



南山鋁業國際
NANSHAN ALUMINIUM INTL.

Nanshan Aluminium International Holdings Limited
南山鋁業國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2610



Alumina

Aluminium



2025
Annual Report

CONTENTS

Corporate Information	2
Summary of Financial Information	3
Chairman's Statement	4
Management Discussion and Analysis	6
Biographical Details of Directors and Senior Management	13
Corporate Governance Report	19
Report of the Directors	40
Environmental, Social and Governance Report	60
Independent Auditor's Report	120
Consolidated Statement of Profit or Loss	125
Consolidated Statement of Profit or Loss and Other Comprehensive Income	126
Consolidated Statement of Financial Position	127
Consolidated Statement of Changes in Equity	129
Consolidated Cash Flow Statement	131
Notes to the Financial Statements	132
Definitions	183

ABOUT US

Nanshan Aluminium International Holdings Limited (stock code: 02610.HK) is a leading alumina manufacturer in Southeast Asia, specialising in the production and sales of metallurgical-grade alumina with an annual designed capacity of 4 million tons. The Group initiates the preparatory work for the first phase of the Electrolytic Aluminium Project with annual production capacity of 250,000 tons in 2026, and formulates the planning of an additional capacity 500,000 tons in the medium to long term.

The Company's controlling shareholder is Shandong Nanshan Aluminium Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600219. SH). The Company is a constituent stock of the Hang Seng Composite Index and is included in the list of eligible securities for both Stock Connect programmes (Shanghai-Hong Kong and Shenzhen-Hong Kong). The Company is also included in the FTSE Global Equity Index Series, representing significant recognition from the capital market.

VISION

To become an integrated leader in the aluminium industry with prominent regional influence.

MISSION

Leveraging our core strengths in alumina operations in Indonesia, the Group capitalises on local resources and geographical advantages, steadily expands downstream businesses including electrolytic aluminium, continuously builds an integrated ecosystem for the entire aluminium industry chain, and creates sustainable long-term value for shareholders, customers, employees and society.

Corporate Information

COMPANY NAME

Nanshan Aluminium International Holdings Limited
南山鋁業國際控股有限公司

STOCK CODE

02610.HK

LISTING DATE

25 March 2025

BOARD OF DIRECTORS

Executive Directors

Mr. Hao Weisong (*Chairman of the Board and Chief Executive Officer*)
Ms. Han Yanhong (*appointed on 21 November 2025*)
Mr. Wang Shisan (*resigned on 21 November 2025*)

Non-Executive Directors

Ms. Wang Yanli
Mr. Loo Tai Choong
Mr. George Santos

Independent Non-Executive Directors

Mr. Wen Xianjun (*appointed on 10 March 2025*)
Mr. Cheung Kwong Tat (*appointed on 10 March 2025*)
Ms. Dong Meihua (*appointed on 10 March 2025*)

AUDIT COMMITTEE

Mr. Cheung Kwong Tat (*Chairman*)
Ms. Dong Meihua
Ms. Wang Yanli

REMUNERATION COMMITTEE

Ms. Dong Meihua (*Chairman*)
Mr. Hao Weisong
Mr. Cheung Kwong Tat

NOMINATION COMMITTEE

Mr. Hao Weisong (*Chairman*)
Mr. Wen Xianjun
Ms. Dong Meihua

COMPANY SECRETARY

Mr. Leung Ka Hong

INVESTORS RELATION

IR@nanshanintl.com

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111 Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN INDONESIA

The Special Economic Zone of Galang Batang village
of Gunung Kijang
Gunung Kijang District Bintan Regency
Riau Islands Province 29153 Indonesia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1101, 11/F, Tower 1, Lippo Centre
89 Queensway
Hong Kong

COMPANY WEBSITE

www.nanshanintl.com

AUDITOR

KPMG

Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

HONG KONG LEGAL ADVISOR

Eric Chow & Co. in Association with Commerce &
Finance Law Offices

COMPLIANCE ADVISOR

UOB Kay Hian (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

PT. Bank Mandiri (Persero) Tbk
Industrial and Commercial Bank of China (Asia) Limited
PingAn Bank Co., Ltd.
United Overseas Bank Limited

Summary of Financial Information

Key profit or loss items

(US\$'000)

For the year ended 31 December

	2025	2024	2023	2022	2021
Revenue	1,141,803	1,020,668	677,785	466,777	172,842
Gross profit	477,986	516,690	197,668	112,069	44,802
Profit before taxation	479,326	500,704	187,089	103,132	41,658
Profit for the year	418,101	457,409	173,525	96,092	39,710

Key statement of financial position items

(US\$'000)

As at 31 December

	2025	2024	2023	2022	2021
Non-current assets	1,534,339	1,075,300	929,817	958,270	866,539
Current assets	714,121	645,339	508,145	323,847	335,872
Total assets	2,248,460	1,720,639	1,437,962	1,282,117	1,202,411
Current liabilities	325,247	397,155	148,633	277,676	194,952
Non-current liabilities	24,376	29,124	19,689	8,932	1,966
Total liabilities	349,623	426,279	168,322	286,608	196,918
Total equity	1,898,837	1,294,360	1,269,640	995,509	1,005,493

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of the Company, I am pleased to present to the shareholders of the Company (the “**Shareholders**”) the results and significant progress of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”, “**FY2025**” or the “**Reporting Period**”), and to take this opportunity to share with you the Group’s latest strategic blueprint and development updates.

Looking back, 2025 was a pivotal year for the Group’s international expansion and transformative growth. Not only did we successfully list on the Main Board of The Stock Exchange of Hong Kong Limited on 25 March 2025, but we were also included as a constituent stock of the Hang Seng Composite Index and became an eligible security under the Stock Connect programmes (Shanghai-Hong Kong and Shenzhen-Hong Kong) within six months after listing. After that, the Company is also included in the FTSE Global Equity Index Series. These milestones reflect the capital market’s strong recognition of the Company’s business development, growth potential and corporate governance standards.

As a leading manufacturer of metallurgical-grade alumina in Southeast Asia, the Group has consistently focused on the production and sales of alumina. Leveraging our strategic presence in Indonesia, we have built a modern and efficient supply chain system that is stable, technologically advanced and offers significant cost advantages. To date, our production facility located in the Galang Batang Special Economic Zone on Bintan Island in Indonesia has achieved an annual designed alumina production capacity of 4 million tons, further solidifying our industry position as one of the largest alumina producers in Southeast Asia. During 2025, we have successfully constructed and commissioned a 70,000-ton berth equipped with advanced loading, unloading and conveying systems. Our self-owned deep-water port has a diversified berth portfolio, comprising the aforesaid berth, three 35,000-ton berths and four 10,000-ton berths, significantly enhancing our logistics handling efficiency and strengthening our regional competitiveness.

During 2025, international alumina prices faced headwinds. The Group delivered a stable performance, underpinned by solid cost control, leading production capacity and a well-established customer base. During the Reporting Period, the Group recorded revenue of US\$1,141.8 million and profit attributable to shareholders of US\$408.4 million. The Board has proposed to declare a final dividend of HK\$0.41 per share for FY2025. Combined with the interim dividend of HK\$0.65 per share, the full year dividend amounts to HK\$1.06 per share.

Furthermore, the Group is advancing its strategy to extend the industrial chain from alumina to electrolytic aluminium. In January 2026, the Group announced its plan to initiate the preparatory work for the first phase of the Electrolytic Aluminium Project with annual production capacity of 250,000 tons and an initial estimated investment amount of approximately USD440 million over a construction period of two years. The Electrolytic Aluminium Project is adjacent to the Group’s existing alumina plant, allowing for operational synergies within the industrial park. Furthermore, the Group formulates the planning of an additional capacity 500,000 tons in the medium to long term. At the long-term strategic level, the Group intends to increase its electrolytic aluminium production capacity in a stepwise manner, with a view to aligning the Group’s electrolytic aluminium production capacity with its alumina production capacity. To support funding needs and broaden its shareholder base, the Group completed a top-up Placing and Subscription in January 2026, successfully raised approximately HK\$2 billion, thereby injecting solid financial resources for the execution of this strategy.

During 2025, the Group does not have any borrowings with its overall financial structure continuously optimised, which can effectively supports the funding required for future development.

Chairman's Statement

Looking ahead, the Group will continue to deepen the integration of its aluminium industry chain in Indonesia, steadily advance the construction of the Electrolytic Aluminium Project, strengthen cost control and technological innovation, and strive to become an integrated leader in the aluminium industry with prominent regional influence.

Perseverance leads to a promising future. On behalf of the Board, I would like to express my sincere gratitude to all shareholders, business partners, customers and employees. We will continue our efforts to elevate the Group to new heights, forging a brilliant future together in this new chapter of our aluminium journey.

Hao Weisong

Chairman

Hong Kong, 26 March 2026



Management Discussion and Analysis

BUSINESS OVERVIEW

The Group is a leading manufacturer of alumina in Southeast Asia, specialising in the production and sales of metallurgical-grade alumina. Leveraging its strategic layout in Indonesia, the Group has capitalised on its geographical advantages to establish a modern alumina supply chain in Southeast Asia that is efficient, stable, technologically advanced and highly cost-effective. As of the date hereof, the Group's designed annual alumina production capacity has reached 4 million tons, further solidifying its industry position as one of the largest alumina producers in Southeast Asia.

The Group's main product is metallurgical grade alumina, produced through the low-temperature Bayer process, with product specifications surpassing the AO-1 Grade of GB/T 24487-2022 standard. Upon the completion and commissioning of the Electrolytic Aluminium Project, the Group will also supply electrolytic aluminium in the future. Metallurgical-grade alumina is a crucial raw material in the production of electrolytic aluminium, which is widely applied in industries such as construction, transportation, electrical equipment, and packaging.

The Group primarily serves the rapidly growing Southeast Asian market. In recent years, supported by regional economic growth, population increases and ongoing infrastructure development, the aluminium market in Southeast Asia has experienced sustained and steady growth, providing a solid foundation for the Group's performance growth.

In addition, we steadily advanced capacity construction, with the New Alumina Production Project executed efficiently in two phases: the first one million tons of alumina per annum commenced operation in the third quarter of 2025; subsequently, the second one million tons of alumina per annum has been put into operation in the fourth quarter of 2025, fully demonstrating the project execution capabilities of the Group. As of the date hereof, the Group's designed annual alumina production capacity has reached 4 million tons and is one of the largest alumina producers in Southeast Asia.

The Group's customer base consists mainly of regional downstream manufacturers and global commodity traders, and has established long-term and stable cooperative relationships with several core customers. During the Reporting Period, the Group recorded sales to a downstream manufacturer customer in India, marking significant progress in diversifying its customer structure and demonstrating the Group's superior geographical coverage and logistics capabilities compared to its industry peers.

In 2025, the commissioning of new alumina capacity, together with a lag in the release of downstream electrolytic aluminium capacity, has resulted in a short-term supply-demand imbalance, exerting periodic pressure on alumina price. Despite the complex market environment, the Group's sole operating segment — the production and sales of metallurgical-grade alumina — maintained stable operations in Southeast Asian market. During the Reporting Period, the Group recorded sales volume of approximately 2,643,000 tons of alumina at an average selling price of approximately US\$432 per ton. Meanwhile, the continued strengthening of cost control and scale advantages, coupled with the ongoing optimisation of the customer structure, has laid a solid foundation for the Group's subsequent industrial chain expansion.

Management Discussion and Analysis

OUTLOOK AND FUTURE PLANS

Looking ahead, the global economy and the Group still face multiple uncertainties such as escalating geopolitical tensions, global trade conflicts, supply chain disruptions, and changes in government policies and regulations. The Group has conducted a prudent assessment of global aluminium industry trends, its own development plans, and the competitive landscape. Our view on the market outlook and strategic positioning is set out as follows:

For the alumina market, according to London Metal Exchange (“LME”) Alumina (Platts) price which is publicly available, the average international alumina market price for the three months ended 31 March 2025, the six months ended 30 June 2025 and the year ended 31 December 2025 were approximately US\$535 per ton, US\$447 per ton, and US\$391 per ton, respectively. The average international alumina market price for 2026 up to mid-March 2026 was approximately US\$307 per ton.

In the near term, this continual decrease of the average international alumina market price is expected to exert downward pressure and impact on both revenue and profitability for the Group, particularly in the first half year of 2026, as lower international alumina market prices reduce our revenue and compress our profit margins, the situation of which is expected to impact other enterprises operating in the alumina industry. Over the medium to long term, the gradual commissioning of Electrolytic Aluminium Project will broaden the aluminium operation of the Group, and create synergy for the existing business segments of the Group, effectively absorbing incremental alumina supply, and driving a healthy rebalancing of the supply-demand structure with an aim to maximise the profitability and business prospects of the Group.

For the electrolytic aluminium market, the world is facing a structural shortage. Amid rigid capacity constraints under the PRC’s production cap, sustained demand expansion from new energy, transportation, infrastructure and other sectors has driven a positive long-term outlook for electrolytic aluminium prices. This lays a solid market foundation for the Group’s first phase of the Electrolytic Aluminium Project with annual production capacity of 250,000 tons and its planning of an additional capacity of 500,000 tons in the medium to long term. Leveraging local resource endowments and industrial chain synergies, the Group will establish differentiated competitiveness in the electrolytic aluminium market.

As a leading manufacturer of alumina in Southeast Asia, the Group is steadily advancing its industrial chain extension strategy from alumina to electrolytic aluminium, building upon its existing alumina production with annual designed capacity of 4 million tons. Based on the above industry assessment and the Group’s strategic positioning, the Group will focus on the following strategic initiatives:

1. Consolidate Scale and Quality Advantages to Build a Cost Moat

The Group will continue to leverage Indonesia’s resource endowments to strengthen cost and supply chain advantages for key raw materials. We will operate efficiently and deliver exceptional product quality, and deeply integrate scale, quality and cost advantages into sustainable profitability and market competitiveness.

2. Extend the Industrial Chain Vertically to Create New Growth Momentum in Electrolytic Aluminium

The Group will steadily advance the preparation work of the first phase of the Electrolytic Aluminium Project with 250,000 ton annual production capacity in Indonesia, while planning for an additional 500,000 ton annual production capacity over the medium to long term. At the long-term strategic level, the Group intends to increase the Group’s electrolytic aluminium production capacity in a stepwise manner, with a view to aligning the Group’s electrolytic aluminium production capacity with its alumina production capacity. By establishing an integrated “alumina-electrolytic aluminium” production structure and fully leveraging industrial park synergies, we will enhance product value and create a second growth curve for the Group.

Management Discussion and Analysis

3. Explore Full Industry Chain Opportunities to Achieve Integrated Aluminium Layout

The Group intends to extend upstream and downstream at appropriate times, advancing the development of a short-distance, complete aluminium industry chain encompassing “upstream resources-midstream smelting-downstream processing” within the Galang Batang Special Economic Zone on Bintan Island in Indonesia. This will maximise internal synergies, enhance overall operational efficiency and risk resilience, and build long-term competitive advantages.

The following table sets out a breakdown of the revenue by geographic region based on the place of incorporation of the customer.

	2025 US\$'000	2024 US\$'000
Geographical region		
Hong Kong	432,458	408,637
Malaysia	419,549	485,918
India	151,431	—
Switzerland	65,008	—
Singapore	50,714	90,154
The United States of America	12,185	—
Indonesia	10,458	33,215
South Korea	—	2,744
	1,141,803	1,020,668

FINANCIAL REVIEW

Revenue

In pricing our alumina product for sales other than sales through spot trading, we generally adopt a formula-based approach, with reference to market index. As for spot trading of alumina, the pricing is determined through a bidding process, using the market index as a reference.

Our revenue increased by approximately 11.9% from approximately US\$1,020.7 million in FY2024 to US\$1,141.8 million in FY2025, which was primarily due to the increase in sales volume which outweighed the decrease in the average selling price.

The sales volume of alumina increased by approximately 22.5% from approximately 2,158,000 tons (including approximately 54,000 tons of aluminium hydroxide) in FY2024 to approximately 2,643,000 tons (including approximately 23,000 tons of aluminium hydroxide) in FY2025. The average selling price decreased by approximately 8.7% from approximately US\$473 per ton in FY2024 to approximately US\$432 per ton in FY2025.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 7.5% from approximately US\$516.7 million in FY2024 to approximately US\$478.0 million in FY2025, and our gross profit margin also decreased from approximately 50.6% in FY2024 to approximately 41.9% in FY2025. The decline was primarily due to the decrease in average selling price and the increase of the cost of raw material.

Other Net Income

Our other net income increased by approximately 90.7% from approximately US\$17.0 million in FY2024 to approximately US\$32.5 million in FY2025, primarily due to (a) the net gain on disposal of property, plants and equipment and right-of-use assets, (b) an increase in interest income on financial assets measured at amortised cost, and (c) a decrease in loss on forward exchange contracts at fair value through profit or loss.

Management Discussion and Analysis

Administrative Expenses

Our administrative expenses primarily consisted of staff costs, depreciation and legal and professional expenses. It remained stable, increasing by approximately 2.5% from approximately US\$28.2 million in FY2024 to approximately US\$29.0 million in FY2025.

Income Tax Expenses

Our income tax expense increased by approximately 41.4% from approximately US\$43.3 million in FY2024 to approximately US\$61.2 million in FY2025. Reference is made to the sections headed “Summary and Highlights” and “Risk Factors” of the Prospectus. Indonesia, Hong Kong and Singapore have enacted their respective domestic tax legislations to implement the Pillar Two model rules (“**Pillar Two model rules**”) published by the Organisation for Economic Co-operation and Development in December 2021, which introduced a global minimum effective tax rate of 15% applicable to in-scope multinational enterprise groups with annual consolidated revenues of EUR750 million or more for at least two of the four preceding financial years.

The increase in income tax expense was primarily due to an increase in top-up tax exposure of approximately US\$50.2 million under the Pillar Two model rules. This increase was partially offset by two factors: (a) the decrease of withholding tax related to dividend distribution of GAI and PAIL by approximately US\$21.4 million; and (b) a decrease in deferred tax related to undistributed profits of BAI by approximately US\$13.8 million.

Profit for the Year and Earnings Per Share

Our profit for the year decreased from approximately US\$457.4 million in FY2024 to approximately US\$418.1 million in FY2025, representing a decrease of approximately 8.6%. The decrease in net profit was mainly attributable to the decrease in gross profit margin and the increase in income tax expense.

During the Reporting Period, basic earnings per share of the Company were approximately US\$0.72, which decreased from US\$0.94 in FY2024.

Final Dividend

The Board has proposed a final dividend of HK\$0.41 per share for FY2025 (FY2024: nil), subject to approval by the shareholders at the forthcoming annual general meeting of the Company. Combined with the interim dividend of HK\$0.65 per share, the full year dividend amounts to HK\$1.06 per share.

Closure of Register of Members and Entitlement to Final Dividend

The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive. In order to qualify for the final dividend, all transfer documents, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 12 June 2026.

The final dividend is expected to be paid on or around Friday, 17 July 2026 to shareholders whose names appear on the register of members of the Company on Thursday, 18 June 2026.

Liquidity, Financial Resources and Capital Resources

As at 31 December 2025, the cash and cash equivalents of the Group amounted to approximately US\$321.3 million (31 December 2024: approximately US\$454.2 million), which were mainly denominated in Indonesian Rupiah and United States dollars. Working capital (current assets less current liabilities) and the total equity of the Group as at 31 December 2025 amounted to approximately US\$388.9 million (31 December 2024: approximately US\$248.2 million) and approximately US\$1,898.8 million (31 December 2024: approximately US\$1,294.4 million), respectively. As at 31 December 2025, there were no borrowings by the Group (31 December 2024: nil).

Management Discussion and Analysis

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) plant and buildings, (ii) machinery and equipment, (iii) furniture and fixtures, (iv) motor vehicles; and (v) construction in progress. Our property, plant and equipment increased by approximately 44.1% from approximately US\$969.0 million as at 31 December 2024 to approximately US\$1,396.3 million as at 31 December 2025, primarily due to our capital expenditure for the development of the New Alumina Production Project.

Inventories

Our inventories primarily consisted of (i) raw materials, which primarily included bauxite, coals and caustic soda procured for the production of alumina; (ii) work in progress, which included semi-finished products; and (iii) finished goods, which consisted of alumina for sale to customers. Our inventories increased by approximately 112.9% from approximately US\$99.6 million as at 31 December 2024 to approximately US\$212.1 million as at 31 December 2025, primarily due to the increase in raw materials by approximately US\$73.8 million and work in progress by approximately US\$45.5 million. The buildup is intended to support the additional production capacity arising from the New Alumina Production Project.

Right-of-Use Assets

Our right-of-use assets primarily represented our leasehold lands in Indonesia for our production base. Our right-of-use assets decreased slightly from approximately US\$50.9 million as at 31 December 2024 to approximately US\$46.3 million as at 31 December 2025, primarily due to depreciation charges, disposal and negative exchange adjustment incurred during FY2025.

Cash and Cash Equivalents

Our cash and cash equivalents were mainly denominated in Indonesian Rupiah or United States dollars. Our cash and cash equivalents decreased from approximately US\$454.2 million as at 31 December 2024 to approximately US\$321.3 million as at 31 December 2025, primarily due to payment for the purchase of property, plant and equipment and intangible assets of approximately US\$392.2 million and increase in time deposits by approximately US\$77.5 million, partially offset by our net cash generated from operations in FY2025.

Trade Receivables

Our trade receivables represented outstanding trade receivables from our customers for the purchase of our products. Our trade receivables increased from approximately US\$41.0 million as at 31 December 2024 to approximately US\$64.1 million as at 31 December 2025. The increase was in line with the revenue growth during FY2025, primarily driven by the expansion of overall business operations following the commencement of the New Alumina Production Project.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of (i) prepayments for purchase of electricity; (ii) prepayments for purchase of property, plant and equipment; (iii) prepayments for purchase of inventories; and (iv) value-added tax recoverable. Our prepayments and other receivables (inclusive of both current and non-current portion) amounted to approximately US\$97.0 million as at 31 December 2024, and increased to approximately US\$123.9 million as at 31 December 2025, primarily due to the increase in prepayment for purchase of electricity to secure a stable electricity supply, partially offset by decrease in prepayments for purchase of property, plant and equipment and inventories upon the substantial completion of New Alumina Production Project.

Trade Payables

Our trade payables mainly included payables to our raw materials suppliers. Our trade payables amounted to approximately US\$17.9 million as at 31 December 2024, and increased to approximately US\$58.8 million as at 31 December 2025, primarily due to the increase in purchase of raw materials to support the additional production capacity arising from the New Alumina Production Project.

Management Discussion and Analysis

Other Payables and Accruals

Our other payables and accruals mainly included (i) payables for purchase of property, plant and equipment; and (ii) dividend payable. Our other payables and accruals decreased by approximately 40.8% from approximately US\$362.1 million as at 31 December 2024 to approximately US\$214.3 million as at 31 December 2025, primarily due to the combined effect of increase in payables for purchase of property, plant and equipment by approximately US\$119.3 million and decrease in dividend payable by approximately US\$263.9 million.

Employees and Remuneration Policy

As at 31 December 2025, the Group employed 3,851 full time employees (31 December 2024: 3,282) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately US\$48.4 million in FY2025 (FY2024: approximately US\$39.9 million). The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees (including the Directors) with reference to the performance of the Group, the performance of the relevant individuals and the prevailing market rates. Other benefits, such as medical and retirement benefits, are also provided to employees (including the Directors). In addition, Share Options may be granted to eligible employees of the Group and/ or the Directors of the Company in accordance with the terms of the Share Option Scheme. Please refer to the paragraph headed "Report of the Directors — Share Option Scheme" in this annual report for details.

Pledge of Assets

As at 31 December 2025, the Group did not have any pledge of assets.

Treasury Policy

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing Ratio

Gearing ratio is calculated on the basis of total borrowings over the Group's total equity as at the end of the year. The Group does not have borrowings and other debt financing obligations as at 31 December 2024 and 31 December 2025 and the resulting gearing ratio was nil.

Significant Investments

The Group did not have any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group) during the Reporting Period.

Future Plans for Material Investments or Capital Assets

The capital expenditures for the construction of our New Alumina Production Project is funded by a mix of our internal resources, the net proceeds from the Global Offering and cash inflows generated from our operating activities.

The Group intends to initiate the preparatory work for the first phase of the Electrolytic Aluminium Project with an annual production capacity of 250,000 ton in 2026 and an initial estimated investment amount of approximately USD436.57 million over a construction period of two years.

Save as disclosed above, there was no future plan approved by the Group for any material investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no other significant investments held by the Group, nor were there material acquisitions or disposals of subsidiaries during the Reporting Period under review. Apart from those disclosed in this annual report, there were no material investments or additions of capital assets authorised by the Board at the date of this annual report of the Company.

Management Discussion and Analysis

Foreign Exchange Risk

The Group receives majority of payments from customers in United States dollar and majority of the Group's costs are denominated in United States dollar but settled in Indonesian Rupiah. The Group may also need to convert and remit United States dollar into Hong Kong dollar for the payment of dividends, if any, to holders of the Shares. The Group may also need to convert and remit United States dollar into Renminbi for the payment of purchasing property, plant and equipment. The Group's assets and liabilities are mainly denominated in Indonesian Rupiah, United States dollar and Renminbi. The Group is therefore exposed to foreign exchange risk arising from currency exposures, primarily in respect to the Indonesian Rupiah, United States dollar and Renminbi. During the Reporting Period, the Group held derivative financial instruments such as forward contracts to manage its foreign currency risk exposures. The Group will closely monitor the foreign exchange risks involved, actively discuss foreign exchange hedging solutions with major banks, and use financial instruments to counter the risks involved when necessary.

Our net foreign exchange gain increased by approximately 6.1% from US\$6.5 million in FY2024 to US\$6.9 million in FY2025 mainly due to the appreciation of United States dollar against Indonesian Rupiah during the Reporting Period.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme on 10 March 2025 by resolutions of our Shareholders.

On 24 July 2025, the Company offered to grant a total of 26,170,000 Share Options to 155 eligible participants (the "Grantees") under the Share Option Scheme approved by the Shareholders on 10 March 2025 to subscribe for a total of 26,170,000 Shares of USD0.0000002 each in the share capital of the Company. The Share Options were granted at a cash consideration of HK\$1.00 per Grantee and entitled the Grantees to subscribe for Shares at an exercise price of HK\$39.60 per Share.

After the above grant of Share Options and as at the date of this annual report, a total of 35,103,530 Shares will be available for future grant under the scheme mandate limit of the Share Option Scheme, within which 5,882,353 Shares will be available for future grants under the service providers sublimit of the Share Option Scheme.

Please refer to the announcement of the Company dated 24 July 2025 for further details. A summary of the principal terms of the Share Option Scheme was set out in paragraph headed "Report of the Directors — Share Option Scheme" in this annual report.

EVENTS AFTER THE REPORTING PERIOD

On 22 January 2026, the Company, the controlling shareholder (Nanshan Aluminium Investment Holding Limited), as the Vendor and the Placing Agents entered into a Placing and Subscription Agreement, pursuant to which 31,000,000 existing Shares were placed at the Placing Price of HK\$64.50 per Share, and an equal number of new Shares were allotted and issued to the Vendor at the same price under the General Mandate. The Placing was completed on 26 January 2026, and the Subscription was completed on 30 January 2026, with an aggregate of 31,000,000 new Shares issued to the Vendor. After deducting relevant expenses, the net proceeds from the Subscription amounted to approximately HK\$1,986.76 million.

Approximately 90% of the net proceeds (approximately HK\$1,788.08 million) is intended and will be used for the construction services and equipment procurement of the Electrolytic Aluminium Project, which is expected to be fully utilised by 31 December 2029. The remaining approximately 10% (approximately HK\$198.68 million) will be applied as general working capital of the Group.

Please refer to the announcements of the Company dated 22 January 2026 and 30 January 2026 for further details.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Hao Weisong (郝維松), aged 49, is the chairman of our Board, executive Director and chief executive officer and general manager. He was appointed to our Board as a Director on 7 February 2024 and was designated as an executive Director on 22 September 2024. Since February 2018, Mr. Hao has been a general manager of BAI and since March 2019, he is also a director of BAI. He is primarily responsible for the overall management of our Group, in particular overseeing the strategic planning, overall management and procurement and sales.

Mr. Hao has approximately 30 years of experience in the power plant operation and maintenance field, as well as in the electric power and alumina-related production industry. Mr. Hao joined Nanshan Aluminium in October 1996. From October 1996 to December 2011, Mr. Hao held various positions in the power plants of Nanshan Aluminium, including manager and deputy manager of the boiler maintenance department, manager of the turbine maintenance department, manager of the expansion office and deputy chief engineer of the deputy general office. From January 2012 to February 2018, he held several positions in the Nanshan Power Corporation* (南山電力總公司) (“**Nanshan Power Corporation**”) of Nanshan Aluminium, including assistant commander-in-chief, assistant general manager and deputy general manager, where he was responsible for operation and technical management and electric safety operation. From April 2021 to June 2023, Mr. Hao was the deputy general manager of Nanshan Aluminium and from July 2023 to January 2024, Mr. Hao was a director of Nanshan Aluminium. Mr. Hao is a director of GAI, MGB and GBAI since June 2018, September 2024 and October 2024, respectively.

Mr. Hao obtained a bachelor's degree in thermal energy and power engineering from the Harbin Institute of Technology (哈爾濱工業大學) in Harbin, the PRC, in July 2014.

Ms. Han Yanhong (韓豔紅), aged 55, is our executive Director and chief financial officer. She was appointed as an executive Director of the Board on 21 November 2025.

Ms. Han has over 20 years of experience in financial accounting and management. She joined Nanshan Aluminium in 1993, served as finance director of Nanshan Aluminium from June 1999 to June 2023, as a director of Nanshan Aluminium from February 2019 to June 2023, and as head of the internal audit department of Nanshan Aluminium from July 2023 to June 2025. Since July 2025, she has also been the finance director of certain subsidiaries of the Company.

Ms. Han obtained a bachelor's degree in financial accounting from China Agricultural University (中國農業大學) in Beijing, the PRC, in July 2002.

NON-EXECUTIVE DIRECTORS

Ms. Wang Yanli (王艷麗), aged 47, is our non-executive Director. She is primarily responsible for providing guidance for the strategy and business development of our Group and holds directorship in various subsidiaries of the Company. She was appointed to our Board as a Director on 13 September 2024 and was designated as a non-executive Director on 22 September 2024.

Ms. Wang was a director of Longkou Kaisheng New Material Technology Co., Ltd.* (龍口凱盛新材料科技有限公司) from August 2013 to November 2023 and the chairman of Longkou Xinde Aluminium Industry Development Co., Ltd.* (龍口新德鋁業發展有限公司) until September 2018. Since February 2020, she served as the operations manager of Jaron Energy Asia Pte. Ltd. where she was responsible for overseeing and managing the day-to-day operations.

She graduated from Yantai Nanshan University* (煙台南山學院) in the PRC in January 2015 with an undergraduate course in the specialty of tourism management.

Biographical Details of Directors and Senior Management

Mr. Loo Tai Choong, aged 57, is our non-executive Director. He is primarily responsible for providing guidance for the strategy and business development of our Group. He was appointed to our Board as a Director on 16 September 2024 and was designated as a non-executive Director on 22 September 2024.

Mr. Loo has more than 24 years of experience in the aluminium industry. He joined Press Metal in February 2001 and was promoted to the position of group financial controller in 2002. He was subsequently redesignated as the chief financial officer of Press Metal in January 2024. Mr. Loo Tai Choong started his career as an auditor, involved in a wide range of audit and tax consultation, as well as corporate investigation works, specialising particularly in manufacturing, banking and insurance industries.

Mr. Loo is currently a member of the Malaysian Institute of Certified Public Accountants.

Mr. George Santos, aged 30, is our non-executive Director. He is primarily responsible for providing guidance for the strategy and business development of our Group. He was appointed to our Board as a Director on 13 September 2024 and was designated as a non-executive Director on 22 September 2024.

Since September and October 2019, he has been serving as the president director in PT. Solid Tambang Indonesia which is principally engaged in bauxite trading and PT. Bukit Batu Mulia which is principally engaged in coal trading, respectively. Since January 2023, he served as a commissioner of PT. Bintangar Maju Abadi, a bunker trader.

He graduated from Tridharma School of Economics in Indonesia with a bachelor of economics majoring in management in October 2018. He further obtained a master of management majoring in human resources management in Winaya Mukti University in Indonesia in September 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wen Xianjun (文獻軍), aged 63, was appointed as our independent non-executive Director on 10 March 2025. He is primarily responsible for supervising and providing independent advice to our Board.

Mr. Wen has served as an independent director in various listed companies. From August 2008 to July 2021, he served as an independent non-executive director of China Zhongwang Holdings Limited (中國忠旺控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1333, and was delisted from the Stock Exchange in April 2023). He served as an independent director of Henan Zhongfu Industrial Co., Ltd. (河南中孚實業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600595) from October 2009 to November 2015 and since November 2021, an independent director of Ningxia Orient Tantalum Industry Co., Ltd. (寧夏東方鈮業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000962) from April 2011 to October 2014, an independent director of Wanbangde Pharmaceutical Holding Group Co., Ltd. (萬邦德醫藥控股集團股份有限公司) (previously named as Zhejiang Dongliang New Material Co., Ltd. (浙江棟樑新材股份有限公司)) (a company listed on the Shenzhen Stock Exchange, stock code: 002082) from May 2011 to September 2013, an independent director of Jiaozuo Wanfang Aluminum Manufacturing Co., Ltd. (焦作萬方鋁業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000612) from July 2013 to February 2016, an independent director of ZYF Lopsking Aluminium Co., Ltd (中億豐羅普斯金材料科技有限公司) (previously named as Suzhou Lopsking Aluminium Co. Ltd. (蘇州羅普斯金鋁業股份有限公司)) (a company listed on the Shenzhen Stock Exchange, stock code: 002333) from October 2013 to December 2014. He has served as an independent director of Henan Shenhua Coal & Power Co., Ltd. (河南神火煤電股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000933) since May 2020, an independent non-executive director of China Hongqiao Group Limited (中國宏橋集團有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1378) since March 2021, an independent non-executive director of Xingfa Aluminium Holdings Limited (興發鋁業控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 0098) since August 2021, and an independent director of Zhejiang Hailiang Co., Ltd (浙江海亮股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002203) since September 2021.

Biographical Details of Directors and Senior Management

He graduated from Central South University (中南大學) (previously known as Central South University of Mining and Metallurgy* (中南礦冶學院)) in the PRC with a bachelor's degree in engineering majoring in metallic materials in July 1984 and Beijing Non-Ferrous Research Institute* (北京有色金屬研究總院) in the PRC with a master's degree in engineering degree majoring in metallic materials and thermal treatment in June 1990.

Mr. Cheung Kwong Tat (張廣達), aged 58, was appointed as our independent non-executive Director on 10 March 2025. He is primarily responsible for supervising and providing independent advice to the Board.

Mr. Cheung currently serves as the treasurer and management team member of Asia Carbon Institute, a non-profit organisation dedicated to fostering sustainable climate action throughout Asia and beyond, focusing on development and implementation of climate position initiatives and bespoke solutions that address Asia's unique environmental challenges and opportunities.

Mr. Cheung has over 30 years of experience in the accounting profession. Mr. Cheung was the founding regional managing partner of Western China of Deloitte China. He has solid experience and extensive network in both Hong Kong and PRC, particularly in the sector of Hong Kong initial public offering market. Mr. Cheung also served Deloitte China Governance Board for over six years and has experience in corporate governance and business development strategies.

Furthermore, Mr. Cheung holds positions at multiple listed companies. He has been appointed as an independent non-executive director of Wonderful Sky Financial Group Holdings Limited (皓天財經集團控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1260) since August 2024; of Golden Leaf International Group Limited (金葉國際集團有限公司) (a company listed on GEM of the Stock Exchange, stock code: 8549) and Million Hope Industries Holdings Limited (美亨實業控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1897) since September 2025; and of RENHENG Enterprise Holdings Limited (仁恒實業控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 3628) since October 2025.

Mr. Cheung obtained a bachelor of social sciences from The University of Hong Kong. He has been a member of the Hong Kong Institute of Certified Public Accountants since 1996, a fellow member of Association of Chartered Certified Accountants since 2016, and a fellow member of Certified Public Accountants Australia since 2016.

Ms. Dong Meihua (董美華), aged 46, was appointed as our independent non-executive Director on 10 March 2025. She is primarily responsible for supervising and providing independent advice to our Board.

Ms. Dong has over 24 years of experience in auditing and management. She joined Shandong Huaxing Certified Public Accountants Firm* (山東華興有限責任會計師事務所) as auditor and department manager from August 2001 to September 2005. Subsequently, she served as department manager in Beijing China Enterprise Appraisals Juncheng Certified Public Accountants Shandong Branch* (北京中企華君誠會計師事務所有限公司山東分所) from October 2005 to November 2009. Since December 2009, she has been appointed as the partner and the person in charge of the Shandong Branch in Beijing Xinghua Certified Public Accountants (Special General Partnership) (北京興華會計師事務所(特殊普通合伙)).

She obtained a bachelor's degree in computer engineering majoring in information management and information system from Shandong University of Finance and Economics (山東財經大學) (previously known as Shandong Institute of Finance (山東財政學院)) in the PRC in July 2001. She further obtained a master in business management from Shandong University (山東大學) in the PRC in June 2020. She has been a certified public accountant of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since May 2003. She is also a council member and a member of the disciplinary committee of the Shandong Institute of Certified Public Accountants (山東省註冊會計師公會).

Biographical Details of Directors and Senior Management

GENERAL

Save as disclosed, none of our Directors:

- (i) held any other positions in our Company or other members of our Group as at 31 December 2025;
- (ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of our Company as at 31 December 2025;
- (iii) held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to 31 December 2025; and
- (iv) have any interest in the Shares within the meaning of Part XV of the SFO or is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of our Company.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, there were no other matters with respect to the appointment of the Directors that needs to be brought to the attention of shareholders of the Company and there was no information relating to the Directors that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as at 31 December 2025.

SENIOR MANAGEMENT

Mr. Jia Zhenjiang (賈振江), aged 62, is our chief project officer. He joined BAI in May 2020. From May 2020 to August 2020, he was the deputy general manager of BAI. Since September 2020, Mr. Jia Zhenjiang has been the chief project officer of BAI, and was responsible for overseeing the overall planning, project construction, production management, supervision and safety.

Mr. Jia Zhenjiang has approximately 18 years of experience in electric power and alumina-related production industry. Before joining our Group, he served in Yili Electric as the chief engineer and plant manager from June 2007 to December 2016. From January 2017 to May 2020, he served various positions in Nanshan Power Corporation, including deputy general manager and plant manager of a thermal power plant.

In July 1987, Mr. Jia Zhenjiang obtained a bachelor's degree in engineering majoring in industrial electrical automation from Shandong Mining University* (山東礦業學院) (currently known as Shandong University of Science and Technology (山東科技大學)) in Shandong, the PRC.

Mr. Lin Jiqiang (林吉強), aged 50, is our deputy general manager. From February 2018 to January 2020, he was an assistant general manager of BAI, and he has been serving as the deputy general manager since July 2020, and was responsible for overseeing engineering construction and environment protection.

Mr. Lin Jiqiang has approximately 17 years of experience in electric power and alumina-related production industry. Mr. Lin Jiqiang served various positions in Yili Electric from February 2008 to December 2015 including deputy chief engineer for operations and deputy chief engineer for a power plant expansion project. From January 2016 to February 2018, he served various positions in Nanshan Power Corporation, including the deputy head of Indonesia projects, and the assistant general manager in the expansion project department, responsible for the construction management of the power plant expansion project and technical renovation.

In July 2015, he obtained a bachelor's degree in engineering in mechanical engineering and automation from Northeastern University (東北大學) in Shenyang, the PRC.

Biographical Details of Directors and Senior Management

Mr. Huo Liang (霍亮), aged 53, is our deputy general manager. From January 2020 to March 2022, he joined BAI as deputy factory manager and factory manager, responsible for overseeing the construction and production operations of the alumina projects. Since March 2022, he has served as the deputy general manager of BAI, responsible for overseeing the safety production management and equipment management of BAI.

Mr. Huo Liang has more than 12 years of experience in the alumina-related production industry. From September 2014 to January 2020, Mr. Huo Liang held various positions in Donghai Alumina Co., Ltd.* (龍口東海氧化鋁有限公司) (“**Donghai Alumina**”), including deputy head of equipment and assistant general manager, where he was in charge of safety, environmental protection, technology transformation and equipment management for alumina.

In June 1993, Mr. Huo Liang obtained a bachelor’s degree in engineering majoring in mechanical manufacturing processes and equipment from Southeast University (東南大學) in Nanjing, the PRC.

Mr. Zhu Jiahui (朱家輝), aged 52, is our deputy general manager since January 2023. He joined BAI in December 2018, responsible for overseeing power management, and procurement and sales planning and management. From December 2018 to January 2020, he was the deputy chief engineer of equipment of BAI, responsible for equipment management of BAI’s power plant. From January 2020 to February 2021, he was the deputy factory manager responsible for construction of the power plant for BAI, and later became the factory manager of the power plant from February 2021 to January 2023 whose duties were the power management of the production facilities for alumina production.

Mr. Zhu Jiahui has approximately 23 years of experience in electric power and alumina-related production industry. From October 2002 to December 2018, he held various positions in Yili Electric, such as head of equipment department and head of electrical branch.

In June 1996, Mr. Zhu Jiahui obtained a bachelor’s degree in engineering majoring in power supply technology from Shandong Engineering University* (山東工程學院) (currently known as Shandong University of Technology (山東理工大學)) in Shandong, the PRC.

Mr. Jiang Yongqiang (姜永強), aged 44, is our director of overall management. He joined BAI in August 2020 and has been the director of overall management, responsible for overseeing the administration and public relations management.

Between February 2014 to December 2019, Mr. Jiang Yongqiang served various positions in Nanshan Group and its subsidiaries including the training supervisor, deputy head of the human resources department and secretary to general manager.

In July 2005, Mr. Jiang Yongqiang obtained a bachelor’s degree in business administration from Shandong University of Science and Technology (山東科技大學) in Shandong, the PRC. In May 2017, he further obtained a master degree in business administration from Central South University (中南大學) in Hunan, the PRC.

Mr. Sui Meizhao (隋美釗), aged 41, is our assistant general manager. He joined BAI in January 2022, responsible for overseeing human resources management for the alumina projects in Indonesia.

Mr. Sui Meizhao held various positions in Nanshan Aluminium such as head of general office and secretary to the general manager from June 2009 to August 2021. From August 2021 to January 2022, he joined Donghai Alumina as the assistant general manager responsible for operational management.

In July 2008, Mr. Sui Meizhao obtained a bachelor’s degree in business administration from Shandong University (山東大學) in Shandong, the PRC.

Biographical Details of Directors and Senior Management

Mr. Leung Ka Hong (梁家康), aged 38, joined our Group in December 2023. He is the finance director and company secretary of our Company and holds directorship in various subsidiaries of the Company, responsible for financial and company secretarial matters of our Company.

Mr. Leung Ka Hong has over 16 years of working experience in the accounting, finance, mergers and acquisitions, and risk management fields. He was with the audit department of an international accounting firm from October 2009 to April 2014. He took positions as senior finance executives in a Hong Kong subsidiary of a state-owned enterprise of PRC from September 2014 to March 2017, and a privately owned enterprise in Hong Kong from April 2017 to February 2021, the businesses of both included investments and finance related operations. He served as a senior finance executive in a manufacturing company listed on the Main Board of the Stock Exchange from February 2021 to October 2022. Subsequently, from December 2022 to November 2023, Mr. Leung Ka Hong was the executive director, the chief financial officer and the joint company secretary of a company listed on the Main Board of the Stock Exchange, where he was responsible for overseeing the business development, financial and capital management and the company secretarial matters.

He is a Certified Public Accountant and a fellow of the Hong Kong Institute of Certified Public Accountants. He is also a fellow of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute, a member of the Association of Chartered Certified Accountants as well as a Certified Financial Risk Manager of the Global Association of Risk Professionals. In October 2009, he graduated from the Hong Kong Polytechnic University with a bachelor's degree in accounting and finance. In November 2022, he further obtained a master's degree in science majoring in corporate governance and compliance from Hong Kong Baptist University.

Corporate Governance Report

The Board hereby presents to the Shareholders the corporate governance report of the Company for the year ended 31 December 2025 (the “**Reporting Period**”).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

The Board confirms that, during the Reporting Period, the Company has complied with all the principles and applicable code provisions under the CG Code, save for the deviation from the Code Provision C.2.1 of the CG Code.

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. During the Reporting Period, the Board confirms that it has performed the corporate governance duties which include the following: (i) to develop and review the Company’s policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct applicable to employees and Directors; and (v) to review the Company’s compliance with the CG Code and disclosure in the corporate governance report of the Company under the Listing Rules. In addition, the Board has established mechanism to ensure independent views and input are available to the Board and the implementation and effectiveness of such mechanism on an annual basis.

CORPORATE CULTURE

The Board integrates the development of corporate culture into the corporate governance framework to ensure that the corporate culture aligns with the Company’s purpose, values, and strategy.

The Board is responsible for formulating the Company’s core values and code of conduct, and regularly assesses the alignment between the culture and the corporate strategy.

Guided by the corporate spirit of “Integration, Optimization, Innovation, Enhancement, and Development”, the Company promotes a corporate culture that includes :

- Mutual benefit through cooperation — Deepening industrial collaboration and long-term partnerships throughout the value chain. The Company aims to create shared value with stakeholders, promotes efficient resource utilisation, and enhances competitiveness in the alumina industry.
- People-oriented — With rich industry experience and professionalism, build a complete management system with customers, investors and employees to achieve convenient, fast, smooth and effective information communication.
- Give back to society — Build a harmonious and responsible relationship with the communities where it operates. Contribute to local economic growth, and promotes environmental sustainability. Through its actions, the Company strives to support the coordinated advancement of society, industry, and nature.

Corporate Governance Report

SECURITIES DEALING CODE

The Company has adopted a securities dealing code (the “**Securities Dealing Code**”) regarding securities transactions by Directors and employees on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 of the Listing Rules. The Company will periodically issue notices to its Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of financial results.

Having made specific enquiry with all Directors, all Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. During the Reporting Period, the Company was not aware of any non-compliance with the Model Code by any relevant specified employees.

BOARD OF DIRECTORS

Board Composition

As at 31 December 2025, our Board consists of eight Directors, of which two are executive Directors, three are non-executive Directors and three are INEDs:

	Date of appointment	Current period of appointment
Executive Directors		
Mr. Hao Weisong (<i>Chairman of the Board and Chief Executive Officer</i>)	22 September 2024	3 years
Ms. Han Yanhong	21 November 2025	3 years
Non-executive Directors		
Ms. Wang Yanli	22 September 2024	No specified term
Mr. Loo Tai Choong	22 September 2024	No specified term
Mr. George Santos	22 September 2024	No specified term
Independent non-executive Directors		
Mr. Wen Xianjun	10 March 2025	No specified term
Mr. Cheung Kwong Tat	10 March 2025	No specified term
Ms. Dong Meihua	10 March 2025	No specified term

Corporate Governance Report

Reference is made to the announcement of the Company dated 21 November 2025, pursuant to which Mr. Wang Shisan resigned as an executive Director and chief financial officer of the Company with effect from 21 November 2025. On the same date, Ms. Han Yanhong was appointed as an executive Director and chief financial officer of the Company. On 21 November 2025, Ms. Han obtained legal advice relating to director's duties and responsibilities under applicable laws and regulations from a law firm qualified to advise on Hong Kong Laws pursuant to Rule 3.09D of the Listing Rules, and had confirmed that she understood her duties as a Director of the Company under the Listing Rules.

In addition, each of the remaining Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Responsibilities of the Board

The functions and duties of the Board include, but are not limited to, convening general meetings, reporting on the performance of the Group at general meetings, implementing resolutions passed at general meetings, formulating business and investment plans, preparing annual budget and final accounts, preparing proposals on profit distribution and increasing or decreasing the registered capital, as well as exercising other authorities, functions and responsibilities in accordance with the articles of association of the Company. The biographies of the Directors are set out on pages 13 to 18 of this annual report under the section headed "Biographical Details of Directors and Senior Management".

To the best knowledge of the Company, none of the members of the Board are related to one another or have any financial, business, family or other material or relevant relationships with each other.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and not be performed by the same individual. The Chairman is responsible for the leadership and effective running of the Board and ensuring that all material issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible for the management of the day-to-day operations and the implementation of the approved strategies of the Group.

The Company does not have a separate chairman and chief executive and Mr. Hao Weisong currently performs these two roles. In view that Mr. Hao has been assuming day-to-day responsibilities in operating and managing the Group since 2018 and the steady development of the Group, the Board believes that with the support of Mr. Hao's extensive experience and knowledge in the business of the Group, vesting the roles of both chairman and chief executive officer of the Company in Mr. Hao strengthens the consistent and solid leadership of the Group, and thereby allows for efficient business planning and decision which is in the best interest to the Group as a whole. The Board will continue to review and consider splitting the roles of executive chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Directors consider that the deviation from paragraph C.2.1 of Part 2 of the Corporate Governance Code is appropriate in such circumstances. Notwithstanding the above, the Board is also of the view that the current management structure is effective for the Group's operations, and sufficient checks and balances are in place with the involvement of other Directors (including the independent non-executive Directors). The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Corporate Governance Report

EXECUTIVE DIRECTORS

Mr. Hao Weisong, an executive Director, has signed a service contract with the Company for a term of three years commencing from the Listing Date, subject to termination by either party giving three months' written notice and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's articles of association and the Listing Rules.

Reference is made to the announcement of the Company dated 21 November 2025, pursuant to which Mr. Wang Shisan resigned as an executive Director and chief financial officer of the Company with effect from 21 November 2025. On the same date, Ms. Han Yanhong was appointed as an executive Director and chief financial officer of the Company.

Ms. Han Yanhong, an executive Director, has signed a service contract with the Company for a term of three years commencing from 21 November 2025, subject to termination by either party giving three months' written notice and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's articles of association and the Listing Rules.

NON-EXECUTIVE DIRECTORS

Each of Ms. Wang Yanli, Mr. Loo Tai Choong and Mr. George Santos, the non-executive Directors, signed the letter of appointment with the Company with an unspecified term commencing from 10 March 2025, subject to termination by either party giving three months' written notice and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Company's articles of association and the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times complied with Rules 3.10(1), (2) and 3.10A of the Listing Rules relating to the appointment of at least three INEDs representing at least one-third of the Board with at least one of them has possessed relevant professional qualifications or accounting or related financial management expertise. A written annual confirmation of their independence satisfied with guidelines set out in Rule 3.13 of the Listing Rules have been received from each of the INEDs and the Company considers each of them to be independent. The Company is of the opinion that its INEDs with their wide spectrum of knowledge and extensive business experience, will objectively scrutinise the Company's performance. Each of the INEDs will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his independence. The INEDs are also subject to rotation at annual general meetings pursuant to the articles of association of the Company.

The Company will maintain an updated list of its Directors identifying their roles and functions on websites of the Company and the Stock Exchange. INEDs are identified in all corporate communications that disclose the names of Directors.

Each of the INEDs has entered into a letter of appointment with an unspecified term, which is subject to termination by either party giving one to three months' written notice and retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

APPOINTMENT AND ROTATION OF DIRECTORS

The Directors are subject to retirement by rotation and re-election at each annual general meeting of the Company in accordance with Article 84 of the articles of association of the Company. Appointed as an addition to the Board or to fill a casual vacancy on the Board will be subject to re-election by the Shareholders at the forthcoming annual general meeting or the first general meeting of the Company respectively after the appointment. In addition, when an independent non-executive Director proposed for re-election has served the Company for more than nine years, his/her re-election will be subject to a separate resolution to be approved at the annual general meeting.

The procedures and process of appointment, re-election and removal of Directors are set out in the articles of association of the Company. The Nomination Committee is responsible for reviewing the Board's structure, size and composition, and for making recommendations to the Board on the appointment, re-election and succession planning of Directors.

BOARD MEETINGS, GENERAL MEETINGS AND ATTENDANCE

In accordance with Code Provision C.5.1 of the CG Code, at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through other electronic means of communication.

Notices of no less than fourteen days shall be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board meetings and the Board Committee meetings, reasonable notice shall be generally given by the Company. The agenda and accompanying Board papers are dispatched at least three days before the Board meetings or the Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of meetings shall be kept by the company secretary with copies circulated to all Directors for information and records. Minutes of the Board meetings and the Board Committee meetings are recorded in sufficient details on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.

During the Reporting Period, the Board held 5 Board meetings to consider and approve various resolutions, including but not limited to the following matters: the Listing of the Company; the annual consolidated results for the year ended 31 December 2024; the interim consolidated results for the six months ended 30 June 2025; the annual report and the environmental, social and governance report for the year ended 31 December 2024; the interim report for the six months ended 30 June 2025; proposed appointment of Directors; granting of Share Options and other relevant matters.

During the Reporting Period, the Company also held 1 general meeting, namely the annual general meeting for the year ended 31 December 2024.

Corporate Governance Report

During the Reporting Period, the attendance record of each Director at Board meetings and general meetings are set out as follows:

	Attended/ Eligible to attend the Board meeting(s)	Attended/ Eligible to attend the general meeting(s)
Executive Directors		
Mr. Hao Weisong	5/5	1/1
Mr. Wang Shisan ⁽¹⁾	4/4	1/1
Ms. Han Yanhong ⁽²⁾	1/1	0/0
Non-executive Directors		
Ms. Wang Yanli	5/5	1/1
Mr. Loo Tai Choong	5/5	1/1
Mr. George Santos	5/5	0/1
Independent Non-executive Directors		
Mr. Wen Xianjun	5/5	1/1
Mr. Cheung Kwong Tat	5/5	1/1
Ms. Dong Meihua	5/5	1/1

Notes:

- (1) Mr. Wang Shisan resigned as an executive Director and chief financial officer of the Company on 21 November 2025.
- (2) Ms. Han Yanhong was appointed as an executive Director and chief financial officer of the Company on 21 November 2025.

ROLE AND RESPONSIBILITIES OF THE DIRECTORS AND DELEGATION TO MANAGEMENT

The Board has overall responsibility for the leadership and control of the Group, including the responsibilities for the formulation of long-term strategies, and appointing and supervising senior management to ensure that the operation of the Company is conducted in accordance with the objective of the Group; and is collectively responsible for directing and supervising the Group's affairs.

The Board directly, and indirectly through its committees, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Group. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Group are delegated to the management.

The INEDs are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

Corporate Governance Report

All Directors, including non-executive Directors and INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company. As such, the Board considered the Company has established the mechanism to ensure independent views and input are available to the Board, and the implementation and effectiveness of the mechanism is effective throughout the year.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Company has adopted a memorandum on respective functions of the board of directors and the management and corporate governance function of the board of directors, which set out delegation of functions to management, including management and day-to-day operation of the Group. The delegated functions and responsibilities will be reviewed by the Board from time to time. Approval has to be obtained from the Board prior to enter into any notifiable transaction or connected transaction for the Company under the Listing Rules.

BOARD COMMITTEES

The Company has established the following committees under the Board: the audit committee (the **"Audit Committee"**), the remuneration committee (the **"Remuneration Committee"**) and the nomination committee (the **"Nomination Committee"**) of the Company. The committees operate in accordance with the terms of reference established by the Board. The written terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee are posted on the websites of the Company and the Stock Exchange.

Audit Committee

Chairman: Mr. Cheung Kwong Tat (*Independent Non-executive Director*)

Members: Ms. Dong Meihua (*Independent Non-executive Director*), Ms. Wang Yanli (*Non-executive Director*)

The terms of reference of the Audit Committee are in compliance with the code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statement and supervise the financial reporting process, internal control system and risk management system of the Group, oversee the audit process, evaluate the effectiveness of the internal audit function and perform other duties and responsibilities as assigned by the Board. Mr. Cheung Kwong Tat and Ms. Dong Meihua have the professional qualifications, accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

During the Reporting Period, the Company has held 3 meetings of Audit Committee and all 3 members of the Audit Committee attended all meetings. The Audit Committee has reviewed with the external auditor the accounting principles and practices adopted by the Group, internal controls and financial reporting matters, interim results of the Group for the six months ended 30 June 2025, annual results of the Group for the financial year ended 31 December 2024 and proposed adoption of the same by the Directors. The Audit Committee also reviewed the risk management and internal control systems and effectiveness of the internal audit function of the Company during the Reporting Period. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and risk management and other matters. The Board has adopted the recommendation from the Audit Committee.

Corporate Governance Report

Remuneration Committee

Chairman: Ms. Dong Meihua (*Independent Non-executive Director*)

Members: Mr. Cheung Kwong Tat (*Independent Non-executive Director*), Mr. Hao Weisong (*Executive Director*)

The terms of reference of the Remuneration Committee are in compliance with the code provision of E.1.2 of the CG Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's remuneration policy and the remuneration packages of the executive Directors and the senior management, make recommendations on employee benefit arrangement, review the terms of service contracts of executive Directors and review matters related to the Share Option Scheme.

During the Reporting Period, the Company has held 3 meetings of Remuneration Committee and all 3 members of the Remuneration Committee attended all meetings. During the Reporting Period, the Remuneration Committee had reviewed the current remuneration policy and the remuneration packages of the Directors subject to rotation and newly nominated Director, assessed the performance of executive Directors, and made recommendations to the Board. In addition, the Remuneration Committee also reviewed matters relating to the Share Option Scheme, and proposed to grant a total of 26,170,000 Share Options to the Grantees, including the grant of 800,000 and 580,000 Share Options to Mr. Hao Weisong and Ms. Wang Yanli, both Directors, respectively. The Remuneration Committee considered that the grant of Share Options is to Mr. Hao and Ms. Wang align their interests with those of the Group through ownership of Shares, dividends and other distributions paid on the Shares and/or the increase in value of the Shares, and to recognise the contributions made and/or to be made by them and to attract and retain them for the continuous operations and development of the Group. The Board has adopted the recommendations from the Remuneration Committee.

Nomination Committee

Chairman: Mr. Hao Weisong (*Executive Director*)

Members: Ms. Dong Meihua (*Independent Non-executive Director*), Mr. Wen Xianjun (*Independent Non-executive Director*)

The terms of reference of the Nomination Committee are in compliance with the code provision of B.3.1 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and to make recommendations to the Board on the appointments of the Directors, assess the independence of the INEDs, take up references and consider related matters.

During the Reporting Period, the Company has held 2 meetings of Nomination Committee and all 3 members of the Nomination Committee attended all meetings. During the Reporting Period, the Nomination Committee had reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and nomination policy (including but not limited to selecting and recommending candidates for directorship based on the gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service of candidates), as well as made recommendations to the Board on appointment, re-election and succession planning of Directors.

Directors' Time Commitment and Contribution Assessment

The Nomination Committee has assessed the Directors' time commitment and contribution to the Board for the Reporting Period based on the following factors:

(a) Other Listed Directorships and/or Other Significant External Commitments

All Non-executive Directors and Independent Non-executive Directors have annually disclosed to the Company their other directorships held in Hong Kong listed companies, as well as any other significant commitments. As at 31 December 2025, none of the Directors held more than six other listed company directorships in other listed companies in Hong Kong.

(b) Attendance Record

All Directors have attended all Board Meetings, Board Committees Meetings, and (save in the case of Mr. George Santos, a non-executive Director) AGM held during the Reporting Period when s/he was in office.

(c) Responsibilities and Skills

Directors were able to contribute effectively to the Board through their responsibilities and skills. The skills and expertise of the Directors are set out in the Board Skills Matrix section of this report.

In view of the above, the Nomination Committee believes that the Directors are able to devote sufficient time to the affairs of the Group without being over-occupied with the business of other listed companies.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors and officers in respect of any legal actions taken against the Directors and officers that may arise out of the corporate activities. The insurance coverage will be reviewed on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the operations and businesses of the Company as well as his/her responsibilities under relevant statutes, laws, rules and regulations. Our Company also arranges regular trainings to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on our Company's performance, position and prospects to enable our Board as a whole and each Director to discharge his/her duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

On 18 December 2025, the Group organised a special training session for all Directors in an online format, covering core topics including but not limited to the Corporate Governance Code (including risk management and internal controls), the Model Code for Securities Transactions by Directors of Listed Issuers, financial disclosure requirements, and compliance considerations for connected transactions. During the Reporting Period, all Directors completed training courses relevant to their duties and responsibilities. In addition, the Group provided all Directors with a series of reading materials for their reference, including (a) updates on laws and regulations; (b) the roles, functions and responsibilities of the Board, its committees and its Directors, and board effectiveness; (c) the Company's obligations and directors' duties under Hong Kong law and key legal and regulatory developments relevant to the discharge of such obligations and duties; (d) ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the Group and its business); and (e) updates on industry-specific developments, business trends and strategies relevant to the Group.

Corporate Governance Report

A summary of the continuous professional development training received by Directors during the Reporting Period in relation to their duties, regulatory and business development is set out as follows:

Name of Director	Nature of continuous professional development	Total number of hours of continuous professional development
Executive Directors		
Mr. Hao Weisong	A/B	8
Mr. Wang Shisan ⁽¹⁾	A/B	3
Ms. Han Yanhong ⁽²⁾	A/B	5
Non-executive Directors		
Ms. Wang Yanli	A/B	8
Mr. Loo Tai Choong	A/B	8
Mr. George Santos	A/B	8
Independent Non-executive Directors		
Mr. Wen Xianjun	A/B	8
Mr. Cheung Kwong Tat	A/B	8
Ms. Dong Meihua	A/B	8

Notes:

A: Attending training courses, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and related publications

(1) Mr. Wang Shisan resigned as an executive Director and chief financial officer of the Company on 21 November 2025.

(2) Ms. Han Yanhong was appointed as an executive Director and chief financial officer of the Company on 21 November 2025.

DIRECTORS' REMUNERATION

The Directors' fees and emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

During the Reporting Period, the aggregated remuneration paid to and/or entitled by the Directors was approximately US\$1,107,000 (FY2024: US\$181,000). For further details (including but not limited to the remuneration of each of the Directors), please refer to note 8 to the consolidated financial statements of the Company in this annual report.

SENIOR MANAGEMENT'S REMUNERATION

The remuneration of senior management of the Company (excluding Directors) for the Reporting Period falls under the following table:

Band of Remuneration	Number
Nil — HKD1,000,000	1
Over HKD1,000,000	6

Corporate Governance Report

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The performance and remuneration of the external auditor of the Company, KPMG (“KPMG” or the “Auditor”), have been reviewed by the Audit Committee. The remuneration paid/payable to KPMG during the Reporting Period is set out as follows:

Amount of Fees	US\$'000
Audit services (including fees of interim review and annual audit for FY2025)	508
Non-audit services (mainly tax consulting services)	23
	531

DIRECTORS' AND AUDITOR'S RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Company for each financial year with a true and fair view of the financial position of the Group, and present a balanced, clear and comprehensive assessment of the Group's performance and prospects.

The Directors consider that the Company's consolidated financial statements are prepared in accordance with all statutory requirements and appropriate accounting standards are applied consistently.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The statement by the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed “Independent Auditor's Report” of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition through implementation of a set of internal control procedures. Internal control procedures are intended to manage significant risks in the Group's business activities and bring them to an acceptable level, but not eliminating the risks of failure to achieve business objectives. Moreover, it can only provide reasonable, and not absolute, assurance against material misstatement or loss.

1. Board of Directors' Responsibilities

The Board recognises its responsibility for the risk management and internal control systems and reviewing their adequacy and effectiveness. The Board conducts annual review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions.

The Audit Committee assists the Board in leading the review of the Company's financial supervision and control, risk management and internal control systems. Such review is formally conducted at Audit Committee meeting, which includes an annual review of the effectiveness of the risk management and internal control systems.

2. Risk Management Process

The risk management process is cascaded throughout the Group, from the Board level to management level.

Senior management and department heads are required to identify, evaluate and manage risks associated with business operations on an on-going basis with defined parameters, and record these in the risk registers. For each risk identified, management assesses their root causes, consequences and mitigating controls. Such assessment takes into account of the (i) probability of risk occurrence and (ii) degree of potential loss. The result of the assessment is summarised on a risk register and is reviewed by the Board. It is mandatory for this process to be conducted at least once a year.

Corporate Governance Report

Apart from the risk management process, the legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

3. Corporate Governance Function

The Board and senior management are responsible for performing duties on corporate governance and compliance functions as set out below:

- i) developing and reviewing the Group's policies and practices on corporate governance;
- ii) reviewing and monitoring the training and continuous professional development of directors and senior management;
- iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;
- iv) developing, reviewing and monitoring the code of conduct applicable to employees and directors; and
- v) reviewing the Group's compliance with the CG Code and disclosure in the corporate governance report of the Company.

The Group had provided Directors with trainings, development programmes and/or updates regarding the legal and regulatory requirements applicable to the business operations of the Group. For further details, please refer to paragraph headed "Corporate Governance Report — Continuous professional development of Directors" above.

4. Internal Audit Function

The Board conducts a review on the Group's internal control system on an annual basis. During the Reporting Period, the Group engaged an outsourced internal control consultant to review the Group's key controls, internal control systems, and risk management functions and no significant risk and control deficiencies were identified. The Board considers that the Group's risk management and internal control systems are effective and adequate.

5. Procedures for Handling and Dissemination of Inside Information

The Company maintains a policy on disclosure of inside information with reference to the Listing Rules, the Securities and Futures Ordinance, the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong and other applicable laws and regulations. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

6. Confirmation from the Board and the Audit Committee on the Group's Risk Management and Internal Control

The Board and the Audit Committee have conducted a review on and are satisfied with the appropriateness, adequacy and effectiveness of the Group's risk management and internal control system for the Reporting Period including financial, operational and compliance controls. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks). From the review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. During the Reporting Period, the Board was not aware of any material defect in internal control of the Group.

Corporate Governance Report

The Group will continue to strengthen its internal control system in order to maintain proper corporate governance and safeguard the interest of its shareholders.

NOMINATION POLICY

The Company has also adopted the director nomination policy (the “**Director Nomination Policy**”).

The Director Nomination Policy sets out the nomination criteria of a proposed candidate, including without limitation to the following: (i) qualifications including professional qualifications, skills, knowledge and experience, requirements of INED; (ii) character and integrity; (iii) diversity in all aspects, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service; (iv) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; (v) independence of the proposed INEDs in accordance with the Listing Rules; and (vi) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Director Nomination Policy also sets out the following nomination procedure:

- i) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.
- ii) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate's personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate's consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
- iii) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.
- iv) In the context of shareholders' nomination of any proposed candidate for election as a Director, the Nomination Committee shall refer to the “Procedures for a shareholder to propose a person for election as a director”, which is available on the Company's website.
- v) The Board shall have the final decision on all matters relating to its recommendations of candidates to stand for election at a general meeting, the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board.

For further details, please refer to the paragraph headed “Corporate Governance Report — Board committee — Nomination Committee” above.

Corporate Governance Report

WHISTLEBLOWING POLICY

The Company has established a policy and procedures for employees raising possible improprieties which are dedicated to establishing a proper channel for employees to voice out their concerns, in particular, those related to possible improprieties in financial reporting, internal control, risk management and other matters. Employees of all ranks can report any inappropriate or unethical behaviour to the responsible manager by phone, email or letter while the identity of whistle-blowers will be kept confidential.

Reporting email for integrity and code of conduct: baiyix@nanshanbai.com

The Group will take all necessary steps and reasonable remedial measures once the reported conduct is verified. The policy stipulates that a committee involving independent non-executive Directors be formed to investigate any concerns raised by the employees, monitor the investigation progress and determine the follow-up actions. During the Reporting Period, the Group arranged an anti-corruption training for directors and senior management. The training topic revolved around the code of business conduct, bribery and the directors' code on gifts and hospitality, in order to enhance the ethical and integrity awareness of directors and senior management.

ANTI-CORRUPTION POLICY

The Company has in place Anti-fraud Management Measures to provide guidance and regulations to all employees including Directors, senior management, middle management and other employees. The Anti-fraud Management Measures promote clean, diligent and fair work ethics and prevent any misconduct that may damage the Group's economic interests.

The Anti-fraud Management Measures support the compliance of the Company with anti-corruption related laws and regulations, including but not limited to the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong). Any form of corruption such as bribery, extortion and embezzlement of public funds are prohibited.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of diversity at Board level and has commitment to diversity at all levels through consideration of a number of factors, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service and any other factors that the Board may consider relevant and applicable from time to time.

Corporate Governance Report

The Board adopted a board diversity policy (“**Board Diversity Policy**”), which sets out specific objectives and approaches to achieve and maintain board diversity with a view to enhancing the effectiveness of the Board’s operation. In accordance with the policy, when nominating and appointing Board members, the Company takes into account a variety of factors including but not limited to gender, age, educational background, industry experience and professional expertise, striving to achieve a diverse composition of Board members. The Board will review this policy at least on an annual basis to ensure its effectiveness.

For the year ended 31 December 2025, the Board comprised five male Directors and three female Directors, with ages ranging from 30 to 63. The Board members possess a balanced mix of knowledge and skills, covering expertise and practical experience in areas such as general management, financial accounting, corporate finance and the aluminium industry. The Directors hold academic qualifications in various disciplines including engineering, management and social sciences.

Overall, the Board demonstrates sound diversity in terms of industry experience, professional expertise, gender and age, effectively reflecting the objectives and requirements set forth in the Company’s Board Diversity Policy.

During the Reporting Period, the Nomination Committee reviewed the Board Diversity Policy of the Company, as well as the composition and the diversity of the Board. The Nomination Committee considered that the Board has achieved diversity in its overall composition, with the exception of gender diversity. As at 31 December 2025, the Board comprised three female Directors, namely Ms. Han Yanhong, Ms. Wang Yanli and Ms. Dong Meihua, and the Board considers that gender diversity has been achieved. Accordingly, as at 31 December 2025, the Board has not established any quantitative targets or timelines for achieving gender diversity on the Board. When assessing the qualifications of candidates for Board membership, the Board carefully considers the objectives of the factors set out in the Board Diversity Policy and will ensure that successors to the Board will adhere to the Board Diversity Policy.

EMPLOYEE DIVERSITY POLICY

In addition to the Board level, the Company promotes gender diversity in all levels of its employees. 238 of its 3,851 full-time employees as at 31 December 2025 are female, which represented 6.2% of total number of employees. Female also represents 20% of the senior management (including Directors) of the Group. The Group belongs to the production industry, and due to industry characteristics, the proportion of male employees is relatively higher. However, the Group implements the principle of equal employment, respects and treats employees of different genders fairly, and provides equal opportunities for employees in terms of recruitment, training and development, job promotion and salary and benefits. We will continue to strive to improve the representation of women and to achieve the right balance of gender diversity, taking into account the expectations of our Shareholders and the recommended best practices. As such, the Board has not specified any quotas or similar measurable objectives for achieving gender diversity, rather the focus is on identifying the right person for the right role whilst taking into account diversity in a range of areas, including gender.

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company’s business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. In particular, the Nomination Committee will identify and make recommendations to the Board to implement programmes that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, will prepare them for Board positions.

Corporate Governance Report

Board Skills Matrix

Skills Area	Description	Importance ⁽¹⁾	Adequacy	Plans to Address Gaps/Expand Skills
Strategy	Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	High	Adequate	Continuous optimisation to be incorporated into annual strategy review
Leadership	Ability to lead corporate teams and implement plans and policies	High	Adequate	Support Directors in continuous professional development
Industry Knowledge and Experience	Familiarity with the Company's business daily operations, market development, competitors, technology and innovation	High	Adequate	Support Directors in continuous professional development; consolidate cutting-edge aluminium industry knowledge through internal training and industry exchanges
Financial Literacy/Business Acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements	High	Adequate	Support Directors in continuous professional development; arrange briefings on compliance and financial updates
Risk Management and Compliance	Ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance	High	Adequate	Regularly arrange compliance training and review internal control framework
People Management Experience	Experience at a senior level with responsibilities for people management and successful implementation of change	Medium	Adequate	Leverage internal experience to drive organisational talent development initiatives
Diversity (e.g., age, gender, culture)	Contribution to Board diversity in terms of age, gender, cultural background, etc.	High	Adequate	Continue to proactively consider candidates with more diverse backgrounds through the nomination process when making future director appointments
Emerging Topics (e.g., artificial intelligence)	Understanding and knowledge of emerging topics to ensure that the Company is forward-thinking	Medium	Continuously improving	Encourage Directors to stay abreast of relevant trends and arrange thematic learning sessions as appropriate
Qualifications	Formal qualifications in relevant fields to assist the Board in its decision-making, for example, accounting/finance, economics/business, law, etc.	High	Adequate	Support Directors in continuous professional development to maintain continued validity of relevant professional qualifications

Note:

(1) The relevance of each skill to the Company's business needs.

— High = Skills currently essential for the Board.

— Medium = Skills that are beneficial but not essential.

ASSESSMENT OF BOARD INDEPENDENCE

Independent View from Directors

To ensure independent views and input from any Director are available to the Board, the following mechanisms implemented in the corporate governance framework of the Company has been reviewed by the Board:

Proceedings of the Board

At least 14 days' formal notice of regular Board and Board Committee meetings was given to all Directors, and all Directors were invited to include matters for discussion in the agenda. Directors were provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information at least three business days in advance of every regular Board and Board Committee meeting, which enables full deliberation on the issues to be considered at the respective meetings.

Board decision making

During the Board and Board Committee meetings, all Directors were encouraged to freely express their independent views and inputs in an open and candid manner, provide open and objective challenges, offer informed insight and responses to the management, and contribute their knowledge of the businesses and markets in which the Group operates. Independent non-executive Directors may express their views through formal or informal channels in an open and candid manner as well as in a confidential manner. Comments and concerns raised by the Directors were closely followed up by the management.

In addition to regular Board meetings, the Chairman scheduled an annual meeting with the independent non-executive Directors without the presence of other Directors to discuss the affairs of the Group.

The company secretary of the Company prepared minutes of meetings of the Board and Board Committees to record not only the decisions reached but also any concerns raised or dissenting views expressed by Directors. The draft version of the minutes is circulated to all Directors for their comments and confirmations.

The final versions were provided to the Directors for records. Minutes of all Board and Board Committee meetings are available for Directors' inspection.

Supply of and access to information

Directors were provided with monthly reports covering highlights of the Group's major businesses, keeping them abreast of the Group's business performance and enabling them to make informed decisions in the best interests of the Company and its Shareholders. More thorough and comprehensive management and financial updates were provided to all Board members on a quarterly basis to ensure each member was aware of the Group's financial performance and position.

The Board met the management on a quarterly basis, reporting the Group's business performance, risk management, internal controls, and legal and compliance matters.

Directors also had access to the advice and services of the company secretary of the Company who supported the Board, ensured proper information flow within the Board, and Board policies and procedures were followed.

To facilitate the proper discharge of Directors' duties and responsibilities, all Directors were entitled to seek advice from the company secretary of the Company or inhouse legal team, as well as from independent professional advisers, at the expense of the Company, in which the company secretary of the Company were responsible for making all necessary arrangements.

Corporate Governance Report

As such, the Board considered the Company has established the mechanism to ensure independent views and input are available to the Board, and the implementation and effectiveness of the mechanism is effective throughout the year.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

Board Performance Evaluation

In 2026, the Nomination Committee conducted an internal review to evaluate the performance of the Board.

The evaluation focused on the five dimensions of an effective board: purpose, strategy and risk alignment; structure and process; people and composition; culture and behaviours; and board leadership.

The Nomination Committee considered the evaluation results in March 2026.

The evaluation noted that the Board is highly effective with the following core strengths underpinning its performance:

- Strong sense of shared purpose and risk stewardship;
- Directors with deep market expertise and strong professional commitment, supported by high-calibre executives who enrich dialogue and decision-making;
- A high-integrity, collaborative, and collegial culture, marked by mutual respect and open engagement inside and outside the boardroom; and
- Professional and efficiently administered governance, with well-structured meetings, high-quality materials, and disciplined use of time.

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) on payment of dividends, including the proposal of declaration and/or payment of dividend and determination of the dividend amount. After the Listing and in respect of our financial results for FY2025 and onwards, a general dividend policy of declaring and paying dividends on an annual basis of no less than 20% of our distributable net profit attributable to our Shareholders, but subject to, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out below, interim and/or special dividends may be proposed and/or declared by the Board in its sole and absolute discretion during a financial year and any final dividends for a financial year will be subject to the shareholders’ approval.

Corporate Governance Report

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the expected capital requirements and future expansion plans of the Group;
- (d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (e) the statutory and regulatory restrictions;
- (f) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (g) the Shareholders' interests; and
- (h) other factors that the Board deems relevant.

The dividend decision made by the Board on account of the Reporting Period was made in accordance with the Company's dividend policy.

COMPANY SECRETARY

Mr. Leung Ka Hong, an employee of the Company, has been appointed as the company secretary of the Company on 22 September 2024. During the Reporting Period, Mr. Leung has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantial issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

The Company engages with its shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Corporate Governance Report

SHAREHOLDERS' COMMUNICATION POLICY

The Company has established a shareholders' communication policy and the Board reviews its implementation and effectiveness regularly each year. Under this policy, the Company communicates with its shareholders and the investment community mainly through: (i) the holding of annual general meetings and other general meetings; (ii) the timely publication of the Company's announcements, interim and annual financial reports, and/or circulars as required under the Listing Rules; (iii) constitutional documents of the Company and Board committee; and (iv) the availability of all the disclosures submitted to the Stock Exchange and any of the Company's corporate communications and publications on the Company's website at <http://www.nanshanintl.com>. Through aforementioned means of communication, especially the timely updates and other additional information of the Group's business as publicly accessible, the Board considered the Shareholders' Communication Policy of the Company to be effective.

Shareholders and investors are welcomed to visit the Company's website to raise enquiries through the Investor Relations Department whose contact details are available on the Company's website and the section headed "Corporate Information" of this annual report.

The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the articles of association of the Company and the Listing Rules and shareholders are encouraged to attend and participate in general meetings. The chairman of the Board and the chairman of the Board committees, or their delegates and the external auditor will attend the annual general meeting to answer any questions from shareholders. Notice of the annual general meeting, setting out details of each proposed resolution, voting procedures and other relevant information, will be sent to all shareholders not less than 21 clear days and not less than 20 clear business days prior to the date of the meeting.

Procedures for Shareholders to Convene Extraordinary General Meetings

Pursuant to Article 58 of the articles of association of the Company, any one or more shareholder(s) holding at the date of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the board of directors or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition (the "**Requisition**").

The Requisition shall be made either in hard copy form by post to the Company's principal place of business in Hong Kong at Unit 1101, 11/F., Tower 1, Lippo Centre, 89 Queensway, Hong Kong for the attention of the Board of Directors/company secretary or via email to IR@nanshanintl.com.

If the Board does not within 21 days from the date of deposit of the Requisition proceed to convene the meeting to be held within two months after the deposit of Requisition, the requisitionist(s) themselves, and all reasonable expenses incurred by the requisitionist(s) shall be reimbursed to them by the Company.

Procedures for Shareholders to Put Through Proposals at General Meetings

Any shareholder who wishes to put forward proposals at a general meeting of the Company shall submit such proposals to the Board in writing for the Board's consideration either via mail to the Company's principal place of business in Hong Kong at Unit 1101, 11/F., Tower 1, Lippo Centre, 89 Queensway, Hong Kong for the attention of the Board of Directors/company secretary or via email to IR@nanshanintl.com not less than 14 days and not less than 10 clear business days prior to the date of the general meeting.

Corporate Governance Report

Procedures for Shareholders to Put Forward Enquiries to the Board

To put forward any enquiries to the Board, shareholders shall send their written enquiries to the Company. The Company will normally not deal with verbal or anonymous enquiries.

Address: Unit 1101, 11/F, Tower 1, Lippo Centre, 89 Queensway, Hong Kong
Email: IR@nanshanintl.com

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders shall contact the Company's Hong Kong branch share registrar and transfer office as follows:

Address: Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@vistra.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses, where appropriate, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Constitutional Documents

The amended and restated memorandum and articles of association of the Company (the “**Existing M&A**”) was adopted on 10 March 2025 and took effect from 25 March 2025. There was no significant change in the Existing M&A during the Reporting Period.

A copy of the Existing M&A is available on both the websites of the Company at <http://www.nanshanintl.com> and the Stock Exchange at www.hkexnews.hk.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The statement of the independent Auditor of the Company about their reporting responsibilities on the financial statements is set out in the independent auditor's report on pages 122 to 124 of this annual report.

Report of the Directors

The Directors are pleased to present the annual report for the year ended 31 December 2025 (the “**Reporting Period**”).

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the production and sales of alumina (including aluminium hydroxide). Details of the principal activities and other particulars of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income in this annual report. The Board has proposed a final dividend of HK\$0.41 per share for the financial year ended 31 December 2025 (FY2024: nil), subject to approval by the shareholders at the forthcoming annual general meeting of the Company.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and the Prospectus, are set out on page 3. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL STRUCTURE AND GLOBAL OFFERING

On 10 March 2025, each issued and unissued shares of the Company with a par value of US\$0.000001 each was subdivided into 5 shares with a par value of US\$0.0000002 each. Upon completion of the share subdivision, the number of issued shares of the Company were increased to 500,000,000 shares.

On 25 March 2025, the Company was listed on the Main Board of the Stock Exchange with a Global Offering of 88,235,300 Shares with an aggregate nominal value of approximately US\$17.65, comprising a Hong Kong public offering of 8,823,600 Shares and an international placing of 79,411,700 Shares. The offer price is HK\$26.60 per Share. The number of issued shares of the Company were increased to 588,235,300.

On 22 April 2025, the Company announced that the over-allotment option described in the Prospectus has been partially exercised in respect of an aggregate of 1,199,900 Shares with an aggregate nominal value of approximately US\$0.24 issued at HK\$26.60 per Share. The number of issued shares of the Company were increased to 589,435,200.

Please refer to the announcements of the Company dated 24 March 2025 and 22 April 2025 for further details.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering (after deducting the underwriting fees, commissions and actual expenses paid and payable by the Company in connection with the Listing) and the partial exercise of the over-allotment option as described in the Prospectus amounted to approximately HK\$2,261.8 million (or equivalent to approximately HK\$25.3 per Share).

Report of the Directors

There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. As at 31 December 2025, the Company had utilised approximately HK\$1,374.1 million net proceeds from the Global Offering. The following table sets out the breakdown of the use of net proceeds from the Global Offering:

Use of net proceeds	Percentage of net proceeds ⁽¹⁾	Actual allocated net proceeds from the Global Offering ⁽²⁾ (approximately) (HK\$ million)	Net proceeds utilised since the Listing and up to 31 December 2025 (approximately) (HK\$ million)	Unutilised proceeds amount as at 31 December 2025 (approximately) (HK\$ million)	Expected timeline of full utilisation of net proceeds
Development and construction of the Group's New Alumina Production Project	90.0%	2,035.6	1,147.9	887.7	By 31 December 2028
(i) To construct the related alumina production facilities for second one million tons of designed production capacity	53.4%	1,207.8	566.5	641.3	By 31 December 2028
(ii) To construct additional 70,000 tons berths and the construction of ancillary equipment in deep-water port	14.7%	332.4	332.4	—	Fully utilised
(iii) To expand an additional 700 cubic meter in coal gasification plant	12.9%	291.8	156.0	135.8	By 31 December 2028
(iv) To construct and enhance the auxiliary facilities to support the related alumina production facilities	9.0%	203.6	93.0	110.6	By 31 December 2028
General working capital	10.0%	226.2	226.2	—	Fully utilised
Total	100.0%	2,261.8	1,374.1	887.7	

Notes:

- (1) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to one decimal places.
- (2) There was a difference between the estimated net proceeds and the actual net proceeds received mainly due to the difference between the estimated and actual listing-related expenses incurred. The additional net proceeds of approximately HK\$10.0 million will be allocated on a pro-rata basis for the intended use of net proceeds as disclosed in the Prospectus. The majority of the net proceeds has been utilised in 2025 or expected to be utilised in 2026, corresponding with the accelerated timeline of the completion of New Alumina Production Project.

Reference is made to the announcement published by the Company on 22 December 2025, in which it was disclosed the second one million tons of alumina per annum under the New Alumina Production Project had been put to operation since 20 December 2025. The Group entered into legally binding contracts with various independent contractors in connection with the establishment of the facilities under the New Alumina Production Project, a portion of which provided for payment on a deferred basis and/or after the acceptance by the Company of completion of relevant delivery or services (as the case may be). The relevant net proceeds therefore remain earmarked for the deferred payments under such contracts.

To the extent that the net proceeds are not immediately applied to the above purposes due to the deferred payment terms, the Group will only deposit the net proceeds to short term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions as defined under the SFO or applicable laws and regulations in other jurisdictions. The Group will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purposes. For further details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus and the announcement of the Company dated 22 April 2025.

Report of the Directors

CUSTOMERS AND SUPPLIERS

For the Reporting Period, the Group's five largest customers accounted for approximately 86.0% (31 December 2024: 98.1%) of the Group's total revenue and the largest customer accounted for approximately 36.7% (31 December 2024: approximately 47.6%) of total revenue.

For the Reporting Period, the Group's five largest suppliers accounted for approximately 34.6% (31 December 2024: 50.0%) of the Group's total purchases and the largest supplier accounted for approximately 11.8% (31 December 2024: approximately 14.4%) of total purchases.

Save as disclosed under the paragraph headed "Report of the Directors — Continuing Connected Transactions" in this annual report, as far as the Directors are aware, none of the Directors or any of their close associates, or any shareholders (which, to the knowledge of the Directors, owns more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers and suppliers for the Reporting Period.

PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries of the Company are set out in note 14 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are set out in note 11 to the consolidated financial statements.

BORROWINGS

As at 31 December 2025, the Group did not have any borrowings (31 December 2024: nil).

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 24a to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company for the Reporting Period are set out in note 24a to the consolidated financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Companies Act (As Revised) of the Cayman Islands, the share premium account may be applied by the Company to pay distribution or dividends to shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company shall be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2025, the Company's reserves available for distribution amounted to approximately US\$1,363.6 million (31 December 2024: US\$ 850.6 million). Such amount includes the Company's share premium.

PRE-EMPTIVE RIGHTS

The Shares are not subject to any pre-emptive or similar rights under Companies Act as revised of the Cayman Islands or pursuant to the articles of association of the Company.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on 5 June 2026 (the “**2026 AGM**”). For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the entitlement to attend and vote at the 2026 AGM will be fixed on Friday, 5 June 2026. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 1 June 2026.

DIRECTORS

As at 31 December 2025 and up to the date of this annual report, the Board comprised eight Directors, of which are two executive Directors, three are non-executive Directors and three are independent non-executive Directors:

Executive Directors

Mr. Hao Weisong (*Chairman of the Board and Chief Executive Officer*)
Ms. Han Yanhong (*appointed on 21 November 2025*)

Non-Executive Directors

Ms. Wang Yanli
Mr. Loo Tai Choong
Mr. George Santos

Independent Non-Executive Directors

Mr. Wen Xianjun (*appointed on 10 March 2025*)
Mr. Cheung Kwong Tat (*appointed on 10 March 2025*)
Ms. Dong Meihua (*appointed on 10 March 2025*)

Pursuant to Article 83(3) of the articles of association of the Company, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. 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. As Ms. Han Yanhong was appointed as an executive Director by the Board on 21 November 2025, she shall hold office only until the 2026 AGM, at which she shall be eligible for re-election.

Pursuant to Articles 84(1) and (2) of articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, 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 be eligible for re-election at the annual general meeting. Accordingly, Mr. Hao Weisong, Ms. Wang Yanli and Mr. Loo Tai Choong shall retire at the 2026 AGM, and being eligible, offer themselves for re-election at the 2026 AGM.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 13 to 18 of this annual report.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

None of the Directors who was proposed for re-election at the forthcoming annual general meeting has a service contract or a letter of appointment with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 8 and note 9 to the consolidated financial statements.

DIVIDEND

The Board has proposed a final dividend of HK\$0.41 per share for the financial year ended 31 December 2025 (FY2024: nil), subject to approval by the shareholders at the forthcoming annual general meeting of the Company. Combined with the interim dividend of HK\$0.65 per share, the full year dividend amounts to HK\$1.06 per share.

MANAGEMENT CONTRACTS

As at 31 December 2025, other than contracts of service with Directors or any persons engaged in full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

EMOLUMENT POLICY

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, market competitiveness, individual performance, dedication and achievement. The Company has also adopted the Share Option Scheme as an incentive to Directors and eligible employees, details of the Share Option Scheme is set out in the paragraph headed "Report of the Directors — Share Option Scheme" in this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the Reporting Period, no Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors is interested in any business that competes or may compete with the businesses of the Group or has any conflict of interests with the Group.

DEED OF NON-COMPETITION

Deed of Non-competition of Controlling Shareholders

To safeguard the Group from any potential competition from the Controlling Shareholders (as defined below), each of the Controlling Shareholders has entered into the Controlling Shareholders' Deed of Non-competition (as defined below) in favour of the Group with details as set out below.

Report of the Directors

The Controlling Shareholders, namely NAIHL, NAS, Nanshan Aluminium, Yili Electric, Nanshan Group and Nanshan Village Committee, entered into a deed of non-competition in favour of the Company (for itself and as trustee for the subsidiaries of the Company) dated 10 March 2025 (the **“Controlling Shareholders’ Deed of Non-Competition”**), pursuant to which the Controlling Shareholders have irrevocably and unconditionally undertaken to the Company (the **“Non-Competition Undertakings”**) that, subject to certain permitted exceptions, during the term of the Controlling Shareholders’ Deed of Non-Competition, they shall not, and shall procure their respective close associates and/or the companies controlled by them (other than members of the Group) not to, directly or indirectly, either on their own account or in conjunction with or on behalf of any person, firm or company, partnership, joint venture, or other contractual arrangement, whether for profit or not, carry on, engage in, control (in each case whether as a shareholder, partner, agent, employee or otherwise and whether for profit, reward or otherwise) any business which is or may be similar to or in competition with any business including the production and sales of alumina (the **“Restricted Business”**) currently and from time to time engaged by the Group in the countries and regions in which any member of the Group currently carries out the business of production and sales of alumina products. If any member of our Group expands its business to other countries and regions in the future, such additional countries and regions will automatically be included in the restraint area, and the undertakings and obligations of the Controlling Shareholders made will be applicable to such additional countries and regions, but Mainland China is not included in the restraint area at any time (the **“Restraint Area”**).

Under the Controlling Shareholders’ Deed of Non-Competition, the Controlling Shareholders further undertook that if they and/or any of their close associates has received, is offered or has identified any business investment or other business opportunity that competes or may compete, directly or indirectly, with the Restricted Business in the Restraint Area (the **“New Business Opportunity”**), they and/or any of their close associates shall (1) promptly (in any event not later than seven days) give a notice in writing to the Company in respect of such New Business Opportunity, setting out all reasonably necessary information for the Group to make an informed assessment; and (2) use their best efforts to assist the Company in acquiring such New Business Opportunity at terms and conditions no less favourable than those available to them and/or their close associates.

For further details of the Controlling Shareholders’ Deed of Non-Competition, please refer to the section headed “Relationship with Controlling Shareholders” in the Prospectus. The independent non-executive Directors had reviewed the status of compliance and the confirmation provided by the Controlling Shareholders as part of the annual review process. On the basis that: (i) the Company has received the confirmations from its Controlling Shareholders regarding the Non-Competition Undertakings; (ii) there was no competing business reported by the Controlling Shareholders; and (iii) there was no particular situation rendering the full compliance of the Non-Competition Undertakings being questionable, the independent non-executive Directors are of the view that the Non-Competition Undertakings have been complied with and been enforced by the Company in accordance with the terms.

Deed of Non-competition of Executive Directors and Non-executive Directors

To safeguard the Group from any potential competition from our executive Directors and non-executive Directors, each of our executive Directors and non-executive Directors has entered into the deed of non-competition dated 10 March 2025 (the **“Directors’ Deed of Non-competition”**) in favour of our Company (for itself and as trustee for each of our subsidiaries) to provide certain non-competition undertakings. Ms. Han Yanhong, who joined the Board as an executive Director on 21 November 2025, also provided similar non-competition undertakings to the Group in the service agreement entered into between her and the Company.

Our Company will make appropriate disclosure regarding the compliance of the Directors’ Deed of Non-competition in its subsequent annual reports.

DIRECTORS’ PERMITTED INDEMNITY PROVISION

Under the articles of association of the Company, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has arranged appropriate directors’ and officers’ liability insurance coverage for the Directors and officers of the Group.

Report of the Directors

CHANGES OF DIRECTORS AND DIRECTORS' INFORMATION

There has been no changes to information which is required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OF THE COMPANY

As at 31 December 2025, the interests or short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO as defined below) which will be required to be notified to the Company and the Stock Exchange pursuant to 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 in that section, or which will be required, pursuant to Securities Dealing Code, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, were as follows:

Long positions in shares/underlying shares of the Company⁽¹⁾

Name of Director/chief executive	Capacity/nature of interest	Number and class of Shares ⁽²⁾	Percentage of interest in the Company ⁽³⁾
Mr. George Santos	Interested in controlled corporation ⁽⁴⁾	18,602,865 Shares (L)	3.16%
Mr. Hao Weisong	Beneficial owner ⁽⁵⁾	800,000 Shares (L)	0.14%
Ms. Wang Yanli	Beneficial owner ⁽⁵⁾	580,000 Shares (L)	0.10%

Notes:

- (1) These information is based on the information available to the Directors and chief executive (including such information as was available on the website of the Stock Exchange) and to the knowledge of the Directors and chief executive, as at 31 December 2025.
- (2) The letter "L" denotes the person's long positions in the Shares.
- (3) The percentages are calculated based on the total number of ordinary shares of the Company in issue as at 31 December 2025, which was 589,435,200.
- (4) Mr. George Santos had a deemed interest of 18,602,865 Shares held by Redstone Alumina International Pte. Ltd., a company 100% owned by Mr. George Santos, within the meaning of Part XV of the SFO.
- (5) On 10 March 2025, the Company conditionally approved and adopted Share Option Scheme pursuant to Chapter 17 of the Listing Rules. As disclosed in the Company's announcement dated 24 July 2025, Mr. Hao Weisong and Ms. Wang Yanli were granted 800,000 and 580,000 Share Options, respectively, under the Share Option Scheme, and are accordingly regarded as beneficial owners of such Share Options.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the Reporting Period.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES OF THE COMPANY

As at 31 December 2025, the following parties (other than the Directors and chief executive of the Company as disclosed above) had interests of 5% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long Positions in Shares/Underlying Shares of the Company ⁽¹⁾

Name of substantial Shareholders	Capacity/nature of interest	Number and class of Shares ⁽²⁾	Percentage of interest in the Company ⁽³⁾
Nanshan Village Committee ⁽⁴⁾	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
Mr. Song Jianbo ^{(4) (5)}	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
Ms. Sui Yongqing ⁽⁶⁾	Interest of spouse	353,454,455 Shares (L)	59.96%
Nanshan Group ⁽⁴⁾	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
Yili Electric ⁽⁴⁾	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
Nanshan Aluminium ⁽⁴⁾	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
NAS ⁽⁴⁾	Interest in controlled corporation	353,454,455 Shares (L)	59.96%
NAIHL ⁽⁴⁾	Beneficial owner	353,454,455 Shares (L)	59.96%
Mr. Koon Poh Keong ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
Ms. Khoo Ee Pheng ⁽⁸⁾	Interest of spouse	127,942,680 Shares (L)	21.71%
Paul Koon Foundation ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
Paul Koon Pte. Ltd. ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
KPK Holdings (L) Ltd. ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
Alpha Milestone Sdn. Bhd. ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
Press Metal ⁽⁷⁾	Interest in controlled corporation	127,942,680 Shares (L)	21.71%
PMIRHK ⁽⁷⁾	Beneficial owner	127,942,680 Shares (L)	21.71%

Notes:

- (1) These information is based on the information available to the Directors and chief executive (including such information as was available on the website of the Stock Exchange) and to the knowledge of the Directors and chief executive, as at 31 December 2025.
- (2) The letter "L" denotes the person's long positions in the Shares.
- (3) The percentage is calculated based on the total number of issued ordinary shares of the Company as at 31 December 2025, being 589,435,200 shares.
- (4) NAIHL is wholly-owned by NAS, which is in turn wholly-owned by Nanshan Aluminium. Nanshan Aluminium is owned as to 22.48% by Yili Electric and 20.30% by Nanshan Group. Yili Electric is wholly-owned by Nanshan Group. Nanshan Group is owned as to 51.0% by the Nanshan Village Committee and 49.0% by Mr. Song Jianbo. Accordingly, NAS, Nanshan Aluminium, Yili Electric, Nanshan Group, Nanshan Village Committee and Mr. Song Jianbo are therefore be deemed or taken to be interested in the Shares in which NAIHL is interested pursuant to the SFO.

Report of the Directors

- (5) For the purpose of relevant disclosure obligations, Mr. Song Jianbo is deemed to be interested in the Shares held by NAIHL in our Company since he holds one-third voting power of Nanshan Group pursuant to the SFO. However, Mr. Song Jianbo is not regarded as a Controlling Shareholder of the Company under the Listing Rules.
- (6) For the purpose of relevant disclosure obligations, Ms. Sui Yongqing is the spouse of Mr. Song Jianbo. Ms. Sui Yongqing is therefore deemed to be interested in the Shares in which Mr. Song Jianbo is interested pursuant to the SFO. However, Ms. Sui Yongqing is not regarded as a Controlling Shareholder of the Company under the Listing Rules.
- (7) PMIRHK was wholly-owned by Press Metal. Accordingly, Press Metal is therefore deemed or taken to be interested in the Shares in which PMIRHK is interested pursuant to the SFO.
- (8) For the purpose of relevant disclosure obligations, Ms. Khoo Ee Pheng is the spouse of Mr. Koon Poh Keong. Ms. Khoo Ee Pheng is therefore deemed to be interested in the Shares in which Mr. Koon Poh Keong is interested pursuant to the SFO.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors or chief executives of the Company and/or any of their respective associates) had any interest and short position in the shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or to the Model Code.

CONTINUING CONNECTED TRANSACTIONS

Connected Persons

- (i) Nanshan Aluminium is a company established in the PRC with limited liability and is listed on the Shanghai Stock Exchange (stock code: 600219). Nanshan Aluminium Group is an integrated aluminium group, and principally engaged in the provision of cold-rolled products, hot-rolled products, aluminium profiles, alloy ingots and aluminium foils. It is ultimately owned as to approximately 59.96% of the issued share capital of the Company as at 31 December 2025 through various intermediate holding companies. Accordingly, Nanshan Aluminium is a Controlling Shareholder of the Company and therefore a connected person of the Company under the Listing Rules.
- (ii) Press Metal is a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 8869) and is principally engaged in the manufacturing and trading of primary, value-added and extruded aluminium products. Press Metal indirectly holds approximately 21.71% of the issued share capital of the Company as at 31 December 2025 through its wholly-owned subsidiary, PMIRHK. Accordingly, Press Metal is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules.
- (iii) Mr. George Santos is a non-executive Director of the Company. As such, he is a connected person of the Company under the Listing Rules.
- (iv) Mr. Santony is the father of Mr. George Santos. Therefore, Mr. Santony is an associate of Mr. George Santos and a connected person of the Company under the Listing Rules.
- (v) MKU is a company incorporated in Indonesia and is primarily engaged in mining and excavation of bauxite, aluminium and other minerals, and trading in metals and metal ores. MKU, being owned as to 99% by Mr. Santony and 1% by Mr. George Santos, is an associate of Mr. George Santos, and therefore a connected person of the Company under the Listing Rules.

- (vi) The Santony Family, comprising Mr. Santony, Mr. George Santos and their respective affiliates, is principally engaged in bauxite mining, construction services, agency and trading, and other businesses. Mr. Santony operates certain bauxite mines in Indonesia and has extensive local business network. Mr. Santony holds 2.3% equity interest in BAI through MKU, a company controlled by Mr. Santony.

Continuing Connected Transactions Exempt from Independent Shareholders' Approval Requirement

1. Technical Support Framework Agreement

Principal terms

On 10 March 2025, the Company (for itself and as trustee for each member of the Group) entered into a technical support framework agreement with Nanshan Aluminium (for itself and as trustee for each member of Nanshan Aluminium Group, excluding the Group) (the **"Technical Support Framework Agreement"**), pursuant to which Nanshan Aluminium Group (excluding the Group) shall provide on-demand technical support services as the Group may request from time to time. Such services include, among others, technical service on equipment construction, installation and testing, on-site technical repair and maintenance guidance services, through specialists and technical personnel to assist in the production of alumina products, research and development support for alumina production technology, product inspection and quality control, product improvement, skills training and assessment, scientific and technological personnel and technical personnel training. Its term is for a period commencing from the Listing Date and ending on 31 December 2027 (both dates inclusive).

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately RMB32.0 million for FY2025 (FY2024: RMB45.0 million).

Annual caps

The annual caps under the Technical Support Framework Agreement are RMB40.0 million (equivalent to US\$5.6 million), RMB45.0 million (equivalent to US\$6.3 million) and RMB50.0 million (equivalent to US\$7.0 million) for each of the years ending 31 December 2025, 2026 and 2027, respectively.

2. Construction Services Framework Agreement

Principal terms

On 10 March 2025, the Company (for itself and as trustee for each member of the Group) entered into a construction services framework agreement (the **"Construction Services Framework Agreement"**) with Mr. George Santos, Mr. Santony and MKU (for itself and as trustee for each member of MKU and its subsidiaries and affiliates (**"MKU Group"**)), pursuant to which the MKU Group shall provide construction services to the Company, which include reservoir construction, water tunnel and asphalt road project, passing pipe culvert project, commercial area exhibition hall project, reinforcement of high-tension iron tower foundation and batching plant brick project. Its term is for a period commencing from the Listing Date to 31 December 2027 (both dates inclusive), renewable for a further period of three years by mutual agreement subject to compliance with the Listing Rules and applicable laws and regulations.

Historical transaction amount

The aggregate historical transaction amount paid by the Group during FY2025 was approximately IDR56,327.2 million (FY2024: IDR62,453.8 million).

Annual caps

The annual caps under the Construction Services Framework Agreement are IDR148,500.0 million (equivalent to US\$9.1 million), IDR22,000.0 million (equivalent to US\$1.3 million) and IDR11,000.0 million (equivalent to US\$0.7 million) for each of the years ending 31 December 2025, 2026 and 2027, respectively.

Report of the Directors

Non-exempt Continuing Connected Transactions

3. Procurement Framework Agreement

Principal terms

On 10 March 2025, the Company (for itself and as trustee for each member of the Group) entered into a procurement framework agreement with Nanshan Aluminium (for itself and as trustee for each member of Nanshan Aluminium Group, excluding the Group) (the **"Procurement Framework Agreement"**), pursuant to which the Group will purchase equipment, machines, spare parts, auxiliary materials, consumables and other items and services (collectively, the **"Items"**) that are to be used by the Group in its production and operations. Prior to each relevant procurement, relevant members of the Group and Nanshan Aluminium Group (excluding the Group) will enter into specific procurement agreements and/or confirmatory documents (such as orders). Its term is for a period commencing from the Listing Date to 31 December 2027 (both dates inclusive), and may be renewed for a further period of three years by mutual agreement subject to compliance with the Listing Rules and applicable laws and regulations.

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately RMB420.3 million for FY2025 (FY2024: RMB104.4 million).

Annual caps

The maximum aggregate transaction amounts under the Procurement Framework Agreement shall not exceed RMB1,400.0 million (equivalent to US\$195.2 million), RMB500.0 million (equivalent to US\$69.7 million) and RMB200.0 million (equivalent to US\$27.9 million) for FY2025, FY2026 and FY2027 respectively.

4. Raw Material Master Purchase Agreement and Bauxite Supply Framework Agreement

(a) Raw Material Master Purchase Agreement

Principal terms

On 10 March 2025, the Company (for itself and as trustee for each member of the Group) entered into the framework agreement with Mr. George Santos (for himself and as trustee of its affiliates) (the **"Raw Material Master Purchase Agreement"**), pursuant to which Mr. George Santos agrees to, or procures Santos Affiliates to source or provide, certain raw materials including bauxite, coal and other raw materials (the **"Raw Materials"**) and relevant shipping and logistic services as arranged by Santos Affiliates including providing freight forwarding services and arranging transportation of the Raw Materials to the port and various miscellaneous items, consumables and other goods such as concrete, diesel fuel, gas, plastic barrel and scrap material to the Company, as part of its normal and ordinary course of business. Its term is for a period commencing from Listing Date and ending 31 December 2027 (both dates inclusive), renewable for a further period of three years by mutual agreement subject to compliance with the Listing Rules and applicable laws and regulations.

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately US\$17.0 million for FY2025 (FY2024: US\$23.1 million).

(b) Bauxite Supply Framework Agreement

Principal terms

On 10 March 2025, the Company (for itself and as trustee for each member of the Group) entered into a bauxite supply framework agreement (the **"Bauxite Supply Framework Agreement"**) with Mr. Santony and MKU (for themselves and as trustee for each member of Mr. Santony, MKU and/or their affiliates (**"Santony/ MKU Affiliates"**)), pursuant to which, relevant members of the Group (including BAI) shall purchase metallurgical grade bauxite which shall be directly supplied by Santony/MKU Affiliates. Its term is for a period commencing from the Listing Date to 31 December 2027 (both dates inclusive), renewable for a further period of three years by mutual agreement subject to compliance with the Listing Rules and applicable laws and regulations.

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately US\$66.7 million for FY2025 (FY2024: US\$15.2 million).

Annual caps

The aggregate annual caps for both the Raw Material Master Purchase Agreement and the Bauxite Supply Framework Agreement are US\$143.0 million, US\$204.1 million and US\$255.3 million for FY2025, FY2026 and FY2027 respectively, comprising annual caps of US\$23.0 million, US\$24.1 million, and US\$15.3 million under the Raw Material Master Purchase Agreement, and annual caps of US\$120.0 million, US\$180.0 million, and US\$240.0 million under the Bauxite Supply Framework Agreement, respectively.

5. Alumina Sales Contract

Principal terms

On 13 November 2024, BAI entered into an alumina sales contract with Press Metal, subsequently novated by Press Metal to Press Metal Bintulu Sdn. Bhd. (“PMB”) on 14 January 2025 (the “**Alumina Sales Contract**”), which provides the mechanism for the operation of sale and purchase of sandy calcined metallurgical grade alumina. It is envisaged that from time to time as required, individual sale agreements will be entered into between BAI and PMB. Each sale agreement for the sale and purchase of alumina from the alumina production projects will set out, among others, the specifications, price, payment terms, shipment schedules, delivery terms, and other usual conditions (including those dealing with weights and assays, title and risk, insurance requirements and termination rights) provided that such terms and conditions must be on normal commercial terms. The Alumina Sales Contract shall govern the sale and purchase of alumina from 1 January 2025 onwards. Its term is for a period of 10 years commencing from 1 January 2025, provided that the parties agree to renegotiate the terms if Press Metal ceases to be a shareholder of BAI (whether direct or indirect).

Historical transaction amounts and volumes

For FY2025, the Group recorded alumina sales revenue of approximately US\$419.5 million and sales volume of approximately 957,800 tons (FY2024: sales revenue of approximately US\$485.9 million and sales volume of approximately 1,040,300 tons).

Annual caps

The maximum aggregate annual transaction volume under the Alumina Sales Contract shall not exceed 1,050,000 tons for the financial year ending 2025, and 1,575,000 tons per annum for each of the financial years from 2026 to 2035.

For details of the above continuing connected transactions, please refer to the section headed “Connected Transactions” of the Prospectus.

The INEDs have confirmed that the continuing connected transactions are conducted in accordance with Rule 14A.55 of the Listing Rules. The INEDs have reviewed the continuing connected transactions and have confirmed that:

- (a) the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group;
- (b) the continuing connected transactions have been entered into on normal commercial terms or terms better to the Group than terms available to or from independent third parties; and
- (c) the terms of the agreement governing each of the continuing connected transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Report of the Directors

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unmodified letter containing their findings and conclusions in respect of the continuing connected transactions.

In respect of the continuing connected transactions disclosed (the **"Disclosed Continuing Connected Transactions"**), the Company's auditor confirmed that:

- a. nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have not been approved by the Company's board of directors.
- b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- c. nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d. with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have exceeded the annual cap as set by the Company.

The Board confirms that, during the Reporting Period, the Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of each of the connected transactions and continuing connected transactions set out above.

RELATED PARTY TRANSACTIONS

Related party transactions during the Reporting Period were disclosed in note 27c to the consolidated financial statements. They include the above connected transactions under the Listing Rules.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the subsection headed "Continuing Connected Transactions" in this section, during FY2025, none of the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholders or any of its subsidiaries, and there is no contract of significance in relation to provision of services by the Controlling Shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

SHARE OPTION SCHEME

On 10 March 2025, the Company conditionally approved and adopted the Share Option Scheme in accordance with the provision of Chapter 17 of the Listing Rules.

Purpose of Share Options Scheme

The purpose of the Share Option Scheme is to incentivise and reward participants of the Share Option Scheme (“**Participants**”) who have contributed or may contribute to our Group and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and the Shareholders as a whole.

Eligible Participants

The Participants include (i) any director, employee or consultant of any member of our Group (including persons who are granted options(s) under this Share Option Scheme as an inducement to enter into employment contracts with any member of our Group) and, for the avoidance of doubt, excludes any former employee unless such person qualifies as a Participant in some other capacity; and (ii) any director, employee or consultant of the holding companies, fellow subsidiaries or associated companies of our Company, who our Board considers, in its sole discretion, have contributed or will contribute to our Group.

The eligibility of any of the Participants for grant(s) of share options shall be determined by our Board from time to time on the basis of our Board’s opinion as to the Participant’s contribution to the success of our Group’s operations.

Total Number of Shares Available for Issue and Percentage

The total number of Shares which may be issued in respect of all options to be granted under the Share Option Scheme and any other scheme(s) of our Company must not in aggregate exceed 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 58,823,530 Shares) (the “**General Scheme Limit**”).

Within the General Scheme Limit, the total number of Shares which may be issued in respect of all options to be granted to the Service Providers under the Share Option Scheme and any other schemes shall not in aggregate exceed 1% of the number of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (the “**Service Provider Sublimit**”). The General Scheme Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders’ approval for the last refreshment (or the adoption date).

As at the date of this annual report, the total number of securities available for issue under the Scheme was 35,103,530 Shares, representing approximately 5.7% of the issued Shares (excluding treasury shares).

Maximum Entitlement of Each Eligible Participant

The total number of shares issued and to be issued upon exercise of Options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

Period within which the Option may be exercised

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

Report of the Directors

Vesting Period

The Share Options to be granted under the Share Option Scheme shall be subject to a minimum vesting period of 12 months during which unvested Share Options shall not become vested and exercisable. Any shorter vesting period in respect of Share Options granted to Participants must be approved by the Board and/or the Remuneration Committee (for Share Options granted to the Directors or senior managers) at the Directors' discretion.

Performance Targets

Share Options granted under the Scheme may or may not be attached with performance targets. Among the Share Options granted on 24 July 2025: (i) the first tranche of 11.12% of the Share Options granted have no performance target attached, and the grant was based on the past performance and potential of the Grantees, their experiences in the Group's business, and their contributions to the business development of the Group; and (ii) the remaining 88.88% of the Share Options granted are subject to performance targets determined with reference to, including but not limited to, length of continued employment, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance, appraisal on contribution to the Group, and other key performance indicators as determined by the Board. The Board or the Remuneration Committee (if authorised by the Board) may in its absolute discretion set performance targets to be achieved before the exercise of Share Options granted to the Grantees.

Clawback Mechanism

The Share Options granted will be subject to the clawback mechanism as set out in the terms of the Share Option Scheme. In particular, in the event of cessation of a Grantee's service or employment with the Group or the related entities by reason of, among others, willful disobedience of a lawful and reasonable order, misconduct, fraud or dishonesty, or habitual negligence in performance of his/her duties, the Board may at its absolute discretion forfeit all the outstanding Share Options granted to the relevant Grantees but not yet vested and exercised without the approval or consent by the relevant Grantee.

Amount Payable on Acceptance

The amount payable by the grantee of a Share Option to the Company on acceptance of the offer for the grant of a Share Option is HKD1.00.

Basis of Determining the Exercise Price

The exercise price shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Option is offered to a Participant (the "Offer Date"), which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date; and (iii) the nominal value of a share on the date of grant of the Share Option, provided that in the event of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cent.

Remaining Life of the Scheme

As at 31 December 2025, the remaining life of the Share Option Scheme is approximately 9.3 years.

Report of the Directors

Movements of Options during the Reporting Period

During the Reporting Period, the Company granted Share Options under the Scheme, and subsequently part of the Share Options lapsed. Details of the movements of the Share Options for the year ended 31 December 2025 are as follows:

Name/Category of Grantees	Date of grant	Number of options granted	Exercise price per Share option (HK\$)	Closing price immediately before the date of grant (HK\$)	Vesting period	Exercise period	Outstanding as at 2025/1/1	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at 2025/12/31
Mr. Hao Weisong (Director)	2025/7/24	800,000	39.60	40.45	2026/7/24–2034/7/24 ^{Note 3}	2026/7/24–2035/7/23 ^{Note 3}	–	800,000	–	–	–	800,000
Ms. Wang Yanli (Director)	2025/7/24	580,000	39.60	40.45	2026/7/24–2034/7/24 ^{Note 3}	2026/7/24–2035/7/23 ^{Note 3}	–	580,000	–	–	–	580,000
Related Entity Participants ^{Note 1}	2025/7/24	3,280,000	39.60	40.45	2026/7/24–2034/7/24 ^{Note 3}	2026/7/24–2035/7/23 ^{Note 3}	–	3,280,000	–	–	–	3,280,000
Other Employee Participants ^{Note 2}	2025/7/24	21,510,000	39.60	40.45	2026/7/24–2034/7/24 ^{Note 3}	2026/7/24–2035/7/23 ^{Note 3}	–	21,510,000	–	2,450,000	–	19,060,000
Total							–	26,170,000	–	2,450,000	–	23,720,000

- The related entity participants are senior management, senior technical and professional staff from a variety of expert fields of Nanshan Group Co., Ltd.* (南山集團有限公司) and its subsidiaries who are related entities participants as defined under Rule 17.03A(1)(b) of the Listing Rules (**"Related Entity Participants"**) and provide technical and professional support to the Group. Nanshan Group is a controlling shareholder of the Group.
- Other employee participants refer to directors or employees of the members of the Group who are neither a Director, chief executive nor substantial shareholder of the Company nor an associate of any of them (**"Other Employee Participants"**).
- Approximately 11.12% of the share options granted to each of the grantees shall be vested on 24 July 2026, 24 July 2027, 24 July 2028, 24 July 2029, 24 July 2030, 24 July 2031, 24 July 2032, 24 July 2033, and 24 July 2034 respectively.

On 24 July 2025, a total of 26,170,000 Share Options were granted by the Company under the Share Option Scheme to certain eligible participants to subscribe for 26,170,000 Shares of the Company, including 800,000 Share Options granted to Mr. Hao Weisong, an executive Director, and 580,000 Share Options granted to Ms. Wang Yanli, a non-executive Director. For details, please refer to the announcement of the Company dated 24 July 2025.

Saved as disclosed above, to the best knowledge of the Directors, as at 31 December 2025, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with Share Options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D(1) of the Listing Rules; and (iii) a related entity participant or service provider (as defined in the Listing Rules) with Share Options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

The Fair Value of Options and Awards at the Date of Grant and the Accounting Standard and Policy Adopted

The fair value of the Share Options at the date of grant (24 July 2025) was approximately HK\$379,100,000 in total, which was calculated in accordance with HKFRS Accounting Standards using The Black-Scholes Option Pricing Model. The key assumptions used included: risk-free interest rate of 3.13%, expected volatility of 48.30%, expected dividend yield of 4.16%, etc. Please refer to note 22 to the consolidated financial statements on the key assumptions and inputs and how such key assumptions and inputs were determined.

Report of the Directors

Number of Options Available for Grant

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Reporting Period were 0 and 35,103,530, respectively. The number of options available for grant under the service provider sublimit of the Share Option Scheme at the beginning and the end of the Reporting Period were 0 and 5,882,353, respectively.

Shares Issuable Percentage

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period is 26,170,000 Shares, divided by the weighted average number of Shares for the year ended 31 December 2025 (excluding treasury shares) was approximately 4.6%.

REMUNERATION COMMITTEE REVIEW

The Remuneration Committee has reviewed and approved the grant of Share Options to Directors and senior management during the Reporting Period. On 24 July 2025, the Company granted 800,000 Share Options to Mr. Hao Weisong (Chairman of the Board, executive Director, chief executive officer and general manager) and 580,000 Share Options to Ms. Wang Yanli (Non-executive Director). The Remuneration Committee considers such grants appropriate, with the determination taking into account, among other factors, the grantees' positions, past performance, experience in and contributions to the Group's business. The grant of Share Options aligns the interests of the Grantees with those of the Group, recognises their contributions, and is consistent with the purpose of the Share Option Scheme. Although the first 11.2% of Share Options granted to the Directors and/or senior managers were not attached with performance targets, taking into account (i) the value of the Share Options is linked to the future market price of the Shares, which, in turn, depends on the business performance of the Group, the relevance grantees will be incentivised to directly contribute to the business performance of the Group, so as to enhance the long-term value of the Shares; and (ii) the Options are subject to the vesting schedule as specified and may lapse if the Grantee ceases to be an eligible participant under the Share Option Scheme, the Remuneration Committee is of the view that the grant of Options of such portion without performance targets serves to recognize the past contributions by the Grantees, is market competitive and aligns with the purpose of the Share Option Scheme.

The Company by resolution in a general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Option will be offered but Option granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

For details of the Share Option Scheme, please refer to the principal terms summarised in the section headed "D. Other Information — 1. Share Option Scheme" in Appendix V of the Prospectus.

PENSION SCHEMES

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a defined contribution pension scheme centrally operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The only obligation of the Group with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The subsidiaries of the Group in Indonesia contribute to a statutory retirement scheme comprising both defined contribution and defined benefit components in compliance with Indonesian Labor Law. The Group contributes a certain fixed percentage of eligible employees' basic salaries to a state-managed defined contribution scheme. Under this scheme, there are no forfeited contributions available for the Group to reduce future contribution obligations. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees, and the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

Report of the Directors

The Group also provides post-employment defined benefits to their employees in conformity with the requirements of Indonesian Labor Law. As at 31 December 2025, the Group's total defined benefit obligations were approximately US\$395,000 (FY2024: approximately US\$339,000). No plan assets were maintained and no funding was allocated to cover these obligations. The Group believes its internal financial resources are sufficient to meet these obligations as they become due, and there was no material surplus or deficiency related to the defined benefit scheme as at 31 December 2025.

Details regarding these defined benefit obligations are disclosed in Note 21 to the consolidated financial statements.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong) ("**MPF Scheme**") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

DONATIONS

During the Reporting Period, the Group made charitable and other donations of approximately USD39,000 (FY2024: nil).

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the Reporting Period.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Company's listed securities.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group maintains good corporate governance and operates with integrity through abidance by relevant laws and regulations, industry rules and business ethics. During the Reporting Period, the Company had not been and was not a party to any material legal, arbitral or administrative proceedings, and the Company was not aware of any pending or threatened legal, arbitral or administrative proceedings against the Company or any of the Directors which could have a material adverse effect on the Company's operations or financial condition.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group recognises the importance of environmental protection and adopts stringent measures for environmental protection in order to ensure compliance to the prevailing environmental protection laws and regulations.

Given the nature of operations of the Group, the Group believes the Group is not subject to material environmental liability risk or compliance costs.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the "Environmental, Social and Governance Report", which is set out on pages 60 to 119 on this annual report and to be issued on the same date of this annual report.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at 31 December 2025, the Company has maintained a sufficient public float for the issued Shares as required under the Listing Rules. As at 31 December 2025, the Company's public float was 15.17% of its total issued Shares.

Changes in the Share Capital of the Company

	As at the Listing Date		Subsequent increase/decrease during the Reporting Period (+, -)			As at 31 December 2025	
	Number	%	New shares issued	Others	Subtotal	Number	%
Ordinary shares	588,235,300	100	+1,199,900	—	+1,199,900	589,435,200	100
Total	588,235,300	100	+1,199,900	—	+1,199,900	589,435,200	100

Shareholdings of Substantial Shareholders

As at the end of the Reporting Period, there were a total of 9 registered Shareholders. Actual number of Shareholders is much greater as many shares are held through intermediaries including Central Clearing and Settlement System of Hong Kong. As at the date of this annual report, based on the information publicly available to the Company and to the knowledge of the Directors, the public float of the Company satisfied the minimum requirements under the Listing Rules, taking into account the waiver granted by the Stock Exchange permitting the Company to maintain a public float of not less than 15.17% of its issued Shares.

Shareholdings of the registered Shareholders

Name of registered Shareholders	Number of Shares held as at the end of the Reporting Period	Percentage as at the end of the Reporting Period	
		In total share capital (Approximate %)	In relevant class of Shares (Approximate %)
HKSCC Nominees Limited ^(Note 1)	322,888,045	54.78 ^(Note 2)	54.78 ^(Note 2)
NAIHL ^(Note 1)	120,000,000	20.35	20.35
Press Metal ^(Note 1)	127,942,680	21.71	21.71
Redstone Alumina International Pte. Ltd.	18,602,865	3.16	3.16
Others	1,610	—	—
	589,435,200	100.00	100.00

Notes:

- Please refer to the section headed "Report of the Directors — Substantial Shareholders' Interests in Shares of the Company" for the number of shares beneficially owned by NAIHL and Press Metal, where a portion of such shares were held under the name of HKSCC Nominees Limited.
- This includes 15.17% of shareholders who are members of "the public" under the Main Board Listing Rules.

Report of the Directors

EVENTS AFTER THE REPORTING PERIOD

Regarding the material events subsequent to 31 December 2025, please refer to the paragraph headed “Management Discussion and Analysis — Events after the Reporting Period” in this annual report for more details.

LITIGATION

During the Reporting Period, no member of the Group was involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

BUSINESS REVIEW

Detailed business review and outlook and future plans are set out in the section of “Management Discussion and Analysis” in this annual report from pages 6 to 8. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed “Corporate Governance Report” from pages 19 to 39 of this annual report.

AUDITOR

The consolidated financial statements for Reporting Period were audited by KPMG and they have issued an unqualified opinion. KPMG shall retire and, being eligible, offer themselves for re-appointment at the annual general meeting. A resolution to reappoint KPMG as auditor of the Company and to authorise the Directors to fix the auditor’s remuneration will be proposed at the forthcoming annual general meeting. There has been no change in auditor during the Reporting Period.

By Order of the Board
Nanshan Aluminium International Holdings Limited
Mr. Hao Weisong
Chairman

Hong Kong, 26 March 2026

CONTENTS

•	ABOUT THE REPORT	61
	1. ESG Governance	62
	1.1 ESG Governance Structure	62
	1.2 Communication with Stakeholders	63
	1.3 Analysis of Material Issues	65
	2. Responsibility Governance	66
	2.1 Corporate Governance	66
	2.2 Risk Management	67
	2.3 Business Ethics	67
	2.4 Information Security	68
	3. Product Responsibility	70
	3.1 Product Quality	70
	3.2 Customer Service	74
	3.3 Responsible Supply Chain	76
	4. Harmonious Ecology	83
	4.1 Climate Change Response	83
	4.2 Environmental Management	91
	4.3 Resource Utilization	98
	5. Putting People First	100
	5.1 Employment	100
	5.2 Employee Care	106
	5.3 Production Safety	108
	6. Giving Back to Society	111
	6.1 Community Protection	111
	6.2 Public Charity	112
	7. Appendix	114
	7.1 ESG Policies and Key Systems	114
	7.2 HKEX ESG Reporting Guide Content Index	115

ABOUT THE REPORT

This Environmental, Social and Governance Report is the second ESG Report (hereinafter referred to as the **“Report”** or the **“ESG Report”**) released by Nanshan Aluminium International Holdings Limited (hereinafter referred to as **“Nanshan Aluminium International”**, **“we/us”** or the **“Company”**). The Report is designed to give an objective and true view of the Company’s strategies, policies, measures and achievements in terms of sustainable development, and focuses on the disclosure of the Company’s information in environmental, social and governance (hereinafter referred to as **“ESG”**) aspects.

Basis of Preparation

The Report has been prepared pursuant to the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the **“Hong Kong Stock Exchange”**).

Reporting Cycle

From 1 January 2025 to 31 December 2025 (hereinafter referred to as the **“Reporting Period”** or the **“Year”**), but certain information may relate to periods beyond the Reporting Period.

Reporting Boundary

The reporting scope of the Report covers Nanshan Aluminium International Holdings Limited (02610.HK) and its subsidiaries, which is in line with the 2025 annual report of the Company.

Source of Information and Guarantee for Reliability

Unless otherwise stated, data contained herein are derived from the internal information, investigation and interview records and relevant documents of the Company. The Board of the Company undertakes that the Report contains no false information or misleading statement, and is responsible for its truthfulness, accuracy and completeness.

Confirmation and Approval

The Report has been approved by the Board on 26 March 2026 upon confirmation by the management.

Availability

The Report is incorporated in the 2025 annual report of the Company. Out of concern for environmental protection, we recommend you to read the electronic version which is available at the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company website (www.nanshanintl.com).



1. ESG Governance

Nanshan Aluminium International continues to optimize and improve its ESG governance structure, systematically promoting the Company's transition towards sustainable development. The Board actively plays a strategic leadership role, strengthening internal cross-departmental collaboration and operational efficiency, laying a solid governance foundation for sustainable development. The Company has deeply integrated ESG requirements into its corporate strategy and future development plans, committing to building an efficient and scientifically structured internal governance system.

1.1 ESG Governance Structure

Nanshan Aluminium International has fully integrated ESG requirements into its corporate strategy and future development plans, committed to building an efficient and scientifically structured internal governance system.

The Company has established an ESG governance structure with the Board of Directors at its core. Acting as the highest decision-making and oversight body for ESG matters, the Board is directly responsible for identifying and assessing ESG-related risks and opportunities, conducting materiality assessments, formulating ESG strategies and medium-to-long-term plans, and setting overall targets. It also regularly tracks implementation progress and target achievement to ensure the effective execution and continuous optimization of the ESG management system. Under the leadership of the Board, the Company utilizes a cross-departmental collaboration mechanism to systematically advance the execution, performance tracking, information disclosure, and continuous improvement of ESG initiatives. This ensures that ESG goals are embedded throughout the Company's operational processes, enhancing the professionalism, standardization and institutionalization of governance.

Based on this clearly defined ESG management structure, we have formulated and continue to refine ESG-related systems and policies in light of both internal operational realities and external sustainability requirements providing an institutional basis and an operational framework for standardized effective advancement of each work. These policy documents cover core areas of ESG governance — including emissions and resource management, climate change response, employee rights and occupational health and safety, and supply chain sustainability — providing an institutional basis and an operational framework for the advancement of relevant work.

Board Statement

Board Responsibilities

As the ultimate governing and decision-making body for the Company's ESG affairs, the Board fully oversees the strategic planning, risk management and decision-making deployment of major ESG matters, including the identification and response to climate change-related risks and opportunities, reviews and approves the Company's important ESG-related systems, medium-to-long-term development plans and annual ESG reports, and ensures that the ESG concept is effectively integrated into the Company's overall development direction and operation and management.

Materiality Analysis

The Company has established a diversified internal and external stakeholder communication mechanism, continuously conducts exchanges and feedback collection, and fully considers and incorporates stakeholders' opinions and suggestions from all parties. On this basis, it systematically identifies and assesses ESG material issues to ensure that relevant issues are consistent with the Company's development direction and stakeholders' concerns, providing support for the steady advancement of the ESG strategy and the achievement of sustainable development goals.

ESG Risk Governance

The Company closely follows the international ESG development trends and industry dynamics, and systematically identifies and manages ESG risks related to the Company's operations. The Board analyzes the Company's ESG risks every year and provides decision support, and continuously supervises the implementation of risk response measures. Based on the actual effectiveness of risk management, the board of directors dynamically reviews and timely adjusts the Company's sustainable development direction to ensure the long-term stable development of the enterprise.

1. ESG Governance

1.2 Communication with Stakeholders

Nanshan Aluminium International adheres to the principles of openness and transparency, actively engaging in two-way communication with stakeholders and establishing systematic, regular communication and engagement mechanisms. The Company maintains regular dialogue with investors, employees, customers, suppliers, communities, governments, and industry organizations through diverse channels. We actively listen to their expectations and concerns, continuously advancing accountability practices and transparent disclosure. By doing so, we aim to build long-term, mutually trusting partnerships and co-create sustainable value.

Types of Stakeholders, Key Topics and Communication Channels

Stakeholders	Key Topics	Communication Channels
Governments/Regulatory Authorities	- Compliant operation - Business ethics & anti-corruption - Fair competition - Driving economic growth and social development - Green and low-carbon transformation and production capacity layout - Environmental compliance management - Pollutant and waste management - Biodiversity protection	- Information submission - Documents exchange - Institutional visit - Government meetings - Company's regular disclosure - Policy explanation session
Investors/Shareholders	- Compliant operation - Enterprise's revenue capability - Corporate governance and risk management - Business ethics & anti-corruption - Communication with stakeholders - Product and service safety and quality	- Convening shareholders' general meetings - Company research, roadshow & reverse roadshow - Publishing periodic reports and holding earnings conference call - Investor hotline & email - HKEx's interactive platform
Suppliers	- Fair competition - Industrial standard establishment - Development of supply chain management	- Strengthening supply chain management and cooperation - Participating in industrial activities - Public complaint hot-line and email

1. ESG Governance

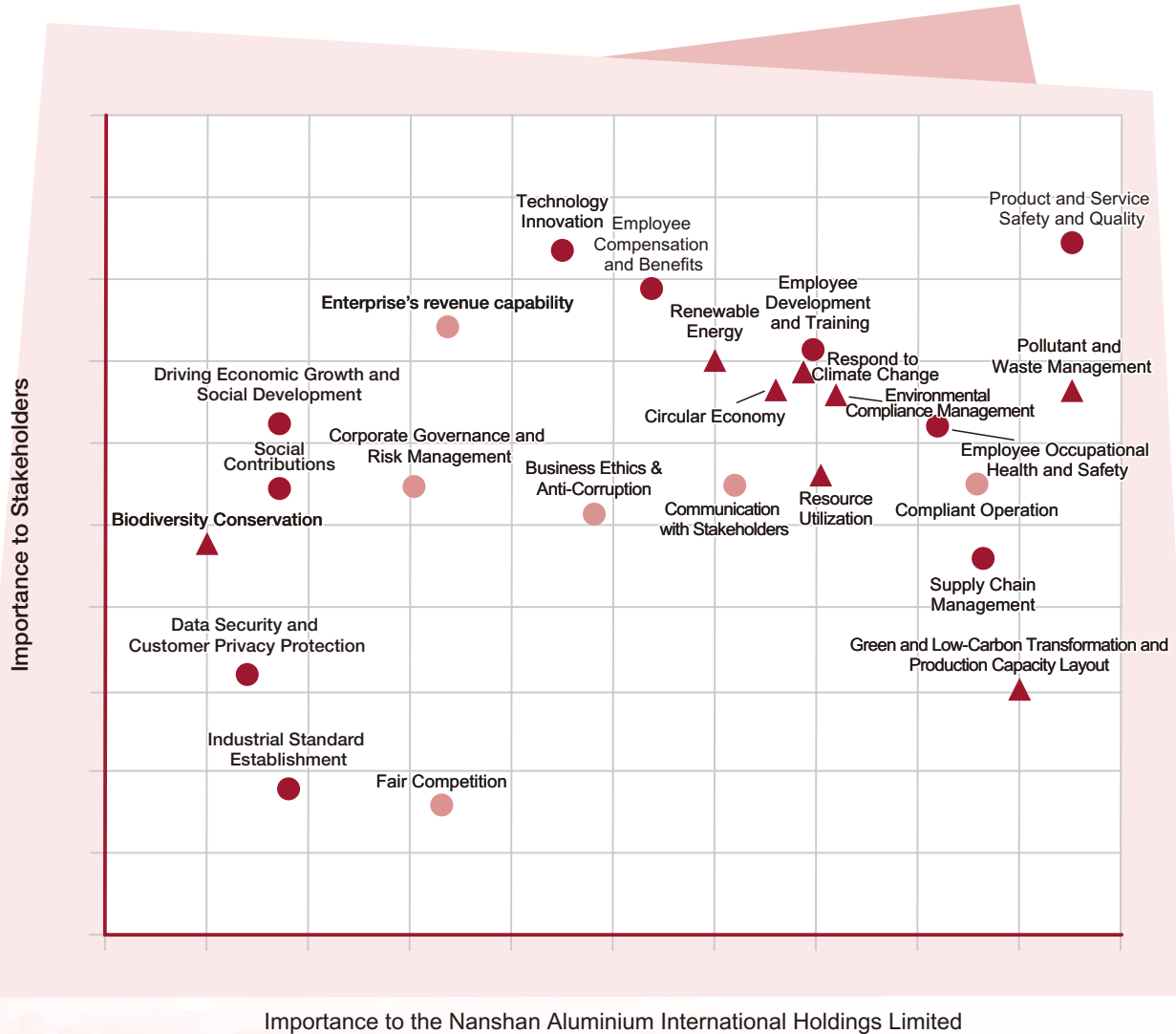
Stakeholders	Key Topics	Communication Channels
Customers	- Product and service safety and quality - Data security and customer privacy protection - Green and low-carbon transformation and production capacity layout - Renewable energy - Supply chain management and development	- Collecting customer feedback - Handling customer complaints - Conducting customer satisfaction surveys
Society/the Public	- Driving economic growth and social development - Social contributions - Pollutant and waste management - Biodiversity conservation	- Maintaining communication with government departments and social organizations - Public complaint hot-line and email
Employees	- Employee compensation and benefits - Employee development and training - Occupational health and safety for employees - Business ethics & anti-corruption	- Providing employees with training - Collecting and responding to employee opinions and suggestions - Internal whistle-blowing channels

1. ESG Governance

1.3 Analysis of Material Issues

Under the guidance of the Board, Nanshan Aluminium International completed the 2025 materiality issues analysis based on feedback from all parties. During the process, we identified potential risks associated with each issue, assessed possible development opportunities, and provided a basis for the planning of subsequent ESG-related work.

2025 Nanshan Aluminium International's Material Issues Matrix



2. Responsibility Governance

Nanshan Aluminium International attaches great importance to the continuous optimization of its governance system. By refining internal structures and mechanisms, the Company strives to enhance governance effectiveness. The Company constantly improve our decision-making, supervision, and risk control systems, clarify roles and responsibilities, and boost operational efficiency. These efforts drive the evolution of governance toward greater transparency and robustness, providing solid support for the Company's long-term development.

2.1 Corporate Governance

Nanshan Aluminium International has built an efficient and scientifically structured corporate governance system, and strictly complies with the relevant laws, regulations and guidelines such as the Investment Law, the Indonesian Limited Liability Company Law and the Corporate Governance Code of the Hong Kong Stock Exchange, effectively ensuring the rationality, transparency and compliance of the Company's decision-making mechanism, and laying a solid governance foundation for sustainable development.

Nanshan Aluminium International has established a systematic governance structure consisting of the general meeting of shareholders, the Board and three board committees. Through a clear hierarchical authorisation and collaboration mechanism, it transmits and implements governance responsibilities at all levels, thus providing a solid institutional guarantee for the scientificity, standardization and sustainability of the Company's daily business activities.

In 2025, the Company held 1 general meeting of shareholders, which reviewed and approved 6 resolutions; and 5 meetings of the board of directors, with a 100% attendance rate of directors.

Governance Structure of Nanshan Aluminium International



We attach great importance to the rationality and scientificity of the board composition, continuously promote diversification and cultural integration, and constantly optimize the board structure. In the candidate selection process, we systematically evaluate multiple dimensions such as gender, age, educational background, industry experience and professional qualifications, and comprehensively assess their competence and team complementarity to continuously improve the overall decision-making level of the board and the efficiency of corporate governance.

As of the end of the Reporting Period, the Board of the Company consisted of 8 Directors, including 3 female directors (37.5%) and 3 independent non-executive directors (37.5%).

2. Responsibility Governance

2.2 Risk Management

Nanshan Aluminium International focuses on building a full-chain management system covering the entire process of risk identification, assessment, response, and monitoring. Through regular risk awareness and capacity-building programs, the Company ensures the effective implementation of its risk prevention and control mechanisms, thereby providing a solid foundation for its sustained, stable operations and long-term development.

Internal and External Risk Dimensions

Key Risks for Internal Operations

- Production and operations
- Employee health and safety
- Ecological environment
- Protection of human rights
- Cash flow

Potential External Macro Risks

- Customs
- Taxation
- Import and export
- Technology innovations
- Foreign exchange risk

2.3 Business Ethics

Nanshan Aluminum International strictly adheres to the business ethics and anti-corruption laws and regulations of its operating locations and international standards, including but not limited to, among others, the Anti-Unfair Competition Law, the Transparency International's Anti-Corruption Corporate Guidelines, the Republic of Indonesia's Anti-Bribery Law and Anti-Corruption Law. Based on these, the Company has formulated the PT. Bintan Alumina Indonesia Anti-Corruption and Anti-Bribery System, which clearly defines codes of conduct, division of responsibilities, and accountability mechanisms. Through continuous training, supervision and review, and transparent reporting, the Company systematically builds an honest and compliant operating environment.

We have established internal procedures such as the Financial Audit Management Policy and the Procurement Audit Management Policy, conducting regular integrity audits for personnel in key positions. These audits focus on nodes of power operation within critical business processes, emphasizing the verification of the authenticity of conflict-of-interest declarations, the compliance of commercial decisions and interactions, and the implementation status of relevant systems. The Audit Department handles audit results in accordance with regulations. For any suspected or confirmed violations of integrity standards identified during audits, the Company will conduct strict investigations and initiate formal inquiry procedures as required. Investigation results are reported through proper channels, and accountability measures are enforced to systematically prevent the occurrence of corruption, bribery, money laundering, unfair competition, and other non-compliant behaviors.

During the Reporting Period, the Company was not aware of any incidents violating business ethics internally, and no employees were involved in any lawsuits related to embezzlement.

The Company has established a systematic and incorruptible whistleblowing and protection mechanism, encouraging internal and external stakeholders to report (by name or anonymously) suspected corruption, bribery, abuse of power, improper benefit transfers, and other violations through multiple channels, including dedicated email, a whistleblowing hotline, and on-site mailboxes. The Company ensures that all reported information is independently investigated, promptly handled, and kept strictly confidential, and verified issues are seriously pursued according to regulations. To maintain the credibility of the whistleblowing mechanism, we strictly implement the Whistleblower Protection Policy, prohibiting any form of obstruction, interference, or retaliation. We protect whistleblower information comprehensively through technical and management measures. Additionally, recognising the importance of internal supervision, we provide corresponding rewards to whistleblowers based on the importance of the information provided, thereby continuously consolidating an open, transparent, and incorruptible compliant operating environment.

Report email for integrity matters

• baiyjx@nanshanbai.com

2. Responsibility Governance

We place high importance on internal integrity culture construction, continuously enhancing the compliance awareness and professional ethics of all employees through normalised, comprehensive integrity training and specialised education. For high-risk positions such as procurement and marketing, the Company conducts further specialised intensive training. The content closely focuses on job characteristics and business processes, deeply analysing potential risks like conflicts of interest, commercial bribery, and supply chain fraud, systematically enhancing relevant personnel's risk identification and compliant performance capabilities. Through this multi-level, differentiated integrity education system, the Company actively fosters a culture of integrity, lawfulness, and self-discipline, integrating integrity into the daily conduct of every employee.

During the Reporting Period and up to the date of this Report, the Company provided anti-corruption special training for all directors, with a 100% participation rate. Concurrently, the Company provided employees with an average of 1 hour of anti-corruption training per person, totalling 173 hours and covering 173 employees.

2.4 Information Security

Nanshan Aluminium International strictly complies with laws and regulations in its operating locations, such as the Personal Data Protection Law, and has systematically built an internal management system centred on the PT. Bintan Alumina Indonesia Information Security and Privacy Protection Policy. We have established a comprehensive information security governance structure and management system to ensure all related work is conducted compliantly within the legal framework, continuously strengthening the protection of the Company's and its related parties' information assets.

The Company has established a systematic internal information security management framework to operate responsibly and protect the rights of all parties. This system covers stringent account and access governance, technical de-identification and permission control for sensitive employee information, and defence-in-depth measures including endpoint protection, system hardening, and critical data backup. In terms of access rights management, we implement strict controls; all permissions require submission of a Network Information Department Business Application Form and approval through a process verifying business necessity, preventing redundant permissions for unrelated personnel. Simultaneously, we ensure the entire data transmission process is traceable. These institutionalised control measures, combined with regular awareness campaigns and audits, form the governance foundation for the Company to prevent internal risks and enhance operational resilience.

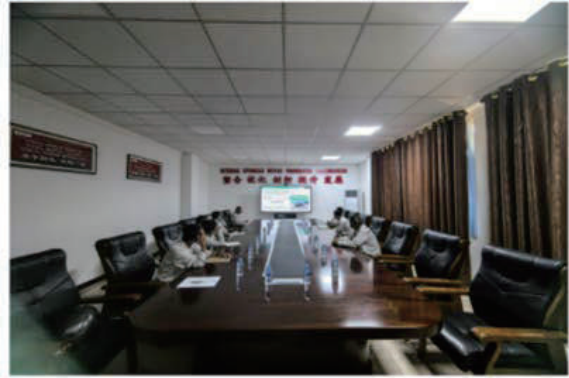
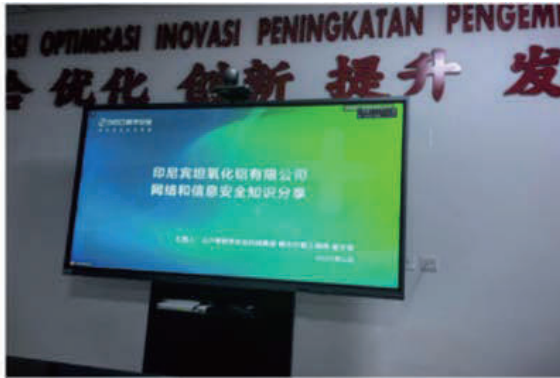
During the Reporting Period, the Company experienced no data security or information leakage incidents.

The Company places high importance on the continuous development of information security capabilities, fortifying its internal defences through systematic training and audit mechanisms. We regularly organise specialised safety awareness and skills training for all employees and key positions, and conduct practical attack-defence drills, effectively enhancing risk prevention and emergency response capabilities.

2. Responsibility Governance

Specialised Network Security Training

In 2025, to systematically enhance employees' network security awareness and prevention capabilities, the Company organised specialised network security training. We invited external security experts to conduct intensive lectures for heads of various business units, focusing on network threat landscapes, common attack methods, and daily protection points. Following the training, we required attending managers to convey the core content to all their staff, ensuring safety awareness education effectively cascaded down. This initiative aims to build a security culture of "management driving, all-employee participation", fortifying the internal risk prevention and control line through regular education and improving overall security protection levels.



3. Product Responsibility

Nanshan Aluminium International integrates product quality assurance throughout the entire value chain. We consistently prioritise product quality, achieving excellence through stringent standards. On the service front, we have established a full-cycle customer service mechanism to hear customer needs and respond quickly, ensuring customer concerns are addressed promptly and effectively, thereby continuously enhancing satisfaction. Meanwhile, we deepen cooperation with our suppliers, promoting responsible supply chain construction and working with value chain partners to fulfil supply chain ESG responsibilities.

3.1 Product Quality

Nanshan Aluminium International adheres to the quality management policy of “Independent Innovation, Scientific Management, and Continuous Improvement”, committed to providing reliable and stable high-quality products to global customers. We have established a product quality management system covering the entire process, from production to quality inspection, clearly defining the quality management responsibilities of management and all executing departments.

3.1.1 Quality Management

The Company conducts quality management in compliance with relevant national and local laws and regulations, combined with internal policies. During the Reporting Period, we issued and implemented the *Alumina Product Quality Control Measures*, aiming to integrate customer needs, production processes, management systems, and market feedback. This forms a closed-loop mechanism for continuously improving product quality, enhancing corporate competitiveness, driving enterprise growth, and ensuring product quality meets customer needs.

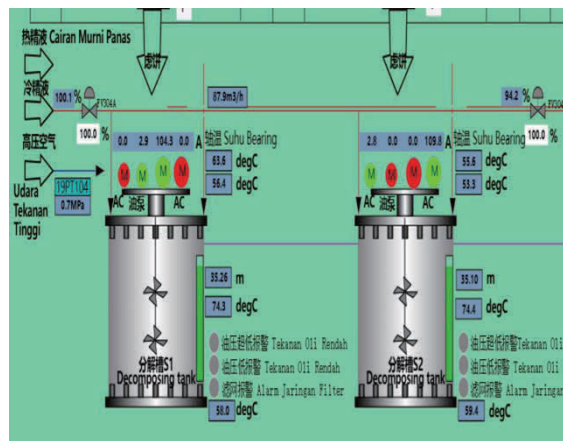
Quality Management System Certification

During the Reporting Period, Nanshan Aluminium International obtained ISO 9001 Quality Management System certification and completed the 2025 annual review and company-wide training on the quality management system. We invited a third party institution to provide systematic training for our internal audit specialists, covering the organisational scope, quality management objectives and targets, process risk control, and continuous improvement. Through this annual review, all employees understood and participated in the ISO 9001 system internal audit and annual surveillance process, further deepening quality awareness.

3. Product Responsibility

Nanshan Aluminium International Launches DCS (Distributed Control System) to Ensure Product Quality

We adopted a “decentralized control, centralized management” structure for our DCS system, developing multiple functions such as data acquisition, real-time monitoring, and automatic adjustment. This enables precise control of the production process, reduces equipment failure rates, and ensures stable production operations. In addition, our integrated data platform can record information including production data, laboratory test data, inspection records, and equipment maintenance logs. This provides a solid basis for production process control and guarantees consistent product quality.



During the Reporting Period, we formulated and successfully achieved the quality management objectives of “100% product qualification rate” and “100% product completion rate”.

Product Recall Management

Nanshan Aluminium International strictly complies with applicable laws and regulations in its operating locations, establishing product liability and recall management systems to standardise the process of identifying, assessing, and managing potential quality risks. The Company clearly defines the triggering conditions, internal approval procedures, and response measures for product recalls. Through quality traceability and risk monitoring mechanisms, we strengthen the management of the entire product lifecycle.

In 2025, the Company further refined the product risk management and recall procedures, clarifying key steps such as risk identification, internal assessment, customer communication, and corrective actions. We strengthened cross-departmental coordination mechanisms and responsibility allocation, ensuring that, when necessary, recalls or risk mitigation procedures can be initiated promptly and standardly, effectively reducing potential impacts on customers and business operations.

During the Reporting Period, the Company had no product recalls due to quality issues, safety/health issues, or customer complaints. The percentage of total products sold or shipped subject to recalls for safety and health reasons was zero.

3. Product Responsibility

Industry Communication

Nanshan Aluminium International actively participates in domestic and international industry communication activities to promote quality improvement across the entire sector and establish a positive feedback loop.

Nanshan Aluminium International Participates in China International Aluminium Week

Nanshan Aluminium International upholds the concept of green intelligent manufacturing. The Company actively participated in industry communication events such as the China International Aluminum Week and conducted thematic seminars on key emission aspects of electrolytic aluminum production, specifically focusing on anode net consumption. As a critical factor influencing the carbon emission and production efficiency of electrolytic aluminum, anode net consumption is one of the core technical issues for the industry to achieve carbon reduction and quality improvement. This seminar aims to explore the optimal process pathway to ensure that future production activities maximize resource utilization efficiency while meeting environmental performance standards, thereby fulfilling the Company's long-term commitment to sustainable development.



3.1.2 Intellectual Property Management

Nanshan Aluminium International places high importance on intellectual property protection and continuously improves its intellectual property management system. We comply with relevant IP laws and regulations and have formulated internal systems such as the *Intellectual Property Protection Management System Manual* to systematically regulate the creation, application, maintenance, and utilisation management of intellectual property.

The Company clearly defines the responsibilities of each department in IP management, establishing risk warning and infringement response mechanisms to strengthen the daily monitoring and compliance management of patents, trademarks, and technological achievements. Relevant departments legally and actively combat infringement; upon discovery, they immediately initiate evidence collection and legal action to safeguard the Company's legitimate rights and interests, protecting its technological achievements and core competitiveness.

3. Product Responsibility

Measures for Intellectual Property Management

Early-stage preparations

Regularly monitor intellectual property rights relevant to the Company in the market. Prior to engaging in foreign trade, investigate the intellectual property laws, policies, and enforcement practices of the target countries or regions. Know about industry-related litigations, analyze potential disputes and their possible adverse impact on the Company, and make preventive plans

Contract execution

Ensure all outsourced operations have written contracts that explicitly define intellectual property ownership, confidentiality obligations, etc. All contracts shall be lied with the Company's legal department for its review

Cross-department collaboration

Monitor intellectual property infringement risks in the process of procurement, sales, R&D, and other operations. If issues are identified, promptly report them to the Intellectual Property Department for handling. When necessary and appropriately, entrust the legal department to protect our intellectual property rights through administrative and judicial measures

Proactive monitoring

Actively renew trademarks upon expiration and combat malicious trademark imitations. Proactively defending against infringements in the market

Joint management

Cooperate with affiliated companies and clarify the scope of intellectual property ownership to resolve trademark conflicts and bridge rights gaps

As of the end of the Reporting Period, Nanshan Aluminium International has a total of 5 trademarks, registered in Hong Kong, Singapore, and Indonesia, respectively.

3. Product Responsibility

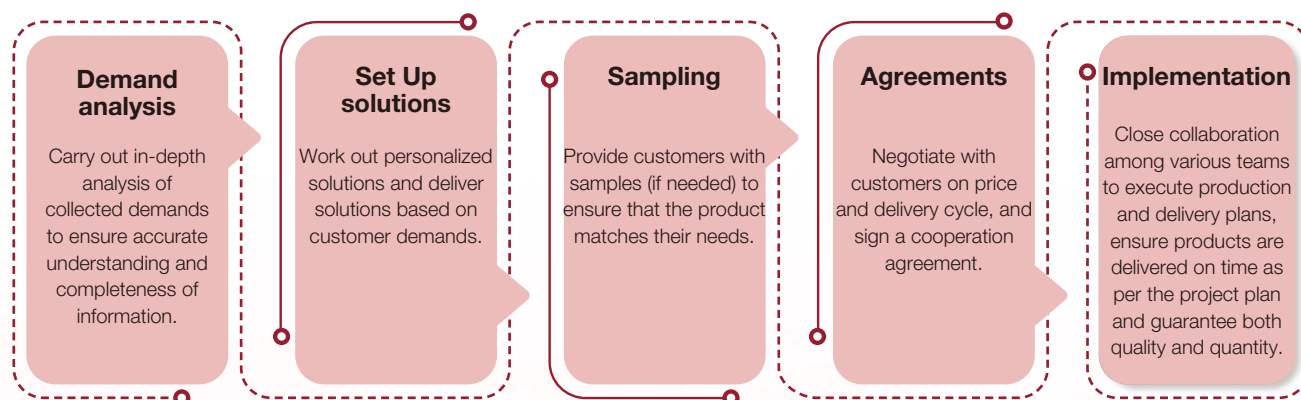
3.2 Customer Service

Nanshan Aluminium International always practices a customer-centric approach, continuously improving customer communication and service mechanisms. We maintain efficient interaction with customers, promptly identifying and responding to their needs, ensuring all concerns are handled quickly and effectively, thereby continuously enhancing customer satisfaction and service experience. The Company insists on compliant and honest operations, strictly prohibiting unfair competition and false advertising, ensuring that external information disclosure is true, accurate, and complete. We aim to win customer trust and long-term cooperation through standardised operations and high-quality service.

3.2.1 Quality Service

The Company strictly complies with relevant laws and regulations in Indonesia, Southeast Asia, and other countries and regions where it operates and sells products, as well as internal policies such as *Nanshan Aluminium International-Sales Policy*. Nanshan Aluminium is dedicated to continuously improving and standardizing the customer service process. The Company establish and maintain diversified communication channels, including email, on-line social platforms (WeChat, WhatsApp), telephone calls, on-site visit and video conferences, so as to maintain efficient interaction with customers. This enables us to promptly understand and respond to customers' concerns in daily affairs, such as order details confirmation, delivery progress tracking, shipping schedules, sailing schedule tracking and payments, so as to continuously enhance customer service efficiency and satisfaction.

Customer Demand Response Mechanisms



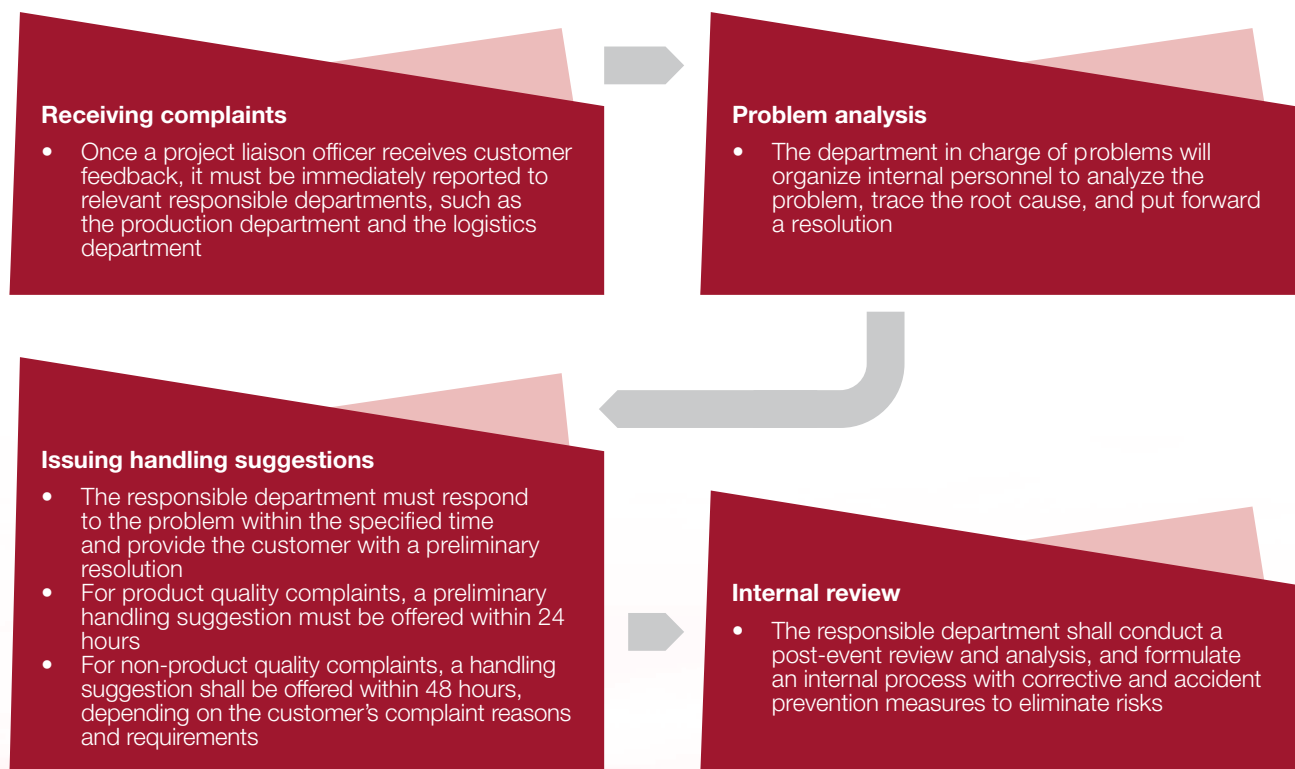
3. Product Responsibility

Customer complaints management

The Company has established a sound customer complaint management mechanism and strictly implements internal system requirements like the *Nanshan Aluminium International Sales Policy*. Our business personnel regularly conduct follow-up visits on customer delivery experiences and product usage. For quality objections or related requests raised by customers during the entire procurement and usage process, the relevant team responds promptly within a specified timeframe, providing comprehensive quality assurance services covering pre-sales, in-sales, and after-sales stages. For customer feedback and complaints, we conduct timely analysis and feedback, formulate improvement measures, and continuously optimise service processes and management mechanisms to prevent recurrence of similar issues.

During the Reporting Period, the Company had no complaints related to products or services.

Customer Complaint Handling Process



3. Product Responsibility

3.2.2 Responsible Marketing

Nanshan Aluminium International always adheres to the concept of responsible marketing, closely following the tracks of market dynamics and the actual situation of various products. It regularly formulates and continuously improves its marketing plans and management systems to match its company development strategy. The Company actively carries out marketing, publicity, and promotional activities, and works together with customers and all stakeholders to jointly foster a fair, just and transparent marketing environment.

Responsible Marketing Requirements for Employees

Code of Ethics

- Define the basic ethical principles that employees shall follow in marketing, advertising, and sales activities, including the principles of honesty, transparency, fairness, and respect for customers' privacy.

Compliance

- Emphasize that employees shall comply with applicable laws and regulations, including antitrust laws, advertising laws, and consumer rights and interests laws, to ensure that the Company's operations are legal.

Product Promotion

- Instruct employees to provide true, accurate and clear information in product promotion and advertisements to avoid false advertising, exaggerated claims and misleading actions.

Anti-corruption and Anti-bribery

- It is clearly stipulated that employees shall not engage in any form of corruption or bribery, continuously maintaining the transparency and integrity of the Company's business activities and preventing compliance risks.

The Company scrutinizes the publicity materials used by marketing personnel to ensure they meet the Company's values, laws, regulations, and code of ethics. We regularly organize responsible marketing training to our marketing and sales personnel to ensure that they know and understand the Company's responsible marketing, advertising and sales policies, aiming to continuously improve employees' professional competence, compliance awareness, and professional ethics.

3.3 Responsible Supply Chain

The Company scrutinizes the publicity materials used by marketing personnel to ensure they meet the Company's values and complies with applicable laws, regulations and business ethics. At the same time, we regularly conduct responsible marketing training to our marketing and sales personnel to ensure that employees fully understand and comply with the Company's policies on responsible marketing, advertising and sales, and continuously enhance their professional capabilities, compliance awareness and professional ethics.

3. Product Responsibility

As of the end of the Reporting Period, the number of suppliers and their distribution by region are as follows:

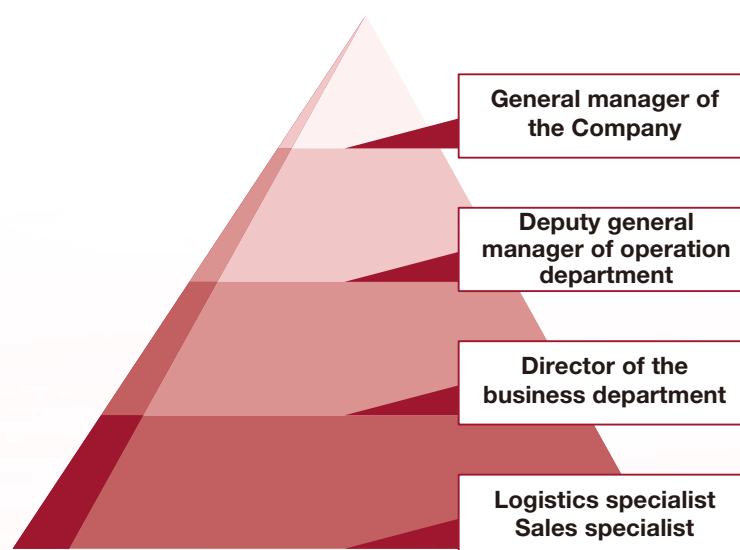
Indicator		Unit	2025	2024
Total Number of Suppliers		unit	590	496
Number of Suppliers by Region	Indonesia	unit	116	129
	Other regions	unit	474	367

3.3.1 Supplier Management

Nanshan Aluminium International has formulated and implemented internal supplier management systems, such as the *Nanshan Aluminium International Procurement Management Policy*, which standardizes the full lifecycle management procedures and requirements for supplier admission, evaluation, cooperation, supervision, and elimination. Meanwhile, we require our suppliers to comply with laws and regulations related to the environment, procurement, and human rights in countries or regions where we operate.

The Company has constructed a 4-tier supply chain management system, clearly defining responsibilities at each level. Through cross-departmental coordination mechanisms, we systematically carry out annual procurement management and supply chain operations, ensuring procurement activities are conducted standardly and efficiently.

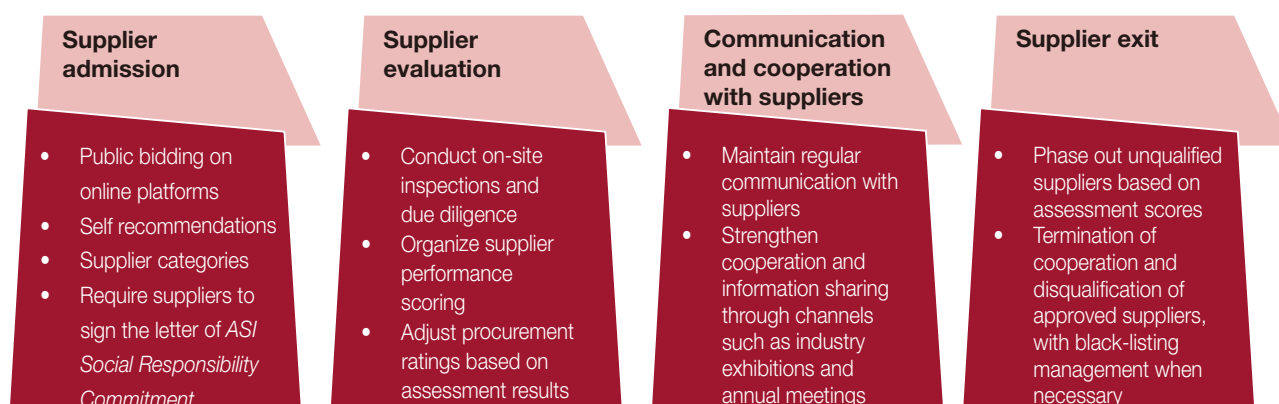
4-tier Supplier Management Structure of Nanshan Aluminium International



In addition, we are actively promoting the digital transformation of the supply chain and building a Supplier Digitalization System (NC System). This enables the online and centralized management of core processes such as procurement orders, supplier information, and contract execution, thereby enhancing the efficiency of supplier management and our risk control capabilities.

3. Product Responsibility

Supplier Lifecycle Management



Supplier Onboarding

Nanshan Aluminium International has established and implemented a standardized supplier selection and admission process in accordance with policies such as *Supplier Onboarding Management* and *New Suppliers Management Policy*, while formulating clear screening criteria. For suppliers of different types, we establish differentiated qualification requirements, including relevant certifications such as ISO 9001 quality management system certification and ISO 14001 environmental management system certification. While meeting the basic entry requirements, the Company further leverages supplier full lifecycle assessment mechanism to conduct systematic evaluations. The scoring system covers key dimensions including product quality, occupational health and safety, business ethics, and environmental management, aiming to continuously enhance supply chain management capabilities and risk control.

We classify suppliers into categories A, B and C based on their material categories and materiality, and implement different admission processes and regular management strategies for each category.

Supplier Category

Category A Suppliers	Category B Suppliers	Category C Suppliers
➤ Strategic cooperation suppliers ➤ Bulk raw material suppliers	➤ Specific accessories for equipment ➤ Unique and irreplaceable materials	➤ Materials of price inquiry and comparison

Supplier Evaluation and Rectification

The Company regularly conducts comprehensive evaluations of different types of suppliers, focusing on key indicators such as product quality, delivery punctuality, and service level. For suppliers deemed unqualified or in breach of contract/non-compliant, the Company promptly issues written corrective action requests, requiring them to take corrective measures and rectify within a specified timeframe. Simultaneously, the Company continuously follows up on the progress and effectiveness of corrective actions to ensure stable and reliable supply chain operations.

Supplier Disqualification

The Company has established and continue to implement a mechanism for eliminating existing suppliers. We regularly review and re-evaluate suppliers. For suppliers whose product quality consistently fails to meet standards, refuse to cooperate or fail to take effective corrective actions during problem rectification, and violate business ethics, the Company resolutely terminates cooperation in accordance with regulations and includes them in the supplier blacklist to maintain supply chain compliance and security.

3. Product Responsibility

Supplier Disqualification Policy

Low Assessment Score

- For suppliers with assessment scores that are unacceptably low, if alternative suppliers exist in the market capable of providing equivalent products, processes, or services while fully guaranteeing supply continuity, the Company shall terminate procurement from such suppliers and revoke their status as qualified suppliers.

Hindered Cooperation

- During the course of cooperation, if a supplier experiences issues such as product quality, delivery delays, or after-sales service problems, and refuses to cooperate in making corrections or fails to take effective corrective measures, the company will initiate the elimination mechanism and terminate the cooperation.

Violation of Business Ethics

- Suppliers found to have engaged in violations of business ethics during the cooperation process will be disqualified and, depending on the severity of the situation, may be placed on the supplier blacklist. Such violations include, but are not limited to collusion, bid rigging, bid rotation, using shell companies, engaging in fraud, falsifying qualifications, and other similar misconduct.

3.3.2 Sustainable Supply Chain

Nanshan Aluminium International integrates ESG requirements into the supplier lifecycle management system, continuously improving supply chain ESG assessment standards and enhancing supply chain compliance and transparency. We regularly conduct audits and assessments of core raw material suppliers, focusing on Quality Management System (QMS), Occupational Health and Safety (EHS), and Corporate Social Responsibility (CSR) performance. We strengthen suppliers' management capabilities in environmental management, occupational health, labor rights, and human rights protection. We also insist on implementing incorruptible procurement and supervision mechanisms to create a fair and transparent cooperation environment.



Elements of On-site Audit and Assessment on Suppliers¹

¹ The main elements of on-site audits include: (1) QMS: relevant audits on the quality management system; (2) EHS: relevant audits on system management, occupational health, occupational safety, working at heights, chemicals, emergency preparedness, etc.; (3) CSR: relevant audits on labor rights and interests, human rights, salaries and benefits, fair trade, anti-corruption, responsible procurement, supplier management, and management systems.

3. Product Responsibility

Sustainability Evaluation Dimensions of Suppliers

Evaluation Dimension	Assessment Content
ASI Requirements	➤ Integrate ASI criteria into regular supplier management. Require relevant suppliers to sign the “<i>ASI Social Responsibility Commitment Letter</i>,” complying with terms related to product quality, environmental protection, occupational health and safety, business ethics, human rights, etc.
Environment, Safety, Labor, and Human Rights	➤ Require suppliers to comply with Indonesian and local environmental, safety, and labor laws and regulations. ➤ Encourage suppliers to prioritise clean energy and green packaging. ➤ Regularly conduct environmental monitoring and inspections of suppliers to identify and eliminate compliance risks, advocating for suppliers to reduce wastewater, exhaust gas, and solid waste emissions, and adopt clean production processes and technologies. ➤ Implement safety production requirements to ensure employee occupational health and safety. ➤ Strictly prohibit child labor, forced labor, and any acts infringing upon employee human rights.
Business Ethics and Integrity	➤ Require suppliers to sign integrity binding documents like the <i>Sunshine Commitment Letter</i> and <i>Integrity Commitment Letter</i>, strictly prohibiting commercial bribery, benefit transfers, and unfair competition. ➤ In the event of a breach, the Company has the right to terminate cooperation with the supplier and/or refer the matter to judicial authorities.
Conflict Minerals and Raw Material Traceability	➤ Require mineral suppliers to obtain legal mining development permits (RKAB) issued by the Indonesian government. ➤ Strictly prohibit any minerals from conflict areas or unknown sources, strengthening raw material traceability review.

Elimination of Conflict Minerals

The Company aligns with ASI standards by incorporating key elements such as conflict minerals control, carbon footprint tracing, and raw material traceability into supplier entry clauses, and ensures the traceability of raw and auxiliary materials through a compliance review mechanism. In accordance with ASI guidelines, we collaborate exclusively with suppliers holding valid mining development permits (RKAB) and environmental licenses issued by the Indonesian government. We require all core suppliers to sign a *Commitment Letter on Non-Use of Conflict Minerals* and submit a *Conflict Mineral Due Diligence Report*, thereby ensuring that these suppliers have satisfied relevant review requirements imposed by the Indonesian government regarding environmental protection and social responsibility during the permitting process.

Nanshan Aluminium International Undertakes

Not to support or use any metals derived from armed conflict, illegal mining, or poor working environment, namely “conflict minerals”. Suppliers shall investigate the gold (Au), tantalum (Ta), stannum (Sn), tungsten (W), and aluminium (Al) in their products and identify the source of these metals in accordance with *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*².

² <https://mneguidelines.oecd.org/duediligence/>

3. Product Responsibility

During the Reporting Period, all of the Company's mineral raw materials were procured within Indonesia, without involvement in the use of conflict minerals.

Supply Chain Resilience

Nanshan Aluminium International continuously optimises procurement strategies for key materials like bauxite and coal, establishing stable cooperative relationships with multiple high-quality local suppliers in Indonesia. We have signed long-term supply agreements with large bauxite and coal suppliers, continuously strengthening the supply assurance capability for key raw materials and comprehensively enhancing supply chain resilience and operational safety.

Supply Chain Integrity

Nanshan Aluminium International continuously implements the *Nanshan Aluminium International Anti-Corruption Policy*, continuously deepening the supervision and management of employee and partner behaviour. We require all cooperating suppliers to sign *Sunshine Commitment Letter* and *Integrity Commitment Letter*, continuously fulfilling social responsibilities and jointly creating a fair, just, open, and transparent sunshine procurement environment.

Excerpt from the Sunshine Commitment Letter

- We undertake and guarantee that we will strictly abide by all relevant laws and regulations when we carry out business activities with Nanshan Aluminium International. We will adhere to the principles of openness, justice, fairness, and good faith, and we will not seek illegitimate benefits or transaction opportunities, nor will we engage in any improper transaction practices
- We promise and guarantee that all relevant licenses, qualifications, approvals, permits, certificates, and other documents required for the relevant business are held in compliance with laws and regulations, and that the provided goods meet the technical requirements specified by the Company
- We undertake and guarantee that we will not implement any price or sales policy discrimination against Nanshan Aluminium International, and our transaction prices of goods and sales policies will not be higher or more rigorous than those offered by any third party in the market
- We promise to maintain the confidentiality of any business information and trade secrets of Nanshan Aluminium International that we and our representatives acquire during the bidding process

The audit department of the Company supervises the entire procurement process through ex-ante, during, and ex-post stages, and regularly conducts special audits and compliance inspections to ensure that procurement activities are carried out in accordance with laws and regulations, preventing non-compliant operations and violations of business ethics.

In addition, the Company has established reporting channels such as a hotline and an email address for reporting disciplinary violations, which are open to employees and other stakeholders to ensure an effective and unimpeded reporting mechanism.

Email

baijyx@nanshanbai.com

During the Reporting Period, there were no incidents in which suppliers or procurement personnel violated integrity and ethical principles.

3. Product Responsibility

3.3.3 Supplier Empowerment and Risk Management

Nanshan Aluminium International values establishing long-term, stable cooperative relationships with suppliers. Through continuous empowerment, communication, and collaborative improvement mechanisms, we drive suppliers' continuous improvement in quality management, environmental management, occupational health and safety, and social responsibility.

Supplier Empowerment

The Company focuses on continuously enhancing supplier capabilities across three dimensions — environment, responsibility compliance, and management — following international standards like ASI criteria and the Responsible Business Alliance (RBA) Code of Conduct, as well as local Indonesian regulations. We insist on integrating green and low-carbon concepts into supply chain management requirements, setting phased goals for key issues such as ISO 14001 certification coverage, green packaging replacement, and carbon footprint traceability. Through measures including order management, procurement ratings, and cooperation level adjustments, we guide suppliers to continuously improve environmental performance. The Company also encourages suppliers to prioritise clean energy, adopt integrated fixed devices to replace disposable packaging, eliminate container packaging, and implement energy-saving and emission-reduction measures, jointly promoting supply chain decarbonisation and green transformation.

By continuously promoting supplier rectification, improvement, and target guidance mechanisms, we continuously strengthen supply chain resilience and sustainable development capabilities, facilitating coordinated high-quality and responsible development between the Company and its suppliers. As of the end of the reporting period, the coverage rate of ISO 14001 among the Company's core suppliers has reached 80%.

Supplier Risk Management

To maintain good communication with our suppliers, we communicate with our long-term suppliers via phone or email every month. Through communication, we discuss in depth the Company's requirements on product quality and communicate in detail about the near-term procurement and delivery plans, ensuring a smooth coordination between supply and demand, and stable and controllable delivery.

For our mineral raw material suppliers, we conduct on-site inspections every 2–3 months to gain a practical understanding of mining production and logistics operations, while also verifying supplier performance and identifying any violations of cooperation agreements. Through these regular on-site visits, the Company can promptly identify and assess potential quality, environmental and human rights risks, take preventive and corrective measures in advance, and continuously enhance its supply chain risk management capabilities and operational resilience.

4. Harmonious Ecology

Nanshan Aluminium International adheres to the concept of green and low-carbon development, actively addressing challenges posed by climate change. We integrate environmental protection and resource conservation into daily operations management. The Company continuously improves its environmental management system, strengthens pollution prevention and control measures, ensures stable and compliant discharge of various pollutants, and continuously enhances energy and resource utilisation efficiency. We promote the implementation of cleaner production and energy-saving and consumption-reduction initiatives, fostering the continuous improvement of the Company's sustainable development capabilities.

4.1 Climate Change Response

Climate change has become a major global challenge, profoundly impacting the ecological environment, economic development, and social well-being. In recent years, international attention to climate issues has continuously increased, and related policies and regulatory requirements have become increasingly stringent. As a responsible enterprise, we place high importance on the risks and opportunities brought by climate change, actively fulfilling our social responsibility to mitigate and adapt to climate change, continuously promoting green and low-carbon development, and contributing to addressing the global climate challenge.

4.1.1 Governance

The Company continues to refine climate change management system and is progressively establishing a climate governance structure that covers strategy formulation, risk identification, target management, and performance monitoring. Under the overall leadership of the Board, the Company oversees and reviews the progress in implementing climate-related strategies, policies, and objectives. The Board coordinates the identification, assessment, and implementation of response measures Company's for climate risks and opportunities, ensuring that climate risk management is integrated into the corporate governance and operational decision-making systems to continuously enhance climate resilience and sustainable development capabilities.

4.1.2 Strategies

Nanshan Aluminium International places high importance on the potential impact of climate-related risks and opportunities on strategy and finance. We employ scenario analysis to assess the potential impact of climate-related risks and opportunities on the Company's financial performance under different climate scenarios, integrating short-, medium-, and long-term business planning, policy trends, and macro-environmental changes. Regarding physical risks, the Company selected the Shared Socioeconomic Pathways SSP2-4.5 and SSP5-8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC) for analysis; regarding transition risks, we conducted assessments referencing the Net Zero Emissions by 2050 Scenario (NZE) and the Announced Pledges Scenario (APS) of the International Energy Agency (IEA).

4. Harmonious Ecology

Scenario Assumption	Climate Scenario	Scenario Description
Physical Risks	SSP2-4.5	SSP2-4.5 is a medium emissions scenario, assuming some global implementation of mitigation policies and climate actions, but with limited overall ambition. Under this scenario, global greenhouse gas (GHG) emissions are projected to peak around mid-century and then gradually decline, with global mean temperatures estimated to rise by approximately 2.4°C to 3.0°C by 2100 compared to pre-industrial levels.
	SSP5-8.5	SSP5-8.5 is a high emissions scenario, assuming global development relies heavily on fossil fuels with weak climate policies. Under this scenario, GHG emissions continue to grow throughout the century, leading to significantly higher temperature increases than in other scenarios.
Transition Risks	NZE	The NZE scenario is a technologically feasible and cost-effective pathway projected by the IEA to achieve net-zero CO ₂ emissions from the global energy and industrial systems by around 2050, limiting global warming to 1.5°C through energy restructuring, energy efficiency improvements, and technological innovation.
	APS	The Announced Pledges Scenario (APS) simulates future pathways for energy systems and GHG emissions based on climate targets and policy commitments announced by governments. This scenario considers the potential impacts of policy implementation on energy demand structure, energy prices, and emission levels.

Furthermore, Nanshan Aluminium International, referencing the *IFRS S2 Climate-related Disclosures*, systematically identifies, assesses, and manages climate-related risks and opportunities, formulating and implementing corresponding response strategies. We conduct systematic assessments of the likelihood and potential impacts of climate-related risks and opportunities across three time horizons: short-term (within 1 year), medium-term (2–3 years), and long-term (over 3 years), integrating the analysis with the Company's business layout and development plans.

Building on this, we are progressively integrating climate-related management requirements into business decision-making and production operations. By continuously improving our risk identification, assessment, and response mechanisms, we aim to enhance our climate risk management capabilities and operational resilience, supporting the Company's long-term stable development.

4. Harmonious Ecology

Risk/Opportunity Type	Risk/Opportunity Description	Potential Impact	Financial Impact ³	Response Measures	Likelihood			Magnitude of Impact		
					SSP2-4.5/ APS	SSP5-8.5/ NZE	APS	SSP2-4.5/ APS	SSP5-8.5/ NZE	NZE
Physical Risks	Acute	Extreme weather events (e.g., heavy rain, floods) could lead to production interruptions, asset damage, and loss of labor, affecting logistics, transportation, and supply chain stability, resulting in potential economic losses.	➢ The Company's location near the equator has a low Coriolis force and is not directly on major typhoon paths; no typhoon impacts since establishment, and the probability of typhoons is low.	➢ Asset impairment: Extreme floods could damage fixed assets like buildings and equipment, leading to impairment losses.	➢ Develop emergency plans for extreme weather, conduct regular drills, and enhance company-wide natural disaster response capabilities.	Low	Medium	Low	Medium	
			➢ Impact of heavy rain/floods: influenced by La Niña, the location experiences high rainfall, potentially causing production interruption, asset damage, and logistics disruption.	➢ Increased operating costs: Production interruptions reduce capacity utilisation; disrupted logistics increase transport costs; post-disaster recovery incurs additional expenses.	➢ Establish diversified procurement channels and safety stock mechanisms to ensure supply chain security and respond to sudden natural disasters.					
			➢ Sea-level rise impact: The Company's location faces potential sea-level rise risk, potentially increasing relocation or protection costs.	➢ Asset impairment: Sea-level rise and saltwater intrusion could physically damage or accelerate corrosion of assets (land, buildings, equipment) in low-lying plant areas, triggering impairment.	➢ Continuously identify and assess potential climate-related risks, improving disaster and risk response capabilities.	Low	Medium	Low	Medium	
	Chronic	Chronic risks from climate change trends, such as sea-level rise and increased high-temperature days, may impact operations.	➢ High-temperature impact: Current average temperature is ~26°C, max ~33°C. Increased frequency of high temperatures may raise cooling equipment demand, shorten equipment lifespan, and cause occupational health risks (e.g., heatstroke, dehydration) for labor, reducing operational efficiency.	➢ Increased capital expenditure: Potential future costs for additional protective facility construction or plant relocation. ➢ Increased operating costs: Rising energy and maintenance costs for cooling due to higher temperatures; increased safety production management inputs due to frequent extreme weather.						
Transition Risks	Policy and Legal	Increasingly stringent carbon emission policies, laws, and regulations may lead to compliance management pressure and increased carbon costs.	➢ Carbon policies/regulations in Indonesia are tightening; the scope of carbon taxes and trading may expand. Although the Company is not currently in the mandatory carbon market, future expansion to the industrial sector is possible. ➢ Indonesian government encourages renewable energy development; policies on coal-fired power are tightening, posing supply stability risks and transition pressure on the coal-dependent energy structure.	➢ Fine risk: Potential administrative penalties and fines for non-compliance with carbon policies/regulations. ➢ Increased operating costs: Investments in technological upgrades, carbon accounting, and carbon allowance purchases to meet compliance requirements increase operating costs. ➢ Capital expenditure: Increased investment needs for low-carbon transition-related fixed assets.	➢ Continuously monitor international, Indonesian, and industry carbon policies, laws, and regulations; adjust corporate compliance management strategies promptly. ➢ Standardise GHG emissions calculation and verification; set relevant targets and regularly review progress. ➢ Promote technological upgrades, improve energy efficiency, and expand renewable energy use to reduce carbon emissions and implement a green, low-carbon development pathway.	Medium	Medium	Medium	Medium	

During the Reporting Period, we conducted data statistics on the financial impacts of identified climate-related risks. Our assessment indicates that climate-related risks did not have a significant impact on the financial performance of the Reporting Period, thereby meeting the criteria for the financial impact exemption. Furthermore, as the Company is in the early stage of its listing, the expected financial impacts of transition and physical risks are subject to the combined effects of multiple factors, including the volatility of response measure costs and the maturity of technological pathways. The Company's current limited capabilities and resources have resulted in lower reliability of the expected financial quantitative analysis, which meets the relevant requirements for the capability exemption. Therefore, we only disclose qualitative information on the climate-related financial impacts.

4. Harmonious Ecology

Risk/Opportunity Type	Risk/Opportunity Description	Potential Impact	Financial Impact ³	Response Measures	Likelihood		Magnitude of Impact	
					SSP2-4.5/ APS	SSP5-8.5/ NZE	SSP2-4.5/ APS	SSP5-8.5/ NZE
Transition Risks (continued)	Market Downstream value chain companies increasingly focus on the low-carbon attributes of their products, thereby raising low-carbon requirements for major products.	➤ Demand for low-carbon aluminium is rising; the carbon footprint of alumina is becoming increasingly important. The Company faces low-carbon transition pressure, presenting both product transformation challenges and green development opportunities.	➤ Increased operating costs: Investment in product green transformation, low-carbon technology R&D, and green certifications. ➤ Decreased revenue: If products fail to undergo low-carbon transformation, it may be impossible to meet customer needs, leading to order loss, decline in market share, and consequently affecting operating revenue.	➤ Research downstream customers' low-carbon needs and actively respond to their environmental protection and energy management requirements. ➤ Promote product green transformation and green aluminium brand building; increase R&D investment in low-carbon alumina production technology.	Medium	Medium	Medium	Medium
	Reputation Increased stakeholders (customers, consumers) focus on corporate climate action and low-carbon performance.	➤ Insufficient corporate action on climate change may fail to meet stakeholder expectations, potentially damaging brand image and reputation.	➤ Opportunity gains: After successfully achieving green transformation, the Company can rely on green aluminium products to obtain product premiums, expand into high-end customer segments, and enhance revenue quality. ➤ Decreased revenue: Reputational damage may lead to loss of customer trust and orders, impacting revenue.	➤ Strengthen cooperation with high-end downstream customers, participate in their green supply chain construction, and prepare to establish a product low-carbon attribute traceability system. ➤ Enhance climate action information disclosure, regularly communicating the Company's low-carbon transition progress and climate risk response measures to stakeholders.	Low	Low	Low	Low
			➤ Increased financing costs: Investor concerns about the Company's sustainable development capabilities may increase financing difficulty and costs. ➤ Brand value impairment: Long-term reputational damage will decrease the Company's brand value, affecting long-term development.					

4. Harmonious Ecology

Climate-related risks and transition risks are increasingly becoming key factors influencing corporate operations and strategic decisions. Based on this year's climate scenario analysis, we conclude that the physical risks identified above do not pose a significant financial impact on Nanshan Aluminium International. Under both the SSP2-4.5 and SSP5-8.5 scenarios, our analysis indicates that physical risks are overall low to medium risk and currently do not constitute a significant financial impact. Transition risks are predominantly medium risk and require ongoing attention and integration into medium-to-long-term strategic management.

Through systematic assessment and analysis, the Company further identifies and evaluates the potential impacts of climate-related risks and opportunities on business activities and production operations. We conduct GHG emissions inventories to gain a comprehensive understanding of our emission management status and continuously advance carbon reduction initiatives in line with our low-carbon development plan. This enhances our ability to address climate risks and seize opportunities presented by green transformation. Centred on our climate change response objectives, Nanshan Aluminium International has formulated three core strategic pathways:

Energy Conservation and Consumption Reduction Initiatives

- Optimize production processes, upgrade equipment, and retrofit facilities to enhance energy efficiency; integrate energy-saving and emission-reduction measures into manufacturing and operational management

Energy Reuse

- Maximize the reduction of energy waste and improve energy utilization efficiency through waste heat recovery and cascade utilization

Renewable Energy Substitution

- Research feasible solutions for renewable energy utilization to replace fossil fuels with clean energy and promote low-carbon transformation

Carbon Inventory and Tracking

During the Reporting Period, the Nanshan Aluminium International GHG task force completed the preparation of the GHG-related work framework. They compiled several reports, including the Final Report on Carbon Economic Value Consulting and Guidance for the Electric Power Production Sub-sector of PT. Bintan Alumina Indonesia, the Preliminary Feasibility Study on Mitigation Action Potential in the Energy Sector of PT. Bintan Alumina Indonesia, the PT BAE-PU Power Plant Emission Cap and RME Mitigation Plan Report, the Greenhouse Gas Inventory and Accounting for PT. Bintan Alumina Indonesia, the DRAM Mitigation Action Reporting Guidelines and Compilation Plan, and the LCAM Post-Mitigation Results Reporting Guidelines and Compilation Plan.

During the Reporting Period, we completed the inventory and calculation of greenhouse gas emissions in the energy sector for our six self-built power plant units and five diesel generator sets. Assisted by a third-party institution, we conducted feasibility studies on greenhouse gas emission reduction and carbon trading, and prepared relevant management documents, including the power plant emission monitoring plan. Detailed greenhouse gas emission data are provided in the "Metrics and Targets" chapter of this report.

4. Harmonious Ecology



Preliminary Feasibility Study on Mitigation Action in the Energy Sector of PT. Bintan Alumina Indonesia



Final Report on Carbon Economic Value Consultancy and Advisory for the Electric Power Production Subsector of PT. Bintan Alumina Indonesia



PT BAE-PU⁴ Power Plant Emission Cap and RME⁵ Emission Reduction and Mitigation Plan Report

Process Optimisation and Equipment Upgrades

The Company continuously improves energy efficiency and reduces energy consumption and emission levels through measures such as process optimisation, equipment upgrades, and facility replacement or modification. During the Reporting Period, the Company implemented the following energy-saving and carbon reduction initiatives:

Modification for Recovery of Settled Material from Calcination Fluidized Bed

Measure: Implemented technical upgrades on the fluidized bed system of the roaster. By adding dedicated feed inlets and dust removal pipelines, the fallen materials, which previously required manual cleaning, transfer, and secondary feeding into the furnace, can now be fully recovered online. This allows the materials to be directly returned to the alumina silo for production, reducing energy consumption associated with material transportation and reprocessing from the source.

Performance: Effectively saved 2,833 kWh of electricity and 48,800 standard cubic meters of roasting gas. Carbon emission reduction, equivalent to a carbon emission reduction of approximately 11.30 metric tons of CO₂ equivalent (tCO₂e).

Optimization of Power Plant Boilers to Increase the Proportion of Directly Burned Pulverized Coal Ash

Measure: Systematically optimized the operating parameters of the captive power plant's boilers to increase the blending ratio and utilization efficiency of directly burned pulverized coal ash. While ensuring stable calorie value, this achieves resource utilization of production by-products, reduces yash landfilling, and lowers fossil energy consumption.

Performance: During the Reporting Period, the amount of directly burned pulverized coal ash reached 78,183 tonnes, a year-on-year increase of 7.6%. Converted based on an average calorie value of 5,000 kcal/kg, this is equivalent to saving 3,946 tonnes of standard coal. Carbon emission reduction, equivalent to a carbon emission reduction of approximately 10,338.52 tCO₂e.

Blending Adjustment in the Coal Gasification Workshop

Measure: Completed the commissioning of a new coal shed in the coal gasification workshop. Relying on the enclosed coal yard, precise coal blending is achieved. While optimizing the gasifier operating efficiency, it also enables the resource utilization of low-quality fuel.

Performance: During the Reporting Period, approximately 23,000 tonnes of low-calorie value coal (with a net calorie value below 4,000 kcal/kg) were successfully blended and co-fired.

Equipment Technical Transformation Projects

Measure: Continuously promoted equipment upgrades and technological innovations, implementing over 80 various equipment technical transformation projects to optimize operational efficiency and reduce failure losses.

Performance: The equipment in the alumina decomposition workshop was modified to variable frequency control, resulting in a 10% year-on-year decrease in power consumption and achieving cumulative cost savings of approximately 1.6 million RMB.

⁴ PT BAE-PU refers to the technical approval of emission caps for enterprises in Indonesia, representing the maximum allowable quota of GHG (greenhouse gases) emissions that an enterprise or entity may release.

⁵ RME refers to a systematic action plan document formulated by the Company to achieve greenhouse gas (GHG) emission reduction targets, covering emission benchmarks, reduction measures, and implementation and monitoring mechanisms.

4. Harmonious Ecology

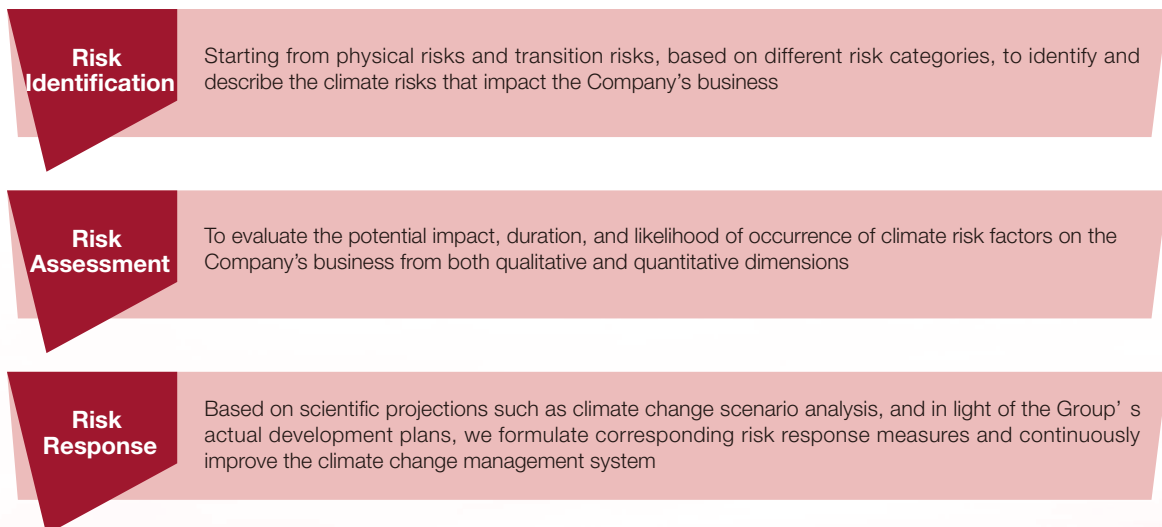
Clean Energy Utilisation

The Company actively supports the green development plan of the industrial park in the Galang Batang Special Economic Zone where it is located. Taking into account the peak-shaving capacity of the power generating units and the park's developable photovoltaic (PV) resources, the Company explores the feasibility of utilising renewable energy. Currently, a PV project layout covering approximately 30 hectares of usable area is being advanced within the industrial park. The Company will continue to follow up on the project progress, and in accordance with the park's overall development plan, gradually increase the proportion of renewable energy usage.

4.1.3 Risk Management

Nanshan Aluminium International continuously improves its climate-related risk management system, integrating climate-related risks into the Company's sustainable development and overall risk management framework. This forms a management process encompassing risk identification, assessment, response, and continuous monitoring. We have established a routine reporting mechanism to periodically report to the Board on climate change risk management performance and progress against related targets. This ensures the effective implementation of climate risk management measures and continuously enhances the Company's operational resilience and sustainable development capabilities.

Climate Change-related Risk and Relevant Opportunity Management Process



Based on climate risk identification and scenario analysis results, combined with the Group's operational status, strategic planning, and industry development trends, we have systematically reviewed and compiled a list of climate-related physical risks, transition risks, and opportunities. Accordingly, we continuously optimise our response strategies to enhance our adaptability to internal and external environmental changes and operational resilience.

4. Harmonious Ecology

4.1.4 Metrics and Targets

Nanshan Aluminium International deeply recognises that low-carbon transition has become a crucial pathway for achieving high-quality and sustainable development in the aluminium manufacturing industry. Actively responding to the Group's overall "Dual Carbon" strategic goals, and based on a systematic analysis of our own energy consumption and GHG emissions status, combined with internal and external professional opinions, we have formulated energy use efficiency improvement targets and related management measures. The Company continuously tracks progress against targets and conducts performance assessments, regularly reviewing target achievement to drive the continuous optimisation and implementation of energy-saving, consumption-reduction, and low-carbon operational measures.

Group Target: Achieve carbon peak by 2030 and carbon neutrality by 2050.

Energy Use Efficiency Target: By 2030, comprehensive energy consumption intensity of the product shall be maintained at no more than 0.6 tonnes of standard coal equivalent (tce) per tonne of product.

During the Reporting Period, Nanshan Aluminium International's indicators for GHG emissions⁶ and energy consumption⁷ are set out below:

GHG Emission Metrics	Unit	2025	2024
Total GHG emissions (scope 1 and scope 2)	tCO ₂ e	2,636,003.75	2,070,319.63
GHG emissions (scope 1)	tCO ₂ e	2,636,003.75	2,070,319.63
GHG emissions (scope 2)	tCO ₂ e	—	—
Intensity of GHG emissions (scope 1 and scope 2)	tCO ₂ e/tonnes of products	1.01	0.98
GHG emissions (scope 3) ⁸	tCO ₂ e	18.82	/
Energy Consumption Metrics	Unit	2025	2024
Purchased Steam	Million kJ	—	—
Diesel	tonnes	26.77	97.88
Raw Coal	tonnes	1,558,669.88	1,123,949.60
Natural Gas	10,000 m ³	—	—
Comprehensive Energy Consumption	tce	1,113,396.90	802,979.81
Comprehensive Energy Consumption Intensity	tce/tonnes of product	0.43	0.38

⁶ Greenhouse gas emissions indicators are calculated with reference to the GHG Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC), and the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from the Smelting and Rolling of Other Non-ferrous Metals Industrial Enterprises (Trial) issued by the National Development and Reform Commission. There are no indirect greenhouse gas emissions by our Company.

⁷ Energy consumption indicators are calculated with reference to the General Principles for Calculation of Total Production Energy Consumption (GB2589-2020).

⁸ GHG emissions (scope 3) include business travel. The Company will gradually refine its Scope 3 calculation categories in the future.

4. Harmonious Ecology

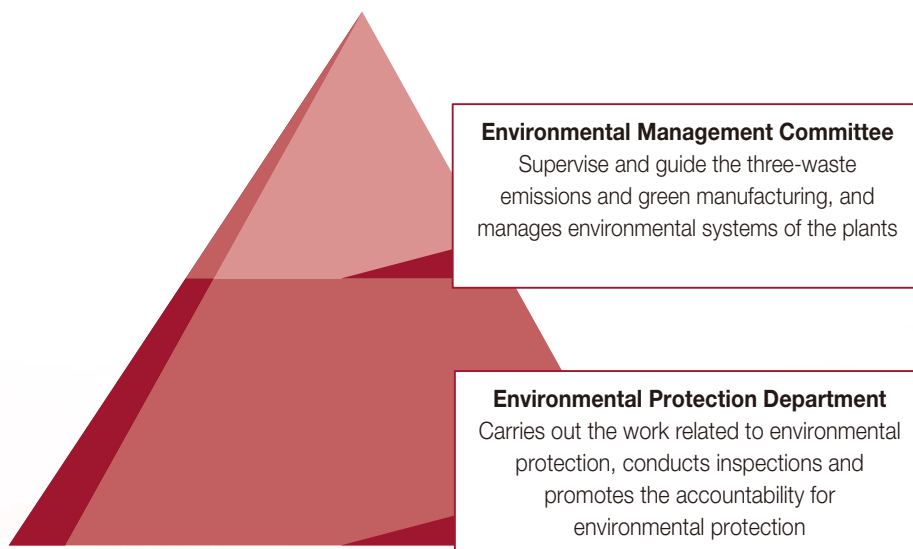
4.2 Environmental Management

Nanshan Aluminium International continuously optimises its environmental management system, structurally enhancing environmental risk prevention, control, and emergency response capabilities. We focus on ecological environment protection and biodiversity conservation, actively practicing the concept of green development to jointly promote sustainable operations and achieve coordinated economic and environmental development.

4.2.1 Environmental Management Systems

The Company strictly complies with applicable environmental protection laws and regulations in its operating bases. We formulate and implement internal policies such as the “*Environmental Management System*” to continuously improve the internal environmental protection management system. We have established a broad environmental management organisational structure, with the Environmental Management Committee responsible for overall supervision and guidance, and the Company's Safety and Environmental Protection Department responsible for promoting the implementation of environmental protection responsibilities. This continuously enhances environmental governance capabilities and advances the fulfilment of environmental protection responsibilities.

Nanshan Aluminium International Environmental Management Structure

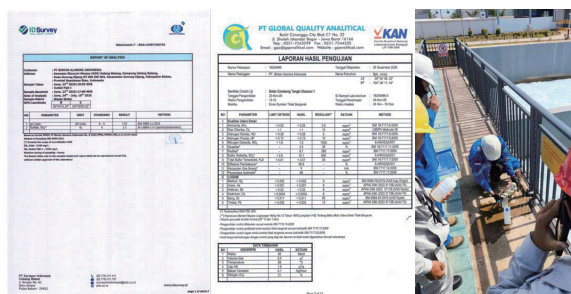


4. Harmonious Ecology

In addition, we carry out environmental audits and assessments at different frequencies, i.e. weekly, monthly, quarterly and annually, to continuously improve environmental performance and ensure the sustainable development of the projects.

Nanshan Aluminium International Environmental Audit and Assessment Work

During the Reporting Period, we processed the PKL-RPL (Environmental Management and Monitoring Plan) as required by local Indonesian regulations. Monthly and semi-annually, we engaged third-party testing agencies to test the Company's wastewater and exhaust gas emissions as per regulations. Continuous online monitoring systems were installed for power plant flue gas and alumina evaporation (discharge water), and various monitoring activities were carried out, with all monitoring data meeting standards/compliant.



4. Harmonious Ecology

Nanshan Aluminium International has established short-term and medium-to-long-term environmental management targets. These are integrated into the performance appraisal system for senior management and linked to remuneration incentives to strengthen management's accountability for achieving environmental targets, driving continuous improvement in environmental management and long-term performance. The core indicators included in the assessment are as follows:

Environmental Management Target By 2030:

Wastewater Treatment	◆ 100% of industrial wastewater will be recycled back into the production system
	◆ 100% of domestic wastewater will be discharged in compliance with standards
	◆ the intensity of wastewater will not increase compared with the base year 2023 (0.04 m ³ /tonnes of products)
Exhaust Gas Emission	◆ the intensity of SO _x will decrease by 50% compared with the base year 2022 (4.48 kg/tonnes of products)
	◆ the intensity of NO _x will decrease by 15% compared with the base year 2022 (1.18 kg/tonnes of products)
	◆ the intensity of particulate matter will decrease by 50% compared with the base year 2022 (0.1 kg/tonnes of products)
Solid Waste	◆ 100% compliant disposal of solid waste
	◆ the intensity of solid waste will decrease by 2% compared with the base year 2022 (1.16 tonnes per ton of product).

Enhancing Environmental Protection Awareness

Nanshan Aluminium International values the development of employees' environmental management capabilities, conducting systematic training and regular environmental drills to strengthen company-wide environmental awareness. We organise environment-related training and emergency drills according to the annual plan, continuously enhancing employees' abilities and awareness in environmental management, standardised operations, and occupational health protection. Training covers environmental laws and regulations, pollution prevention measures, risk identification, and emergency response procedures.

During the Reporting Period, the Company conducted 58 environment-related training sessions, with a cumulative participation of 1,188 attendees. Through systematic training and continuous supervision, the Company further strengthened its environmental risk prevention and control capabilities, with no environmental pollution incidents occurring during the year.

4. Harmonious Ecology

4.2.2 Emissions and Waste

Nanshan Aluminium International consistently adheres to the philosophy of “promoting cleaner production and achieving sustainable development,” systematically advancing pollution prevention and control across all production processes. The Company strictly follows laws, regulations, and regulatory requirements for pollutant emissions in its operating locations, implementing full-process management for exhaust gas, wastewater, and solid waste. It has clearly defined the core environmental management target of 100% compliant emission for all types of pollutants. Furthermore, we proactively set more stringent internal control standards, optimise production processes, strengthen source control, and promote resource recycling. This continuously reduces pollutant emission intensity, minimises environmental impact, and steadily enhances our green manufacturing capabilities.

Management of Exhaust Gas

Nanshan Aluminium International strictly implements exhaust gas emission regulations in its operating locations, such as the *Indonesian Thermal Power Plant Emission Quality Standards*, ensuring all emission indicators consistently meet regulatory requirements and clearly setting the management target of 100% compliant emissions of exhaust gas..

The Company has installed online monitoring systems in all production plants, implementing uninterrupted monitoring and data evaluation for major air pollutants. Comparative monitoring and validity audits are conducted to ensure the accuracy, completeness, and traceability of monitoring data. In terms of control measures, the factory is equipped with treatment facilities such as electrostatic precipitators and baghouse dust collectors to effectively control dust and particulate matter concentrations. Meanwhile, desulfurisation towers are used for exhaust gas treatment to reduce sulphur dioxide emissions, minimising the impact of production operations on the surrounding environment.

Exhaust Gas Emission Reduction Measures



Reduce the soot and dust content in exhaust gas through various types of dust collectors such as high-voltage electrostatic precipitators for power plant boilers, high-voltage electrostatic precipitators for alumina calciners, and baghouse dust collectors for coal gasifiers



Utilisation of the power plant's seawater desulfurisation system and the coal gasification desulfurisation system to reduce the sulphide content in emissions



Effectively control dust in the coal yard and reduce air particulate matter pollution through windbreak and dust suppression walls combined with water spraying

4. Harmonious Ecology

During the Reporting Period, our exhaust gas emission indicators are as follows:

Exhaust Gas Emission Indicator	Unit	2025	2024
Nitrogen oxides (NO _x)	kg	2,991,721.56	2,041,830.00
Sulfur dioxide (SO _x)	kg	72,222.96	55,840.00
Roasting furnace flue gas particulate matter concentration	g/m ³	193.50	142.00
Particulate matter (PM)	kg	101,832.49	72,880.00
Nitrogen oxides intensity	kg/tonnes of products	1.15	0.97
Sulfur dioxide intensity	kg/tonnes of products	0.03	0.03
Particulate matter intensity	kg/tonnes of products	0.04	0.03

During the Reporting Period, all exhaust pollutant emissions achieved 100% compliance.

Management of Wastewater

Nanshan Aluminium International complies with the wastewater discharge regulations in its operating locations, implements the requirements for full-process wastewater management, and ensures continuous compliance of its wastewater discharge. The Company actively promotes industrial wastewater recycling and reuse with clear management targets of 100% industrial wastewater reuse in production and 100% compliant discharge of domestic sewage.

In operational practice, the Company enhances water use efficiency and reduces raw water consumption through multi-dimensional initiatives:

- Industrial Wastewater Recycling and Reuse:
 - ✓ The wastewater treatment station within the alumina plant comprehensively treats industrial wastewater and return water from the red mud pond. After treatment, 100% is reused back into the alumina production system.
 - ✓ Wastewater from the power plant is treated to form reuse water, which is then conveyed to the alumina production system for industrial use. In 2025, the power plant delivered a total of 530,000 m³ of reuse water to the alumina system, effectively reducing raw water consumption.
- Rainwater Harvesting and Utilisation:
 - ✓ Indonesia's average annual rainfall volume is approximately 2,500 mm. The Company leverages the area of its raw ore yard and dry ore shed to build sedimentation and collection systems for harvesting and reusing rainwater. In 2025, approximately 100,000 m³ of rainwater was collected and utilised throughout the year, further substituting raw water usage.

To ensure environmental performance, the Company has set up monitoring points at the inlets and outlets of various wastewater treatment facilities, conducting regular testing. All test results met standard requirements.

During the Reporting Period, our wastewater emission indicators are as follows:

Wastewater emission indicators	Unit	2025	2024
Wastewater emissions	m ³	71,033.40	106,900.00
Wastewater emissions intensity	m ³ /tonnes of products	0.03	0.05
Filter pressing water	tonnes	4,655,294.00	3,987,931.00
Recycled wastewater	m ³	102,352.48	64,200.00
Chemical Oxygen Demand (COD)	kg	3,110.56	1,736.86
Ammonia nitrogen	kg	460.29	252.57

During the Reporting Period, all wastewater pollutant discharge achieved 100% compliance.

4. Harmonious Ecology

Hazardous and Non-Hazardous Waste Management

Nanshan Aluminium International follows laws and regulations on waste management in its operating locations, establishing a management mechanism covering the entire process of classification, collection, storage, transportation, and disposal. Adhering to the management approach of “source reduction, intermediate control, end-of-pipe treatment, and recycling,” and following the principles of “reduction, resource recovery, and harmlessness,” we implement classified management and standardised disposal of solid waste.

Based on the clear management target of 100% compliant disposal of solid waste, we continuously promote the recycling and reuse of non-hazardous waste, enhance resource recycling levels, reduce environmental load, and strengthen green operational capabilities.

Disposal Methods

Non-hazardous waste

Waste steel, waste plastic buckets, red mud, etc.

- Recycling of aluminium skimmings and aluminium scrap through smelting furnaces
- Establishing a dry-stack disposal yard for red mud

Hazardous waste

Waste engine oil, waste lubricating oil, etc.

- Pretreatment of hazardous waste that can be comprehensively utilized or disposed of in an emission reduction way
- The remaining hazardous waste is commissioned to a qualified entity for compliant disposal

Domestic garbage

- Regular transportation and classified disposal by the sanitation department

Comprehensive Utilisation of Red Mud

Red mud is one of the main solid wastes from alumina production. Nanshan Aluminium International follows local environmental regulations to manage red mud generated during the alumina production process. We use a dry stacking process, implementing filter pressing and natural drying to reduce moisture content, control leakage and dust risks, and enhance dam stability. On-site water spraying and dust suppression measures are implemented, and routine inspections and monitoring are strengthened to ensure the safety of the surrounding environment.

Furthermore, we continuously strengthen tailings dam safety management, regularly organising emergency drills to test response capabilities in accidents such as dam failure. We have formulated dam break prevention and emergency response plans, clearly defining measures such as discharge outlet adjustment, emergency rescue organisation, engineering machinery dispatch, and geomembrane sealing, consolidating responsibilities to ensure safe dam operation.

Nanshan Aluminium International actively explores the comprehensive utilisation of red mud. During the Reporting Period, the Company sought cooperation opportunities with qualified third-party institutions to explore and advance red mud reuse collaboration plans.

4. Harmonious Ecology

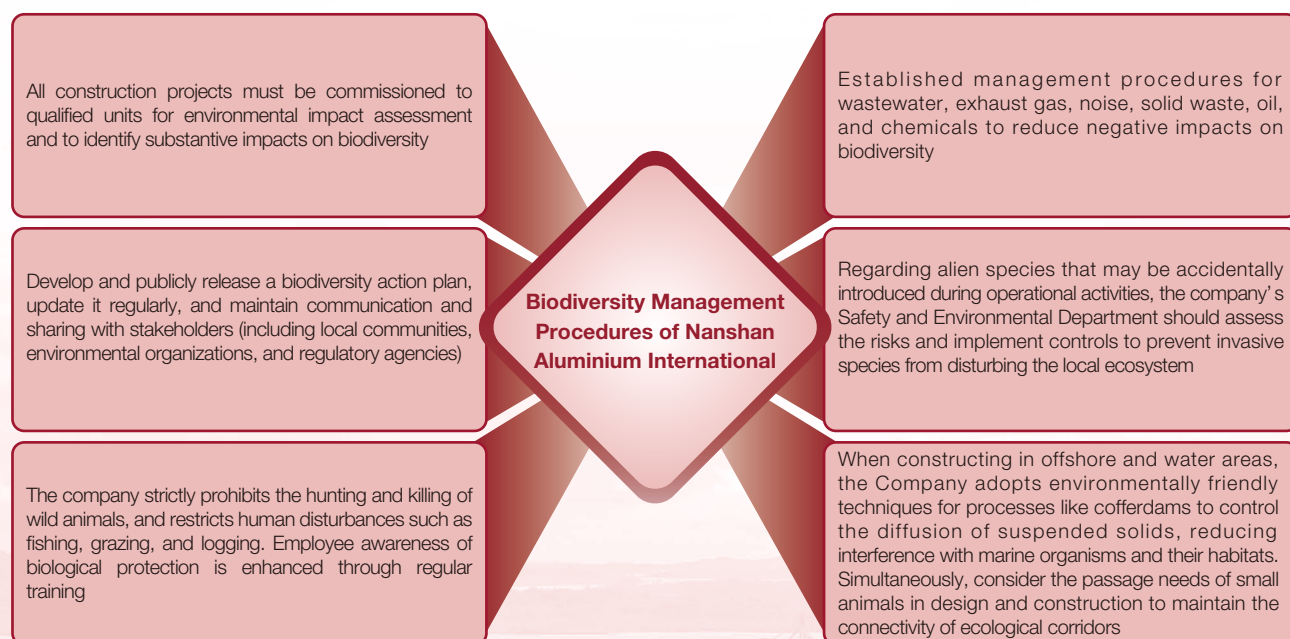
Indexes	Unit	2025	2024
Total non-hazardous waste generated	tonnes	3,192,899.80	2,335,427.31
Total non-hazardous waste generated	tonnes	76,693.80	57,690.67
Total non-hazardous waste recycled	tonnes	—	—
Red mud	tonnes	3,116,206.00	2,277,736.64
Non-hazardous waste intensity	tonnes/tonnes of products	1.22	1.11
Total hazardous waste generated	tonnes	54.72	143.67
Hazardous waste intensity	kg/tonnes of products	0.02	0.07

During the Reporting Period, all non-hazardous and hazardous waste achieved 100% compliant disposal.

4.2.3 Conservation of Biodiversity

Throughout the entire lifecycle of project construction and operation, Nanshan Aluminium International strictly follows relevant laws, regulations, and ecological protection requirements in its operating locations, systematically conducting biodiversity risk identification and impact assessments. During the project site selection phase, the Company proactively avoids ecological protection redline areas and biodiversity-sensitive and vulnerable areas such as mangroves, coral reefs, and seagrass beds (e.g., coastal ecosystems). We prioritise plots with lesser impact on the ecosystem, reducing potential disturbance to natural habitats at the source. For special circumstances where complete avoidance is impossible, the Company strictly formulates ecological compensation plans in accordance with government environmental protection requirements.

We continuously monitor ecological environment changes at the project locations, promoting the coordinated development of ecological protection and resource exploitation, and contributing to the synergistic enhancement of economic and ecological benefits. Thanks to long-standing, friendly management practices, wildlife such as monkeys, snakes, various birds, and insects are frequently active within the park area, providing direct evidence of the harmonious ecological environment within the park.



4. Harmonious Ecology

4.3 Resource Utilization

Nanshan Aluminium International prioritize the refined management of resources and energy. We strictly complies with laws and regulations concerning water resources, energy utilization, and resource management in our operating bases, and prioritize improving resource efficiency within production and operation management.

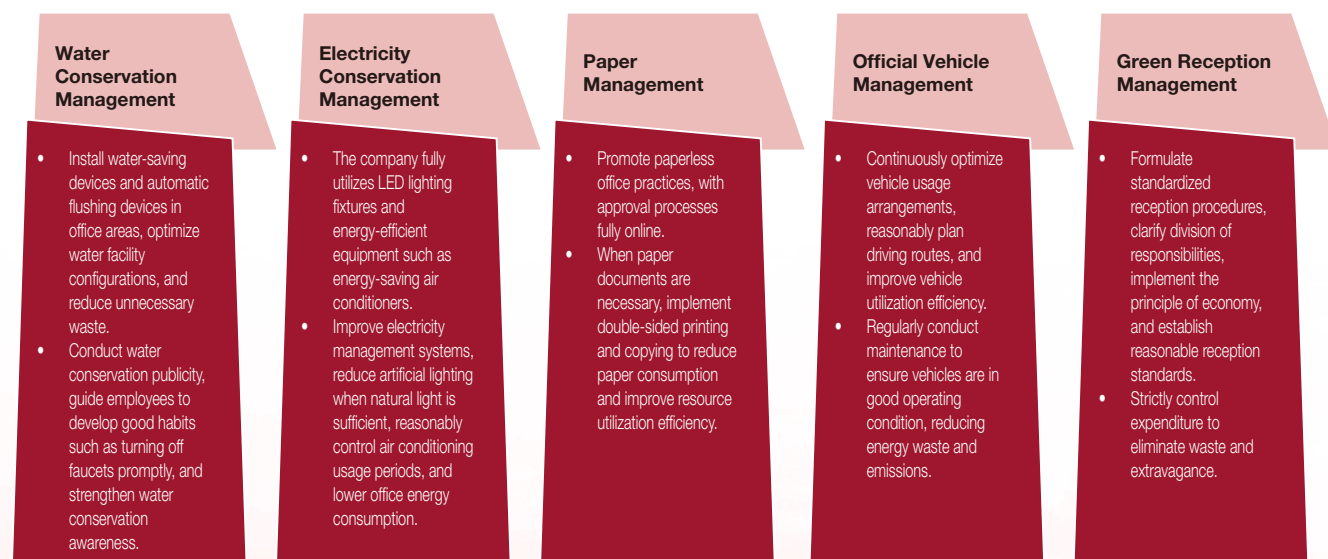
In our daily operations, the Company actively adopts bulk transportation and delivery of products to reduce the usage of packaging materials. During the Reporting Period, the total amount of packaging materials used for finished products of the Company was 67.55 tonnes, with a packaging material usage intensity of 0.03 kg per tonne of product. The primary material of packaging used is polypropylene.

4.3.1 Green Office

Nanshan Aluminium International continuously optimises its resource usage structure, promotes green office practices, reduces resource consumption intensity per unit of product, and enhances resource utilisation efficiency and green operational levels.

Green Office Practices

Nanshan Aluminium International integrates green concepts into daily office management, systematically promoting water-saving, electricity-saving, paper-saving, and low-carbon commuting management to create a conservation-minded and efficient office environment.



4.3.2 Water Resources Management

Nanshan Aluminium International strictly implements local water resource-related laws and regulations during its production and operation processes, ensuring full-process control over water abstraction, usage, and discharge, and promoting refined water resource management. Based on the tropical rainforest climate characteristics and rainfall resource advantages in Indonesia, combined with actual production operations, we systematically promote the construction of water recycling projects to reduce raw water consumption and improve water resource management efficiency.

Water Resource Risk Assessment

The Company has conducted a water resource risk assessment, systematically identifying potential risks such as water supply fluctuations, shortages, and operational disruptions. We manage these risks by grading them based on dimensions like probability of occurrence, impact level, and risk level. We have established risk monitoring mechanisms and emergency plans, clarified responsibilities and response procedures, and strengthened daily monitoring and early warning management.

4. Harmonious Ecology

We integrate water risk management into daily operational control, deploying preventive measures in advance to ensure a stable supply of production water, improve water use efficiency, and enhance operational resilience.

Key Points of Water Resource Management

Pre-event	During-event	Post-event
- Preventive water resource risk warnings and announcements - Conduct transparent and compliant assessments and studies on potential water resource risks	Continuously monitor water discharges and water quality to control the occurrence probability of potential water resource risks by our proactive water resource risk control measures.	Regularly disclose water pollution discharge monitoring results and discharge reduction plans to achieve transparent management of water resource risks

Reuse and Recycle of Water Resource

Nanshan Aluminium International actively promotes the construction of internal water recycling capabilities, continuously reducing the intensity of fresh water withdrawal, laying the foundation for green operations and long-term sustainable development.

During the Reporting Period, Nanshan Aluminium International's indicators for water resource⁹ consumption indicators are set out below:

Water Consumption Indicators	Unit	2025	2024
Total water intake	10,000 m ³	475.44	348.04
Total water consumption	10,000 m ³	295.40	252.41
Water recycling/reuse rate	%	19.24	15.39
Water Intensity ¹⁰	m ³ /tonnes of products	1.13	1.20

⁹ Water resources are from self-built reservoirs. The water in the reservoirs is surface water generated by rainfall.

¹⁰ Water Intensity=Total water consumption/Product output

5. Putting People First

Nanshan Aluminium International continuously improves its compliant employment system, expands diversified talent acquisition channels, effectively safeguards the statutory rights and interests of employees, and provides a remuneration and benefits system that is competitive within the industry. At the same time, we focus on enhancing the sustainable value of our employees by broadening career development paths, increasing investment in systematic training, and consolidating the safety production and performance management systems. We are committed to achieving the shared growth of our employees and the Company, together meeting future opportunities and challenges.

5.1 Employment

The Company adheres to a talent development philosophy based on compliant employment, supported by diversified attraction, and driven by continuous cultivation. We strictly comply with labor laws and regulations in all operating locations to build a fair and standardised employment environment. Through multi-channel and multi-level talent introduction mechanisms, we extensively attract outstanding professionals from the industry. Relying on a systematic training system, clear career paths, and dynamic performance management, we provide employees with a platform for continuous growth, achieving the harmonious integration of personal value and corporate development.

5.1.1 Equal Employment

We strictly comply with applicable laws and regulations in our operating locations, such as Indonesia's Manpower Law. We have formulated a series of specific policies, including the Procedure for Prohibition of Discrimination, Procedure for Protection of Young Workers, Procedure for Prohibition of Forced Labor, Procedure for Protection of Female Workers, Procedure for Prohibition of Child Labor and Remedial Measures, and Procedure for Freedom of Association and Collective Bargaining. This ensures that we have clear rules and regulations to follow in key areas such as equal employment, protection of vulnerable groups, prohibition of forced labor and child labor, and safeguarding trade union rights.

We consistently adhere to an open, inclusive, and equal recruitment philosophy, selecting talent strictly based on job competency and professional qualities. Throughout the entire recruitment process, we commit to eliminating discrimination based on gender, race, religion, age, disability status, nationality, or any other factor unrelated to job performance, ensuring fairness and transparency in hiring decisions. We actively fulfil our social responsibility by providing equal employment opportunities for groups such as persons with disabilities and have received the "Certificate of Honour for Employing Workers with Disabilities" from Indonesian social security authorities for this effort. In the future, we will continue to improve relevant systems to further solidify the foundation for diverse and equal talent development.

The Company adheres to the International Labor Organization Conventions and laws and regulations in its operating locations, resolutely prohibiting the use of child labor and any form of forced labor. During the Reporting Period, the Company further strengthened full-process employment compliance management, using a digital human resources platform to systematically verify employee identities, ages, and the authenticity of documents. Multiple review mechanisms were established in the recruitment process to strictly prevent employment risks. To address potential situations of mistakenly hiring minors due to false identity information or verification omissions, the Company has established systematic emergency and remediation procedures. Once it is confirmed that employment involves a minor, the Company will immediately terminate the labor relationship in accordance with the law, protect their legitimate rights and interests, and collaborate with their family, educational institutions, or social welfare organisations to provide support for returning to school or other necessary social assistance. Subsequently, the Company will also promptly conduct an relevant investigation, analyse the cause of the incident, improve control measures, and prevent similar incidents from recurring.

Furthermore, the Company explicitly prohibits all forms of forced labour, detention of identification documents, and restriction of personal freedom. We conduct comprehensive compliance reviews of third-party employment and labour dispatch agencies to ensure that labour practices across the entire chain comply with business ethics and legal norms, thereby earnestly fulfilling the Company's social responsibility and legal obligations.

5. Putting People First

As of the end of the Reporting Period, Nanshan Aluminium International had a total of 3,851 employees. The distribution of employees by category is as follows:

Indicators		Unit	2025	2024
Total number of employees		person(s)	3,851	3,282
By gender	Male employees	person(s)	3,613	3,050
	Female employees	person(s)	238	232
By age	Employees at 30 and below	person(s)	1,741	1,414
	Employees at 31–49	person(s)	1,976	1,756
	Employees at 50 and above	person(s)	134	112
By position level	Senior management	person(s)	8	8
	Middle management	person(s)	173	191
	Frontline employees	person(s)	3,670	3,083
By region	Indonesian employees	person(s)	2,941	2,382
	Employees from other regions	person(s)	910	900

5.1.2 Talent Attraction

Nanshan Aluminium International actively builds a diversified talent recruitment system. Through channels such as school-enterprise cooperation, social recruitment, and internal referrals, we conduct recruitment activities both online and offline, continuously enriching our talent pool and creating high-quality employment opportunities for the local Indonesian community.

During the Reporting Period, the Company continued its dual-track development strategy of combining guidance from foreign experts with the cultivation of local talent, continuously optimising the talent structure and accelerating the process of operational localisation. The Company's practices in local talent cultivation and employment support have been recognised by relevant authorities. We were honoured with the "Certificate of Honour for Highest Growth Rate of Local Employees" from social security institutions and the "Certificate of Honour for Supporting Local Employment Development" from the Bintan Regency Manpower and Labor Office.



Certificate of Honour for Supporting Local Employment Development

5. Putting People First

Currently, the proportion of Indonesian employees in key positions such as production operations, technical R&D, and grassroots management continues to increase, demonstrating significant results in multicultural integration. By the end of the Reporting Period, various plants had cumulatively cultivated 67 key personnel at the level of Deputy Shift Leader and above, and 153 key personnel at the level of Chief Operator and above. Indonesian local talent is gradually becoming a core force supporting the Company's sustainable development.

The Company places high importance on attracting and retaining high-quality talent. It actively establishes long-term, stable cooperative relationships with local Indonesian universities and labor departments. By providing job opportunities and internships, we effectively promote local employment levels and enhance professional skills, receiving positive social feedback. The Company continues to deepen school-enterprise cooperation, having engaged in in-depth cooperation discussions and corporate culture promotion with higher education institutions such as the University of North Sumatra, Prima University, Batam School of Medicine, and Bintan College of Nursing. We are committed to attracting various high-quality professionals whose profiles align closely with the Company's strategic development, thereby reserving ample human resources for the Company's sustainable development.

Remuneration and Incentives

The Company consistently regards remuneration competitiveness as a crucial pillar of its talent strategy. Fully referencing industry remuneration levels and combining this with its own operational realities, the Company has established a scientific and comprehensive salary adjustment mechanism. We regularly and dynamically optimise the employee remuneration system to ensure that employee salary levels maintain a significant advantage within the industry. In 2025, the Company systematically updated its remuneration standards, optimising the setting of salary grade differentials, effectively enhancing pay fairness for positions at the same level. At the same time, we further strengthened the performance orientation, reasonably increasing the proportion of variable pay to genuinely enhance the incentive effect of remuneration, providing a solid material foundation for the Company's talent team development.

The Company continuously explores and improves diversified employee incentive mechanisms. At the material incentive level, we have established multiple incentive measures such as shift coverage rewards, rationalisation suggestion rewards, technical transformation rewards, and recruitment incentive awards. We also implement medium-to-long-term equity incentive mechanism for key employees, continuously enhancing their proactiveness and sense of belonging. In terms of performance appraisal, the Company has formulated differentiated appraisal mechanisms for employees at different levels. During the Reporting Period, we further improved the monthly performance appraisal system, achieving closed-loop management throughout the entire process through means such as performance coaching, monthly tracking, performance early warning mechanisms, and performance interviews, ensuring the effectiveness of performance appraisals.

5. Putting People First

Employee Retention

Nanshan Aluminium International places high importance on monitoring employee turnover rates, using it as a key guide for the continuous improvement of human resource management. The Company has established a comprehensive employee turnover tracking mechanism and incorporated it into the performance appraisal indicators for management at all units, strengthening the focus of each department on employee retention. By relying on data analysis results, we promptly identify the root causes of issues and adjust management strategies, forming a data-driven closed loop in human resource management and continuously improving HR management effectiveness. As of 31 December 2025, the employee turnover rate for Nanshan Aluminium International was 14.57%. Turnover rate data for different categories is shown in the table below:

Indicators		Unit	2025	2024
Employee turnover rate¹¹		%	14.6	12.2
By gender¹²	Male employees	%	14.3	11.7
	Female employees	%	18.1	19.0
By age¹³	Employees at 30 and below	%	17.9	15.2
	Employees at 31–49	%	11.8	9.6
	Employees at 50 and above	%	11.2	15.2
By region¹⁴	Indonesian employees	%	16.2	12.9
	Employees from other regions	%	9.5	10.2

In 2025, we continued to optimise employee remuneration packages, supporting the achievement of business objectives by strengthening performance appraisals for employees. In the Indonesian region, the Company established performance bonuses for management and technical positions and implemented individual income tax reductions for personnel who have served for three years and five years or more, effectively enhancing team stability and significantly reducing the turnover rate.

¹¹ Turnover rate = Annual number of employee left/Number of employee at the end of the period *100%

¹² Turnover rate by gender = Annual number of male/female employees left/Total number of male/female employees at the end of the period *100%

¹³ Turnover rate by age group = Annual number of employees left in each age group/Total number of employees in each age group at the end of the period *100%

¹⁴ Turnover rate by region = Annual number of employees left in each region/Total number of employees in each region at the end of the period *100%

5. Putting People First

5.1.3 Talent Cultivation

Nanshan Aluminium International places high importance on talent cultivation. It continuously optimises its talent cultivation system and career development paths, helping employees achieve capability enhancement and career growth. We provide remuneration and development opportunities that match employee capabilities, striving to build a multi-level, high-quality talent echelon and reserving ample core talent strength for the Company's sustainable development.

We have established and continuously optimised a job grading system covering six sequences, clearly defining the qualification standards and promotion paths for each level. Employees can achieve vertical promotion or horizontal job development through various means such as internal selection, performance, and capability enhancement. The Company adheres to a fair and transparent promotion mechanism, conducting comprehensive assessments of capability and quality of talent through multi-dimensional evaluation methods like theoretical tests, democratic appraisals, and competitive selection interviews, combined with supervisor evaluations and 360-degree feedback. Annual performance appraisal results are directly applied to employee promotions, salary adjustments, awards, and job changes, systematically ensuring the scientific and fair nature of the talent selection and development process.

In 2025, the Company continued to improve its talent cultivation and internal promotion system, actively promoting the integration of localised talent development with local employment. During the year, a total of 220 Indonesian employees were internally promoted to core positions, further unblocking internal talent development channels, strengthening the local talent echelon, and providing a solid talent guarantee for the Company's sustainable operations and integrated development with the local community.

The Company actively builds a "mentorship" skills transfer system, where experienced Chinese technicians provide one-on-one guidance to Indonesian apprentices. Through hands-on teaching at the worksite, they systematically impart long-accumulated theoretical knowledge and practical experience. Under this model, Indonesian employees learn by doing on the production front line, continuously growing, quickly mastering the professional skills and comprehensive qualities required for their positions, gradually reaching the standard for independent work, and completing the transition from apprentice to technical backbone.

Based on job requirements and employee development paths, the Company designs and implements a training system that is both targeted and practical. While enhancing employee job competence, it also promotes the continuous development of their comprehensive qualities. Our training plan systematically covers several key areas, including technical operations, language communication, equipment application, and safety production, and is dedicated to providing employees with comprehensive career growth support. In 2025, the Company conducted various types of training as follows:

Training Dimension	Number of Sessions	Number of Participants
Skills Training	2,057	30,485
Equipment Training	929	18,145
Emergency and Fire Drills	325	5,646
Language Training	3,051	40,299
Management Capability Training	50	2,838

5. Putting People First

The Company actively supports employees' participation in external training and professional qualification certification, with all related costs borne by the Company. In 2025, the Company organised a total of 45 employees to go to production bases in PRC and the Group's headquarters for study and practice, covering multiple professional fields such as operations, maintenance, and management. After the trainees completed their training and returned to Indonesia, the Company organised language proficiency tests, and those who passed received corresponding performance incentives. At the same time, the Company orderly advanced its annual training and certification work for special equipment operators according to plan. Throughout the year, a total of 485 person-times of special operation training were completed, covering electric welding, electrical work, firefighting, pressure vessel operation, heavy vehicle driving, and lifting equipment operation, effectively enhancing the professional qualifications and operational safety levels of personnel in relevant positions.

During the Reporting Period, Nanshan Aluminium International provided a total of 540,984 training hours to all employees, with average training hours per employee exceeding 140 hours.

Indicators		Unit	2025	2024
Number of employees receiving training		person(s)	3,851	3,282
Total hours of employee training		hour(s)	540,984.0	459,480.0
Average training hours of employees		hour(s)	140.5	140.0
Employee training coverage rate¹⁵		%	100.0	100.0
Percentage of employees trained by gender¹⁶	Male	%	93.8	92.9
	Female	%	6.2	7.1
Percentage of employees trained by position level¹⁷	Senior management	%	0.2	0.2
	Middle management	%	4.5	5.8
	Frontline employees	%	95.3	94.0
Average training hours of employees by gender	Male	hour(s)	140.4	140.0
	Female	hour(s)	141.3	140.0
Average training hours of employees by position level	Senior management	hour(s)	6.0	4.5
	Middle management	hour(s)	72.0	72.0
	Frontline employees	hour(s)	144.0	144.0

¹⁵ Employee training coverage rate = Number of employees who received training during the period/Total number of employees at the end of the period *100%

¹⁶ Percentage of employees trained by gender = Number of male/female employees who received training during the period/Number of employees who received training during the period *100%

¹⁷ Percentage of employees trained by employee category = Number of employees in each category who received training during the period/Number of employees who received training during the period *100%

5. Putting People First

5.2 Employee Care

Nanshan Aluminium International is committed to creating a comprehensive, multi-level non-remuneration welfare system for its employees, covering multiple dimensions such as social insurance protection, holiday welfare and care, and employee activities. This effectively enhances employees’ sense of belonging and well-being, allowing them to feel warmth and care within the Company family.

5.2.1 Welfare and Care

The Company is dedicated to building a comprehensive welfare system covering all employees, helping them achieve work-life balance, and continuously enhancing their sense of belonging and satisfaction. During the Reporting Period, we systematically optimised the welfare structure and enriched the forms of care. By providing holiday benefits (including beverages, meal vouchers, shopping cards), free accommodation, commuting support, and organising holiday leisure travel and other activities, we effectively improved employees’ quality of life, leading to a continuous increase in employee satisfaction.

Nanshan Aluminium International Employee Benefits

Statutory Benefits	Supplementary Benefits
• Paid Annual Leave, Sick Leave • Funeral Leave, Marriage Leave, etc	• Family Visit Benefits • Holiday Benefits • Travel Benefits • Staff Housing Benefits • Health Check Benefits

5. Putting People First

Outstanding Employee Incentive: Cross-Cultural Experience Trip

The Company organised annual outstanding employees to go on a week-long visit, exchange, and leisure trip to Malaysia and PRC, with a total of 32 participants for the year. This reflected recognition of employee contributions and promoted cross-cultural understanding and team integration.

Staff Sports Event: “Badminton with You”, Inspiring Vitality

In September 2025, the Company successfully held a staff badminton friendship competition, attracting multiple teams from various departments and subsidiaries. The event effectively enhanced internal communication through sports competition, showcasing teamwork and a positive, upward-looking spirit.

Themed Team Building Activities: Uniting Hearts and Minds, Creating the Future Together

During the National Day holiday, the Company organised themed team-building activities in seven batches, with a cumulative participation of 387 people. Through activities such as outdoor development training and collaborative tasks, the events significantly enhanced team rapport and organisational identity, injecting sustained centripetal force into the Company’s development.

5.2.2 Employee Communication

Nanshan Aluminium International regards employee voice as an important driving force for corporate development and is committed to building an open, transparent, and efficient two-way communication mechanism. To this end, the Company has formulated and continuously improved the Procedure for Information Exchange, Consultation and Control, systematically establishing a complaint acceptance and handling process to ensure that employee opinions are responded to and acted upon in a timely manner.

We communicate company systems and important information promptly through channels such as the corporate email and internal online communities, actively collecting employee feedback to safeguard employees’ rights to information, participation, and expression. At the same time, the Company has set up anonymous suggestion boxes and online feedback platforms, providing employees with safe and convenient channels to voice their concerns. Furthermore, we regularly hold departmental forums and cross-level communication activities to promote information sharing, enhance mutual understanding, and continuously foster an organisational atmosphere of trust and collaboration.

The Company insists on implementing employee care through practical actions. By systematically conducting employee satisfaction surveys, we deeply listen to employees’ voices and comprehensively gather their genuine opinions and suggestions on various aspects of the Company’s work. In 2025, the Company conducted research mainly through visits and discussions, covering areas such as skills development, living and office environment, canteen services, transportation convenience, and human rights protection. Based on the survey results, we formulated targeted improvement measures to continuously optimise the employee experience. In the future, the Company plans to further introduce digital platforms to achieve systematic analysis and visual presentation of research data, making management improvements more effective.

5. Putting People First

5.3 Production Safety

Nanshan Aluminium International always places the physical and mental health and operational safety of its employees at the forefront of its production and operations, viewing it as the foundation for the stable operation of all businesses. By establishing and continuously improving a safety management system covering all processes and scenarios, we systematically build a solid line of defence, from risk prevention and process control to emergency response. With “zero accidents” as our long-term goal, we continuously strengthen on-site management through standardised operations, regular training, intelligent monitoring, and the implementation of company-wide responsibility, effectively safeguarding the safety and health of every employee and laying a solid people-oriented foundation for achieving sustainable, high-quality development.

5.3.1 Safety Management

The Company comprehensively follows relevant safety regulations and competent authority rules in Indonesia, such as those concerning Occupational Health and Safety in the Work Environment and Workplace First Aid for Work Injuries. We systematically establish and implement a series of occupational health and safety management systems, including the Safety Production Responsibility System and the Safety Production Inspection System. We have obtained ISO 45001 Safety Management System Certification, standardising safety behaviours across all processes through standardised, procedural management mechanisms and continuously consolidating the institutional foundation for safe enterprise operations.

We have established and continuously operate an occupational health and safety management system. A Safety and Environmental Protection Department has been set up, responsible for supervising all units in fulfilling their primary safety production responsibilities and implementing the safety production responsibility system, promoting the improvement of safety management systems and safety production conditions, organising investigations and handling of production safety accidents, and conducting employee safety education. Each plant has established a Comprehensive Safety Section, specifically responsible for executing daily safety management, reporting on safety work, and organising the implementation of safety production and occupational health inspections. The Company incorporates safety performance into the assessment indicators for senior management, promoting the coordinated implementation of safety management with the Company’s strategic goals.

The Company sets annual safety targets and cascades them down to units and positions at all levels. By signing safety production responsibility letters and defining key safety performance indicators, we translate safety performance requirements into specific, executable management actions. At the same time, the Company has established a performance evaluation and incentive mechanism linked to safety targets, ensuring that safety responsibilities are deeply integrated with daily operations and promoting the solid implementation of safety culture on the front line of production.

During the Reporting Period, safety management performance of Nanshan Aluminium International was as follows:

Safety Management Performance	Completion status in 2025
Serious injuries or fatal accidents	0
Equipment and production safety liability incidents	0
Average safety training hours per person ≥ 72 hours	100%
Timely rectification rate of identified safety hazards	100%
Passing rate of safety training at all levels	100%

5. Putting People First

Nanshan Aluminium International has established a systematic safety risk management mechanism, adhering to high standards in implementing safety production practices. Its management effectiveness has been repeatedly recognised by authoritative bodies. In 2025, the Company was awarded the K3¹⁸ (Safety, Health, and Occupation) Safety Activity Award by the Indonesian government, recognising its continuous investment and outstanding performance in the field of occupational health and safety. This further demonstrates the effectiveness and exemplary nature of the Company's safety management system in its localised operations.



Local Government Participation and Support Award for K3 Safety Activity Award

Risk Management

Nanshan Aluminium International places safety risk identification and prevention at the core of its safety management. By establishing and improving a robust risk assessment and dynamic monitoring mechanism, we systematically identify potential risks in all aspects of production and operations, and implement tracking management for the evolution of risks, ensuring safety hazards are always under control.

The Company places high importance on systematic safety risk control and conducts regular safety audits covering all business scenarios. The audit process integrates professional methods and international standards, deeply evaluating the effectiveness of the safety management system in all aspects of production and operations, with special attention paid to new risks that may arise from new business development, new process applications, and technological transformations. By constructing a closed-loop management mechanism of “identify-assess-improve-review,” the Company ensures that all types of risks are scientifically assessed and managed by category, providing a decision-making basis for continuously optimising safety production practices, thereby systematically enhancing the enterprise's overall risk prevention capability.

5. Putting People First

Safety Culture Promotion

Based on regular education and publicity, the Company continuously strengthens employees' safety knowledge and sense of responsibility through various forms, including Safety Month activities, thematic training, accident case warning education, and continuously pushing safety information via digital platforms. In terms of specialised training, the Company has established a systematic safety training system. The content comprehensively covers laws and regulations, safety rules and systems, post safety operation procedures, emergency plan drills, occupational health protection, dual prevention mechanisms, fire safety knowledge, and safety skills in various professional fields. This ensures that training content is closely integrated with actual work, effectively enhancing employees' safety literacy and risk prevention capabilities.

To help new employees quickly adapt to their posts and establish safety awareness, the Company has established a four-level safety training system covering "company level, plant level, workshop level, and team level." This system uses a step-by-step curriculum to progressively deepen, systematically conveying safety standards, production processes, and risk response methods. This enables new employees to effectively identify and prevent safety risks in their actual work, consolidating the foundation for post safety.

During the Reporting Period, various units of the Company organised a total of 2,904 safety training sessions, covering 71,266 participants cumulatively. Among these, the "company-level" safety training for newly recruited employees was systematically completed, with a total of 725 participants, laying an important safety awareness foundation for their subsequent on-the-job practice.

The lost days due to work injury¹⁹ in 2025 was 120, compared to 180 in 2024. Other health and safety metrics are as follows:

Indicators	Unit	2025	2024	2023
Number of work-related fatalities	person(s)	0	0	0
Rate of work-related fatalities ²⁰	%	0	0	0

5.3.2 Occupational Health

Nanshan Aluminium International adheres to a scientific and systematic approach to comprehensively standardise occupational health management. We strictly comply with laws and regulations established by Indonesia, such as the Occupational Safety Law and the Regulations on the Implementation of Occupational Safety and Health Management Systems, paying close attention to the occupational health of every employee.

The Company systematically advances employee occupational health management. A company-wide occupational health check-up was completed in June 2025, and the pre-employment medical examination mechanism for new employees is continuously implemented. At the same time, the Company provides all employees with compliant personal protective equipment, including safety helmets, safety shoes, protective masks, earplugs, and safety goggles. On-site fire-fighting facilities are kept complete and effective. Furthermore, the Company encourages grassroots safety innovation through measures such as establishing rewards for equipment safety technological transformations, continuously improving the intrinsic safety level on-site.

¹⁹ In accordance with relevant laws and regulations in Indonesia, the Company's primary place of operation, lost days due to work injury refer to the workdays corresponding to the loss of work capacity suffered by employees as a result of such injuries during the Reporting Period.

²⁰ Rate of work-related fatalities = Number of work-related fatalities during the period/Total number of employees at the end of the period *100%

6. Giving Back to Society

The Company systematically implements occupational health hazard identification and control based on the HIRADC²¹ (Hazard Identification, Risk Assessment and Determining Control). By conducting regular sampling and testing of air quality, noise levels, and other environmental indicators in work areas, we ensure that the on-site working environment continuously meets standards. Building on this foundation, the Company dynamically formulates and adjusts emergency response procedures based on actual working conditions, forming a full-process occupational health management mechanism covering prevention, monitoring, and response.

Nanshan Aluminium International consistently upholds a responsible business philosophy, valuing long-term mutual trust and shared development with local communities. The Company fully recognises that corporate operations cannot be separated from community support. We continuously pay attention to community needs and people's livelihoods, actively participating in public welfare, charity, community assistance, and social contribution activities. Through practical actions, we give back to society and promote the coordinated development of the enterprise and the community.

6.1 Community Protection

Nanshan Aluminium International places high importance on protecting the rights and interests of indigenous peoples. We strictly adhere to the principles of respecting indigenous autonomy and "Free, Prior and Informed Consent" (FPIC). The development and utilisation of mineral, water, and other natural resources are carried out based on full communication and obtaining the consent of indigenous peoples. The Company systematically assesses potential impacts on communities during project planning, construction, and operation, continuously strengthening communication and collaboration with indigenous representatives and local institutions. For matters that may adversely affect the community, we respond promptly and take corresponding improvement measures, promoting the coordinated and harmonious progress of operational development with community harmony, cultural, and environmental protection.

Nanshan Aluminium International Follows and Commits to

- The Company fully respects and safeguards the legitimate rights and interests of indigenous peoples, including rights to survival, development, use of natural resources (such as minerals, land), benefit-sharing, and the rights to autonomy, free, prior and informed consent. The Company commits to strictly following applicable laws, regulations, and relevant procedures in activities such as new project (modification, expansion) construction, closure, decommissioning, divestment, and requisition of natural resources. Negotiations and communications are carried out in accordance with laws and regulations, and when requisition or impact occurs, reasonable compensation or proper resettlement will be provided to effectively protect the legitimate rights and interests of indigenous peoples. The Company also commits to adhering to the principles of fairness and justice in recruitment, job placement, remuneration, and career development, eliminating any form of discrimination and creating an equal and inclusive employment environment.
- The Company fully respects the freedom of religious belief in its operating locations. We commit to carrying out the protection of cultural heritage sites and holy places in compliance with laws and regulations during daily operations, continuously strengthening risk identification and management, avoiding adverse impacts on local cultural and religious activities, and promoting the harmonious coexistence of corporate operations with the local social and cultural environment.

21

Hazard Identification, Risk Assessment and Determining Control (HIRADC) is part of the OHSAS 18001:2007 Occupational Health and Safety Management System requirements, which stipulates that organisations shall establish, implement and maintain procedures for ongoing hazard identification, risk assessment, and the determination of necessary controls.

6. Giving Back to Society

6.2 Public Charity

Nanshan Aluminium International actively encourages employees to participate in public welfare activities such as volunteer services and blood donation. The Company continues to implement charitable projects including educational assistance and community holiday visits to support local community development and livelihood improvement. Through diversified philanthropic practices, the Company consistently conveys care and warmth, promotes the enhancement of community well-being, further deepens positive interactions with the operating locations, and establishes a responsible corporate image.

During the traditional Muslim Ramadan, we conduct charitable visit activities at local orphanages, nursing homes, and surrounding communities, promptly preparing and donating large quantities of food. We are deeply involved in education and medical construction projects, providing nutritious lunches for local students and continuously building local medical institutions that can benefit over ten thousand people, thereby promoting harmonious co-prosperity between the enterprise and the community.

Festival Outreach Activity: Delivering Care and Warmth During Ramadan

During the 2025 Ramadan, the Company organised management and employee representatives to visit local orphanages, nursing homes, and surrounding communities, conducting pre-festival solicitude activities and bringing care and support to local disadvantaged groups. During the activities, we donated a total of over 3,000 portions of daily necessities such as rice, flour, cooking oil, milk powder, and sugar, and extended sincere holiday wishes to the recipients. Through practical actions, we conveyed the Company's warmth and enhanced community cohesion.



6. Giving Back to Society

Free Nutritious Lunch Programme: Safeguarding the Healthy Growth of Local Students

To support local educational development, the Company launched the “Free Nutritious Lunch Programme,” providing free nutritious lunches to students of Bintan Regency’s 5th Elementary School and 27th Middle School on a long-term basis, and donating new school backpacks to students to improve their learning and living conditions.

This project not only provides students with stable nutritional support but also further promotes healthy campus development, helping young people grow and thrive. Through public welfare actions such as festival visits and educational support, we continuously respond to community concerns, effectively improve the living conditions of vulnerable groups and the growth environment for students, enhance community welfare levels, and deepen the mutual trust between the enterprise and the local community.



The New “Aluminium Way” on Bintan Island: Continuously Investing in the Construction of Galang Batang Community Hospital

In response to the relative shortage of medical resources in the operating location, Nanshan Aluminium International actively communicated and collaborated with the local government to invest in the construction of a non-profit medical institution — Galang Batang Hospital. The hospital features nearly 20 functional areas, including surgical outpatient clinics, a CT room, an ECG room, an ultrasound room, and operating theatres. The hospital adheres to a public welfare nature, is not-for-profit, and aims to enhance local medical service capacity, improve residents’ access to medical care, and help improve the quality of life for the people.

Upon completion, this project will effectively improve medical accessibility for surrounding residents, is expected to benefit tens of thousands of local people, and further enhance the level of regional public services. It will also indirectly enhance the employability and career development prospects of local residents, create more job opportunities for the community, and promote the coordinated development and harmonious coexistence of the enterprise and the community.



During the Reporting Period, employees of Nanshan Aluminium International participated in public welfare, charity, and volunteer service projects, accumulating a total of 80 hours. The Group made charitable and other donations of approximately USD39,000.

7. Appendix

7.1 ESG Policies and Key Systems

Environment

Environmental Protection Management (Indonesian Regulation No. 22 of 2021)
Procedure for the Issuance of On-site Technical Approval and Operational Feasibility Letter in Environmental Pollution Control (Indonesia Regulation No. 5 of 2021)
Company Environmental Protection Policy (Compilation)
Environmental Protection Target Responsibility System
Three Wastes Management Policy

Hazardous Waste Management Policy
Environmental Protection Training and Education Policy
Environmental Protection Assessment Policy
Environmental Risk Identification and Control Policy
Construction Project Environmental Protection Management Policy
Environmental Protection Emergency Plan
Indonesian Emission Quality Standards for Thermal Power Plants
Indonesian Port Waste Management (No. 05 of 2009)

Social

Labor Law
Prohibition of Discrimination Management Procedure
Procedure for the Protection and Management of Minor Employees
Management Procedure for Prohibiting the Use of Forced Labor
Procedures for the Protection of Female Employees
Management Procedure for Prohibition of Child Labor and Remedial Measures
Management Procedure for Freedom of Association and Collective Bargaining Rights
International Labour Organization Convention
Information Exchange, Consultation, and Control Procedures

Occupational Health and Safety in the Work Environment
Workplace Injury First Aid
Safety Production Responsibility System
Safety Production Inspection Policy
Work Safety Act
Implementation Regulations for the Occupational Safety and Health Management System
Nanshan Aluminium International Procurement Management Policy
Supplier Access Management Policy
Provisions on the Management of New Suppliers
Nanshan Aluminium International Anti-Corruption Policy

Governance

Investment Law
Limited Liability Company Law
Corporate Governance Code
Anti-Unfair Competition Law
Transparency International's Anti-Corruption Corporate Guidelines
Anti-Bribery Law
Anti-Corruption Law
PT. Bintan Alumina Indonesia Anti-Corruption and Anti-Bribery Policy

Financial Audit Management System
Procurement Business Audit Management System
Whistleblower Protection Policy
Personal Data Protection Law
PT. Bintan Alumina Indonesia Information Security and Privacy Protection System
Network Information Department Business Application Form

7.2 HKEX ESG Reporting Guide Content Index

C: “Comply or Explain” Provision

Subject Areas, Aspects, General Disclosures and KPIs			Section
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Climate Change Response Environmental Management
	KPI A1.1	The types of emissions and respective emissions data.	Environmental Management
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Management
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Environmental Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Utilization
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Climate Change Response
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Utilization
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Change Response
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Utilization
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Utilization
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Climate Change Response

7. Appendix

Subject Areas, Aspects, General Disclosures and KPIs			Section
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
	KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Production Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the Reporting Year.	Production Safety
	KPI B2.2	Lost days due to work injury.	Production Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Production Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment

7. Appendix

Subject Areas, Aspects, General Disclosures and KPIs			Section
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Supply Chain
	KPI B5.1	Number of suppliers by geographical region.	Responsible Supply Chain
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Responsible Supply Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer Service
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality
	KPI B6.2	Number of products and services related complaints received and how they are dealt with.	Customer Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Quality
	KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business ethics
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Business ethics
	KPI B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	Business ethics
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Society
	KPI B8.1	Focus areas of contribution (such as education, environmental affairs, labor needs, health, culture and sports).	Giving Back to Society
	KPI B8.2	Resources contributed to the focus area (e.g. money or time).	Giving Back to Society

7. Appendix

D. Climate-related Disclosures

Aspects/ Core Pillars	General Disclosures and KPIs/Climate-related Disclosure Requirements	Section
Governance	19(a) Information about the governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities;	Climate Change Response
	19(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Climate Change Response
Strategy	20 Climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term	Climate Change Response
	21 The current and anticipated effects of climate-related risks and opportunities on business model and value chain	Climate Change Response
	22 The effects of climate-related risks and opportunities on the issuer's strategy and decision-making	Climate Change Response
	23 The progress of plans disclosed in previous Reporting Periods in accordance with paragraph 22	Climate Change Response
	24 Qualitative and quantitative information about the current financial effects of climate-related risks and opportunities	Climate Change Response
	25 Qualitative and quantitative information about the anticipated financial effects of climate-related risks and opportunities	Climate Change Response
	26 The resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties, and how and when climate-related scenario analysis is used to assess climate resilience	Climate Change Response
Risk Management	27(a)(b) The processes and related policies used to identify, assess, determine the prioritization of, and maintain monitoring over climate-related risks and opportunities	Climate Change Response
	27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into overall risk management process	Climate Change Response

7. Appendix

Aspects/ Core Pillars	General Disclosures and KPIs/Climate-related Disclosure Requirements	Section
Metrics and Targets	28 Absolute gross greenhouse gas emissions generated during the Reporting Period, classified as: Scope 1, Scope 2, and Scope 3	Climate Change Response
	29 The standards, approach and other information used to measure greenhouse gas emissions	Climate Change Response
	30 The amount and percentage of assets or business activities vulnerable to climate-related transition risks	Climate Change Response
	31 The amount and percentage of assets or business activities vulnerable to climate-related physical risks	Climate Change Response
	32 The amount and percentage of assets or business activities aligned with climate-related opportunities	Climate Change Response
	33 The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Climate Change Response
	34 Whether and how a carbon price is applied in decision-making, and the price of each metric tonne of greenhouse gas emissions used to assess the costs of its greenhouse gas emissions	Carbon price currently not applicable
	35 Whether and how climate-related considerations are factored into remuneration policy	Climate Change Response
	36 Industry-based metrics that are associated with business models, activities or other common features that characterise participation in an industry	Industry-based metrics currently not applicable
	37 The qualitative and quantitative climate-related targets set to monitor progress towards achieving strategic goals, and any targets the issuer is required to meet by law or regulation	Climate Change Response
	38 The approach to setting and reviewing each target, and how it monitors progress against each target	Climate Change Response
	39 Information about its performance against each climate-related target and an analysis of trends or changes in its performance	Climate Change Response
	40 For each greenhouse gas emissions target disclosed, the type of target, the scope of the target, the approach used to set the target, and the use of carbon credits	Carbon credits currently not applicable
	41 Applicability of cross-industry metrics and industry-based metrics	Currently not applicable

Independent Auditor's Report



To the shareholders of

Nanshan Aluminium International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Nanshan Aluminium International Holdings Limited (**"the Company"**) and its subsidiaries (**"the Group"**) set out on pages 125 to 182, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (**"the Code"**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Independent Auditor's Report

KEY AUDIT MATTER *(Continued)*

Timing of Revenue Recognition

Refer to note 4 to the consolidated financial statements and the accounting policies in note 2(t).

The Key Audit Matter

The Group's revenue, amounted to US\$1,142 million for the year ended 31 December 2025, is generated from the production and sales of alumina (including aluminium hydroxide).

Revenue was recognised when the customers took possession of and accepted the alumina which was taken to be the point in time when the customers obtained control of the goods.

We identified the timing of revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of timing of revenue recognition by management to meet specific targets or expectations.

How the matter was addressed in our audit

Our audit procedures to assess the timing of revenue recognition included the following:

- Assessing the design, implementation and operating effectiveness of management's key internal controls which govern revenue recognition;
- Inspecting sale contracts, on a sample basis, to identify terms and conditions relating to transfer of the control of the alumina and assessing the Group's policies in respect of the timing of revenue recognition with reference to the requirements of the prevailing accounting standards;
- Inspecting, on a sample basis, sale orders and shipping documents ("**underlying documentation**") for revenue transactions recorded during the year to assess whether the related revenue had been recognised in accordance with the Group's revenue recognition accounting policies;
- Obtaining confirmations from customers, on a sample basis, for the amount of sales during the year and balances of trade receivables as at the year end, and for unreturned confirmations, performing alternative procedures by comparing the sales amount of the transactions with relevant underlying documentation;
- Inspecting, on a sample basis, delivery documents for revenue transactions recorded before and after the financial year end date to determine whether the related revenue had been recognised in the appropriate financial period.

Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained all of the other information prior to the date of this auditor's report apart from full set of finalised annual report not yet received. This remaining information is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai (practising certificate number: P04995).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

26 March 2026

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025
(Expressed in United States dollars ("US\$"))

	Note	2025 US\$'000	2024 US\$'000
Revenue	4	1,141,803	1,020,668
Cost of sales		(663,817)	(503,978)
Gross profit		477,986	516,690
Other net income	5	32,508	17,047
Selling expenses		(1,563)	(5,489)
Administrative expenses		(28,962)	(28,246)
Impairment loss (recognised)/reversed on trade receivables	25(a)	(627)	708
Profit from operations		479,342	500,710
Finance costs	6(a)	(16)	(6)
Profit before taxation	6	479,326	500,704
Income tax	7(a)	(61,225)	(43,295)
Profit for the year		418,101	457,409
Attributable to:			
Equity shareholders of the Company		408,428	401,812
Non-controlling interests	14	9,673	55,597
Profit for the year		418,101	457,409
Earnings per share	10		
Basic and diluted (US\$)		0.72	0.94

The notes on pages 132 to 182 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 24(d).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025
(Expressed in US\$)

		2025 US\$'000	2024 US\$'000
	Note		
Profit for the year		418,101	457,409
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations	21(a)	46	(163)
— Exchange differences on translation into presentation currency		472	474
Items that are or may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of foreign operations		(65,169)	(71,914)
Other comprehensive income for the year		(64,651)	(71,603)
Total comprehensive income for the year		353,450	385,806
Attributable to:			
Equity shareholders of the Company		345,078	352,657
Non-controlling interests	14	8,372	33,149
Total comprehensive income for the year		353,450	385,806

The notes on pages 132 to 182 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in US\$)

		31 December 2025 US\$'000	31 December 2024 US\$'000
	Note		
Non-current assets			
Property, plant and equipment	11	1,396,289	969,020
Right-of-use assets	12	46,345	50,932
Intangible assets	13	5,106	4,606
Prepayments and other receivables	17	86,171	50,742
Time deposits	18(c)	428	—
		1,534,339	1,075,300
Current assets			
Inventories	15	212,131	99,619
Trade receivables	16	64,138	41,006
Prepayments and other receivables	17	37,728	46,246
Restricted deposits	18(b)	1,716	4,316
Time deposits	18(c)	77,110	—
Cash and cash equivalents	18(a)	321,298	454,152
		714,121	645,339
Current liabilities			
Trade payables	19	58,763	17,891
Contract liabilities		—	495
Lease liabilities		80	134
Other payables and accruals	20	214,266	362,062
Defined benefit obligations	21	30	21
Other financial liabilities		—	1,820
Current taxation	23(a)	52,108	14,732
		325,247	397,155
Net current assets		388,874	248,184
Total assets less current liabilities		1,923,213	1,323,484

The notes on pages 132 to 182 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in US\$)

		31 December 2025	31 December 2024
	<i>Note</i>	US\$'000	US\$'000
Non-current liabilities			
Lease liabilities		—	80
Defined benefit obligations	21	365	318
Deferred tax liabilities	23(b)	24,011	28,726
		24,376	29,124
NET ASSETS		1,898,837	1,294,360
CAPITAL AND RESERVES	24		
Share capital		*	*
Reserves		1,863,538	1,264,225
Total equity attributable to equity shareholders of the Company		1,863,538	1,264,225
Non-controlling interests		35,299	30,135
TOTAL EQUITY		1,898,837	1,294,360

* The balance represented amount less than US\$500.

Approved and authorised for issue by the board of directors on 26 March 2026.

Hao Weisong
Executive director

Han Yanhong
Executive director

The notes on pages 132 to 182 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025
(Expressed in US\$)

Attributable to equity shareholders of the Company									
Note	Share capital	Share premium	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Retained profits	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Note24(b)	Note24(c)	Note24(e)(i)	Note24(e)(ii)	Note24(e)(iii)				
Balance at 1 January 2025	*	856,704	(674)	(109,918)	(205)	518,318	1,264,225	30,135	1,294,360
Changes in equity for 2025:									
Profit for the year	—	—	—	—	—	408,428	408,428	9,673	418,101
Other comprehensive income	—	—	—	(63,396)	46	—	(63,350)	(1,301)	(64,651)
Total comprehensive income	—	—	—	(63,396)	46	408,428	345,078	8,372	353,450
Issuance of new shares	24(b)	*	297,445	—	—	—	297,445	—	297,445
Dividend declared by the Company	24(d)	—	—	—	—	(49,216)	(49,216)	—	(49,216)
Dividend declared by PT. Bintan Alumina Indonesia ("BAI")	24(d)	—	—	—	—	—	—	(3,208)	(3,208)
Equity settled share-based transactions	22	—	—	6,006	—	—	6,006	—	6,006
Balance at 31 December 2025	*	1,154,149	5,332	(173,314)	(159)	877,530	1,863,538	35,299	1,898,837

* The amount less than US\$500.

The notes on pages 132 to 182 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025 (continued)
(Expressed in US\$)

Attributable to equity shareholders of the Company									
Note	Share capital	Share premium	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Retained profits	Total	Non-controlling interests	Total equity
	US\$'000 Note24(b)	US\$'000 Note24(c)	US\$'000 Note24(e)(i)	US\$'000 Note24(e)(ii)	US\$'000 Note24(e)(iii)	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2024	786,173	—	10,351	(60,926)	(42)	183,242	918,798	350,842	1,269,640
Changes in equity for 2024:									
Profit for the year	—	—	—	—	—	401,812	401,812	55,597	457,409
Other comprehensive income	—	—	—	(48,992)	(163)	—	(49,155)	(22,448)	(71,603)
Total comprehensive income	—	—	—	(48,992)	(163)	401,812	352,657	33,149	385,806
Dividend declared by Global Aluminium International Pte. Ltd. ("GAI")	24(d)	—	—	—	—	(66,736)	(66,736)	—	(66,736)
Dividend declared by BAI	24(d)	—	—	—	—	—	—	(34,400)	(34,400)
Capital injection by non-controlling interest	—	—	—	—	—	—	—	50	50
Issuance of ordinary shares to shareholders of the Company in connection with the Reorganisation	*	1,116,704	(10,290)	—	—	—	1,106,414	(319,506)	786,908
Effect of Reorganisation	(786,173)	—	(735)	—	—	—	(786,908)	—	(786,908)
Dividend declared by the Company	24(d)	—	(260,000)	—	—	—	(260,000)	—	(260,000)
Balance at 31 December 2024	*	856,704	(674)	(109,918)	(205)	518,318	1,264,225	30,135	1,294,360

* The amount less than US\$500.

The notes on pages 132 to 182 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2025
(Expressed in US\$)

	Note	2025 US\$'000	2024 US\$'000
Operating activities			
Cash generated from operations	18(d)	388,283	601,410
Income tax paid	23(a)	(28,564)	(19,577)
Net cash generated from operating activities		359,719	581,833
Investing activities			
Payment for the addition in right-of-use assets		—	(2,826)
Payment for the purchase of property, plant and equipment and intangible assets		(392,156)	(270,755)
Proceeds from disposal of property, plant and equipment and right-of-use assets		7,477	1
Increase in time deposits		(77,538)	—
Interest received		248	—
Net cash used in investing activities		(461,969)	(273,580)
Financing activities			
Proceeds from the initial public offering		298,267	—
Capital element of lease rentals paid		(134)	(43)
Interest element of lease rentals paid		(5)	(3)
Dividends paid to shareholders of the Company		(309,216)	—
Dividend paid to a shareholder of GAI		—	(67,686)
Dividend paid to non-controlling shareholders of BAI		(7,058)	(27,342)
Receipt of capital injection by non-controlling interest		—	50
Proceeds from related parties	18(e)	—	17,443
Repayment to related parties	18(e)	—	(18,350)
Listing expenses		(207)	(432)
Net cash flows used in financing activities		(18,353)	(96,363)
Net (decrease)/increase in cash and cash equivalents		(120,603)	211,890
Cash and cash equivalents at the beginning of the year	18(a)	454,152	251,561
Effect of foreign exchange rate changes		(12,251)	(9,299)
Cash and cash equivalents at the end of the year	18(a)	321,298	454,152

The notes on pages 132 to 182 form part of these financial statements.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

1 GENERAL INFORMATION

Nanshan Aluminium International Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2023 under the Companies Act (As Revised) of the Cayman Islands.

The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the group reorganisation below. The Company and its subsidiaries (together, "**the Group**") are principally engaged in production and sales of alumina.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 25 March 2025.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(e) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

Prior to the incorporation of the Company, the principal business of the Group was carried out through GAI and its subsidiary, BAI.

To rationalise the corporate structure in preparation for the listing of the Company's shares on the Main Board of Stock Exchange, the Group underwent a reorganisation (the "**Reorganisation**"). As part of the Reorganisation, the Company became the holding company of the companies now comprising the Group in June 2024.

The Reorganisation mainly involved inserting some newly formed entities with no substantive business operations as the new holding companies of GAI. There were no changes in the economic substance of the ownership and business of the Group before and after the Reorganisation. Accordingly, the consolidated financial statements for the years ended 31 December 2025 and 2024 has been prepared and presented as a continuation of the financial statements of GAI and its subsidiary with the assets and liabilities recognised and measured at their historical carrying amounts prior to the Reorganisation.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements *(Continued)*

The consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the year ended 31 December 2024 as set out in the financial statements include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the year ended 31 December 2024, or since their respective dates of establishment, whichever is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2024 as set out in the financial statements have been prepared to present the financial position of the companies now comprising the Group as at those dates as if the current group structure had been in existence as at the respective dates, taking into account the respective dates of establishment, where applicable. Intra-group balances, transactions and unrealised gains/losses on intra-group transactions are eliminated in full in preparing the financial statements.

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

All companies now comprising the Group have adopted 31 December as their financial year end date.

The functional currency of the Company is Hong Kong dollars ("HK\$"). The financial statements are presented in US\$ and all values are rounded to the nearest thousand (US\$'000) except when otherwise indicated.

(c) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the derivative financial instruments are stated at their fair value as explained in the accounting policies set out in note 2(i).

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(f) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests ("NCI") are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)).

(g) Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost, less accumulated depreciation and any accumulated impairment losses (see note 2(l)).

If significant parts of an item of property, plant and equipment and right-of-use assets have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment and right-of-use assets is recognised in profit or loss.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment and right-of-use assets (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment and right-of-use assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Leased office buildings	Over the lease term
— Leasehold lands	30 years
— Plant and buildings	20 years
— Machinery and equipment	8–16 years
— Furniture and fixtures	4–8 years
— Motor vehicles	4–8 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Construction in progress

Construction in progress represents plant and buildings under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment loss, if any (see note 2(l)). The cost includes the direct costs of construction, plant and equipment.

Construction in progress is not depreciated until such time as the assets are completed and ready for operational use, after which the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 2(g).

(i) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(j) Intangible assets

Intangible assets, including software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(l)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Software	4–10 years
------------	------------

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(l)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(i) As a lessee (Continued)

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade receivables and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its credit obligations to the Group in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers the 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.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 CGU.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(l)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(l)(i)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit obligations

The Group provides defined benefit plans to its employees in Indonesia in conformity with the relevant requirements of Indonesia's Labor Law. The provision for defined benefit plans is determined using the Projected Unit Credit method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss at the earlier of:

- The date of the plan amendment or curtailment; or
- The date of the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(iii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees and other qualifying participants are measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD").

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

The principal activities of the Group are sale of alumina. Revenue is recognised when the customer takes possession of and accepts the alumina.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

(b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and consequently are recognised in profit or loss on a systematic basis over the useful life of the asset.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of the Company and its subsidiaries using the functional currency other than US\$, are translated into US\$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US\$ at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(v) Related parties *(Continued)*

(b) (Continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group determined that it only has one operating segment.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty are as follows:

(a) Depreciation

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment and right-of-use assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of useful lives and residual values, if any, are based on the historical experience with similar assets and taking into account anticipated changes on how such assets are to be deployed. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(b) Expected credit losses for trade receivables

The credit loss allowance for trade receivables is 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.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(c) Recognition of deferred tax liabilities

Deferred tax liabilities are recognised in respect of taxable temporary differences. Some temporary differences arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Such temporary differences are often described as timing differences. Management's judgment needs to assess the amount of taxable timing differences. Management's assessment will be revised as necessary and additional or less deferred tax liabilities are recognised or reversed if the estimate amount of taxable timing differences changes.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the production and sales of alumina (including aluminium hydroxide). Revenue is recognised at a point in time.

Revenue from contracts with customers within the scope of HKFRS 15 is as follows:

	2025 US\$'000	2024 US\$'000
Sales of alumina	1,141,803	1,020,668

During the year ended 31 December 2025, the Group's customers with whom transactions have exceeded 10% of the Group's revenue are set out below. Details of concentrations of credit risk arising from largest debtors are set out in note 25(a).

	2025 US\$'000	2024 US\$'000
Customer A	419,549	485,918
Customer B	280,604	385,455
Customer C	142,697	—

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 and does not disclose remaining performance obligations under existing sales contracts as the performance obligations under these contracts have an original expected duration of one year or less.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The following table sets out a breakdown of the revenue by geographic region based on the place of incorporation of the customer.

	2025 US\$'000	2024 US\$'000
Geographical region		
Hong Kong	432,458	408,637
Malaysia	419,549	485,918
India	151,431	—
Switzerland	65,008	—
Singapore	50,714	90,154
The United States of America	12,185	—
Indonesia	10,458	33,215
South Korea	—	2,744
	1,141,803	1,020,668

Most of the Group's non-current assets are located in Indonesia.

5 OTHER NET INCOME

	2025 US\$'000	2024 US\$'000
Interest income on financial assets measured at amortised cost	13,192	11,350
Net foreign exchange gain	6,850	6,458
Gain from sales of scraps materials	2,110	688
Net gain/(loss) on disposal of property, plant and equipment and right-of-use assets	5,242	(1)
Loss of forward exchange contracts at fair value through profit or loss	(309)	(1,928)
Others	5,423	480
	32,508	17,047

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Note	2025 US\$'000	2024 US\$'000
Interest on defined benefit obligations	21(a)	11	3
Interest on lease liabilities	18(e)	5	3
		16	6

(b) Staff costs

	Note	2025 US\$'000	2024 US\$'000
Salaries, wages and other benefits		40,303	37,729
Equity-settled share-based payment expenses	22	5,195	—
Contributions to defined contribution retirement plans	(i)	2,756	2,026
Expenses recognised in respect of defined benefit obligations	21(b)	137	118
		48,391	39,873

Note:

- (i) As stipulated by rules and regulations in the Indonesia, subsidiaries in the Indonesia are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

6 PROFIT BEFORE TAXATION (Continued)

(c) Other items

	Note	2025 US\$'000	2024 US\$'000
Auditors' remuneration			
— Annual audit services		508	333
— Other services		23	1,323
		531	1,656
Amortisation cost of intangible assets	13	972	676
Depreciation and amortisation			
— Property, plant and equipment	11	63,768	57,494
— Right-of-use assets	12	2,384	2,151
		66,152	59,645
Listing expenses		903	4,984
Impairment loss recognised/(reversed) on trade receivables		627	(708)
Cost of inventories (note (i))	15	663,817	503,978

Note:

- (i) Cost of inventories includes US\$105,348,000 (2024: US\$89,001,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 US\$'000	2024 US\$'000
Current tax		
— Corporate Income Tax	3,831	871
— Withholding tax	11,881	33,330
— Pillar Two income taxes	50,228	—
	65,940	34,201
Deferred tax		
— Origination and reversal of temporary differences	(4,715)	9,094
	61,225	43,295

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	2025 US\$'000	2024 US\$'000
Profit before taxation	479,326	500,704
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	1,341	867
Current income tax impact arising from Pillar Two model rules (note 7(c))	50,228	—
Tax effect of unused tax losses not recognised	440	4
Withholding tax of foreign sourced income	11,881	33,330
Undistributed profits of foreign subsidiaries	(4,715)	9,094
Others	2,050	—
Actual tax expense	61,225	43,295

Notes:

- (i) The subsidiary incorporated in Singapore is subject to Singapore Corporate Income Tax ("Singapore CIT") at the statutory rate of 17% on any estimated assessable profits arising in Singapore during the year ended 31 December 2025.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rates *(Continued)*

Notes: *(Continued)*

- (ii) The subsidiary incorporated in Indonesia is subject to Indonesia Corporate Income Tax ("**Indonesia CIT**") at the statutory tax rate of 22% on any estimated assessable profits arising in Indonesia during the year ended 31 December 2025.

In 2021, the main operating subsidiary of the Company in Indonesia, BAI, obtained approvals from the relevant tax authorities for entitlement of an Indonesia CIT exemption consisting of a 20-year-exemption of Indonesia CIT commencing from 2021 to 2040 and a 50% reduction in statutory tax rate from 2041 to 2042 for the alumina production projects which has a designed annual alumina production capacity of two million tons.

The newly constructed alumina production project of BAI in Indonesia ("**New Alumina Production Project**") was put into operation in 2025. BAI has been applying for entitlement of an Indonesia CIT exemption consisting of a 20-year-exemption of Indonesia CIT commencing from operation and 50% reduction in statutory tax rate in the then following two years for the New Alumina Production ("**CIT Exemption**"). BAI has obtained prior consent for the CIT Exemption from the Minister of Finance of the Republic of Indonesia in July 2025 and the final approval for the CIT Exemption will be issued after the local tax authorities have verified the fulfilment of requirements of the prior consent. The verification process of the Indonesia CIT exemption remains under review by the local tax authorities as of the date of the report. The directors of the Company are of the opinion that all requirements have been fulfilled and consider that there is no legal impediment for the Group to obtain the Indonesia CIT exemption which would be effective from 2025. Therefore, the Group did not make any provision for income tax expenses related to the profit from the New Alumina Production Project for the year ended 31 December 2025.

- (iii) Taxation for group entities in other tax jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

(c) Pillar Two income taxes

The Group is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group's earnings in Indonesia, Hong Kong and Singapore are subject to the domestic minimum top-up tax that was introduced by Indonesia, Hong Kong, and Singapore with effect from 1 January 2025. From 1 January 2025, the Group is also subject to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Chinese Mainland where a domestic minimum top-up tax has not been implemented. Pillar Two Income Tax expenses have been recognised accordingly.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments are as follows:

	2025						
	Directors' fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Discretionary bonuses US\$'000	Retirement scheme contributions US\$'000	Sub-Total US\$'000	Share-based payments US\$'000	Total US\$'000
Executive directors							
Mr. Hao Weisong (i)	—	328	78	8	414	203	617
Mr. Wang Shisan (ii)	—	173	61	5	239	—	239
Ms. Han YanHong (iii)	—	31	—	1	32	—	32
Non-executive directors							
Ms. Wang Yanli (iv)	12	—	—	—	12	147	159
Mr. Loo Tai Choong (iv)	12	—	—	—	12	—	12
Mr. George Santos (iv)	12	—	—	—	12	—	12
Independent non-executive directors							
Mr. Wen Xianjun (v)	12	—	—	—	12	—	12
Mr. Cheung Kwong Tat (v)	12	—	—	—	12	—	12
Ms. Dong Meihua (v)	12	—	—	—	12	—	12
	72	532	139	14	757	350	1,107

	2024						
	Directors' fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Discretionary bonuses US\$'000	Retirement scheme contributions US\$'000	Sub-Total US\$'000	Share-based payments US\$'000	Total US\$'000
Executive directors							
Mr. Hao Weisong (i)	—	108	—	4	112	—	112
Mr. Wang Shisan (ii)	—	65	—	4	69	—	69
Non-executive directors							
Ms. Wang Yanli (iv)	—	—	—	—	—	—	—
Mr. Loo Tai Choong (iv)	—	—	—	—	—	—	—
Mr. George Santos (iv)	—	—	—	—	—	—	—
	—	173	—	8	181	—	181

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (i) Mr. Hao Weisong was appointed as a director of the Company on 7 February 2024. He joined the Group in February 2018 and his emoluments disclosed above included the compensations for his services to one of the Group's subsidiaries as a general manager and a director.
- (ii) Mr. Wang Shisan was appointed as a director of the Company on 29 September 2023. He joined the Group in June 2018 and his emoluments disclosed above included the compensations for his services as a chief financial officer. He resigned on 21 November 2025.
- (iii) Ms. Han Yanhong was appointed as a director of the Company on 21 November 2025. She joined the Group in July 2025 and her emoluments disclosed above included the compensations for her services as a chief financial officer.
- (iv) Ms. Wang Yanli, Mr. Loo Tai Choong and Mr. George Santos were appointed as non-executive directors on 13 September 2024.
- (v) Mr. Wen Xianjun, Mr. Cheung Kwong Tat and Ms. Dong Meihua were appointed as independent non-executive directors on 10 March 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2025. No amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2024: one) is director whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other four (2024: four) individuals are as follows:

	2025 US\$'000	2024 US\$'000
Salaries and other emoluments	918	563
Retirement scheme contributions	23	16
Share-based payments	556	—
	1,497	579

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 Number of individuals	2024 Number of individuals
Nil — HK\$1,000,000	—	2
HK\$1,000,001 — HK\$1,500,000	—	1
HK\$1,500,001 — HK\$2,000,000	—	1
HK\$2,000,001 — HK\$3,000,000	3	—
HK\$3,000,001 — HK\$4,000,000	1	—

During the year, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, compensation for loss of office, or discretionary bonus.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of US\$408,428,000 (2024: US\$401,812,000) and the weighted average number of ordinary shares in issue or deemed to be in issue during the year.

As described in note 2(b), the Group underwent the Reorganisation, pursuant to which the Company became the holding company of GAI in June 2024. Prior to the incorporation of the Company, the principal business of the Group was carried out through GAI and its subsidiary, BAI. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Reorganisation was determined assuming the Reorganisation had occurred since 1 January 2024, at the exchange ratio established in the Reorganisation.

In addition, on 10 March 2025, each of the Company's issued ordinary shares was subdivided into 5 shares. Accordingly, the weighted average number of shares throughout the periods presented has also been adjusted retrospectively for the impact of such share subdivision.

Weighted average number of ordinary shares

	2025 '000	2024 '000
Issued ordinary shares at 1 January	100,000	74,411
Effect of ordinary shares issued (Note 24(b))	66,976	10,662
Effect of share subdivision (Note 24(b))	400,000	340,292
Weighted average number of ordinary shares at 31 December	566,976	425,365

(b) Diluted earnings per share

Share options (note 22) were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Accordingly, the diluted earnings per share of 2025 were the same as the basic earnings per share.

As there were no potential dilutive ordinary shares during the year ended 31 December 2024, the diluted earnings per share of 2024 were the same as the basic earnings per share.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings US\$'000	Machinery and equipment US\$'000	Furniture and fixtures US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
Cost:						
At 1 January 2024	652,622	304,234	15,309	2,817	12,837	987,819
Additions	—	—	15	293	199,522	199,830
Disposals	—	(1)	(40)	—	—	(41)
Transfer in/(out)	6,830	22,957	290	52	(30,129)	—
Exchange adjustment	(30,257)	(14,490)	(711)	(131)	(3,897)	(49,486)
At 31 December 2024	629,195	312,700	14,863	3,031	178,333	1,138,122
Additions	—	—	6	—	535,879	535,885
Disposals	—	(591)	(17)	—	—	(608)
Transfer in/(out)	398,262	237,887	3,138	441	(639,728)	—
Exchange adjustment	(29,360)	(17,059)	(606)	(109)	(4,689)	(51,823)
At 31 December 2025	998,097	532,937	17,384	3,363	69,795	1,621,576
Accumulated depreciation:						
At 1 January 2024	73,997	35,784	7,305	1,139	—	118,225
Charge for the year	33,248	20,309	3,582	355	—	57,494
Disposals	—	—	(40)	—	—	(40)
Exchange adjustment	(4,064)	(2,048)	(406)	(59)	—	(6,577)
At 31 December 2024	103,181	54,045	10,441	1,435	—	169,102
Charge for the year	37,490	22,949	2,932	397	—	63,768
Disposals	—	(157)	(17)	—	—	(174)
Exchange adjustment	(4,330)	(2,581)	(439)	(59)	—	(7,409)
At 31 December 2025	136,341	74,256	12,917	1,773	—	225,287
Carrying amount:						
At 31 December 2025	861,756	458,681	4,467	1,590	69,795	1,396,289
At 31 December 2024	526,014	258,655	4,422	1,596	178,333	969,020

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

12 RIGHT-OF-USE ASSETS

	Leasehold lands US\$'000	Leased Office buildings US\$'000	Total US\$'000
At 1 January 2024	52,698	—	52,698
Additions	2,570	256	2,826
Depreciation for the year	(2,098)	(53)	(2,151)
Exchange adjustment	(2,441)	—	(2,441)
At 31 December 2024	50,729	203	50,932
Additions	1,319	—	1,319
Disposals	(1,801)	—	(1,801)
Depreciation for the year	(2,256)	(128)	(2,384)
Exchange adjustment	(1,721)	—	(1,721)
At 31 December 2025	46,270	75	46,345

Note:

- (i) At 31 December 2025 and 2024, leasehold lands official certificates of certain pieces of land of the Group with carrying amounts of US\$38,851,000 and US\$40,710,000, respectively, were in the process of obtaining. The directors of the Company consider that there is no legal impediment for the Group to access and use such land and it should not lead to any significant adverse impact on the operations of the Group.

13 INTANGIBLE ASSETS

	2025 US\$'000	2024 US\$'000
At 1 January	4,606	5,350
Addition	1,650	169
Amortisation for the year	(972)	(676)
Exchange adjustment	(178)	(237)
At 31 December	5,106	4,606

During the year ended 31 December 2025, the intangible assets mainly consisted of software owned by the Group for its business operations, which were acquired from independent third parties and have finite useful lives.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary:

Name of company	Place and date of establishment/ incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary/subsidiaries	
Hong Kong Nanshan Aluminium Management Company Limited ("NAM")	Hong Kong 21 July 2023	1 share	100%	100%	—	Investment holding
Prime Aluminium Investment Holding Limited ("PAIHL")	British Virgin Islands (the "BVI") 6 July 2023	100 share of US\$1 each	100%	100%	—	Investment holding
Global Aluminium Investment Holding Limited ("GAIHL")	The BVI 6 July 2023	100 shares of US\$1 each	100%	100%	—	Investment holding
Hong Kong Prime Aluminium Investment Limited ("PAIL")	Hong Kong 21 July 2023	100 share	100%	—	100%	Investment holding and sale of alumina
GAI	Singapore 4 April 2013	US\$786,172,698	100%	—	100%	Sale of alumina
BAI	Indonesia 10 May 2012	Indonesian Rupiah ("IDR") 15,424,131,000,000	97.7%	—	97.7%	Production and sale of alumina
Longkou Baihuida Consultation Service Co., Ltd. (龍口百匯達諮詢服務有限公司) (i)	The People's Republic of China (the "PRC") 7 October 2023	Renminbi ("RMB") 6,000,000	100%	—	100%	Management consultation service
PT. Medical Galang Batang ("MGB")	Indonesia 14 September 2024	IDR 10,100,000,000	96.7%	—	96.7%	N/A (ii)
PT. Galang Batang Aluminium Indonesia ("GBAI")	Indonesia 23 October 2024	IDR 10,100,000,000	97.7%	—	97.7%	N/A (ii)
Winner Global Investment Holding Limited ("WGIHL")	The BVI 17 April 2025	1 share of HK\$1 each	100.0%	100.0%	—	N/A (ii)
Winner Asia Investment Holding Limited ("WAIHL")	Hong Kong 2 April 2025	1 share of HK\$1 each	100.0%	—	100.0%	N/A (ii)

Notes:

- (i) The official name of this entity is in Chinese. The English translation is for identification purpose only. This entity is registered as a wholly foreign-owned enterprise under the PRC Law. This entity established in the PRC is a limited liability company.
- (ii) Since its establishment, MGB, GBAI, WGIHL and WAIHL have no business operation.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

The following table lists out the information relating to BAI, the subsidiary of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	2025 US\$'000	2024 US\$'000
NCI percentage	2.3%	2.3%
Current assets	534,122	646,218
Non-current assets	1,533,481	1,074,702
Current liabilities	(529,248)	(412,489)
Non-current liabilities	(365)	(318)
Net assets	1,537,990	1,308,113
Carrying amount of NCI	35,299	30,135

The Group acquired 25% equity interest in BAI from Press Metal Aluminium Holdings Berhad ("**Press Metal**") on 11 July 2024.

	2025 US\$'000	2024 US\$'000
Revenue	1,141,186	1,014,325
Profit for the year	420,582	499,920
Total comprehensive income	365,030	427,986
Profit allocated to NCI	9,673	55,597
Dividend declared to NCI	(3,208)	(34,400)
Cash flows generated from operating activities	495,704	569,049
Cash flows used in investing activities	(384,680)	(278,138)
Cash flows used in financing activities	(308,058)	(110,481)

15 INVENTORIES

	2025 US\$'000	2024 US\$'000
Raw materials	128,201	54,357
Work in progress	81,329	35,823
Finished goods	2,601	9,439
	212,131	99,619

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 US\$'000	2024 US\$'000
Carrying amounts of inventories sold	663,817	503,978

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

16 TRADE RECEIVABLES

	Note	2025 US\$'000	2024 US\$'000
Trade receivables			
— Related parties		10,175	35
— Third parties		54,939	41,345
		65,114	41,380
Less: loss allowance	25(a)	(976)	(374)
		64,138	41,006

All of the trade receivables are expected to be recovered within one year.

Ageing analysis

As at 31 December 2025 and 2024, the ageing analyses of trade receivables, based on the date of revenue recognition and net of loss allowance, are as follows:

	2025 US\$'000	2024 US\$'000
Within 3 months	64,138	41,006

Trade receivables are typically due within 30 working days upon the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 25(a).

17 PREPAYMENTS AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Current portion		
Prepayments		
— Purchase of inventories	15,159	29,059
Value-added tax recoverable	18,940	15,476
Amount due from related parties	—	1
Listing expenses to be capitalised (note (i))	—	693
Others	3,629	1,017
	37,728	46,246
Non-current portion		
Prepayments		
— Purchase of leasehold lands	398	1,757
— Purchase of electricity (note (ii))	62,533	—
— Purchase of property, plant and equipment	23,240	48,985
	86,171	50,742

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

17 PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Notes:

- (i) The balances have been transferred to the share premium account within equity upon the listing of the Company's shares on the Stock Exchange.
- (ii) In November 2025, the Group entered into a power purchase agreement with a third party power group ("Power Group") in Indonesia to secure a stable electricity supply in Indonesia. Pursuant to the agreement, the Power Group will supply electricity to the Group for a period of 20 years commencing from 2026. In 2025, the Group made a prepayment of HK\$486,574,000 (equivalent to US\$62,533,000) to the shareholder of the Power Group, which will be applied to offset the electricity charges of the Group in a future period.

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 US\$'000	2024 US\$'000
Bank deposits	234,164	454,137
Cash on hand	91	15
Time deposits — with original maturity of less than 3 months	87,043	—
	321,298	454,152

(b) Restricted deposits

	2025 US\$'000	2024 US\$'000
Restricted deposits (note (i))	1,716	4,316

Note:

- (i) As at 31 December 2025, restricted deposits included the deposits of issuing letters of credit. As at 31 December 2024, restricted deposits included the deposits of forward exchange contracts and deposits of issuing letters of credit.

(c) Time deposits

	2025 US\$'000	2024 US\$'000
Current portion		
Time deposits — with original maturity of 3 months to 12 months	77,110	—
Non-current portion		
Time deposits — with original maturity over 12 months	428	—

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(d) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 US\$'000	2024 US\$'000
Profit before taxation		479,326	500,704
Adjustments for:			
Depreciation of property, plant and equipment	11	63,768	57,494
Depreciation of right-of-use assets	12	2,384	2,151
Amortisation of intangible assets	13	972	676
Finance costs	6(a)	16	6
Interest income		(1,080)	—
Equity-settled share-based payment expenses		6,006	—
Recognised/(reversed) of impairment loss on trade receivables	6(c)	627	(708)
(Gain)/loss on disposal of property, plant and equipment and right-of-use assets	5	(5,241)	1
Decrease in other financial assets		—	175
(Decrease)/increase in other financial liabilities		(1,820)	1,820
Changes in working capital:			
(Increase)/decrease in inventories		(112,512)	30,262
(Increase)/decrease in trade receivables		(23,734)	22,328
(Increase)/decrease in prepayments and other receivables		(53,462)	15,006
Decrease/(increase) in restricted deposits		2,600	(1,196)
Increase/(decrease) in trade payables		40,872	(17,716)
(Decrease)/increase in contract liabilities		(495)	495
Decrease in other payables and accruals		(10,000)	(10,350)
Increase in defined benefit obligations		56	262
Cash generated from operations		388,283	601,410

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(e) Reconciliation of liabilities arising from financing activities

The tables below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statements as cash flows from financing activities.

	Amounts due to related parties US\$'000	Dividend payable US\$'000 <i>Note 20</i>	Lease liabilities US\$'000	Total US\$'000
At 1 January 2025	—	267,058	214	267,272
Changes from financing cash flows:				
Dividend paid to shareholders of the Company	—	(309,216)	—	(309,216)
Dividend paid to non-controlling interests of BAI	—	(7,058)	—	(7,058)
Capital element of lease rentals paid	—	—	(134)	(134)
Interest element of lease rentals paid	—	—	(5)	(5)
Total changes from financing cash flows	—	(316,274)	(139)	(316,413)
Other changes:				
Interest on lease liabilities	—	—	5	5
Dividend declared by BAI	—	3,208	—	3,208
Exchange adjustment	—	(12)	—	(12)
Dividend declared by the Company	—	49,216	—	49,216
Total other changes	—	52,412	5	52,417
At 31 December 2025	—	3,196	80	3,276

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(e) Reconciliation of liabilities arising from financing activities (Continued)

	Amounts due to related parties US\$'000 Note 20	Dividend payable US\$'000 Note 20	Lease liabilities US\$'000	Total US\$'000
At 1 January 2024	907	950	—	1,857
Changes from financing cash flows:				
Dividend paid to shareholders of GAI	—	(67,686)	—	(67,686)
Dividend paid to non-controlling interests of BAI	—	(27,342)	—	(27,342)
Proceeds from related parties	17,443	—	—	17,443
Repayment to related parties	(18,350)	—	—	(18,350)
Capital element of lease rentals paid	—	—	(43)	(43)
Interest element of lease rentals paid	—	—	(3)	(3)
Total changes from financing cash flows	(907)	(95,028)	(46)	(95,981)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	—	256	256
Interest on lease liabilities	—	—	4	4
Dividend declared by GAI	—	66,736	—	66,736
Dividend declared by BAI	—	34,400	—	34,400
Dividend declared by the Company	—	260,000	—	260,000
Total other changes	—	361,136	260	361,396
At 31 December 2024	—	267,058	214	267,272

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

19 TRADE PAYABLES

	2025 US\$'000	2024 US\$'000
Related parties	31,930	6,767
Third parties	26,833	11,124
	58,763	17,891

As at 31 December 2025 and 2024, all trade payables are expected to be settled within one year or are repayable on demand.

Ageing analysis

An ageing analysis of trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	2025 US\$'000	2024 US\$'000
Within 1 year	58,763	17,891

20 OTHER PAYABLES AND ACCRUALS

	2025 US\$'000	2024 US\$'000
Dividend payable	3,196	267,058
Payables for purchase of property, plant and equipment	202,643	83,302
Accrued payroll and other benefits	5,195	6,601
Taxes and surcharge payables	576	1,203
Others	2,656	3,898
	214,266	362,062

All of the balance are expected to be settled within one year.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

21 DEFINED BENEFIT OBLIGATIONS

BAI, a subsidiary of the Group, provide post-employment benefits to their employees in conformity with the requirements of Indonesia's Labor Law. The estimated liabilities for employees' benefits as at 31 December 2025 and 2024 are based on the actuarial calculation prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a firm regulated by Royal Institute of Chartered Surveyors, which applied the "Projected Unit Credit" method.

	2025 US\$'000	2024 US\$'000
Portion classified as current portion	30	21
Non-current portion	365	318
Total defined benefit obligations	395	339

(a) Movements in the present value of the defined benefit obligation

	2025 US\$'000	2024 US\$'000
At 1 January:	339	77
Remeasurement of defined benefit obligations	(46)	163
Benefits paid by the plans	(32)	(13)
Current service cost	137	118
Interest cost	11	3
Foreign exchange difference	(14)	(9)
At 31 December	395	339

The average duration of the defined benefit obligation is 33.70 years and 33.56 years as at 31 December 2025 and 2024, respectively.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

21 DEFINED BENEFIT OBLIGATIONS *(Continued)*

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 US\$'000	2024 US\$'000
Current service cost	137	118
Net interest on defined benefit obligations	11	3
Total amounts recognised in profit or loss	148	121
Remeasurement of defined benefit obligations	(46)	163
Total amounts recognised in other comprehensive income	(46)	163
Total defined benefit costs	102	284

The current service cost and the net interest on net defined benefit liability are recognised in the following line items in the consolidated statement of profit or loss:

	2025 US\$'000	2024 US\$'000
Finance costs	11	3
Administrative expenses	137	118
	148	121

(c) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2025	2024
Discount rate	6.70%	7.07%
Mortality table	TMI IV	TMI IV
Annual salary increase rate	2.94%	2.69%

Note:

- (i) TMI IV stands for "forth updated Tabel Mortalita Indonesia", which assesses the probability of employee death during employment or after retirement.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

21 DEFINED BENEFIT OBLIGATIONS (Continued)

(c) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows: (Continued)

The below analysis shows how the defined benefit obligation would have increased/(decreased) as a result of 1% change in the significant actuarial assumptions:

	Increase in 1%		Decrease in 1%	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Discount rate	(21)	(21)	24	25
Future salary increases	18	21	(16)	(17)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

22 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 24 July 2025, the Company offered to grant a total of 26,170,000 share options for directors, designated employees, and other qualifying participants as part of grants under the share option scheme approved by the shareholders of the Company on 10 March 2025. The grant of share options will be satisfied by issuance of new shares. The options will vest in tranches over a period of nine years and become exercisable only when the conditions set in the share option scheme and by the board of directors (or the remuneration committee) are met.

(a) The terms and conditions of the grants are as follows:

Grant date	Number of options granted to directors	Number of options granted to employees	Number of options granted to other qualifying participants	Vesting conditions (note (i))	Contractual life of options
				11.12% on 24 July 2026	
				11.12% on 24 July 2027	
				11.12% on 24 July 2028	
				11.12% on 24 July 2029	
24 July 2025	1,380,000	21,510,000	3,280,000	11.12% on 24 July 2030	10 years
				11.12% on 24 July 2031	
				11.12% on 24 July 2032	
				11.12% on 24 July 2033	
				11.04% on 24 July 2034	

Note:

- (i) Each option gives the eligible persons the right to subscribe for one ordinary share of the Company. The first tranche of 11.12% of these options will vest based on the service condition only, without requiring additional performance criteria. In addition to the service condition, the remaining options are subject to other vesting conditions related to the grantees' performance, as defined in the share option scheme and determined by the board of directors (or the remuneration committee) during the vesting period.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

22 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number and weighted average exercise prices of share options are as follows:

	2025	
	Exercise price	Number of options '000
Outstanding at the beginning of the period	—	—
	HK\$39.60	
Granted during the period	(equivalent to US\$5.04)	26,170
	HK\$39.60	
Forfeited during the period	(equivalent to US\$5.04)	(2,450)
	HK\$39.60	
Outstanding at the end of the period	(equivalent to US\$5.04)	23,720
	—	—
Exercisable at the end of the period	—	—

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

Fair value of share options and assumptions	2025
Fair value at measurement date	HK\$13.66 (equivalent to US\$1.74)–HK\$15.01 (equivalent to US\$1.91)
Share price	HK\$38.99 (equivalent to US\$4.97)
Exercise price	HK\$39.60 (equivalent to US\$5.04)
Expected volatility (based on historical volatilities of comparable companies)	48.30%
Option life	10 years
Expected dividends	4.16%
Risk-free interest rate (based on Hong Kong 10-year bond yield)	3.13%

The expected volatility is based on historical volatilities of comparable companies (calculated based on the average 10-year annualized volatility). Expected dividends are based on the Company's dividend policy and historical price-to-earning multiple. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	Note	2025 US\$'000	2024 US\$'000
Income tax payable at 1 January		14,732	108
Provision for the year	7(a)	65,940	34,201
Income tax paid		(28,564)	(19,577)
Income tax payable at 31 December		52,108	14,732

(b) Deferred tax liabilities

Deferred tax liabilities arising from:	Undistributed profits of foreign subsidiaries US\$'000
At 1 January 2024	19,632
Charged to profit or loss for the year	9,094
At 31 December 2024 and 1 January 2025	28,726
Charged to profit or loss for the year	(4,715)
At 31 December 2025	24,011

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), at 31 December 2025 and 2024, the Group has not recognised deferred tax assets in respect of cumulative tax losses of US\$469,000 and US\$29,000, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

24 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliations between the opening and closing balances of each component of the Group's consolidated equity during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US\$'000	Share premium US\$'000	Capital reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2024	*	—	—	(1)	(660)	(661)
Changes in equity for the year:						
Issuance of shares	*	1,116,704	—	—	—	1,116,704
Dividends declared	—	(260,000)	—	—	—	(260,000)
Total comprehensive income for the year	—	—	—	(758)	(4,645)	(5,403)
Balance at 31 December 2024 and 1 January 2025	*	856,704	—	(759)	(5,305)	850,640
Changes in equity for the year:						
Issuance of shares	*	297,445	—	—	—	297,445
Dividends declared	—	—	—	—	(49,216)	(49,216)
Equity settled share-based transactions	—	—	6,006	—	—	6,006
Total comprehensive income for the year	—	—	—	644	258,128	258,772
Balance at 31 December 2025	*	1,154,149	6,006	(115)	203,607	1,363,647

* The amount less than US\$500.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Share capital

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2023 with an authorised share capital of US\$50,000 divided into 50,000 shares with a par value of US\$1.00 each. On the date of its incorporation, one (1) share was allotted and issued to Nanshan Aluminium Investment Holding Limited ("**NAIHL**"), which is directly wholly-owned by Nanshan Aluminium Singapore Co. Pte. Ltd. ("**NAS**").

On 14 June 2024, each authorised, issued and unissued share then of US\$1.00 par value was subdivided into 1,000,000 shares of US\$0.000001 par value each. Upon completion of the increase of authorised share capital and the share subdivision, the authorised share capital of the Company was US\$50,000, divided into 50,000,000,000 shares of par value of US\$0.000001 each.

On 18 June 2024, the Company issued 69,690,891 shares to NAIHL, and the consideration was settled by the transfer of 95% equity interest in GAI from NAS to a subsidiary of the Company.

On 19 June 2024, the Company issued 3,720,573 shares to Redstone Alumina International Pte. Ltd. ("**Redstone**"), and the consideration was settled by the transfer of 5% equity interest in GAI from Redstone to a subsidiary of the Company.

On 11 July 2024, the Company issued 25,588,536 shares to Press Metal International Resources (HK) Limited, a wholly-owned subsidiary of Press Metal, and the consideration was settled by the transfer of 25% equity interest in BAI from Press Metal to a subsidiary of the Company.

On 10 March 2025, each issued and unissued shares of the Company with a par value of US\$0.000001 each was subdivided into 5 shares with a par value of US\$0.0000002 each. Upon completion of the share subdivision, the issued shares of the Company were increased to 500,000,000 shares.

On 25 March 2025, the shares of the Company were listed on the Main Board of the Stock Exchange, where 88,235,300 shares with a par value of US\$0.0000002 each were issued at a price of HK\$26.60 each.

On 24 April 2025, the over-allotment shares were listed on the Main Board of the Stock Exchange, where 1,199,900 shares with a par value of US\$0.0000002 each were issued at a price of HK\$26.60 each.

The proceeds, net of share issuance expenses, have been credited to the Company's share capital and share premium account accordingly.

(c) Share premium

The share premium represented the difference between the consideration received and par value of issued shares of the Company.

Upon completion of the Initial Public Offering and partial exercise of the over-allotment option, the Company issued 89,435,200 new ordinary shares with a par value of US\$0.0000002 each for offering price of HK\$26.60 each. The respective share capital amount was US\$17.89 and share premium arising from the issuance was US\$297,445,000, net of the share issuance costs.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 US\$'000	2024 US\$'000
Interim dividend declared and paid of HK\$0.65 (equivalent to US\$0.08) per share (2024: nil)	49,216	—
Final dividend proposed after the end of the reporting period of HK\$0.41 (equivalent to US\$0.05) per share (2024: nil)	32,540	—
	81,756	—

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company during the year

	2025 US\$'000	2024 US\$'000
Dividend paid by the Company	260,000	—

(iii) Profit distributions to non-controlling shareholders of the subsidiaries declared during the year

	2025 US\$'000	2024 US\$'000
Dividend declared by BAI (note (i))	3,208	34,400
Dividend declared by GAI	—	66,736

Note:

- (i) As at 31 December 2025, the declared but unpaid dividend of US\$3,208,000 of BAI to non-controlling shareholders was recognised as dividend payable, which has not been settled as at 31 December 2025.

(e) Nature of reserves

(i) Capital reserve

Capital reserve represents: (i) the difference between the contributions from the shareholders of BAI and their respective share of net assets in BAI; (ii) the reserve arising from the Reorganisation, which represents the difference between the consideration received from the shareholders and the share capital of GAI; and (iii) the difference between the consideration paid to non-controlling interests and the carrying amount of the proportionate net assets of the subsidiaries; (iv) the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(iii).

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Nature of reserves (Continued)

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange difference arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policies set out in note 2(u).

(iii) Defined benefit obligations remeasurement reserve

Defined benefit obligation remeasurement reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, currency and commodity price risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted deposits and time deposits is limited because the counterparties are banks and financial institutions with high credit ratings assigned by credit-rating agencies, for which the Group consider to have low credit risk. The directors of the Group consider the Group's exposure to credit risk arising from other receivables was not significant as the balances of other receivables as at 31 December 2025 remained immaterial and no significant actual losses were experienced historically by the Group.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer rather than the industry in which the customers operate. As at 31 December 2025 and 2024, 16% and 48% of the total trade receivables, respectively, was due from the Group's largest customer and 94% and 96% of the total trade receivables, respectively, was due from the five largest customers. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current liability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are typically due within 30 working days upon the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. The calculation of loss allowance for trade receivables was carried out by an independent specialist (the "Valuer"), with experience in expected credit loss calculation. The loss allowance is estimated by taking into account the probability of default and their corresponding recovery rate, with reference to the credit risk exposures of the debtors' industry, and considering forward looking information.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2025		
	Expected loss rate %	Gross carrying amount US\$'000	Loss allowance US\$'000
Within 3 months	1.50	65,114	(976)
	2024		
	Expected loss rate %	Gross carrying amount US\$'000	Loss allowance US\$'000
Within 3 months	0.90	41,380	(374)

Movement in the loss allowance account in respect of trade receivables during the year ended 31 December 2025 is as follows:

	2025 US\$'000	2024 US\$'000
At the beginning of the year	374	1,120
Recognised/(reversed) of impairment losses	627	(708)
Exchange adjustment	(25)	(38)
At the end of the year	976	374

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay:

	2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand US\$'000	More than 1 year but less than 2 years US\$'000	More than 2 years but less than 5 years US\$'000	More than 5 years US\$'000	Total US\$'000	Carrying amount US\$'000
Trade payables	58,763	—	—	—	58,763	58,763
Other payables and accruals	214,266	—	—	—	214,266	214,266
Lease liabilities	81	—	—	—	81	80
	2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand US\$'000	More than 1 year but less than 2 years US\$'000	More than 2 years but less than 5 years US\$'000	More than 5 years US\$'000	Total US\$'000	Carrying amount US\$'000
Trade payables	17,891	—	—	—	17,891	17,891
Other payables and accruals	362,062	—	—	—	362,062	362,062
Lease liabilities	138	81	—	—	219	214

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash and cash equivalents. The Group's exposure to interest rate risk is not significant.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are RMB, US\$ and Singapore dollars (SGD). Foreign exchange contracts are usually used by the Group to manage foreign exchange risk associated with foreign currency-denominated assets and liabilities.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in US\$, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the Company and its subsidiaries using the functional currency other than US\$ into the Group's presentation currency are excluded.

	2025		
	RMB US\$'000	US\$ US\$'000	SGD US\$'000
Cash and cash equivalents	19,882	155,605	154
Trade receivables	—	51,305	—
Other payables	(57,914)	(1,420)	—
Net exposure arising from recognised assets and liabilities	(38,032)	205,490	154
	2024		
	RMB US\$'000	US\$ US\$'000	SGD US\$'000
Cash and cash equivalents	6,566	207,249	114
Trade receivables	—	20,647	—
Prepayments and other receivables	—	26	—
Trade payables	(135)	—	—
Other payables	(463)	—	—
Net exposure arising from recognised assets and liabilities	5,968	227,922	114

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2025	
		Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits US\$'000
RMB		5%	(1,616)
		-5%	1,616
USD		5%	8,954
		-5%	(8,954)
SGD		5%	6
		-5%	(6)
		2024	
		Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits US\$'000
RMB		5%	298
		-5%	(298)
USD		5%	11,396
		-5%	(11,396)
SGD		5%	6
		-5%	(6)

(e) Commodity price risk

The price of commodity products is influenced by international and domestic market prices and changes in global supply and demand for such products. Both the international and domestic market price of commodities as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue and comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of commodity prices.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value measurements as at categorised into Level 2	
	2025	2024
Other financial liabilities:		
— Forward exchange contracts	—	1,820

The fair value of forward exchange contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

(ii) Fair value of financial assets and liabilities not carried at fair value

The carrying amounts of the Group's financial instruments at amortised cost were not materially different from their fair values as at 31 December 2024.

26 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the financial information were as follows:

	2025 US\$'000	2024 US\$'000
Commitments in respect of property, plant and equipment		
— Contracted for	78,952	269,211

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

27 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had material transactions with the Group:

Name of related party	Relationships
NAS	Intermediate holding company
NAIHL	Immediate holding company
Shandong Nanshan Aluminium Co., Ltd. ("Nanshan Aluminium") 山東南山鋁業股份有限公司*	Intermediate holding company
Yantai Jintai International Co., Ltd. ("Jintai") (煙台錦泰國際貿易有限公司)*	A subsidiary of Nanshan Aluminium
Shandong Nanshan International Travel Service Co., Ltd. ("NITS") (山東南山國際旅行社有限公司)*	A company controlled by the ultimate controlling party
PT. Bintan Electrolytic Aluminium ("BEA")	A subsidiary of Nanshan Aluminium
Press Metal	Non-controlling interest of BAI with significant influence (up to 10 July 2024)/Non-controlling interest of the Company with significant influence (from 11 July 2024)
Mr. Santony	Director of BAI
PT. Mahkota Karya Utama ("MKU")	A company controlled by Mr. Santony and/or his close family member
PT. Sanmas Mekar Abadi	A company controlled by Mr. Santony and/or his close family member
PT. Bintangar Maju Abadi	A company controlled by Mr. Santony and/or his close family member
PT. Bintan Tayan Mineral	A company controlled by Mr. Santony and/or his close family member
PT. Bintan Bangun Karya	A company controlled by Mr. Santony and/or his close family member
PT. Bukit Batu Mulia	A company controlled by Mr. Santony and/or his close family member
PT. Cahaya Kota Nusantara	A company controlled by Mr. Santony and/or his close family member
CV. Pelita Alam Semesta	A company controlled by Mr. Santony and/or his close family member
CV. Galang Batang Prima	A company controlled by Mr. Santony and/or his close family member
PT. Solid Tambang Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Beton Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Green Technology Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Nusantara Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Petro Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Galaxy Ocean Shipyard	A company controlled by Mr. Santony and/or his close family member
PT. Kapuas Bara Mineral	A company controlled by Mr. Santony and/or his close family member
PT. Bintang Mahkota Sukses	A company controlled by Mr. Santony and/or his close family member

* The official names of these companies are in Chinese. The English translations are for identification purpose only.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	2,090	729
Retirement scheme contributions	55	31
Share-based payments	1,116	—
	3,261	760

Total remuneration is included in "staff costs" (see note 6(b)).

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

27 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

	2025 US\$'000	2024 US\$'000
Purchase of bauxite		
— Companies controlled by Mr. Santony and/or his close family member	66,690	15,244
Purchase of other raw materials		
— Companies controlled by Mr. Santony and/or his close family member	11,086	2,376
Purchase of property, plant and equipment		
— Companies controlled by Mr. Santony and/or his close family member	3,419	19,677
— Jintai	57,658	13,774
— BEA	—	1,216
Purchase of services		
— Nanshan Aluminium	4,452	6,258
— NITS	810	743
Purchase of leasehold lands		
— Mr. Santony	1,319	—
Sourcing service fee		
— Companies controlled by Mr. Santony and/or his close family member	5,945	8,184
Payment and collection for purchase of raw materials and service as sourcing agent		
— Companies controlled by Mr. Santony and/or his close family member	154,695	131,706
Sales of alumina and scraps materials		
— Press Metal	419,549	485,918
— A company controlled by Mr. Santony and/or his close family member	187	122
Proceeds from related parties		
— NAS	—	17,443
— Nanshan Aluminium	—	222
Repayment to related parties		
— NAS	—	18,350
— Nanshan Aluminium	—	222
Payment on behalf of related parties		
— NAIHL	—	1

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

27 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Applicability of the Listing Rules relating to connected transactions

Certain of the abovementioned related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Continuing Connected Transactions" of the Report of the Directors.

(e) Balances with related parties

	2025 US\$'000	2024 US\$'000
Trade nature:		
Trade receivables		
— Press Metal	10,175	35
Prepayments and other receivables		
— Companies controlled by Mr. Santony and/or his close family member	2,271	2,810
— Jintai	—	12,122
Trade payables		
— Companies controlled by Mr. Santony and/or his close family member	31,930	6,767
Other payables and accruals		
— Jintai	24,063	—
— Companies controlled by Mr. Santony and/or his close family member	3,092	6,539
Non-trade nature:		
Prepayments and other receivables		
— NAIHL	—	1

The non-trade balances with related parties were unsecured, interest free and had no fixed term of repayment.

(f) Immediate parent and ultimate controlling party

The directors of the Company consider the immediate parent and the ultimate controlling party of the Company at 31 December 2025 to be Nanshan Aluminium Investment Holding Limited and the village committee of Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, the PRC, respectively.

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		As at 31 December 2025 US\$'000	As at 31 December 2024 US\$'000
	Note		
Non-current assets			
Property, plant and equipment		1	1
Investments in subsidiaries	14	1,121,416	1,116,706
		1,121,417	1,116,707
Current assets			
Prepayments and other receivables		210,187	11,542
Cash and cash equivalents		32,250	1,108
		242,437	12,650
Current liabilities			
Other payables		207	278,717
		207	278,717
Net current assets/(liabilities)		242,230	(266,067)
Total assets less current liabilities		1,363,647	850,640
NET ASSETS		1,363,647	850,640
CAPITAL AND RESERVES			
	24		
Share capital		*	*
Reserves		1,363,647	850,640
TOTAL EQUITY		1,363,647	850,640

* The balance represented amount less than US\$500.

Approved and authorised for issue by the board of directors on 26 March 2026.

Hao Weisong
Executive director

Han Yanhong
Executive director

Notes to the Financial Statements

(Expressed in United States dollars ("US\$") unless otherwise indicated)

29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments</i> : <i>disclosures — Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments</i> : <i>disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standard-Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

30 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 30 January 2026, the Company successfully allotted and issued 31,000,000 Subscription Shares to the vendor at HK\$64.5 (equivalent to US\$8.29) per subscription share. The proceeds, net of share issuance expenses, have been credited to the Company's share capital and share premium account accordingly. The net proceeds from the subscription will mainly be used for the Group's potential electrolytic aluminium and related raw materials and ancillaries businesses.

Definitions

In this annual report, the following expressions have the meanings set out below unless the context otherwise requires:

“alumina”	an aluminium oxide, a white or nearly colourless crystalline substance that is used as a starting material for the smelting of aluminium. It also serves as the raw material for a broad range of advanced ceramic products and as an active agent in chemical processing
“Alumina Production Projects”	collectively, the Phase I Alumina Production Project, Phase II Alumina Production Project and New Alumina Production Project
“BAI”	PT. Bintan Alumina Indonesia, a company incorporated in Indonesia with limited liability on 10 May 2012 and an indirect non wholly-owned subsidiary of our Company
“Bayer process”	a method for extracting alumina from bauxite, involving digestion of bauxite ore with caustic soda to dissolve alumina while separating impurities
“Board” or “Board of Directors”	the board of directors of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company” or “our Company”	Nanshan Aluminium International Holdings Limited (南山鋁業國際控股有限公司)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)” or our “Director(s)”	the directors of our Company, including all executive, non-executive and independent non-executive directors
“Electrolytic Aluminium Project”	the project of establishing the Group’s capability to produce and sell electrolytic aluminium and related raw materials and ancillary facilities. Please refer to the announcement of the Company dated 19 January 2026 and 30 January 2026
“FY”	the financial year ended or ending (as the case may be) 31 December
“GAI”	Global Aluminium International Pte. Ltd., a company incorporated in Singapore with limited liability on 4 April 2013 and an indirect wholly-owned subsidiary of our Company
“GBAI”	PT. Galang Batang Aluminium Indonesia, a company incorporated in Indonesia on 25 October 2024 and an indirectly non wholly-owned subsidiary of our Company
“GB/T 24487-2022”	PRC National Standard: <Alumina>, which was issued on 9 March 2022
“General Mandate”	the general mandate granted to the Board by a resolution of the Shareholders passed at the annual general meeting of the Company on 26 May 2025 to allot, issue or otherwise deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of the granting of the mandate
“Global Offering”	the Hong Kong Public Offering and the International Placing

Definitions

“Group”, “we”, “us” or “our Group”	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“HKD”, “Hong Kong dollars”, “HK\$” or “cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	Independent non-executive Director(s)
“Indonesia”	the Republic of Indonesia
“Indonesian Rupiah”	Indonesian rupiah, the lawful currency of Indonesia
“Listing”	listing of the Shares on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, modified and supplemented from time to time
“MGB”	PT. Medical Galang Batang, a company incorporated in Indonesia on 14 September 2024 and an indirectly non wholly-owned subsidiary of our Company
“MKU”	PT. Mahkota Karya Utama
“NAIHL”	Nanshan Aluminium Investment Holding Limited
“NAM”	Hong Kong Nanshan Aluminium Management Company Limited (香港南山鋁業管理有限公司)
“Nanshan Aluminium”	Shandong Nanshan Aluminium Co., Ltd.* (山東南山鋁業股份有限公司)
“Nanshan Aluminium Group”	Nanshan Aluminium and its subsidiaries
“Nanshan Group”	Nanshan Group Co., Ltd.* (南山集團有限公司)
“Nanshan Village Committee”	the village member committee (龍口市東江街道南山村村民委員會) of Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, the PRC (龍口市東江街道南山村)
“NAS”	Nanshan Aluminium Singapore Co. Pte. Ltd.
“New Alumina Production Project”	our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of two million tons and has commenced construction in the first half of 2024

“PAIHL”	Prime Aluminium Investment Holding Limited
“PAIL”	Hong Kong Prime Aluminium Investment Limited
“Phase I Alumina Production Project”	phase I of our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of one million tons and has commenced operation in the second quarter of 2021
“Phase II Alumina Production Project”	phase II of our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of one million tons and has commenced operation in the last quarter of 2022
“Placing”	the placing to the placee(s) procured by the Placing Agents of the Sale Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Agents”	Huatai Financial Holdings (Hong Kong) Limited, a licensed corporation to carry on business in 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) regulated activities under the SFO; and China International Capital Corporation Hong Kong Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing and Subscription Agreement”	the placing and subscription agreement dated 22 January 2026 entered into between the Company, the Vendor and the Placing Agents in relation to the Placing and the Subscription
“PMIRHK”	Press Metal International Resources (HK) Limited (齊力國際資源(香港)有限公司)
“PRC”	the People’s Republic of China
“Press Metal”	Press Metal Aluminium Holdings Berhad, the shares of which are listed on the Bursa Malaysia (stock code: 8869)
“Prospectus”	the Prospectus of the Company dated 17 March 2025
“Reporting Period”	the financial year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Definitions

“Share(s)”	ordinary share(s) with nominal or par value of US\$0.0000002 each in the share capital of our Company
“Share Options”	share options granted or to be granted by the Company under the Share Option Scheme
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 10 March 2025, the principal terms of which are summarised in the section headed “D. Other Information — 1. Share Option Scheme” in Appendix V in the Prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Southeast Asia”	Southeast Asia, consisting of Vietnam, Thailand, Malaysia, Singapore and Indonesia
“Special Economic Zone”	Galang Batang Special Economic Zone in Indonesia
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the terms and conditions of the Placing and Subscription Agreement
“Subscription Shares”	31,000,000 new Shares to be allotted and issued to the Vendor by the Company under the Subscription
“United States” or “U.S.”	the United States of America
“US\$”, “USD”, “United States dollars” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“Vendor”	Nanshan Aluminium Investment Holding Limited, a Controlling Shareholder of the Company
“Yili Electric”	Shandong Yili Electric Industry Co., Ltd.* (山東怡力電業有限公司)
“%”	per cent.

* The English name is for identification purpose only.