有限公司
CHUANGXIN INDUSTRIES HOLDINGS LIMITED