



2025 ANNUAL REPORT

Stock Code **02788**

Chuangxin Industries Holdings Limited

創新實業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

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Corporate Information

BOARD OF DIRECTORS

Chairman of the Board and Non-executive Director

Mr. Cui Lixin (崔立新先生)

Executive Directors

Mr. Cao Yong (曹勇先生)

Mr. Zhang Jianxiang (張建鄉先生)

Ms. Zhang Yue (張悅女士)

Mr. Fu Qian (伏騫先生)

Independent non-executive Directors

Mr. Liu Yanzhao (劉言昭先生)

Ms. Zheng Juan (鄭娟女士)

Ms. Shen Lingyan (申凌燕女士)

AUDIT COMMITTEE

Mr. Liu Yanzhao (劉言昭先生) (*Chairman*)

Mr. Cui Lixin (崔立新先生)

Ms. Shen Lingyan (申凌燕女士)

NOMINATION COMMITTEE

Ms. Shen Lingyan (申凌燕女士) (*Chairperson*)

Mr. Cui Lixin (崔立新先生)

Ms. Zheng Juan (鄭娟女士)

REMUNERATION COMMITTEE

Ms. Zheng Juan (鄭娟女士) (*Chairperson*)

Mr. Liu Yanzhao (劉言昭先生)

Ms. Shen Lingyan (申凌燕女士)

CONNECTED TRANSACTION CONTROL COMMITTEE

Mr. Liu Yanzhao (劉言昭先生) (*Chairman*)

Mr. Zhang Jianxiang (張建鄉先生)

Ms. Zheng Juan (鄭娟女士)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Cao Yong (曹勇先生) (*Chairman*)

Mr. Zhang Jianxiang (張建鄉先生)

Ms. Shen Lingyan (申凌燕女士)

Mr. Guo Wei (郭偉先生)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Jianxiang (張建鄉先生)

Ms. Wong Hoi Ting (黃凱婷女士)

JOINT COMPANY SECRETARIES

Mr. Zhang Jianxiang (張建鄉先生)

Ms. Wong Hoi Ting (黃凱婷女士)

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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COMPANY'S WEBSITE

www.innovationigi.com

STOCK CODE

02788

Financial Highlights

A summary of the results and of the assets and liabilities of Chuangxin Industries Holdings Limited and its subsidiaries for the latest four financial years is set out as follows:

	Year Ended 31 December			
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	13,489,726	13,814,657	15,163,182	18,680,567
Gross profit	2,041,142	2,336,288	4,276,460	4,624,624
Gross profit margin	15.1%	16.9%	28.2%	24.8%
Profit before income tax	1,047,659	1,272,492	3,280,897	3,480,866
Net profit attributable to the parent	881,286	1,003,572	2,056,227	2,730,811
Net profit margin	6.8%	7.8%	17.3%	15.6%
Basic earnings per share (RMB)	0.59	0.67	1.37	1.75

	As at 31 December			
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total assets	21,489,713	19,553,525	18,319,817	28,348,920
Equity	1,929,226	3,448,870	2,326,268	10,173,271
Total liabilities	19,560,487	16,104,655	15,993,549	18,175,649
Return on assets	4.2%	5.3%	13.9%	12.5%
Accounts receivable turnover days (days)	2.3	1.8	1.6	1.5
Inventory turnover days (days)	50.0	47.3	46.8	51.4
Accounts payable turnover days (days)	34.3	36.7	36.8	33.8

Chairman's Statement

Dear Shareholders and investors,

Looking back over the past year, Chuangxin Industries Holdings Limited has achieved steady growth and value enhancement against the backdrop of a complex and volatile global economy and the accelerated advancement of energy transition. This progress was made possible through our clear strategic positioning, robust industrial chain foundation, and sustained investment in innovation. On behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, customers, employees, and partners for their care and support for Chuangxin Industries Holdings Limited!

The year 2025 stood as a milestone in the development journey of the Company. Our successful listing on the Main Board of the Stock Exchange indicated the Company's formal entrance into the international capital market and laid a solid foundation for our future global expansion. The Listing not only opened up broader development opportunities and provided more diversified financing channels but also significantly enhanced our brand influence and market recognition.

Chuangxin Industries Holdings Limited has consistently focused on the production of electrolytic aluminum as well as alumina within the upstream of aluminum industry chain, built a self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain that covers "energy — alumina refining — aluminum smelting" and made every efforts to realize its vision of becoming a "green aluminum industry group in the global market". Over the past year, the Company adhered to its development strategy of "vertical integration, green and low-carbon operations, and global expansion", while continuously optimizing its industrial structure, strengthening cost control, advancing energy transition, as well as actively expanding into overseas markets. The overall operational performance showed steady improvement, with core competitiveness continuously enhanced.

We are dedicated to prioritizing cost control and operational efficiency as core drivers of corporate development. Leveraging our ancillary self-owned power plants, the Company maintained a long-term electricity self-sufficiency rate exceeding 88%, significantly outperforming the industry average. This enables our primary aluminum production costs to remain at the forefront of the sector. According to Antaike, In 2025, our ability to manage total costs of aluminum per ton was among the top in China's electrolytic aluminum smelting sector. This acts as a robust safeguard for us to navigate market volatility and maintain profitability resilience.

In response to global "dual-carbon" targets alongside increasingly stringent environmental regulations, the Company proactively aligned with these trends by spearheading the transition to green electrolytic aluminum production. We were actively advancing the construction of wind and solar power projects in Inner Mongolia with a total installed capacity of 1,750 megawatts. Our objective is to increase the proportion of green electricity installed capacity over 50% by the end of 2026, significantly exceeding national policy requirements and thus injecting robust momentum into green manufacturing.



Chairman's Statement

Meanwhile, the Group was actively responding to the Belt and Road Initiative, having invested in a 500,000-ton integrated electrolytic aluminum industrial chain project in Saudi Arabia. Leveraging the region's advantageous energy costs, port logistics, and market demand, this project would serve as a pivotal hub for the Group's overseas market expansion and global capacity optimization.

In the past year, the revenue of the Company amounted to approximately RMB18,680.6 million, representing a year-on-year increase of 23.2%; gross profit was approximately RMB4,624.6 million, up by 8.14% year-on-year; and net profit attributable to the parent company was approximately RMB2,730.8 million, representing a year-on-year increase of 32.81%. Earnings per share was approximately RMB1.75 (same period in 2024: RMB1.37). The Board of Directors proposes to declare a final dividend for the year 2025 of HK\$0.77 per share. Looking ahead, the Company's profitability is expected to further improve as capacity utilization remains high, cost structures continue to optimize, and new projects gradually contribute to earnings.

Looking forward, we will steadfastly advance the following strategic directions:

Consolidating integrated advantages: Continuously optimize self-sufficiency rates for energy and raw materials, deepen industrial chain collaboration, and strengthen cost moats.

Advancing green manufacturing: Accelerate the development of green power projects, increase the proportion of green aluminum products, and build low-carbon competitiveness.

Expanding Global Footprint: Steadily advancing the Saudi Project while actively exploring other overseas opportunities to build an international operational system.

Strengthening technological and management innovation: Continuously invest in R&D to enhance production efficiency and the added value of the products, thereby boosting the enterprise's sustainable development capabilities.

Chuangxin Industries Holdings Limited will remain steadfast in its vision to become a "green aluminum industry group", prioritizing customer-centricity and value creation. Together with our shareholders and partners, we will embrace the new era of green, efficient, and globalized development in the aluminum industry!

Chuangxin Industries Holdings Limited

Cui Lixin

Chairman of the Board and Non-executive Director

Management Discussion and Analysis

INDUSTRY REVIEW

In 2025, the global economy is characterized by the coexistence of resilience and risk in the face of multiple shocks. On one hand, escalated global trade frictions, intensified geopolitical tensions, heightened volatility in trade policy, and increased volatility in financial markets all exerted pressure on the global economy. Although global trade continued to record growth momentum, the global economy demonstrated fragile resilience. On the other hand, expansionary macroeconomic policies, positive market expectations for new technologies, and the growth in trade and investment driven by AI-related fields together supported global demand. According to Antaike, the global economy is expected to grow by 3.2% in 2025.

In response to multiple challenges such as rising resource nationalism, escalating international trade barriers, and mounting pressure for green transition, China's aluminum industry has forged a new path in an evolving landscape, demonstrating strong strategic focus and development resilience.

In terms of electrolytic aluminum, since 2025, electrolytic aluminum enterprises in the PRC have maintained high operating rates, and the overseas electrolytic aluminum industry is characterized by the coexistence of newly added production capacity and production reduction, with new projects continuing to progress in Indonesia. Meanwhile, some aluminum plants are exposed to the risk of production reduction due to factors such as electricity costs and power failures. However, the overall production capacity of the electrolytic aluminum industry continues to show an upward trend.

Although China's aluminum consumption has been affected by the continued downturn in the real estate industry, demands from sectors such as home appliances and automobiles remain robust, investment in power grid records rapid growth, and aluminum consumption continues to grow, benefiting from policy supports. In overseas markets, aluminum demand is driven by factors including interest rate cuts by the Federal Reserve and increased consumption from downstream areas such as new energy and photovoltaics. As a result, primary aluminum consumption rebounded from the previous year, while the overall market remained largely balanced in terms of supply and demand. According to Antaike, China's primary aluminum consumption is expected to reach 46.29 million tons in 2025, accounting for 62.4% of the total global primary aluminum consumption, representing an increase of 2.5% year-on-year, while the growth rate decreased 3.0 percentage points compared to the previous year. For regions outside China, primary aluminum consumption is expected to reach 27.90 million tons in 2025, up 1.8% year-on-year, accounting for 37.6% of the total global primary aluminum consumption.

According to Antaike, both domestic and international aluminum prices peaked in 2025 at their highest levels in three years. As of 31 December 2025, the average price of the most-traded SHFE aluminum contract stood at RMB20,719 per ton, a record high, representing an increase of RMB736 per ton or 3.7% compared to 2024. The price hit the year-high of RMB22,980 per ton. The average price of LME three-month aluminum was USD2,641 per ton, up USD183 per ton or 7.5% from the previous year, with a year high of USD2,997.5 per ton.

Management Discussion and Analysis

In terms of alumina, according to Antaika, with the impact of oversupply pressure of alumina, the average annual spot price of alumina in China stood at RMB3,236 per ton in 2025, representing a decrease of 20.6% compared to the previous year. The international price trend for spot alumina was in line with that of China. The price experienced a sharp decline in the first quarter. The low point for the year was recorded at the end of the year, reaching USD309 per ton. The average annual price was USD385 per ton, representing a year-on-year decrease of 23.9%.

BUSINESS REVIEW

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

In 2025, the Company's revenue was approximately RMB18.681 billion, and revenue from the sale of electrolytic aluminum was approximately RMB13.622 billion, accounting for approximately 72.92% of our total revenue; revenue from the sale of alumina and other related products was approximately RMB4.417 billion, accounting for approximately 23.64% of our total revenue.

We have an aluminum smelter with an annual production capacity of 788,100 tons in Huolinguole, Inner Mongolia, a region with advantages in scarce resources, and constructed an ancillary coal-fired thermal power plant with six sets of electricity generators, each with an installed capacity of 330.0 MW, around our aluminum smelter. This power plant has consistently supplied stable electricity for our electrolytic aluminum production.

We have an alumina refinery with an annual production capacity of 1.2 million tons in Binzhou, Shandong Province, which is in proximity to the import ports for bauxite. This refinery provides a cost-effective, high-quality, sufficient and sustainable supply of alumina for aluminum production. In addition to alumina, we also have an annual production capacity of 2.98 million tons of aluminum hydroxide, which is often produced as an intermediate in the Bayer process and can be calcined to produce alumina. We also secured the regulatory approval for 6 million tons of production capacity of alumina calcined from aluminum hydroxide in 2025. and are producing with a production capacity of 2 million tons per year of alumina calcined from aluminum hydroxide. Upon completion, the Company's total annual alumina production capacity will be at least 3 million tons.

Management Discussion and Analysis

Through years of development, we established our self-sufficient, complementary, synergistic and integrated ecosystem across the electrolytic aluminum industry chain, covering energy, alumina refining and aluminum smelting. The Company's current alumina and electricity self-sufficiency capacity covered 100% of its production and operations.

In 2025, Inner Mongolia Chuangyuan, a subsidiary of the Company, ranked ninth among the Top 100 Enterprises of Inner Mongolia, and the 5th among the Top 50 Manufacturing Enterprises of Inner Mongolia. In 2025, Shandong Chuangyuan, a subsidiary of the Company, was recognized as the "Provincial Green Factory".

Economic moat in our aluminum business preparing for an increased proportion of green energy

We have always regarded achieving a green transition in our operations as a long-term goal, and is committed to becoming a green aluminum industry group in the global market. By fully leveraging the ample wind and solar power resources available at low costs in Huolinguole, Inner Mongolia, we commenced the construction of wind power plants and solar power plants in 2023, with a total installed capacity of 1,750.0 MW. This initiative aims to reduce the use of fossil energy in our production processes, thereby reducing carbon dioxide emissions from power generation, lowering our production costs, improving profitability, and building an economic moat in our aluminum business. As of the end of 2025, we had completed the construction of wind power plants with an installed capacity of 640 MW and solar power plants with an installed capacity of 110 MW, with green energy accounting for approximately 43% of our total installed capacity. Upon completion of the construction of our wind power plants and solar power plants, we will achieve over 50% in the proportion of green energy utilised, significantly exceeding the 25% target requirement imposed by industrial policies in China. Our green power aluminum products satisfy the requirements of both domestic and international high-end customers for upstream manufacturers to utilise green energy in aluminum smelting. We believe our green power aluminum products can help us capture market opportunities driven by the concept of the green development and propel our business growth.

Proactively implementing the globalization development strategy to enhance market competitiveness

Currently, the production capacity of China's aluminum smelters are nearing the policy cap, while demand for downstream aluminum products in overseas markets continues to rise. In light of these industry trends, we are seizing opportunities for global expansion and actively responding to the Belt and Road Initiative, and have invested in an integrated electrolytic aluminum industry chain project in Saudi Arabia in 2025, together with Innovation New Material and Shandong Innovation Group Co., Ltd., among others, with an annual production capacity of 500.0 kt.

Management Discussion and Analysis

As of the end of 2025, the Saudi project has made key progress in both regulatory approvals and site construction, laying a solid foundation for full-scale construction in 2026. The project has completed the acquisition of relevant land use rights and construction permits, and has fully complied with local mandatory environmental requirements, including passing the Environmental Impact Assessment (EIA) and completing a special vegetation study for the site. In terms of preparation work for construction, the detailed site survey for Phase I has been fully completed, construction drawings are being issued as scheduled, the labor camp has been preliminarily established, and the access road as well as internal plant roads have been compacted. On-site water and electricity supplies have been reliably secured. The project is now equipped with the fundamental conditions to commence construction works in full swing in 2026 and constructions gradually commenced, with an estimated construction period of 12 to 18 months.

This project will enable us to attain global industry leadership and stimulate global business growth, thereby creating new development opportunities. We expect the phased commencement of these overseas projects to further enhance our operational status and support our vision to become a green aluminum industry group in the global market.

Continuous upgrading of production technologies and equipment leading to further unleashed profitability

We emphasize refined management, maintain up-to-date equipment and have a high level of automation during production. During the Reporting Period, we upgraded our cell control systems, enabling digital empowerment and cloud-based data analysis and diagnosis; installed an automatic laser cleaning device for guide rods, replacing manual operations with mechanization to improve work efficiency and achieve intrinsic safety; and upgraded our automatic production line for aluminum ingot, achieving automated control and significantly improving production efficiency.

To better control carbon emissions and energy consumption, we have completed several technological transformation projects in 2025. We conducted a comprehensive waste heat utilisation project for electrolytic flue gas, capturing substantial thermal energy from the flue gas generated during the aluminum smelting process and repurposing it into heat sources required for production and facility operations, thereby fully replacing traditional steam consumption. This approach has enabled efficient, tiered energy utilisation. We have also carried out the fully graphitized cathode retrofitting, commissioning of copper-embedded steel stub holes, carbon anode heightening, and carbon anode coatings to improve current efficiency and reduce energy consumption. By continuously upgrading production techniques relating to aluminum smelting and minimizing the electricity consumption of aluminum per ton, we continue to deepen our costs and profitability advantages.

Management Discussion and Analysis

As of the end of 2025, the total cost of aluminum per ton was approximately RMB15,800 (tax inclusive), and the annual electrolytic aluminum labor productivity per capita amounted to approximately 670 tons. According to Antaike, in 2025, the average total cost of aluminum per ton was RMB16,722 per ton, and the industry average electrolytic aluminum annual labor productivity per capita in China was between approximately 300 tons and 400 tons, and all of the Company's production indicators were significantly above the industry average. Meanwhile, according to Antaike, in 2025, our ability to manage the total costs of aluminum per ton ranked among the top of all aluminum smelting companies in China and was competitive on a global scale.

FINANCIAL REVIEW

Product Revenue

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

The revenue by nature of the business is as follows:

Business	2025 RMB'000	2024 RMB'000
Electrolytic aluminum	13,621,878	12,883,738
Alumina and other related types of products	4,416,908	1,849,457
Subtotal	18,038,786	14,733,195
Others	641,781	429,987
Total	18,680,567	15,163,182

For the year ended 31 December 2025, the Group's total revenue was approximately RMB18,680.6 million, representing an increase of approximately 23.2% from approximately RMB15,163.2 million in the same period last year.

Among which, the revenue from electrolytic aluminum products was approximately RMB13,621.9 million, representing an increase of approximately 5.7% from approximately RMB12,883.7 million in the same period last year, mainly due to the increase in the sales price of electrolytic aluminum products compared with the same period last year. The revenue from alumina and other related types of products was approximately RMB4,416.9 million, representing an increase of approximately 138.8% from approximately RMB1,849.5 million in the same period last year, mainly due to the increase in production and sales volume of alumina and other related types of products compared with the same period last year.

Management Discussion and Analysis

Cost of Sales

Cost of sales by business nature is as follows:

Business	2025	2024
	RMB'000	RMB'000
Electrolytic aluminum	9,506,176	9,414,485
Alumina and other related types of products	4,211,921	1,269,856
Subtotal	13,718,097	10,684,341
Other	337,846	202,381
Total	14,055,943	10,886,722

For the year ended 31 December 2025, the Group's total cost of sales was approximately RMB14,055.9 million, representing an increase of approximately 29.1% from approximately RMB10,886.7 million in the same period of the previous year.

Among which, the cost of sales for electrolytic aluminum was approximately RMB9,506.2 million, representing an increase of approximately 1.0% from approximately RMB9,414.5 million in the same period of the previous year, remaining basically stable as compared with the same period last year. The cost of sales for alumina and other related types of products was approximately RMB4,211.9 million, representing an increase of approximately 231.7% from approximately RMB1,269.9 million in the same period last year, primarily due to an increase in sales volume of alumina and other related types of products as compared with the same period last year.

Gross Profit and Gross Profit Margin of Products

Business	2025		2024	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Electrolytic aluminum	4,115,702	30.2	3,469,253	26.9
Alumina and other related types of products	204,987	4.6	579,601	31.3
Subtotal	4,320,689	24.0	4,048,854	27.5
Others	303,935	47.4	227,606	52.9
Total	4,624,624	24.8	4,276,460	28.2

Management Discussion and Analysis

For the year ended 31 December 2025, the Group's total gross profit margin of products was approximately 24.8%, representing a decrease of approximately 3.4 percentage points from approximately 28.2% in the same period last year. Among which, the gross profit margin of electrolytic aluminum products was approximately 30.2%, representing an increase of approximately 3.3 percentage points from approximately 26.9% in the same period last year, mainly due to the year-on-year increase in the sales price of electrolytic aluminum products and the decrease in product costs. The gross profit margin of alumina and other related types of products was approximately 4.6%, representing a decrease of approximately 26.7 percentage points from approximately 31.3% in the same period last year, mainly due to the decline in the sales prices of alumina and other related types of products;

Other Income

For the year ended 31 December 2025, the Group's other income was approximately RMB106.0 million, representing an increase of approximately 92.0% from approximately RMB55.2 million in the same period last year, mainly due to the interest income from bank deposits and the increase in government subsidies for certain construction projects during the year.

Listing Expenses

For the year ended 31 December 2025, the Group's listing expenses amounted to approximately RMB18.4 million, representing an increase of approximately 11.7% from approximately RMB16.4 million in the same period last year. We do not anticipate incurring such expenses in the future.

Other Gains and Losses

For the year ended 31 December 2025, the Group's other gains and losses amounted to a net loss of approximately RMB116.3 million, representing a decrease of approximately RMB134.8 million from a net gain of approximately RMB18.5 million in the same period last year, mainly due to the loss on exchange of US dollar deposits and the loss on the derecognition of financial liabilities measured at amortised cost during the year.

Selling and Marketing Expenses

For the year ended 31 December 2025, the Group's selling and marketing expenses were approximately RMB2.5 million, representing an increase of approximately 349.7% from approximately RMB0.6 million in the same period last year, mainly due to the increase of its efforts in the sales of alumina and its related types of products and aluminum ingots, and the expansion of our sales team and the increase in salaries of our sales staff during the year.

Management Discussion and Analysis

Administrative Expenses

For the year ended 31 December 2025, the Group's administrative expenses were approximately RMB388.4 million, representing an increase of approximately 39.2% from approximately RMB279.0 million in the same period last year, accounting for approximately 2.1% of the Group's total revenue and an increase of approximately 0.3 percentage point from approximately 1.8% in the same period last year, mainly due to the increase in salaries of our administrative staff and the increase in the consultancy fees with respect to taxation and project consultation during the year.

Share of Results of Joint Ventures

For the year ended 31 December 2025, the Group's share of results of joint ventures was a net loss of approximately RMB26.4 million, representing an increase of approximately RMB25.5 million as compared with the net loss of approximately RMB0.9 million for the same period last year. This was mainly due to an increase in start-up costs at one of the joint ventures, which was in the preparatory stage during the year.

Finance Costs

For the year ended 31 December 2025, the Group's finance costs were approximately RMB680.2 million, representing a decrease of approximately 10.7% from approximately RMB761.6 million in the same period last year, accounting for approximately 3.6% of the Group's total revenue and a decrease of approximately 1.4 percentage points from approximately 5.0% in the same period last year, mainly due to the decrease in financing interest rates during the year.

Income Tax Expense

The Group's income tax expense for the year 2025 was approximately RMB561.8 million, representing a decrease of approximately 13.8% from RMB651.4 million for the same period in 2024. This decrease was mainly due to a decline in taxable income from the alumina business compared with last year.

Profit for the Year and Total Comprehensive Income

For the year ended 31 December 2025, the Group's profit for the year and total comprehensive income amounted to approximately RMB2,919.1 million, representing an increase of approximately 11.0% from approximately RMB2,629.5 million in the same period of last year.

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

For the year ended 31 December 2025, net profit attributable to Shareholders of the Company was approximately RMB2,730.8 million, representing an increase of approximately 32.8% from approximately RMB2,056.2 million for the same period last year.

During the year, the Company's basic earnings per share were approximately RMB1.75 (2024: approximately RMB1.37).

Liquidity and Financial Resources

As of 31 December 2025, the Group's cash and cash equivalents were approximately RMB5,091.1 million, representing an increase of approximately RMB4,914.7 million from cash and cash equivalents of approximately RMB176.4 million as of 31 December 2024, mainly due to the impact of the increase in operating profit, the increase in net cash from operating activities, and the balance of funds raised from the Listing during the year. Cash and cash equivalents were mainly held in RMB and foreign currencies.

Management Discussion and Analysis

As of 31 December 2025, the Group's restricted bank deposits were approximately RMB1,654.4 million, representing an increase of approximately 142.8% from the restricted bank deposits of approximately RMB681.4 million as of 31 December 2024, mainly due to the increase in the issue of bills payable and letter of credit for purchasing raw materials.

As of 31 December 2025, the Group's inventories were approximately RMB2,435.9 million, representing an increase of approximately 54.4% from the inventories of approximately RMB1,577.7 million as of 31 December 2024, mainly due to an increase in production capacity of aluminum hydroxide as well as higher inventory levels and unit prices for certain key raw materials during the year.

As of 31 December 2025, the Group's trade receivables were approximately RMB120.0 million, representing an increase of approximately 206.5% from the trade receivables of approximately RMB39.1 million as of 31 December 2024, mainly due to the increase in sales volumes in steam and other businesses during the year.

For the year ended 31 December 2025, the Group's net cash flow from operating activities was approximately RMB4,925.3 million, maintaining sound working capital. We continued to improve our operations by stabilising production scale and optimising costs to increase operating profit and net operating cash inflow. The Group regularly prepared cash flow forecasts to manage its liquidity position and ensure the sufficiency of the financial resources to satisfy the needs of operation.

Capital Structure

As of 31 December 2025, the Group's total liabilities were approximately RMB18,175.6 million, representing an increase of approximately 13.6% from the total liabilities of approximately RMB15,993.5 million as of 31 December 2024. The debt-to-asset ratio was approximately 64.1%, representing a decrease of approximately 23.2 percentage points from the debt-to-asset ratio of approximately 87.3% as of 31 December 2024.

As of 31 December 2025, the Group's bank borrowings and other borrowings were approximately RMB12,404.0 million, representing an increase of approximately RMB1,455.8 million from bank borrowings and other borrowings of approximately RMB10,948.2 million as of 31 December 2024, mainly due to the increase in loans for the construction of green new energy projects during the year.

The effective interest rate of the Group's borrowings during the year ranged from 2.8% to 5.5%, of which 73.2% were fixed-rate borrowings and 26.8% were variable-rate borrowings.

For the year ended 31 December 2025, the Group's net cash flow from financing activities was approximately RMB5,324.1 million. The net cash flow from financing activities was mainly the inflow of funds from the Group's initial public offering of shares.

We plan to utilise all available financial resources, including debt financing instruments and other financing activities, to reduce bank borrowings and other borrowings, thus flexibly optimizing the Group's debt structure. With the window period of declining interest rates, we intend to negotiate with principal banks to obtain more favorable terms and interest rates, so as to improve our borrowing structure and replace high-interest borrowings with low-interest rates to reduce financing costs, and keep the Group's overall debt level within a manageable and reasonable range.

Management Discussion and Analysis

Capital expenditures

As at 31 December 2025, the Group's capital expenditures were approximately RMB3,612.3 million, which was mainly the final payment for the construction of the Group's green new energy projects, and the construction of aluminum hydroxide production lines.

As of 31 December 2025, the Group's capital commitments related to the acquisition of property, plant and equipment were approximately RMB1,499.5 million, which were mainly used for the construction of green new energy projects in the Group's electrolytic aluminum business.

The Group continues to advance the development of an integrated ecosystem across the electrolytic aluminum industry chain, gradually increasing the proportion of green energy used to consolidate its cost advantages, continuously enhancing the Company's competitiveness and market recognition, and achieving the Group's long-term goals of sustainable development and a green, low-carbon transition.

Contingent Liabilities

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

Foreign Exchange Risk

Most of the Group's revenues and expenditures are settled in Renminbi, with foreign exchange reserves primarily consisting of surplus funds raised from the Listing. For the year ended 31 December 2025, the Group incurred foreign exchange losses of approximately RMB41.9 million (2024: foreign exchange losses of approximately RMB0.3 million).

As a result of the increasing volatility of the US dollar exchange rate market, the Group's management was highly concerned about the foreign exchange risks and would continue to monitor the domestic and foreign economic environment and adopt appropriate hedging measures when necessary and feasible.

Human Resources

As of 31 December 2025, the Group had a total of 4,050 employees. The total staff costs for the year were approximately RMB526.5 million, representing an increase of approximately 19.7% from the staff costs of approximately RMB439.8 million in the same period last year. This was mainly due to the increase in the number of employees due to the Group's business expansion and talent reserves, as well as the increase in the level of employee income compared with the same period last year. Employee salaries mainly include wages, allowances and benefit expenses, along with performance bonuses based on annual performance and achievement of targets.

Management Discussion and Analysis

We adhered to the principles of openness, justice and fairness to attract and select outstanding talents. We respected the career planning of employees and offered a variety of career development paths to support employees in enhancing their professional and management skills, building a bridge for employees' personal growth and career advancement.

Pledged Assets

For details regarding the Company's pledged assets for the year ended 31 December 2025, please refer to note 39 to the consolidated financial statements in this annual report.

Gearing Ratio

The Group's gearing ratio decreased by approximately 87.3 percentage points from approximately 23.2% as at 31 December 2024, to approximately 64.1% as at 31 December 2025, primarily due to the year-on-year increase in net profit and the injection of funds raised through the initial public offering.

Significant Acquisitions and Disposals

Save as disclosed in this annual report, during the year ended 31 December 2025, the Group did not have any significant acquisitions and disposals of subsidiaries, associates, or joint ventures.

Significant Investments

Other than the disclosure under note 19 to the consolidated financial statements of this annual report, the Group had no significant investments throughout the year ended 31 December 2025.

Future Plans for Significant Investments or Acquisitions of Capital Assets

As at 31 December 2025, the Group had no specific future plans for significant investments or acquisitions of capital assets.

PROSPECTS

In recent years, the electrolytic aluminum industry in China has undergone profound structural adjustments under the guidance of policies and market drive, gradually shifting from scale expansion to a high-quality development. Moreover, since 2025, against the backdrop of the deepening "dual-carbon" goals, the pace of the green and low-carbon transformation of the industry has accelerated significantly. Currently, the electrolytic aluminum industry in China is systematically making progress toward becoming greener, more efficient, and more internationalized, progressively building a modern industrial system with enhanced resilience and competitiveness. The Company will keep pace with industry developments, seize global growth opportunities, and achieve its vision of building a green aluminum industry group in the global market.

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

The Company will continue to fully explore wind and solar energy to build a green energy system with our proprietary power plants to maximize green power supply, enhance energy efficiency and reduce both electricity costs and carbon emissions. From a social responsibility perspective, this approach will significantly cut down on the Company's energy consumption and emissions during the electricity generation process, ensuring our operations are in line with global sustainability trends. Economically, the adoption of green power reduces our operating costs, thereby enhancing our profitability.

Management Discussion and Analysis

Further implement our globalization strategies to actively advance the implementation of overseas project

The Company will further pursue a globalization strategy. We will actively advance the implementation of the Saudi Project, and employ local labor at competitive market rates for the operation of this project. This project will be overseen by our professional team, which possesses extensive experience in aluminum smelting and the electrolytic aluminum industry, ensuring safe production and sustainable operations.

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

The Company will continue to enhance its production techniques and use new cathode materials to improve current efficiency and reduce energy consumption. We will further conserve power and enhance equipment efficiency and lifespan by optimising average voltage, refining electrolytic cell design and upgrading electrolytic cell lining materials. The Company are deeply advancing digital and intelligent transformation alongside green upgrades. Leveraging AI algorithms, we implements precise, end-to-end control of electrolytic cells, monitor operating conditions in real time, intelligently diagnose potential equipment issues, and optimize energy consumption and material deployment. By driving these efforts with data and empowering them with technology, the Company comprehensively enhances production efficiency and operational stability, helping the industry achieve a new paradigm of intelligent manufacturing that is efficient, low-carbon, and safe.

Complete our capabilities across the aluminum industry chain to maintain steadiness of raw material supplies

The Group has been focusing on completing our capabilities across the electrolytic aluminum industry chain and is now an aluminum industry group covering energy to alumina refining and aluminum smelting. In the future, the Company will further optimise its industry chain and extend to the upstream of the industry chain to mitigate the impact of rising raw material costs on aluminum smelting, thereby ensuring stable production and operation.

Improve environmental and social responsibility performance to maintain sustainability

The Company attaches significant importance to environmental, social and governance and aims to become a green aluminum industry group in the global market, and promote the green transition within the electrolytic aluminum industry by striving to reduce carbon emissions in the electrolytic aluminum industry chain. In terms of environmental protection, we will continue to reduce the reliance on fossil fuels and increasingly utilise green energy for electricity generation in the future, and facilitate the sustainable transformation of our aluminum smelting processes and the transition of our energy structure through technological innovation and ongoing facility upgrades. In terms of social responsibility, we will remain deeply committed to public welfare, encouraging our employees to proactively engage in volunteer activities and striving to remain a responsible corporation. In terms of employee care, we will further strengthen internal talent development by improving employees' skills in global business, green electrolytic aluminum-related technologies and management practices, building a high-quality talent team that supports the Group's future strategic development.

Directors and Senior Management

DIRECTORS

Chairman of the Board and Non-executive Director

Mr. Cui Lixin (崔立新), aged 57, is the founder of our Group and is currently the chairman of the Board and a non-executive Director of our Company, as well as a member of the Audit Committee and the Nomination Committee. He is primarily responsible for formulating the overall strategic planning and the decision-making on important matters of our Group.

Mr. Cui has extensive experience in the metal industry and corporate management. Prior to founding our Group, he has served as the chairman of the board of Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) since November 2007. From August 2013 to December 2020, he served as the executive director of Innovation Group. From May 2018 to July 2024, he served as the director of Shandong Aluminum Valley Commodity Exchange Centre Co., Ltd. (山東鋁谷大宗商品交易中心有限公司). Since December 2022, he has served as a director and the chairman of the board of Innovation New Material, a company listed on the Shanghai Stock Exchange (stock code: 600361.SH). He served as a director of Bloomsbury Holding since June 2023 and a director of Phineas Management since September 2023. He served as a manager at Beijing Chuangyuan since May 2024. He has been our Director since July 2023 and has been redesignated as the chairman of the Board and a non-executive Director of our Company in January 2025.

Mr. Cui was granted numerous awards and honours, including the Model Worker of Shandong Province (山東省勞動模範), the Outstanding Entrepreneur of Shandong (山東省優秀企業家), the Leading Entrepreneur on the Top 100 Private Enterprises List of Shandong Province (山東省民營企業家掛帥出征百強榜領軍企業家), the Outstanding Contribution Entrepreneur of Binzhou City (濱州市傑出貢獻企業家), the Top 10 Innovative Entrepreneurs of Binzhou City (十佳濱州市創新型企業家), and the “Golden Lion Award” for Outstanding Entrepreneur of Binzhou City (濱州市優秀企業家金獅獎). Mr. Cui also holds various public positions, including as a deputy to the Fourteenth National People’s Congress (第十四屆全國人大代表) since February 2023, a member of the Standing Committee of the Eighteenth People’s Congress of Zouping City (鄒平市第十八屆人大常委會委員) since January 2022, and a member of the Standing Committee of the Twelfth People’s Congress of Binzhou City (濱州市第十二屆人大常委會委員) since February 2022. He has been the vice president of the China Nonferrous Metals Industry Association (中國有色金屬工業協會副會長) since March 2025, an executive committee member of the All-China Federation of Industry and Commerce (中華全國工商業聯合會執行委員會) since December 2022, the vice chairman of the Shandong Federation of Industry and Commerce (山東省工商業聯合會) since June 2022, the executive vice president of the Shandong Aluminum Industry Association (山東省鋁業協會) since March 2019, and the president of the Binzhou Aluminum Trade Association (濱州市鋁行業協會會長) since August 2020.

Mr. Cui obtained his master’s degree in materials engineering from Central South University (中南大學) in Hunan Province, the PRC, in December 2017. He was accredited as a Senior Engineer by the Senior Review Committee of Engineering Technical Qualifications of Binzhou City (濱州市工程技術職務資格高級評審委員會) in December 2020.

Directors and Senior Management

Executive Directors

Mr. Cao Yong (曹勇), aged 46, is currently an executive Director and the general manager of our Company, as well as the chairman of the Environmental, Social and Governance Committee. He is primarily responsible for the overall management of the production and operation of our Group, implementing our Group's strategic planning, reviewing financial budgets and overall policies, as well as supervising capital operations.

Mr. Cao has over 20 years of experience in the energy industry and corporate management. Prior to joining our Group, he worked at Chengdu Oriental Hope Enterprise Management Services Co., Ltd. (成都東方希望企業管理服務有限公司) from September 2002 to January 2006. From September 2008 to December 2010, he served as the general manager and vice president in charge of the chemical business managed by East Hope Group Co., Ltd. (東方希望集團有限公司) at Hulunbuir Dongneng Chemical Co., Ltd. (呼倫貝爾東能化工有限公司). From September 2011 to October 2016, he served as the general manager and the president of Xinjiang district at Xinjiang East Hope Nonferrous Metals Co., Ltd. (新疆東方希望有色金屬有限公司). He joined our Group as the general manager of Inner Mongolia Chuangyuan in November 2016 and has served as the chairman of the board of Inner Mongolia Chuangyuan since January 2022. He has been an executive Director and the general manager of our Company since January 2025. He has served as a director and manager at Shandong Innovation New Material Technology Co., Ltd. (山東創新新材料有限公司), a subsidiary of the Company, since December 2025, and a director and manager at Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源新材料技術有限公司) since January 2026.

Mr. Cao was awarded the titles of Xinjiang Changji Hui Autonomous Prefecture Model Worker (新疆昌吉自治州勞動模範), Xinjiang Changji Hui Autonomous Prefecture Youth May Fourth Medal (新疆昌吉自治州青年五四獎章) and Xinjiang Uygur Autonomous Region Model Worker (新疆維吾爾族自治區勞動模範) from 2015 to 2016. He was a deputy to the Fifth People's Congress of Tongliao City and a member of the Standing Committee of the Fifth People's Congress of Tongliao City (通遼市第五屆人大代表及常務委員會委員) from 2018 to 2022. Since 2022, he has served as a vice chairman of the Tongliao City Federation of Industry and Commerce (通遼市工商業聯合會副主席) and an executive committee member of the Inner Mongolia Autonomous Region Federation of Industry and Commerce (內蒙古自治區工商業聯合會執行委員會委員). Mr. Cao was awarded the title of the National Model Worker (全國勞動模範) in 2025.

Mr. Cao graduated from Southwest University of Political Science and Law (西南政法大學) with a major in law in Chongqing, the PRC, in June 1999. He graduated from Xinjiang University (新疆大學) with a major in law in Xinjiang, the PRC, in June 2016.

Directors and Senior Management

Mr. Zhang Jianxiang (張建鄉), aged 40, is currently an executive Director, the deputy general manager and the joint company secretary of our Company, as well as a member of the Connected Transaction Control Committee and the Environmental, Social and Governance Committee. He is primarily responsible for the daily production and operation of the Group.

Mr. Zhang has over 18 years of experience in the metal industry and financial management. Prior to joining our Group, he worked at Shaanxi Huadian Materials Corporation (陝西華電材料總公司) from July 2006 to January 2008. From February 2008 to May 2024, he served finance and management positions in various subsidiaries of Innovation New Material, a company listed on the Shanghai Stock Exchange (stock code: 600361.SH), including as a financial accountant at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) from February 2008 to May 2009, as the head of financial department at Shandong Innovation Plate Co., Ltd. (山東創新板材有限公司) from June 2009 to July 2013, as the head of financial department of profile projects (型材項目) at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司) from August 2013 to June 2015, as the general manager of Shandong Yuanwang Electrical Technology Co., Ltd. (山東元旺電工科技有限公司) from July 2015 to September 2019, as the general manager of Suzhou Chuangtai Alloy Materials Co., Ltd. (蘇州創泰合金材料有限公司) from October 2019 to December 2023 and as the general manager at Suzhou Chuanghui New Material Co., Ltd. (蘇州創惠新材料有限公司) from January 2024 to May 2024. He joined our Group in March 2024 and has served as a director of Shandong Chuangyuan since then. He joined Inner Mongolia Chuangyuan and has served as the executive deputy general manager in June 2024. He served as the joint company secretary of our Company from January 2025 to March 2026 and has been an executive Director and the deputy general manager of our Company since January 2025. He has also served as a supervisor of Shandong Innovation New Materials Co., Ltd. (山東創新新材料有限公司), a subsidiary of the Company, since December 2025 and a supervisor of Shandong Chuangyuan New Material Technology Co., Ltd.# (山東創源新材料技術有限公司), a subsidiary of the Company, since January 2026.

Mr. Zhang was honoured as the Outstanding Communist Party Member of the Suzhou Suxiang Cooperation Zone (蘇州市蘇相合作區優秀共產黨員) in 2021. In 2024, he was awarded the May Day Labor Medal of Tongliao City (通遼市五一勞動獎章) granted by the Tongliao City Federation of Trade Unions (通遼市總工會). He was elected as a deputy to the People's Congress of Huolinguo in July 2025.

Mr. Zhang graduated from Northwest University (西北大學) with a major in computerized accounting in Shaanxi Province, the PRC, in July 2006. He graduated from Shandong University (山東大學) with a major in accounting in Shandong Province, the PRC in July 2012 via online learning. Mr. Zhang is a Certified Intermediate Accountant accredited by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in October 2013. He is a Certified Safety Engineer certified by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and the Ministry of Emergency Management of the PRC (中華人民共和國應急管理部) in October 2018. He is also a Senior Engineer certified by the Shanghai Aluminum Trade Association (上海鋁業行業協會) in October 2021.

Directors and Senior Management

Ms. Zhang Yue (張悅), aged 44, is currently an executive Director and the financial director of our Company. She is primarily responsible for overall financial management of our Group.

Ms. Zhang has over 20 years of experience in financial accounting. Prior to joining our Group, she worked at Shandong Qixing Cable Co., Ltd. (山東齊星電纜有限公司) from July 2004 to December 2007. From January 2008 to May 2024, she consecutively served as an accountant, the deputy head of financial department, the head of financial department and assistant financial director at Shandong Innovation Metal Technology Co., Ltd. (山東創新金屬科技有限公司). She joined our Group in June 2024 and has served as the financial director of Inner Mongolia Chuangyuan since then. She has been served as an executive Director and the financial director of our Company since 7 January 2025.

Ms. Zhang graduated from Dongbei University of Finance and Economics (東北財經大學) with a major in accounting in Liaoning Province, the PRC, in January 2019, via online learning. Ms. Zhang is a Senior Accountant certified by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in December 2023. She is also a Certified Public Accountant accredited by the Certified Public Accountant Examination Committee of the Ministry of Finance of the PRC (財政部註冊會計師考試委員會) in November 2023 and a Certified Tax Agent accredited by Certified Tax Agents Association of Shandong Province (山東省註冊稅務師協會) in December 2016.

Mr. Fu Qian (伏騫), aged 50, is currently an executive Director and the administrative director of our Company. He is primarily responsible for overall administrative and human resources management of our Group.

Mr. Fu has over 24 years of experience in corporate management. Prior to joining our Group, he worked as a sales manager at Qingdao Hope Feed Co., Ltd. (青島希望飼料有限公司) (currently known as East Hope (Qingdao) Animal Nutrition Food Co., Ltd. (東方希望(青島)動物營養食品有限公司)) from June 2000 to May 2005. From June 2005 to July 2006, he worked as an office director at Liaocheng Qiangda Feed Co., Ltd. (聊城強大飼料有限責任公司) (currently known as Liaocheng East Hope Qiangda Animal Nutrition Co., Ltd. (聊城東方希望強大動物營養有限公司)). He also served as the director of administration and human resources department from August 2006 to March 2012, and as a production plant manager from April 2012 to August 2015 at Hulunbuir Dongneng Chemical Co., Ltd. (呼倫貝爾東能化工有限公司). From September 2015 to October 2016, he served as the regional director of administration and human resources department at Xinjiang East Hope Nonferrous Metals Co., Ltd. (新疆東方希望有色金屬有限公司). He joined our Group in November 2016 and has served as the deputy director of administration and human resources department of Inner Mongolia Chuangyuan since January 2017, and the director of administration and human resources department since April 2018. He has been the director and manager of Chuangyuan Alloy since September 2023, and he served as the director of Shandong Chuangyuan from March 2024 to December 2025. He has been served as an executive Director and the administrative director of our Company since January 2025.

Directors and Senior Management

Mr. Fu was awarded the titles of May Day Labour Medal of Tongliao City (通遼市五一勞動獎章) and Advanced Individual in Private Economy United Front Work of Huolinguole (霍林郭勒市民營經濟統戰工作先進個人) in 2022. He was also recognized as a Model Worker (Advanced Worker) of Tongliao City (通遼市勞動模範(先進工作者)) and an Advanced Individual in Investment Promotion of Inner Mongolia Autonomous Region (內蒙古自治區招商引資先進個人) in 2023.

Mr. Fu graduated from Sichuan Province Dachuan Finance and Trade School (四川省達川財貿學校) (currently known as Sichuan Province Dazhou Finance and Trade School (四川省達州市財貿學校)) with a major in computerized accounting in Sichuan Province, the PRC, in July 1999.

Independent Non-executive Directors

Mr. Liu Yanzhao (劉言昭), aged 53, is currently an independent non-executive Director of our Company, as well as the chairman of the Audit Committee and the Connected Transaction Control Committee and a member of the Remuneration Committee. He is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Liu has over 28 years of experience in the auditing and accounting industry. He worked as the head of the capital verification department at Shandong Binzhou Audit Firm (山東濱州審計事務所) from July 1996 to October 1999. He served as the head of the audit department at Shandong Huanghe Certified Public Accountants LLP (山東黃河有限責任會計師事務所) from October 1999 to January 2005, and has served as the deputy firm director and deputy chief accountant since January 2005. From May 2018 to July 2024, he served as an independent non-executive director at Weiqiao Textile Co., Ltd. (魏橋紡織股份有限公司) (a company listed on the Stock Exchange and was delisted on 19 March 2024 (stock code: 2698)). Since July 2019, he has been serving as an executive director and the general manager at Shandong Province Binzhou Huanghe Certified Tax Agents Co., Ltd. (山東省濱州黃河稅務師事務所有限責任公司). He has also been serving as an executive director and the general manager at Hainan Chenxing Hengrui Investment Holdings Co., Ltd. (海南辰星恒睿投資控股有限公司) since April 2024. He joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Mr. Liu was awarded with the Advanced Individual in Asset Appraisal Industry Inspection (資產評估行業檢查先進個人) by the Ministry of Finance of the PRC and the China Appraisal Society (中國資產評估協會) in 2004. In 2006, he was honoured as the Outstanding Communist Party Member (優秀共產黨員). In 2012, he was honoured as the Outstanding Certified Public Accountant of Shandong Province (山東省優秀註冊會計師) by the Shandong Institute of Certified Public Accountants (山東省註冊會計師協會).

Mr. Liu obtained his bachelor's degree in auditing from Shandong Institute of Economics (山東經濟學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in Shandong Province, the PRC, in July 1996. Mr. Liu is a Certified Public Accountant accredited by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). He is a Senior Accountant recognized by the Senior Evaluation Committee for Accounting Professional Qualification of Shandong Province (山東省會計專業資格高級評審委員會) in March 2012. He is also a Certified Public Valuer certified by the China Appraisal Society (中國資產評估協會) in December 2001, and a Certified Tax Agent accredited by the Certified Tax Agents Management Centre of Shandong Province (山東省註冊稅務師管理中心) in August 2003.

Directors and Senior Management

Ms. Zheng Juan (鄭娟), aged 51, is currently an independent non-executive Director of our Company, the chairman of the Remuneration Committee, as well as a member of the Audit Committee and the Connected Transaction Control Committee. She is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Zheng has over 26 years of experience in the legal industry. She worked at the Jining Zhongqu Judicial Bureau Direct Legal Service Office (濟寧市中區司法局直屬法律服務所) from July 1994 to July 1997. She worked as a lawyer at Shandong Zonghengjia Law Firm (山東縱橫家律師事務所) from July 1997 to December 2001. From December 2001 to November 2017, she worked as a lawyer at Shandong Kaiyan Law Firm (山東開言律師事務所). Since August 2017, she has been a partner at Tahiti (Jinan) Law Firm (泰和泰(濟南)律師事務所). She joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Ms. Zheng graduated from Shandong University (山東大學) with a major in law in Shandong Province, the PRC, in December 2001 and obtained her master's degree in law from Nankai University (南開大學) in Tianjin, the PRC, in July 2005. In December 2015, she completed the Australia-China Legal Education Program (Shandong) conducted by the Sir Zelman Cowen Centre, College of Law and Justice, Victoria University. Ms. Zheng was awarded the Lawyer Qualification Certificate in September 1996 and was consecutively recognized as a Level 4 and Level 3 Lawyer by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in 1999 and 2004. She has received numerous honors, including the Top Ten Female Legal Service Workers (全市十佳女法律服務工作者) jointly awarded by the Political and Legal Affairs Commission of Binzhou (中共濱州市委政法委員會) and the Women's Federation of Binzhou (濱州市婦女聯合會) in 2005, the March 8th Red Banner Holder (市三八紅旗手) awarded by the Women's Federation of Binzhou (濱州市婦女聯合會) in 2005, the Top Ten Female Lawyers of Binzhou (全市十佳女律師) jointly awarded by the Binzhou Municipal Bureau of Justice (濱州市司法局) and the Women's Federation of Binzhou (濱州市婦女聯合會) in 2007, the Advanced Individual in Protecting Women's Rights Protection of Shandong Province (山東省維護婦女權益先進個人) jointly awarded by the Women's Federation of Shandong Province (山東省婦女聯合會) and the Public Security Comprehensive Management Commission of Shandong Province (山東省社會治安綜合治理委員會辦公室). In 2011 and 2014, she was awarded the Outstanding Legal Counselor for Teenagers (青少年普法優秀輔導員) by the Ministry of Justice of the PRC, the Central Public Security Comprehensive Management Commission (社會治安綜合管理委員會辦公室), and the Working Committee for the Care of the Next Generation (中國關心下一代工作委員會). Ms. Zheng also has served in various social roles and has been the deputy director of the Artificial Intelligence and Big Data Professional Committee of the Jinan Lawyers Association (濟南市律師協會人工智能和大數據專業委員會) since 2024.

Directors and Senior Management

Ms. Shen Lingyan (申凌燕), aged 37, is currently an independent non-executive Director of our Company, the chairman of the Nomination Committee, as well as a member of the Audit Committee, the Remuneration Committee and the Environmental, Social and Governance Committee. She is primarily responsible for providing independent opinion and judgment to the Board.

She has been working at Antaika, a leading commodity market research company with an expertise in research on Nonferrous Metals including aluminum, since August 2016. She currently serves as a manager and senior expert of the aluminum department, and is responsible for research related to the aluminum industry. She joined our Group in November 2025 and has served as an independent non-executive Director of our Company since then.

Ms. Shen obtained her bachelor's degree in chemical engineering and technology from Xinyang Normal University (信陽師範大學) in Henan Province, the PRC, in July 2013, and her master's degree in material engineering from Central South University (中南大學) in Hunan, the PRC, in June 2016. Ms. Shen passed the senior engineer professional title evaluation conducted by the State-owned Assets Supervision and Administration Commission of the State Council in December 2024.

Save as disclosed above, none of our Directors held any other directorship in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this annual report, and to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to our Directors that need to be brought to the attention of our Shareholders and there is no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

SENIOR MANAGEMENT

Mr. Cao Yong (曹勇) is an executive Director and the general manager of our Company. See "Executive Directors" in this section for his biographical details.

Mr. Zhang Jianxiang (張建鄉) is an executive Director, the deputy general manager and one of the joint company secretaries of our Company. See "Executive Directors" in this section for his biographical details.

Ms. Zhang Yue (張悦) is an executive Director and the financial director of our Company. See "Executive Directors" in this section for her biographical details.

Mr. Fu Qian (伏騫) is an executive Director and the administrative director of our Company. See "Executive Directors" in this section for his biographical details.

Mr. Guo Wei (郭偉), aged 42, is the deputy general manager of China alumina business of our Company, as well as a member of the Environmental, Social and Governance Committee. He is primarily responsible for implementation of the Group's alumina business operations in China.

Directors and Senior Management

Mr. Guo has over 16 years of experience in accounting and corporate management. Prior to joining our Group, he worked as a financial accountant at Zouping Qixing Industrial Aluminum Co., Ltd. (鄒平齊星工業鋁材有限公司) from August 2008 to October 2011. From November 2011 to November 2018, he consecutively served as the director of the finance department, deputy general manager and the general manager at Wudi Qixing High-Tech Aluminum Co., Ltd. (無棣齊星高科技鋁材有限公司). He joined our Group in November 2018 and has served as the deputy general manager of Shandong Chuangyuan. He has also served as a director of Shandong Chuangyuan since February 2019.

Mr. Guo obtained his bachelor's degree in statistics from Qingdao University (青島大學) in Shandong Province, the PRC, in June 2008. Mr. Guo was awarded the May Day Labour Medal (Advanced Individual) (五一勞動獎章先進個人) in 2021 and the Outstanding Communist Party Member (優秀共產黨員) in 2021.

JOINT COMPANY SECRETARIES

Mr. Zhang Jianxiang (張建鄉) has served as one of the joint company secretaries of our Company since January 2025. For the biographical details of Mr. Zhang, see "Executive Directors" in this section.

Ms. Wong Hoi Ting (黃凱婷) was appointed as one of the joint company secretaries of our Company on 7 January 2025.

Ms. Wong has more than 10 years of experience in the corporate secretarial field. She is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies.

Ms. Wong obtained her bachelor's degree in social sciences from Lingnan University in Hong Kong in October 2009 and her master of science degree in professional accounting and corporate governance from City University of Hong Kong in Hong Kong in July 2014. She is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Report of the Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

GLOBAL OFFERING

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability, and its shares were listed on the Main Board of the Stock Exchange on 24 November 2025. The Prospectus of the Company dated 14 November 2025 has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.innovationigi.com).

PRINCIPAL ACTIVITIES

We focus on alumina refining and electrolytic aluminum smelting within the upstream of the aluminum industry chain. Our business mainly comprises the production and sales of electrolytic aluminum as well as alumina and other related types of products. We have been focusing on completing our capabilities across the electrolytic aluminum industry chain and are now an aluminum industry group covering energy to alumina refining and electrolytic aluminum smelting.

RESULTS OF OPERATION

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income contained in this annual report.

FINAL DIVIDEND

The Board recommended a final dividend of HK\$0.77 per ordinary share for the year ended 31 December 2025, amounting to a total of HK\$1,597.8 million, which is subject to the approval of the Shareholders at the forthcoming AGM to be held on Thursday, 23 April 2026. Subject to the approval of the Shareholders, the 2025 final dividend is expected to be paid to the qualified Shareholders on or before Thursday, 23 July 2026, on a business day (excluding Saturdays, Sundays, and public holidays in Hong Kong or Chinese Mainland).

BUSINESS REVIEW

General

A review of the Group's business during the year ended 31 December 2025, which includes an analysis of the Company's performance using financial key performance indicators, an indication of likely future developments in the Company's business and relationships with stakeholders as required under Schedule 5 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong), could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. The review and discussion form part of this Directors' Report.

Report of the Directors

Principal risks and uncertainties the Group faces include that: (1) Our revenue relies on the market price of electrolytic aluminum and alumina, which is influenced by factors beyond our control, including global market supply and demand, global mineral production, the global and the PRC economic conditions, and industrial demand; (2) Bauxite is one of our raw materials. The cost of bauxite procurement is sensitive to the stability of the global supply chain. Costs may significantly increase due to adverse weather conditions, international trade restrictions, or disruptions in international transportation, exposing us to risks related to supply chain stability; (3) We are subject to a variety of risks, including those in relation to the change in power usage pattern, our comparative advantages, energy and water supply reliability, government approvals and permits, downstream customer demand, as well as labor and employment, associated with the Saudi Project; and (4) If we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.

The financial risks of the Group include market risk, currency risk, interest rate risk, credit risk and impairment assessment, and liquidity risk. These financial risks, and the related risk management policies and practices used by the Group are discussed in note 35 headed “Financial Risk Management Objectives and Policies” to the consolidated financial statements of this annual report.

Environmental Policies and Performance

To proactively respond to the goals of “Carbon Peaking” and “Carbon Neutrality”, we continue to pay attention to environmental protection and the development of ecological culture. We are committed to integrating sustainable development into our business operation and decision-making. We have established environmental protection targets to quantify our efforts and actively monitor our environmental impact.

We prioritize green development by conserving energy, reducing emissions and standardizing waste disposal.

We use fossil fuels, including coal, natural gas, gasoline and diesel, during our production process. To reduce fossil fuel consumption: (i) we are constructing wind power plants and solar power plants, aiming to reduce fossil fuel consumption and greenhouse gas emissions; and (ii) we continuously advance the renovation and upgrade our production equipment to reduce coal consumption.

We are taking initiatives in green transition by reducing electricity consumption. To reduce electricity consumption: (i) we are fully committed to advancing our green power strategy, actively promoting the construction of solar and wind power projects and planning for the integration of green electricity into the grid, to reduce the consumption of traditional fossil fuel energy; (ii) we conduct regular inspections of electrical lines and equipment to promptly identify and rectify any inefficient electricity usage, striving to minimize power loss; and (iii) we upgraded the lighting equipment in our production base and offices to LED energy-saving lights and assigned specialized personnel to monitor electricity usage, ensuring that lights are turned off in unoccupied areas to prevent the waste of electrical resources.

Our production process primarily emits sulfur dioxide, particulate matter and nitrogen oxides. To address this, we employ flue gas desulphurization devices, electrolytic flue gas purification systems and boiler denitrification systems to convert harmful substances in the waste gas into harmless or low-harm substances before emission. We have also implemented a comprehensive wastewater treatment system, including a desulfurization wastewater treatment system, coal-containing wastewater treatment system and industrial wastewater treatment station. These systems enable the recycling of wastewater generated through neutralization, sedimentation and flocculation.

Further details of the environmental policies and performance of the Company are set out in the 2025 Environmental, Social and Governance Report separately published by the Company.

Compliance with Laws and Regulations

During the Reporting Period, save as otherwise disclosed in this annual report, and as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of the Group.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Thursday, 23 April 2026. The register of members of the Company will be closed from Monday, 20 April 2026 to Thursday, 23 April 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM. The record date for determining the identity of the Shareholders who are entitled to attend at the AGM is Thursday, 23 April 2026. To be eligible to attend the AGM, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17 April 2026.

In order to determine the Shareholders' entitlement to receive the final dividend, which is subject to the approval by way of resolution at the AGM, the register of members of the Company will be closed from Wednesday, 29 April 2026 to Monday, 4 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the Shareholders' entitlement to receive the final dividend is Monday, 4 May 2026. In order to qualify for the final dividend, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 28 April 2026.

Report of the Directors

FINANCIAL SUMMARY

A summary of the results and the balance sheets of the Group for each of the last four financial years is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

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

No adjustment has been made to the intended use of net proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 14 November 2025. As of 31 December 2025, approximately RMB4,929.9 million of net proceeds from the global offering were not utilised and were deposited into interest bearing bank accounts with licensed commercial banks and will be applied according to the section headed “Future Plans and Use of Proceeds” of the Prospectus.

Unit: RMB100 million

Intended use of proceeds	Net proceeds from global offering	Approximate % of net proceeds from the global offering	Amounts utilised as at 31 December 2025	Amounts unutilised as at 31 December 2025	Expected timetable for utilising the remaining net proceeds
Construction of a aluminum smelter and the purchase and installation of production equipment in Saudi Arabia	2,818.7	50%	707.6	2,111.1	By the end of or before 2027
Electrolytic aluminum smelter	1,372.3	24%	702.5	669.8	By the end of or before 2027
Aluminum billets production plant	310.0	5%	0	310.0	By the end of or before 2027
Aluminum foils and flat roll production plant	457.4	8%	0	457.4	By the end of or before 2027
Grid connection	307.1	5%	0	307.1	By the end of or before 2027
Slag treatment	46.1	1%	0	46.1	By the end of or before 2027
Other costs	325.8	6%	5.1	320.7	By the end of or before 2027

Report of the Directors

Intended use of proceeds	Net proceeds from global offering	Approximate % of net proceeds from the global offering	Amounts utilised as at 31 December 2025	Amounts unutilised as at 31 December 2025	Expected timetable for utilising the remaining net proceeds
Construction of green power plants and the purchase and installation of equipment used therein	2,255.0	40%	0	2,255.0	By the end of or before 2026
Wind power plants	1,878.0	33%	0	1,878.0	By the end of or before 2026
Solar power plants	241.9	4%	0	241.9	By the end of or before 2026
Power transmission and transformation	135.1	2%	0	135.1	By the end of or before 2026
Working capital and general corporate uses	563.8	10%	0	563.8	By the end of or before 2026
Total	5,637.5	100%	707.6	4,929.9	

The Company will use the remaining proceeds for the purposes disclosed in the Prospectus. The expected timetable for utilising the remaining proceeds is based on the best estimates of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, sales to the Group's five largest customers and sales to the Group's largest customer accounted for approximately 72.81% and 52.57% of the Group's total sales for the year ended 31 December 2025 respectively.

During the year ended 31 December 2025, purchases from the Group's five largest suppliers and purchases from the Group's largest supplier accounted for approximately 36.4% and 9.5% of the Group's total purchases for the year ended 31 December 2025 respectively.

To our best knowledge and belief, save for Innovation New Material, none of our Directors or their close associates or any Shareholders of the Company (holding more than 5% of the number of issued Shares to the knowledge of the Directors) had any interest in any of the five largest customers or suppliers of our Group for the year ended 31 December 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 16 to the consolidated financial statements of this annual report.



Report of the Directors

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 30 to the consolidated financial statements of this annual report.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 77 of this annual report.

DISTRIBUTABLE RESERVES

As of 31 December 2025, the Company's reserves available for distribution amounted to approximately RMB5,566.9 million.

TAXATION

Tax position of the Company for the year ended 31 December 2025 is set forth in note 12 to the consolidated financial statements of this annual report.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and the Group as of 31 December 2025 are set forth in note 29 to the consolidated financial statements of this annual report.

DIRECTORS

The Directors since the Listing Date and up to the date of this annual report are as follows:

Chairman of the Board and non-executive Director

Mr. Cui Lixin (崔立新) (*appointed on 4 July 2023*)

Executive Directors

Mr. Cao Yong (曹勇) (*appointed on 7 January 2025*)

Mr. Zhang Jianxiang (張建鄉) (*appointed on 7 January 2025*)

Ms. Zhang Yue (張悅) (*appointed on 7 January 2025*)

Mr. Fu Qian (伏騫) (*appointed on 7 January 2025*)

Independent non-executive Directors

Mr. Liu Yanzhao (劉言昭) (*appointed on 9 November 2025*)

Ms. Zheng Juan (鄭娟) (*appointed on 9 November 2025*)

Ms. Shen Lingyan (申凌燕) (*appointed on 9 November 2025*)

In accordance with Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or Article 16.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

In accordance with Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

Accordingly, all Directors, namely Mr. Cui Lixin, Mr. Cao Yong, Mr. Zhang Jianxiang, Ms. Zhang Yue, Mr. Fu Qian, Mr. Liu Yanzhao, Ms. Zheng Juan, and Ms. Shen Lingyan, have indicated their intention to retire at the AGM. All retiring Directors are eligible and offer themselves for re-election at the AGM.

Details of the Directors proposed for re-election at the AGM are set out in the circular of the Company, which will be sent to shareholders in due course.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" in pages 19 to 26 of this annual report.

CHANGES OF INFORMATION OF DIRECTORS

Save as otherwise disclosed herein, as of the date of this annual report, all Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received confirmation from independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules, confirming their independence. Upon verification, all independent non-executive Directors have maintained their independence from the Listing Date to the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Executive Directors

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from their respective date of appointment. Either party has the right to give not less than three-month prior written notice to terminate the contract.

Report of the Directors

Non-executive Director and Independent Non-executive Directors

Each of the non-executive Director and the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from his or her respective date of appointment or until the third annual general meeting of the Company after the Listing Date (whichever is earlier) (subject to re-election as and when required under the Memorandum and Articles of Association) or until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three month's prior notice in writing.

Save as disclosed above, there was no other Directors who has entered into any service contract or appointment letter with the Company that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 40 to the consolidated financial statements and the section headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS" in this annual report, no Director or any entity connected with any Director had a material interest, either directly or indirectly, in any transactions, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, during the Reporting Period, none of the Company's Controlling Shareholders or their respective subsidiaries has, directly or indirectly, a material interest in any contract (whether for the provision of services or otherwise) entered into by the Company or any of its subsidiaries that is material to the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

EMOLUMENT POLICY

The Remuneration Committee was set up for evaluating the remuneration policies for Directors and senior management of the Group and making recommendations thereon to the Board. The Directors and senior management members who receive remuneration from the Company are paid in forms of salaries, allowances, discretionary bonuses and other benefits in kind. The remuneration of the Directors and senior management members is determined with reference to the remuneration paid by relevant companies in the same industry and the achievement of major operating indicators of the Company.

During the Reporting Period, no fee was paid by the Company to any of the Directors (or former Directors) or the five highest paid individuals as an inducement to join the Company or as compensation for loss of office. None of the Directors waived their remuneration during the Reporting Period.

Details of the emoluments of the Directors, and the five highest paid individuals during the Reporting Period are set out in note 13 to the consolidated financial statements of this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances.

Details of the retirement benefits scheme of the Company are set out in note 43 to the consolidated financial statements of this annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and/or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be otherwise notified to the Company, were as follows:

Interests in Shares of the Company

Name of Director	Nature of interest	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company (%)
Mr. Cui ⁽¹⁾	Interest in controlled corporation	Long position	1,500,000,000	72.29

Note:

- (1) Bloomsbury Holding, which is wholly owned by Mr. Cui, directly held 1,500,000,000 Shares of the Company as at 31 December 2025. As such, Mr. Cui is deemed to be interested in the Shares held by Bloomsbury Holding.

Report of the Directors

Interest in Associated Corporations

Name of Director	Nature of interest	Long position/ Short position	Name of associated corporation	Approximate Percentage of Shareholding in the Total Issued Share Capital of the Associated Corporation (%)
Mr. Cui ⁽¹⁾	Beneficial owner	Long position	Bloomsbury Holding	100
Mr. Cui ⁽²⁾	Interests in controlled corporation	Long position	Shandong Chuangyuan	41.5

Notes:

- (1) As at 31 December 2025, Bloomsbury Holding was directly wholly owned by Mr. Cui.
- (2) As at 31 December 2025, Shandong Chuangyuan was owned as to 41.5% by Innovation Group, which was in turn owned as to 71.82% by Mr. Cui. As such, Mr. Cui is deemed to be interested in the equity interests in Shandong Chuangyuan held by Innovation Group under the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept under Section 352 of the SFO, or which were required to be otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the period from the Listing Date to the date of this annual report was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as it was known to the Directors, the following persons and entities (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company (%)
Bloomsbury Holding	Beneficial owner	1,500,000,000	72.29

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVE SCHEME

During the year ended 31 December 2025, the Company and its subsidiaries had no share incentive schemes.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) is interested in any business (other than being a Director of the Company and/or its subsidiaries) which competes or is likely to compete, directly or indirectly, with the businesses of the Company.

EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company or any of its subsidiaries during the year ended 31 December 2025.

Report of the Directors

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury Shares, if any). As at 31 December 2025, the Company did not hold any treasury Shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any relief from taxation available to Shareholders by reason of their holdings in the Shares.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group had conducted the following transactions which constituted continuing connected transactions (as defined in the Listing Rules), which are subject to the relevant requirements pursuant to Chapter 14A of the Listing Rules:

1. Procurement of Operational Supporting Services by the Group from Innovation Group

The Company (for itself and on behalf of its subsidiaries) entered into an operational supporting service procurement framework agreement (the “**Operational Supporting Service Procurement Framework Agreement**”) with Innovation Group (for itself and on behalf of its close associates) on 9 November 2025, pursuant to which the Group will procure certain operational supporting services primarily including mechanical cargo handling services from Innovation Group and its subsidiaries.

The initial term of the Operational Supporting Service Procurement Framework Agreement shall commence on the Listing Date until 31 December 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific scope of services and detailed terms and conditions in accordance with the Operational Supporting Service Procurement Framework Agreement.

Innovation Group is a company in which Mr. Cui, the Controlling Shareholder, Chairman, and non-executive Director of the Company, holds a 71.82% interest. Therefore, Innovation Group is an associate of Mr. Cui and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Operational Supporting Service Procurement Framework Agreement constitute continuing connected transactions of the Company.

Report of the Directors

The transactions contemplated under the Operational Supporting Service Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent shareholders' approval requirements. The Company has applied to the Stock Exchange, and the Stock Exchange had granted, a waiver to the Company from strict compliance with the announcement requirement set out in Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Operational Supporting Service Procurement Framework Agreement, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps.

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated under the Operational Supporting Service Procurement Framework Agreement:

Unit: RMB million

	Transaction amount for the year ended 31 December 2025	Annual cap for the year ended 31 December 2025
Transaction amount for procurement of operational supporting services by the Group from Innovation Group	33	34

For details, please refer to the Prospectus dated 14 November 2025.

2. Provision of Products and Services by the Group to Innovation New Material

The Company (for itself and on behalf of its subsidiaries) entered into a provision of products and services framework agreement (the "**Provision of Products and Services Framework Agreement**") with Innovation New Material (for itself and on behalf of its close associates) on 9 November 2025, pursuant to which the Group provided products and services to Innovation New Material, including but not limited to electrolytic aluminum in liquid form, other products including electricity and heat, other ancillary equipment and raw materials, and other services including logistic services and asset and property leasing services.

The initial term of the Provision of Products and Services Framework Agreements shall commence on the Listing Date until 31 December 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific products and/or scope of services and detailed terms and conditions in accordance with the Provision of Products and Services Framework Agreement.

Innovative New Material is a subsidiary controlled by Innovative Group. Therefore, Innovative New Material is an associate of Mr. Cui, the Controlling Shareholder, Chairman, and non-executive Director of the Company, and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Provision of Products and Services Framework Agreement constitute continuing connected transactions of the Company.

Report of the Directors

The transactions contemplated under the Provision of Products and Services Framework Agreement are subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange, and the Stock Exchange had granted, a waiver to the Company from strict compliance with the reporting and independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Provision of Products and Services Framework Agreement, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps.

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated under the Provision of Products and Services Framework Agreements:

Unit: RMB million

	Transaction amount for the year ended 31 December 2025	Annual cap for the year ended 31 December 2025
Transaction amount for provision of electrolytic aluminum by the Group to Innovation New Material	9,820	12,455
Transaction amount for provision of other products and services by the Group to Innovation New Material	32	75

For details, please refer to the Prospectus dated 14 November 2025.

3. Purchase of Raw Materials by the Group from Shandong Chuangyuan

The Company (for itself and on behalf of its subsidiaries) entered into a purchase of raw materials framework agreement (the "**Purchase of Raw Materials Framework Agreement**") with Shandong Chuangyuan on 9 November 2025, pursuant to which the Group will procure raw materials, primarily alumina, from Shandong Chuangyuan and its subsidiaries.

The initial term of the Purchase of Raw Materials Framework Agreement shall commence on the Listing Date until 31 December 2027, subject to renewal upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specific products and detailed terms and conditions in accordance with the Purchase of Raw Materials Framework Agreement.

Report of the Directors

Shandong Chuangyuan is the connected subsidiary of the Company, which is owned by the Company and Innovation Group as to 58.5% and 41.5%, respectively. Accordingly, Shandong Chuangyuan is a connected person of the Company under the Listing Rules. As such, transactions contemplated under the Purchase of Raw Materials Framework Agreement constitute continuing connected transactions of the Company.

The transactions contemplated under the Purchase of Raw Materials Framework Agreement are subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange, and the Stock Exchange had granted, a waiver to the Company from strict compliance with the reporting and independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Purchase of Raw Materials Framework Agreement, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps.

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated under the Purchase of Raw Materials Framework Agreement:

Unit: RMB million

	Transaction amount for the year ended 31 December 2025	Annual cap for the year ended 31 December 2025
Transaction amount for purchase of raw materials by the Group from Shandong Chuangyuan	2,519	4,834

For further details, please refer to the Prospectus dated 14 November 2025.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these continuing connected transactions were entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Report of the Directors

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to conduct certain procedures in respect of the said continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Review 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 Company's auditor has issued its unqualified letter, confirming nothing has come to its attention that causes it to believe that the above transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies;
- (c) were not entered into, in all material respects, in accordance with the relevant agreement; and
- (d) have exceeded the caps disclosed in the previous announcements.

Details of the related party transactions of the Group for the year ended 31 December 2025 are set out in note 40 to the consolidated financial statements.

Save as disclosed in this annual report, none of the related party transactions constitutes a connected transaction or continuing connected transaction subject to the independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rule.

NEW CONTINUING CONNECTED TRANSACTIONS

On 17 March 2026, the Company entered into a products and services procurement and equipment leasing framework agreement (the "**Products and Services Procurement and Equipment Leasing Framework Agreement**") with Innovation New Material with a term from 17 March 2026 to 31 December 2026. Pursuant to the Products and Services Procurement and Equipment Leasing Framework Agreement, the Group will (i) procure products and services from Innovation New Material and/or its subsidiaries, including but not limited to aluminum coil, cables, raw and auxiliary materials and labor services; and (ii) lease equipment from Innovation New Material and/or its subsidiaries, including melting and casting equipment.

Innovation New Material is held by Innovation Group and Mr. Cui Lixin as to 30.08% and 14.40%, respectively, and Innovation Group is controlled by Mr. Cui Lixin, the non-executive Director and one of the Controlling Shareholders. Therefore, Innovation New Material is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Products and Services Procurement and Equipment Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Products and Services Procurement and Equipment Leasing Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

Pricing Terms

The pricing of the products procured from Innovation New Material and/or its subsidiaries will be based on arm's length negotiation between the parties taking into account (i) the cost of the relevant products; and (ii) the prevailing market rate for procurement of comparable products and their nature, procurement scale and/or complexity. When determining the relevant market rates, the management of the Group will obtain quotation for comparable products from at least three independent third-party suppliers in the market to ensure that the terms are fair and reasonable and not less favourable than those offered by independent third parties.

The pricing of the services procured from Innovation New Material and/or its subsidiaries will be based on arm's length negotiation between the parties taking into account the prevailing market rate for procurement of comparable services and their nature, procurement scale and/or complexity. When determining the relevant market rates, the management of the Group will obtain quotation for comparable services from at least three independent third-party suppliers in the market to ensure that the terms are fair and reasonable and not less favourable than those offered by independent third parties.

The pricing of the rental fees of the equipment leased from Innovation New Material and/or its subsidiaries will be based on arm's length negotiation between the parties taking into account the prevailing market rental fees for leasing equipment with same or similar type. When determining the relevant market rental fees, the management of the Group will obtain quotation for equipment with same or similar type from at least three independent third-party equipment lessors in the market to ensure that the terms are fair and reasonable and not less favourable than those offered by independent third parties.

Annual Cap and Basis of Annual Cap

The annual cap for the procurement of products and services by the Group under the Products and Services Procurement and Equipment Leasing Framework Agreement for the year ending 31 December 2026 is RMB180 million.

The annual cap for the lease of equipment by the Group under the Products and Services Procurement and Equipment Leasing Framework Agreement for the year ending 31 December 2026 is RMB9 million.

The above proposed annual cap is determined taking into account:

- (a) the historical amounts for the procurement of products and services by the Group from Innovation New Material and/or its subsidiaries;
- (b) the estimated demand of the Group for the products procured from Innovation New Material and/or its subsidiaries in 2026, taking into account the Company's commencement of the construction of wind power stations and solar power stations, which significantly increases its needs for cables, aluminum coils, other raw and auxiliary materials. It's expected that the cost for procurement of such cables, aluminum coils and other raw and auxiliary materials will account for approximately 8% in the proceeds intended to be used in the Company's green energy projects as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 14 November 2025. Therefore, the transaction amount for the products procured from Innovation New Material and/or its subsidiaries in 2026 is expected to RMB170 million;

Report of the Directors

- (c) the estimated demand of the Group for the services procured and equipment leased from Innovation New Material and/or its subsidiaries, taking into account the Group's increasing needs for labor services and equipment utilization as a result of the expected growth in aluminum ingots output of the Group in 2026, which is estimated to achieve a year-on-year increase from 5% to 10% compared with 2025. Based on the estimated year-on-year growth rate of aluminum ingot output in 2026, the Company anticipates needing more labor services and equipment to support aluminum ingot production. In respect of the labor services, the Company considered the increase in manpower required and labor costs per person in the market to arrive at the expected transaction amount for labor services of RMB10 million in 2026; in respect of the equipment leasing, the Company took into consideration the expected increase in equipment required and market rental fees for such type of equipment and the transaction amount for the equipment leased from Innovation New Material and/or its subsidiaries in 2026 is expected to be RMB9 million; and
- (d) the expected production capacity of Innovation New Material and/or its subsidiaries in 2026, especially taking into account its significant rise in cable output since mass production during the second half of 2025.

Reasons and Benefits for Entering into the Products and Services Procurement and Equipment Leasing Framework Agreement

The Company has commenced the construction of wind power stations and solar power stations (the **"New Energy Projects"**). The construction process requires the use of cables, aluminum coils and other materials.

Innovation New Material is primarily engaged in aluminum alloy processing and a downstream enterprise of the Company, offering products such as cables and aluminum coils. The Company has collaborated with Innovation New Material for several years. Innovation New Materials successively obtained cable qualifications from the end of 2024 to May 2025, and successfully entered into the supply chain systems of several large domestic power groups in the second half of 2025. At the beginning of 2026, following a period of thorough evaluation of the qualifications, product quality, production capacity, and other pertinent factors of Innovation New Material, the Group believed that the cables supplied by it can meet the needs of the Company's New Energy Projects construction and included Innovation New Material in its eligible supplier list. After further negotiation and communication between both parties, the Company decided to procure cables from Innovation New Material. The products procured by the Group from Innovation New Material and/or its subsidiaries are mainly used for the New Energy Projects construction, which is also in line with the Company's business strategy of fully exploring wind and solar energy to establish a stable green power aluminum business.

Furthermore, at the end of 2025, the Company, based on the Group's 2026 production plan, adjusted its product structure, i.e., the proportion for production volume of electrolytic aluminum in liquid form and aluminum ingots, resulting in the expected growth in aluminum ingot production. Consequently, the demand for equipment and labor related to aluminum ingot production also increased. Considering that the Company's plant area and the subsidiary of Innovation New Material are located in the same industrial park, Innovation New Material can provide nearby personnel and equipment, thereby saving the Company's labor, transportation and other costs. Therefore, the Company decided to procure labor services and lease equipment from Innovation New Material at the beginning of 2026.

Report of the Directors

For details please refer to the announcement of the Company dated 17 March 2026 in relation to, among other things, the Products and Services Procurement and Equipment Leasing Framework Agreement.

DONATIONS

The Company had made a donation of approximately RMB2.0 million to various charity projects or organizations for the year ended 31 December 2025.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any material legal proceeding or arbitration. To the best knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the provisions of the Articles of Association, any Director, auditor, or other senior management personnel of the Company shall have the right to demand compensation from the Company's assets to cover all losses incurred or liabilities assumed.

As a Director, auditor, or other senior officers of the Company, he/she shall continue to provide support in any civil or criminal proceedings in which he/she is involved, should the judgment be favorable to him/her or he/she be found not guilty.

Pursuant to the Companies Act, if any Director or other person is personally liable for any principal debt of the Company, the Board may execute or authorize the execution of mortgage, pledge, or guarantee documents, securing such liability with all or part of the Company's assets, thereby protecting such Director or person from any loss arising from the aforementioned liability.

The Company has arranged appropriate insurance cover in respect of legal proceedings against Directors and senior officers.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the Reporting Period are set forth in note 45 to the consolidated financial statements of this annual report.

AUDIT COMMITTEE

The Audit Committee, after the discussion with the auditor of the Company, has reviewed the Group's consolidated financial statements for the year ended 31 December 2025. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Group.

The Company's consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards.

Report of the Directors

CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance practices. Information on the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 47 to 68 in this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the number of Shares held in public hands represents approximately 27.71% of the total issued share capital of the Company, which is higher than the prescribed percentage of Shares required to be held in public hands of 15% under Rule 8.08(1) of the Listing Rules calculated based on the Offer Price of HK\$10.99 per Share, thereby satisfying the public float requirement under Rule 8.08(1) of the Listing Rules. Therefore, the Board confirmed that the Company has maintained the prescribed public float under the Listing Rules as at the date of this annual report and has been in compliance with Rule 13.32B of the Listing Rules.

AUDITOR

Deloitte Touche Tohmatsu was appointed as auditor of the Company for the year ended 31 December 2025. Deloitte Touche Tohmatsu has audited the consolidated financial statements for the year ended 31 December 2025 which were prepared in accordance with the International Financial Reporting Standards as included in this annual report. Since the Listing Date, the auditor of the Company has not changed.

Deloitte Touche Tohmatsu is subject to retirement and, being eligible, offers itself for re-appointment at the AGM. A resolution for re-appointment of Deloitte Touche Tohmatsu as auditor will be proposed at the AGM.

By order of the Board
Chuangxin Industries Holdings Limited
Mr. Cui Lixin
Chairman of the Board and Non-executive Director

Hong Kong, 17 March 2026

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance report of the Company for the year ended 31 December 2025.

CORPORATE CULTURE

Our mission: To continuously unleash the technical potential of the aluminum industry through green innovation

Innovation represents the revolution of green aluminum materials and green production methods, also a profound insight into and shaping of the future. It is rooted in our corporate values and integrated into our entire production, operation, and decision-making processes. We are committed to transforming the future of the aluminum industry with innovative technologies and concepts.

Our vision: To build a world-leading green aluminum industrial system and lead the future development of the industry

We are driving an innovation revolution. We hope our revolution will break through all temporal and geographical constraints, joining hands with the entire industry and even the world to build a green, efficient, and sustainable global aluminum ecosystem.

Our values: Seeking truth and being pragmatism, revolutionizing creativity, and treating others as one would like to be treated

We firmly believe that the pursuit of truth is the driving force for advancement. We encourage every employee to have the courage to question and to focus on practice; we encourage employees to maintain curiosity and a desire for exploration, to have the courage to try, and to constantly break through their limits to achieve common growth for both the individual and the Company. Equal communication and treating people with sincerity are our corporate foundation, respecting the voice of every employee is our principle, and we are pleased to share our success with our employees and customers.

The Board strongly believes that corporate culture is the cornerstone of the Group's development, which is conducive to the Group's long-term business development and economic success, as well as its sustainable growth. A profound culture enables the Group to achieve long-term sustainable development and contribute to the development of the digital economy. The Board considers that the corporate culture of the Group is aligned with its strategy.

The Company establishes and promotes corporate culture, and expects and requires all employees to reinforce their awareness of the corporate culture. We enhance employee experience through various corporate culture initiatives and encourage employees to focus on value contributions in their daily work.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the code provisions in the Corporate Governance Code set out in Part 2 Appendix C1 to the Listing Rules as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules from 24 November 2025 (i.e. the date on which the shares of the Company were listed on the Stock Exchange) to 31 December 2025.

THE BOARD

The Board of Directors is responsible for and holds overall decision-making authority over the management and operations of the Group's business, including formulating business strategies and investment plans, and implementing related initiatives.

The major powers and functions of the Board include, but are not limited to, convening general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management systems of the Group and formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Memorandum and Articles of Association. In addition, the Board is also responsible for establishing and reviewing the Company's policies and practices regarding corporate governance, risk management, internal controls, and legal and regulatory compliance.

The Board has delegated the authority and responsibility for the day-to-day management of the Group's operations to the senior management of the Group. To oversee specific corporate matters, the Board has specially established five Board committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Connected Transaction Control Committee, and the Environmental, Social and Governance Committee. The committees operate in accordance with terms of reference established by the Board.

Under Code Provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals. Mr. Cui Lixin serves as the chairman of the Board and is responsible for formulating the overall strategic planning and the decision-making on important matters of our Group. Mr. Cao Yong serves as the general manager of the Group and is responsible for the overall management of the production and operation of our Group, implementing the Group's strategic planning, reviewing financial budgets and overall policies, as well as supervising capital operations.

Corporate Governance Report

All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of legal action against its Directors, and will conduct annual review on such insurance coverage.

Board Composition

During the Reporting Period and up to the date of this annual report, the Board comprises one non-executive Director, four executive Director, and three independent non-executive Directors as set out below:

Chairman and Non-executive Director

Mr. Cui Lixin

Executive Directors

Mr. Cao Yong

Mr. Zhang Jianxiang

Ms. Zhang Yue

Mr. Fu Qian

Independent Non-executive Directors

Mr. Liu Yanzhao

Ms. Zheng Juan

Ms. Shen Lingyan

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 7 January 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

During the period from the Listing Date to the date of this annual report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the period from the Listing Date to the date of this annual report, the Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his or her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Corporate Governance Report

According to the biographies of the Directors as set out in the section headed “Directors and Senior Management” of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or chief executive officer.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Connected Transaction Control Committee, and the Environmental, Social and Governance Committee.

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

Diversity

Board Diversity Policy

The Company has adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company recognizes and values the importance and benefits of achieving diversity among Board members for corporate governance and the effective functioning of the Board. Increasing diversity at the Board level (including gender diversity) is regarded as an essential element in maintaining the Company’s competitive advantage and enhancing its ability to attract, retain, and motivate employees from the widest possible pool of available talent.

Pursuant to the Board Diversity Policy, the Board will review regularly the structure, size and composition of the Board through the Nomination Committee and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Company is committed to diversity at all levels and the Nomination Committee, in reviewing and assessing suitable candidates to serve as a director of the Company, will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

The Company aims to maintain an appropriate balance of skills, experience and diversity of perspectives on the Board 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, where appropriate, agree on measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

During the Reporting Period and up to the date of this annual report, the Board consists of three female Directors and five male Directors with a balanced mix of knowledge and skills, including but not limited to the metal and energy industry, corporate management, financial accounting and auditing, and the legal industry. The Board will invest more resources in training female staff who have long and relevant experience in our business, with the aim of promoting them to senior management or directorship positions within the Group. The Board members of the Company meet the requirements of diversity. The Company is committed to maintaining a Board with female representatives and the Nomination Committee will proactively consider the proportion of female members when selecting and making recommendations on suitable candidates for the Board. The Company focuses on gender diversity when considering potential successors to the Board, in order to maintain and, where appropriate, further enhance the level of gender diversity.

Diversity of Employees

The Company values diversity and inclusion as fundamental drivers of innovation and growth, and has adopted an employee diversity policy (the “**Employee Diversity Policy**”). The Company is committed to fostering a workplace culture where employees feel valued and can contribute their unique perspectives. With the Employee Diversity Policy, we can attract, retain, and motivate the broadest possible range of talent.

The Employee Diversity Policy is summarized as below:

- (i) the Company embraces diversity and inclusion as core values, striving to foster a workplace that respects differences and treats all fairly, while advancing gender equality.
- (ii) the Company recognizes that diversity encompasses a broad range of attributes, including race, ethnicity, gender, nationality or religion, age, disability, sexual orientation, cultural and education background, as well as experience, skills and views. The Company strictly adheres to principle of non-discrimination, promotes respect and collaboration, and implements this policy throughout all employment processes including recruitment, training, and promotion.
- (iii) the Company provides training and development opportunities from time to time to meet the specific needs and career aspirations of different employees, and also offers training programs on diversity and inclusion-related topics.

As of 31 December 2025, female employees accounted for 11.46% of the Group’s full-time employees (including senior management), while ethnic minority employees accounted for 27.68% and the local hiring ratio stood at 40.89%. Gender factor will be taken into consideration in staff recruitment by the management in order to strike, to the maximum extent possible, a gender balance, but there are certain limitations for women in the workplace, particularly physically demanding works and night shift jobs. Taking into account the Company’s business model and our objectives in diversity and inclusion, the Board considers that currently there is a reasonable gender diversity in the Group’s workforce. The Board will continue to perform annual review of the Board Diversity Policy to ensure its effectiveness, monitor the implementation of Board Diversity Policy and make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Corporate Governance Report

The Board has reviewed the implementation and effectiveness of the Board Diversity Policy and the Employee Diversity Policy for the year ended 31 December 2025 and considered them to be effective.

Independence of the Board

- (i) The Board shall comprise at least three independent non-executive Directors (or a higher minimum number as stipulated by the Listing Rules), with at least one-third of its members (or a higher minimum number as stipulated by the Listing Rules) being independent non-executive Directors. This composition ensures a high degree of independence for the Board and enables it to exercise effective independent judgment;
- (ii) The Nomination Committee shall strictly comply with the independence assessment criteria under the Listing Rules when nominating and appointing independent non-executive Directors;
- (iii) The Nomination Committee is authorized to evaluate the independence of independent non-executive Directors annually in accordance with the independence standards stipulated in the Listing Rules, to ensure that independent non-executive Directors can exercise independent judgment;
- (iv) Independent non-executive Directors shall submit an annual independence confirmation letter to the Company and promptly notify the Company of any changes in their personal information that may materially affect their independence;
- (v) All Directors (including independent non-executive Directors) shall have the right to request additional information and documents from the management concerning matters discussed at the Board meeting, and obtain independent professional advice when necessary, with all related expenses to be borne by the Company;
- (vi) All Directors (including independent non-executive Directors) or any of their close associates who have a material interest in any matter to be considered at the meeting shall disclose such interest prior to the meeting and abstain from voting on relevant resolutions, and not be counted toward the quorum. Independent non-executive Directors and their associates who have no interest in the matter shall attend the meeting; and
- (vii) The chairman of the Board shall hold meeting with independent non-executive Directors at least once annually, without the presence of other Directors, to discuss significant matters and any matters of concern.

The Board and the Nomination Committee review the above mechanism annually to ensure its effectiveness. The Board and the Nomination Committee have reviewed its implementation during the year and consider that it remains effective in ensuring the provision of independent advice to the Board.

The Company has established the following mechanisms to ensure that independent views and opinions are available to the Board, and the Board reviews such mechanisms annually to ensure their effectiveness: (1) three out of eight Directors are independent non-executive Directors, which is in compliance with the requirements under the Listing Rules that the Board must have at least three independent non-executive Directors and that the independent non-executive Directors appointed must represent at least one-third of the Board; (2) the independent non-executive Directors have sufficient time to effectively perform their duties; (3) where required by the Listing Rules, the Company will establish an independent board committee to give opinions on relevant transactions; (4) external independent professional advice can be obtained if required by an individual Director; and (5) all Directors are encouraged to freely express their independent views and constructive challenges at the Board/Board committee meetings.

Directors' Induction And Continuous Professional Development

All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they keep abreast of the current requirements of the Listing Rules and other applicable laws and regulations.

The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a Director.

Every newly appointed Director of the Company will receive a comprehensive, formal and tailored induction on appointment. Subsequently, he/she will receive any briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and the Company's business and governance policies.

The Company arranged training sessions conducted by its Hong Kong legal advisors for all Directors (namely Mr. Cui Lixin, Mr. Cao Yong, Mr. Zhang Jianxiang, Ms. Zhang Yue, Mr. Fu Qian, Mr. Liu Yanzhao, Ms. Zheng Juan and Ms. Shen Lingyan) before the Listing. These sessions focused on the duties and responsibilities of Directors. Additionally, relevant reading materials, including the applicable Listing Rules and other relevant laws and regulations, were provided to the Directors for their reference and study.

Appointment and Re-election of Directors

Executive Directors

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from his or her respective date of appointment. Either party has the right to give not less than three-month prior written notice to terminate the contract.

Corporate Governance Report

Non-executive Director and Independent Non-executive Directors

Each of the non-executive Director and the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from his or her respective date of appointment or until the third annual general meeting of the Company after the Listing Date (whichever is earlier) (subject to re-election as and when required under the Articles of Association) or until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three month's prior notice in writing.

Save as disclosed above, there was no other Directors who has entered into service contract or appointment letter with the Company which are not determined by the Company within one year without payment of compensation, other than statutory compensation.

In accordance with Article 16.18 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or Article 16.3 of the Articles of Association shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

In accordance with Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

Accordingly, all Directors, namely Mr. Cui Lixin, Mr. Cao Yong, Mr. Zhang Jianxiang, Ms. Zhang Yue, Mr. Fu Qian, Mr. Liu Yanzhao, Ms. Zheng Juan and Ms. Shen Lingyan, have indicated their intention to retire at the AGM. All retiring Directors are eligible and offer themselves for re-election at the AGM.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and making recommendations to the Board on the appointment, reappointment of Directors and succession plans for the Directors.

Board Meetings

Pursuant to code provision C.5.1 of the Corporate Governance Code, at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of Directors, either in person or through electronic means of communication. After listing on the Stock Exchange, the Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals to discuss overall strategy as well as operations and financial performance of the Group. Notices of no less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend such meetings.

Corporate Governance Report

For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying meeting papers are provided to the Directors or Board Committee members at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the Board meetings or Board Committee meetings. When Directors or Board 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 are kept by the joint company secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail 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 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.

Since the Company was listed on the Stock Exchange on 24 November 2025, as of 31 December 2025, the Board has not held any meetings due to the short period of time since the Listing Date. As of the date of this annual report, Board meeting was held on 17 March 2026.

From the Listing Date to the date of this annual report, the meetings held by the Board of the Company and its special committees and the attendance of members are as follows*:

Name of Director	Number of Board meeting(s) attended	Number of Audit Committee meeting(s) attended	Number of Remuneration Committee meeting(s) attended	Number of Nomination Committee meeting(s) attended	Number of Connected Transaction Control Committee meeting(s) attended
Chairman and Non-executive Director					
Mr. Cui Lixin	1/1	1/1	N/A	1/1	N/A
Executive Directors					
Mr. Cao Yong	1/1	N/A	N/A	N/A	N/A
Mr. Zhang Jianxiang	1/1	N/A	N/A	N/A	1/1
Ms. Zhang Yue	1/1	N/A	N/A	N/A	N/A
Mr. Fu Qian	1/1	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Liu Yanzhao	1/1	1/1	1/1	N/A	1/1
Ms. Zheng Juan	1/1	N/A	1/1	1/1	1/1
Ms. Shen Lingyan	1/1	1/1	1/1	1/1	N/A

Corporate Governance Report

**Note:* The Environmental, Social and Governance Committee of the Company was established on 17 March 2026, and from its establishment until the date of this annual report, no meeting has been held.

All relevant materials relating to the matters to be considered at the meetings were circulated to all Directors. All the Directors have been provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

As of 31 December 2025, the Company has not held any general meetings due to the short period of time since the Listing Date.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transaction. Having made specific enquiries to the Directors, all Directors confirmed that they have complied with the Model Code from 24 November 2025 (i.e. the date on which the shares of the Company were listed on the Stock Exchange) to 31 December 2025.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval must be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board confirmed that corporate governance is a collective responsibility of the Directors, which corporate governance functions includes:

- (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of the Directors and senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (5) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report of the Company.

BOARD COMMITTEES

We have established five Board committees in accordance with the relevant laws and regulations and the Corporate Governance Code, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Connected Transaction Control Committee and the Environmental, Social and Governance Committee. The committees operate in accordance with terms of reference established by the Board.

Audit Committee

The Audit Committee consists of three members, including two independent non-executive Directors, namely Mr. Liu Yanzhao and Ms. Shen Lingyan, and one non-executive Director, namely Mr. Cui Lixin. The Audit Committee is chaired by Mr. Liu Yanzhao.

The primary duties of the Audit Committee include the following:

- (1) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (3) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

Corporate Governance Report

- (4) to monitor the integrity of the Company's financial statements, annual reports, accounts, half yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (5) regarding paragraph (4) above:
 - (i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and
 - (ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in report and accounts, and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (6) to review the Company's financial controls, risk management and internal control systems;
- (7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- (8) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (9) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

Corporate Governance Report

- (10) to review the Company and its subsidiaries' operating, financial and accounting policies and practices;
- (11) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (12) to ensure that the Board will provide a timely response to the issues raised by external auditor's management letter;
- (13) to report to the Board on the matters in the Corporate Governance Code;
- (14) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (15) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (16) to review continuing connected transactions of the Company and ensure compliance with terms approved by shareholders of the Company; and
- (17) to consider such other matters as the Board may from time to time determine.

The written terms of reference of Audit Committee are available on the websites of the Stock Exchange and the Company.

From the Listing Date to 31 December 2025, due to the short period since the Listing, the Company has not convened any Audit Committee meetings. As of the date of this annual report, the Audit Committee has convened one meeting to review the annual financial results and report for the year ended 31 December 2025, as well as matters concerning the effectiveness of financial reporting, operational and compliance controls, risk management and internal control systems, and the internal audit function; the re-appointment of auditors; connected transactions; and acquisitions.

Remuneration Committee

The Remuneration Committee consists of three members, namely Ms. Zheng Juan, Mr. Liu Yanzhao and Ms. Shen Lingyan, who are all our independent non-executive Directors. The Remuneration Committee is chaired by Ms. Zheng Juan.

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The primary duties of the Remuneration Committee include the following:

- (1) to make recommendations to the Board on the Company's policy and structure for the remuneration of all the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
- (3) to make recommendations to the Board on the remuneration packages of executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (4) to make recommendations to the Board on the remuneration of non-executive Directors;
- (5) to consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management, and the employment conditions of the Company and its subsidiaries;
- (6) to consider the level of remuneration required to attract and retain Directors to manage the Company successfully;
- (7) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his/her own remuneration;
- (8) to review and approve compensation payments and arrangements to Directors and senior management for loss or termination of their office or appointment, or dismissal or removal for misconduct and to assess whether the proposed payments or arrangements are fair, not excessive, reasonable, consistent with the relevant contractual terms, or otherwise appropriate;
- (9) to advise shareholders of the Company on how to vote in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules; and
- (10) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any.

The written terms of reference of Remuneration Committee are available on the websites of the Stock Exchange and the Company.

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From the Listing Date to 31 December 2025, due to the short period since the Listing, the Company has not convened any meetings of the Remuneration Committee. As of the date of this annual report, the Remuneration Committee has held one meeting to review the Company's remuneration policy and structure, the remuneration of directors and senior management and other related matters, and has made recommendations to the Board.

Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out in the "Directors and Senior Management" section of this annual report, for the year ended 31 December 2025, are set out below:

Band of remuneration (RMB)	Number of individuals
0-3,000,000	6
3,000,001-6,000,000	2
6,000,001-11,000,000	1

Nomination Committee

The Nomination Committee consists of three members, including two independent non-executive Directors, namely Ms. Shen Lingyan and Ms. Zheng Juan, and one non-executive Director, namely Mr. Cui Lixin. The Nomination Committee is chaired by Ms. Shen Lingyan.

The primary duties of the Nomination Committee include the following:

- (1) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (2) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- (3) to develop and maintain a policy for the nomination of the Directors which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose the policy and progress made towards achieving the objectives set in the nomination policy in the corporate governance report of the Company;
- (4) to identify individuals who are suitably qualified to become a member (including whether the individuals can bring to the Board the perspectives, skills and experiences and how the individuals can contribute to the diversity of the Board) and to select or make recommendations to the Board on the selection of individuals nominated for directorships with regard to the nomination policy of the Company;

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- (5) to assess the independence of independent non-executive directors with regard to the requirements of the Listing Rules (as amended from time to time);
- (6) assessing the number of directorship of other listed companies held by candidates to be nominated as the independent non-executive Directors of the Company. If the candidate will be holding his/her seventh or more listed company directorship, the Board has to be satisfied that the candidate would still be able to devote sufficient time to the Board;
- (7) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the chairman of the Board and the chief executive of the Company;
- (8) to support the Company's regular evaluation of the performance of the Board; and
- (9) to develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.

The Nomination Committee assesses candidates or incumbents on the basis of integrity, experience, skills and time and effort devoted in the performance of their duties. The recommendations of the Nomination Committee will then be submitted to the Board for decision. The written terms of reference of Nomination Committee are available on the websites of the Stock Exchange and the Company.

From the Listing Date to 31 December 2025, due to the short period since the Listing, the Company has not convened any meetings of the Nomination Committee. As of the date of this annual report, the Nomination Committee has held one meeting to review the structure, size and composition of the Board, the Board Diversity Policy and its implementation, and the independence of the independent non-executive Directors, and considers the qualifications of the retiring Directors standing for election at the annual general meeting.

Policy on Directors Nomination

The Company has formulated a nomination policy for Directors (the "**Director Nomination Policy**") in accordance with the Corporate Governance Code. The Director Nomination Policy sets out the selection criteria and procedure in relation to nomination, appointment and re-election of Directors. The Nomination Policy aims to ensure that the Board has a balance of skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board.

Connected Transaction Control Committee

The Connected Transaction Control Committee consists of three members, including two independent non-executive Directors, namely Mr. Liu Yanzhao and Ms. Zheng Juan, and one executive Director, namely Mr. Zhang Jianxiang. The Connected Transaction Control Committee is chaired by Mr. Liu Yanzhao.

The primary duties of the Connected Transaction Control Committee include the following:

- (1) managing matters related to connected transactions, reviewing the management system for connected transactions, conducting duties as required by the Rules for the Management of Connected Transactions, supervising its implementation and making recommendations to the Board;
- (2) reviewing material connected transactions required to be approved by the Board or Shareholders and submitting recommendations to the Board;
- (3) reviewing and approving our connected transactions and other related matters to the extent authorized by the Board;
- (4) providing information for the independent non-executive Directors and auditors to perform their periodical review of the connected transactions;
- (5) reviewing factors considered for determining the prices in the connected transactions and ensuring that the connected transactions are conducted on normal commercial terms; and
- (6) other matters required by laws, administrative regulations, departmental rules and authorized by the Board.

The written terms of reference of Connected Transaction Control Committee are available on the websites of the Stock Exchange and the Company.

From the Listing Date to 31 December 2025, due to the short period since listing, the Company has not convened any meetings of the Connected Transaction Control Committee. As of the date of this annual report, the Connected Transaction Control Committee has held one meeting to review matters related to acquisitions and connected transactions as well as continuing connected transactions and to make recommendations to the Board.

Environmental, Social and Governance Committee

The Environment, Social and Governance Committee consists of four members, including two executive Directors, namely Mr. Cao Yong and Mr. Zhang Jianxiang, one independent non-executive Director, namely Ms. Shen Lingyan, and one senior management personnel, namely Mr. Guo Wei. The Environment, Social and Governance Committee is chaired by Mr. Cao Yong.

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The primary duties of the Environment, Social and Governance Committee include the following:

- (a) studying and monitoring the ESG and climate change-related trends of the Company, and conducting research on the ESG strategies, objectives, plans and systems of the Company and making recommendations to the Board;
- (b) coordinating ESG work implementation, supporting the integration of ESG elements into the Company's strategies, major transaction decisions, internal control and monitoring systems, etc., and coordinating the alignment of relevant professional internal and external resources;
- (c) reviewing the ESG and climate change-related risks and opportunities of the Company and their impacts on a regular basis, and considering the Company's relevant risk response plans;
- (d) supervising the Company's ESG management and its commitments and performance regarding climate change and other issues;
- (e) reviewing the ESG report and public disclosure of other ESG-related material information in accordance with all applicable laws, regulations, and regulatory requirements; and
- (f) other matters required by laws, administrative regulations, departmental rules and authorized by the Board.

The Environment, Social and Governance Committee was established on 17 March 2026, and had not held any meetings as of the date of this annual report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Board confirms that its preparation of the financial statements of the Company from the Listing Date to the date of this annual report give a true and fair view of the operating conditions, results of operation, and cash flows of the Company and the Group.

The management has provided to the Board such explanations and information as are necessary to ensure the Board can fully evaluate the Company's financial statements, which are put to the Board for approval. The Company has provided all directors with monthly updates on its operational status, asset allocation, and future outlook.

The Board were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 69 to 73 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Company's assets and its shareholders' interests and reviewing the effectiveness of the Company's internal control and risk management systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company employs a well-defined risk management process to identify, manage, mitigate, monitor, and enhance controls, enabling timely detection and response to potential risks.

The risk management process mainly includes: risk identification, risk assessment, risk management and mitigation, as well as risk monitoring and enhancement.

We have put in place a set of internal control and risk management procedures to address various potential operational, financial, legal and market risks in relation to our operations. The Board bears the primary responsibility for the effectiveness of our risk management. The internal audit department reviews the adequacy and effectiveness of risk management and internal control systems across key business processes. All corrective actions recommended by internal audit department have been duly implemented.

The internal audit department has not made any significant findings that could have a material impact on the effectiveness of our internal control system.

During the year ended 31 December 2025, the Board has conducted a review of the effectiveness of the internal control system of the Group and considered the internal control system to be effective and adequate. The review covered all material controls, including financial, operational and compliance controls and risk management functions. In particular, the Board considered the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions. The review was made by discussions with the management of the Company, its external and internal auditors and the assessment conducted by the Audit Committee.

Whistleblowing Policy

The Company has established an anti-fraud policy to encourage employees and external parties to report anonymously or by using their real names through channels such as whistleblowing email.

The internal audit department is responsible for conducting follow-up investigations and reporting any material misconduct related to the Company to the Audit Committee.

Corporate Governance Report

Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company takes seriously its obligations under Part XIVA of the SFO and the Listing Rules. The Company has adopted a relevant policy which sets out guidelines and procedures to the Directors and officers of the Group to ensure inside information of the Group is disseminated to the public in equal and timely manner. A briefing session is held regularly for officers to facilitate their understanding and compliance with the policy.

DIVIDEND POLICY

The Company has adopted a dividend policy to provide guidance on the declaration and payment of dividends as determined by the Board. In order to ensure sufficient reserves are retained for the Company's future development, the Board will evaluate the dividend policy to determine or recommend whether to declare dividends in any financial year, as well as the frequency, amount, and form of any dividends, based on the Company's operations and profitability, cash flow, capital expenditures, future development needs, business conditions and strategies, and any other conditions or factors considered relevant by the Board. Any final dividend for a financial year will be subject to shareholder approval.

The Company was not aware of any Shareholders who had waived or agreed to waive any dividend arrangement for the year ended 31 December 2025.

AUDITOR'S REMUNERATION

The following table sets forth the types of services provided by and the fees for the auditor of the Company, Deloitte Touche Tohmatsu, for the year ended 31 December 2025:

Type of Service	Fees paid/ payable
2025 audit fee	RMB2.88 million
Reporting accountants' fees relating to the Company's initial public offering	RMB3.56 million
Total	RMB6.44 million

For the year ended 31 December 2025, the auditor of the Company, Deloitte Touche Tohmatsu, did not provide any non-audit services to the Company.

JOINT COMPANY SECRETARIES

Mr. Zhang Jianxiang is one of the joint company secretaries of the Company. Mr. Zhang Jianxiang is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and relevant Hong Kong laws, the Company also engaged Ms. Wong Hoi Ting, a manager of the listing services department of TMF Hong Kong Limited (a company providing corporate accounting and corporate secretarial services in Hong Kong), as another joint company secretary to assist Mr. Zhang Jianxiang in discharging his duties as company secretary of the Company. Ms. Wong Hoi Ting's primary corporate contact person at the Company is Mr. Zhang Jianxiang (Director).

Mr. Zhang Jianxiang and Ms. Wong Hoi Ting have taken not less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules during the year ended 31 December 2025.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings of the Company. The general meetings of the Company provide a platform for communication between the Board and the Shareholders. The Chairman of the Company and the chairmen of the Board Committees or, in their absence, other members of the respective committees, of the Company will attend the annual general meetings to answer Shareholders' questions. The auditor of the Company will also attend the annual general meetings of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.innovationigi.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company has reviewed the implementation and effectiveness of the shareholders' communication policy during the Reporting Period, and in view of the above measures put in place, it considered the policy was effective in maintaining communication with the Shareholders.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company in a timely manner after each general meeting.

Convening of Extraordinary General Meeting and Putting Forward Proposals

According to the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened and resolutions to a meeting agenda shall be added on the written requisition of any one or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened and resolutions to a meeting agenda shall be added on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Enquiries to the Board

Shareholders may raise inquiries with the Board and put forward proposals at general meetings of the Company. Shareholders may also contact the Company at any time by mail (including contact information such as mailing address or email address) to the head office of the Company at Zone C, Southwest Industrial Park, Huolinguo, Inner Mongolia by mail or by e-mail nmcyzqb@nmcyjt.com.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Amended and Restated Memorandum and Articles of Association of the Company was approved by the Company on 9 November 2025, which has been effective from the Listing Date. From the Listing Date to the date of this annual report, no changes were made to the said amended Articles of Association.

Independent Auditor's Report

TO THE SHAREHOLDERS OF CHUANGXIN INDUSTRIES HOLDINGS LIMITED

(創新實業集團有限公司)

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Chuangxin Industries Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 74 to 179, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") 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 ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (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.



Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for the sales of electrolytic aluminum and alumina and other related types of products	
Refer to note 7	
<p>For the year ended 31 December 2025, the Group recorded revenue of Renminbi ("RMB") 18,038,786,000 which was derived from sales of electrolytic aluminum and alumina and other related types of products.</p> <p>As disclosed in note 7 to the consolidated financial statements, revenue from the sales of electrolytic aluminum and alumina and other related types of products is recognised when control of the products have been transferred to the customers, being at the point the products are delivered to the customers or accepted by the customers.</p> <p>We identified the assertion of occurrence of revenue recognition for the sales of electrolytic aluminum and alumina and other related types of products as a key audit matter due to the significance of revenue recognition to the Group's consolidated financial statements.</p>	<p>We performed the following procedures in relation to revenue recognition from sales of electrolytic aluminum and alumina and other related types of products:</p> <ul style="list-style-type: none">• Obtaining an understanding of, evaluated and tested the management's key controls in respect of the revenue recognition from sales of electrolytic aluminum and alumina and other related types of products;• Reviewing the material sales contracts with customers on a sampling basis, and understanding the terms and conditions set out in the sales contracts regarding the criteria of satisfaction of performance obligation to assess if the revenue recognition is in accordance with relevant accounting standards;• Testing the recorded sales transactions of products, on a sampling basis, by examining the sale orders, invoices, delivery documents, shipping documents, and receipt documents (where applicable);• Performing confirmation procedures for sales from certain customers to confirm the amounts of sales during the year and balances of trade receivables as at the year end.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determines 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

From the matters communicated with those charged with governance, 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 Tse Ming Fai.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong

17 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	7	18,680,567	15,163,182
Cost of sales		(14,055,943)	(10,886,722)
Gross profit		4,624,624	4,276,460
Other income	8	106,044	55,243
Other expenses		(18,013)	(11,172)
Listing expenses		(18,367)	(16,438)
Other gains and losses	9	(116,315)	18,471
Selling and marketing expenses		(2,532)	(563)
Administrative expenses		(388,423)	(279,018)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		408	412
Share of results of joint ventures	19	(26,376)	(851)
Finance costs	10	(680,184)	(761,647)
Profit before tax	11	3,480,866	3,280,897
Income tax expenses	12	(561,765)	(651,377)
Profit and total comprehensive income for the year		2,919,101	2,629,520
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		2,730,811	2,056,227
Non-controlling interests		188,290	573,293
		2,919,101	2,629,520
Earnings per share	15		
– Basic (RMB)		1.75	1.37

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
	Notes		
Non-current assets			
Property, plant and equipment	16	12,046,011	9,152,466
Right-of-use assets	17	1,070,899	928,604
Intangible assets	18	3,146,237	3,217,685
Investment in a joint venture	19	685,499	–
Prepayments on acquisition of long-lived assets		866,222	1,151,436
Other receivables	24	2,246	2,303
Deferred tax assets	20	–	83,126
		17,817,114	14,535,620
Current assets			
Inventories	21	2,435,865	1,577,704
Trade receivables	22	119,960	39,140
Receivables at fair value through other comprehensive income (“FVTOCI”)	23	51,677	485,699
Prepayments and other receivables	24	1,178,859	823,813
Restricted bank deposits	25	1,654,382	681,440
Cash and cash equivalents	25	5,091,063	176,401
		10,531,806	3,784,197
Current liabilities			
Trade, bills and other payables	26	5,090,598	2,945,451
Contract liabilities	27	108,725	372,807
Lease liabilities	28	41,337	10,698
Deferred income		20,911	8,790
Bank and other borrowings	29	9,428,500	4,941,606
Tax payable		167,199	458,908
		14,857,270	8,738,260
Net current liabilities		(4,325,464)	(4,954,063)
Total assets less current liabilities		13,491,650	9,581,557

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
Non-current liabilities			
Deferred tax liabilities	20	93,436	–
Bank and other borrowings	29	2,975,530	6,006,637
Other payables	26	–	749,556
Lease liabilities	28	143,941	417,924
Deferred income		105,472	81,172
		3,318,379	7,255,289
Net assets		10,173,271	2,326,268
Capital and reserves			
Share capital	30	74	–*
Reserves	31	9,623,002	1,254,713
Equity attributable to owners of the Company		9,623,076	1,254,713
Non-controlling interests	32	550,195	1,071,555
Total equity		10,173,271	2,326,268

* Less than RMB1,000.

The consolidated financial statements on pages 74 to 179 were approved and authorised for issue by the board of directors on 17 March 2026 and are signed on its behalf by:

CUI LIXIN
DIRECTOR

ZHANG YUE
DIRECTOR

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2025

	Paid-in/ share capital (note 30) RMB'000	Share premium RMB'000	Statutory surplus reserve (note 31) RMB'000	Safety fund reserve (note 31) RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non- controlling interests (note 32) RMB'000	Total RMB'000
At 1 January 2024	2,070,551	-	171,187	68,634	204,172	435,815	2,950,359	498,511	3,448,870
Profit and total comprehensive income for the year	-	-	-	-	-	2,056,227	2,056,227	573,293	2,629,520
Capital injection from Shandong Innovation Group Co., Ltd* (山東創新集團有限公司) ("Innovation Group") to Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源新材料科技有限公司) ("Shandong Chuangyuan") (note a)	-	-	-	-	192,699	-	192,699	136,701	329,400
Acquisition of Shandong Chuangyuan	(70,551)	-	-	-	(680,821)	-	(751,372)	-	(751,372)
Capital injection to Inner Mongolia Chuangyuan Metal Co., Ltd * (內蒙古創源金屬有限公司) ("Inner Mongolia Chuangyuan") as part of the Reorganisation	32,320	-	-	-	-	-	32,320	-	32,320
Dividend declared and paid (note 14)	-	-	-	-	-	(193,050)	(193,050)	(136,950)	(330,000)
Acquisition of 99% equity interest in Inner Mongolia Chuangyuan	(2,000,000)	-	-	-	(1,000,000)	-	(3,000,000)	-	(3,000,000)
Acquisition of 1% equity interest in Inner Mongolia Chuangyuan	(32,320)	-	-	-	(150)	-	(32,470)	-	(32,470)
Transfer to statutory surplus reserve	-	-	214,442	-	-	(214,442)	-	-	-
Transfer to safety funds reserve, net of utilisation	-	-	-	27,709	-	(27,709)	-	-	-
At 31 December 2024	-**	-	385,629	96,343	(1,284,100)	2,056,841	1,254,713	1,071,555	2,326,268
Profit and total comprehensive income for the year	-	-	-	-	-	2,730,811	2,730,811	188,290	2,919,101
Issue of ordinary shares (note 30 (i))	54	-	-	-	-	-	54	-	54
Dividend declared and paid (note 14)	-	-	-	-	-	-	-	(709,650)	(709,650)
Shares issued pursuant to the initial public offering ("IPO") (note 30 (ii))	20	5,751,371	-	-	-	-	5,751,391	-	5,751,391
Transaction costs attributable to issue of new shares (note 30 (ii))	-	(113,893)	-	-	-	-	(113,893)	-	(113,893)
Transfer to statutory surplus reserve	-	-	254,218	-	-	(254,218)	-	-	-
Transfer to safety funds reserve, net of utilisation	-	-	-	(4,247)	-	4,247	-	-	-
At 31 December 2025	74	5,637,478	639,847	92,096	(1,284,100)	4,537,681	9,623,076	550,195	10,173,271

* English name is for identification purpose only

** Less than RMB1,000.

Note:

(a) On 12 January 2024, Innovation Group made capital injection into Shandong Chuangyuan in form of cash.



Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Profit before tax	3,480,866	3,280,897
Adjustments for:		
Gain on disposal of property, plant and equipment	(1,249)	(8,699)
Gain on disposal of land use right	(10)	–
Loss on derecognition of financial liabilities measured at amortised cost	80,019	–
Depreciation of property, plant and equipment	874,021	617,124
Depreciation of right-of-use assets	48,911	71,430
Amortisation of intangible assets	72,037	71,587
Impairment loss on property, plant and equipment	30,724	11,246
Finance costs	680,184	761,647
Interest income	(38,739)	(18,526)
Share of results of joint ventures	26,376	851
Impairment losses (including reversals of impairment loss or impairment gains) on financial assets	(408)	(412)
Realised gain from financial assets at fair value through profit or loss (“FVTPL”)	(522)	–
Net foreign exchange losses	41,930	295
(Gain) Loss on disposal of subsidiaries	(5,174)	728
Operating cash flows before movements in working capital	5,288,966	4,788,168
Increase in inventories	(858,161)	(322,566)
(Increase) decrease in trade receivables	(81,511)	56,861
Decrease (increase) in receivables at FVTOCI	4,022	(729,629)
Increase in prepayments and other receivables	(357,308)	(667,689)
Increase in trade and bills payables	1,874,524	208,066
(Decrease) increase in contract liabilities	(264,082)	365,828
Increase in other payables	10,156	136,462
(Decrease) increase in deferred income	(14,389)	73,023
Cash generated from operations	5,602,217	3,908,524
Income taxes paid	(676,912)	(446,755)
NET CASH FROM OPERATING ACTIVITIES	4,925,305	3,461,769

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	(2,613,049)	(3,102,539)
Payments for acquisition of intangible assets	(945,105)	(748)
Payments for acquisition of right-of-use assets	(54,144)	(4,110)
Payments for rental deposit	–	(2,303)
Proceeds on disposal of property, plant and equipment	26,806	97,884
Proceeds on disposal of land use right	11,892	–
Interest received	33,856	25,224
Withdrawal of restricted bank deposits	2,337,461	2,758,927
Placement of restricted bank deposits	(3,305,520)	(2,137,995)
Purchases of financial assets at FVTPL	(1,389,900)	–
Proceeds from disposal of financial assets at FVTPL	1,390,422	–
Repayments received from a related party	–	1,985,146
Advance to a related party	–	(1,983,025)
Repayments received from a third party	–	75,140
Advance to a third party	–	(44,400)
Investment deposit received from a third party	–	(80,000)
Net cash outflows on acquisition of subsidiaries	(77,980)	(13,557)
Net cash outflow on disposal of a subsidiary	–	(157)
Capital injection to a joint venture	(707,561)	–
NET CASH USED IN INVESTING ACTIVITIES	(5,292,822)	(2,426,513)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Dividends paid	(709,650)	(330,000)
New borrowings raised	7,401,687	4,238,690
Repayments of borrowings	(5,600,160)	(2,386,513)
Proceeds from notes financing	1,088,320	1,220,317
Payments for notes financing	(910,000)	(3,237,060)
Payments of lease liabilities	(392,288)	(379,862)
Interest paid	(731,360)	(671,772)
Payments to a finance provider	–	(230,691)
Loans raised from related parties	–	1,012,385
Repayments of loans from related parties	–	(1,428,516)
Loans raised from third parties	449,178	471,982
Repayments of loans from third parties	(911,760)	(49,200)
Capital injection from Innovation Group to Shandong Chuangyuan	–	329,400
Capital injection to Inner Mongolia Chuangyuan	–	32,320
Acquire 1% of Inner Mongolia Chuangyuan from Carnaby Management	–	(32,470)
Payments of issue costs	(111,360)	(1,991)
Proceeds from issue of ordinary shares	54	–
Net proceeds from issue of shares pursuant to the IPO	5,751,391	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES	5,324,052	(1,442,981)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,956,535	(407,725)
Effect of foreign exchange rate changes	(41,873)	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	176,401	584,126
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,091,063	176,401

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

1. GENERAL INFORMATION

Chuangxin Industries Holdings Limited (the “Company”) is an exempted limited liability company incorporated in the Cayman Islands on 4 July 2023 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 24 November 2025. The address of the registered office of the Company is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The address of the principal place of business of the Company in Hong Kong is Room 3601, East, Cheung Kong Center II, 10 Harcourt Road, Central and the principal place of business of the Company in China is Zone C, Southwest Industrial Park, Huolinguole, Inner Mongolia.

The Company is an investment holding company. During the year ended 31 December 2025, the Company, together with its subsidiaries as set out in note 42 (collectively referred to as the “Group”) are principally engaged in production and sales of electrolytic aluminum and alumina in the People’s Republic of China (“PRC”), focusing on alumina refining and aluminum smelting within the upstream of the aluminum industry chain.

Mr. Cui Lixin, the founder of the Group, owned 72.29% equity interest of the Company as at 31 December 2025 through Bloomsbury Holding Limited (“Bloomsbury Holding”) (incorporated in the Cayman Islands). Accordingly, Bloomsbury Holding is the parent of the Group and Mr. Cui Lixin is the ultimate controlling shareholder (“Mr. Cui” or the “Controlling Shareholder”) of the Group.

The functional currency of the Company and its subsidiaries is Renminbi (“RMB”), which is the same as the presentation currency of the consolidated financial statements.

2. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared based on the accounting policies set out in note 4 which conform with IFRS Accounting Standards and the principle of merger accounting conventions applicable for group reorganisation (details are set out below).

During the group reorganising, Innovation Group is owned by Mr. Cui as to 71.82%, while the remaining minority interests totalling 28.18% were held by 3 individuals.

Historically, the Group’s principal business is carried out by Inner Mongolia Chuangyuan, Shandong Chuangyuan and other subsidiaries. In preparation for the initial listing of shares of the Company on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”), the Group underwent a series of group reorganisation (the “Reorganisation”) following the incorporation of the Company as described below.

The major steps of the Reorganisation comprised the following:

On 28 June 2023, Mr. Cui incorporated a wholly-owned special purpose vehicle, Bloomsbury Holding, in the British Virgin Islands (“BVI”) for purpose of Reorganisation.

On 4 July 2023, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. Upon incorporation, the Company allotted and issued one ordinary share with a par value of United States Dollars (“USD”)0.0001 to ICS Corporate Services (Cayman) Limited, and ICS Corporate Services (Cayman) Limited subsequently transferred such share to Bloomsbury Holding at nominal value on the same day. Upon completion of such share transfer, the Company became a wholly owned subsidiary of Bloomsbury Holding.

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



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

On 29 January 2024 and 29 March 2024, Inner Mongolia Chuangyuan acquired 58.5% equity interests in aggregate of Shandong Chuangyuan from Innovation Group in stages at a total consideration of RMB751,372,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Inner Mongolia Chuangyuan to Innovation Group. The 41.5% equity interest of Shandong Chuangyuan continued to be held by Innovation Group and was accounted for as the Group's non-controlling interests.

On 9 May 2024, Phineas Management established a wholly foreign-owned enterprise, Beijing Chuangyuan Zhixin Trading Co., Ltd.* (北京創源智新商貿有限公司) ("Beijing Chuangyuan"), as a limited liability company in the PRC.

On 30 August 2024, Carnaby Management Limited ("Carnaby Management"), an independent third party, entered into a capital subscription agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Carnaby Management subscribed for an increased registered share capital of RMB32,320,000 in Inner Mongolia Chuangyuan. Such capital contribution has been fully paid on 13 September 2024. Upon completion of the capital contribution, Inner Mongolia Chuangyuan was held by Innovation Group and Carnaby Management as to 99% and 1%, respectively.

On 9 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% equity interest in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3,000,000,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.

On 15 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Carnaby Management, pursuant to which Beijing Chuangyuan acquired the 1% equity interest held by Carnaby Management in Inner Mongolia Chuangyuan at a cash consideration of RMB32,470,000. Such consideration has been fully settled on 23 October 2024. Upon completion of the share transfer, Inner Mongolia Chuangyuan is held as to 100% by Beijing Chuangyuan and became an indirect wholly owned subsidiary of the Company.

The Reorganisation was in substance a continuation of an existing group before the Reorganisation, which comprised Inner Mongolia Chuangyuan and its subsidiaries (including Shandong Chuangyuan). Reorganisation involved insertion of holding companies to Inner Mongolia Chuangyuan and its subsidiaries (including Shandong Chuangyuan) which were all entities under common control of Mr. Cui before and after the Reorganisation. Accordingly, the consolidated financial statements before completion of Reorganisation has been prepared on a combined basis by applying the principle of merger accounting as if the Reorganisation had been completed at 1 January 2024.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited with effect from 24 November 2025.

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

Going Concern Assumption

The management of the Group have given careful consideration to the going concern of the Group in light of the fact that as at 31 December 2025, the Group’s current liabilities exceeded its current assets by RMB4,325,464,000. In addition, as at 31 December 2025, the Group had capital commitments contracted for but not provided in the consolidated financial statements amounting to RMB1,499,455,000, as disclosed in note 38.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Going Concern Assumption (Continued)

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

Nevertheless, the management of the Group, according to the Group's level of profitability, together with their historical successful experience, is confident that they can successfully seek for alternative financing, refinancing, extension of due dates of the relevant debts and/or drawdown from unutilised credit facilities, which enables the Group to continue as a going concern. Currently, the Group has been continuously negotiating with banks and financial institutions to seek for alternative financing, refinancing and/or extension of due dates of the relevant debts, details and status of which are set out in note 29.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Merger accounting for business consolidation involving businesses under common control

The consolidated financial statements incorporates the financial statements items of the combining businesses in which the common control consolidation occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control consolidation.

Expenditure incurred in relation to a common control consolidation that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Merger accounting for business consolidation involving businesses under common control (Continued)

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where there is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the combining businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of the deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations (Continued)

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture is incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of a joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investment in a joint venture (Continued)

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 7 and 27.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and plant and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain office premises and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments); and
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash – generating unit or group of cash-generating units.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the reporting period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group holds are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 9) as part of the net foreign exchange gains/(losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (note 9).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises payables or a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserves is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities the Group hold are subsequently measured at amortised cost using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition/modification of financial liabilities (continued)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 5, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Supplier finance arrangement

As disclosed in notes 29 and 33b, the Group entered into supplier finance arrangements with Bank of Qingdao to procure coals and bauxite from domestic suppliers (2024: the Group entered into supplier finance arrangements with a procurement agent, which is one of the largest aluminum products trading companies in China, to procure bauxite from overseas suppliers, and Bank of Jinzhou to procure coals and carbon anodes from domestic suppliers). During the year ended 31 December 2025, borrowings under supplier finance arrangement of RMB82,937,000 represents the payments to the suppliers by Bank of Qingdao directly. During the year ended 31 December 2024, payments to a finance provider amounted to RMB165,596,000, represent the payments to suppliers by the finance provider directly. During the year ended 31 December 2024, bank loans under supplier finance arrangements amounted to RMB112,490,000, represents the payments to the suppliers by Bank of Jinzhou directly. Under these arrangements, the procurement agent, Bank of Jinzhou and Bank of Qingdao settle the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by the procurement agent, Bank of Jinzhou and Bank of Qingdao. The Group then settles with the procurement agent 90 days after settlement by the procurement agent with fixed interest ranges from 4.8%-5.4% per annum, settles with Bank of Jinzhou 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao approximately 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. In determining whether the liabilities resulting from such arrangements are presented separately from trade payables, the directors of the Group consider whether the nature and function of these liabilities are sufficiently different from trade payables. For liabilities that are part of the working capital used in the Group's normal operating cycle, they are presented within trade payable. In addition, the directors of the Group determine whether the arrangement has extinguished the entity's obligation to suppliers and whether the terms and conditions in the agreements with the procurement agent or Bank of Jinzhou and Bank of Qingdao are similar to the Group's financing activities. When the liabilities are part of the Group's financing activities, the Group presents these liabilities within other payables or bank borrowings in the consolidated statement of financial position.

For the purpose of presenting cash flows statement, cash flows related to the liabilities arising from supplier finance arrangements that are classified as trade payable are still part of the working capital used in the entity's principal revenue generating activities. Therefore, the cash outflows to settle the trade payables under supplier finance arrangement are presented as arising from operating activities. On the other hand, for the arrangements which the related liability is not a trade payable because the liability represents borrowings of the Group, the Group presents cash outflows to settle these liabilities as arising from financing activities in the consolidated statement of cash flows.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Provision of ECL on trade receivables and other receivables

The credit loss allowance for trade receivables and other receivables are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Group's management determines the estimated useful lives and the depreciation/amortisation method in determining the related charges for its property, plant and equipment, right-of-use assets and intangible assets. This estimate is referenced to useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. The carrying amount of property, plant and equipment at 31 December 2025 is approximately RMB12,046,011,000 (2024: RMB9,152,466,000), as disclosed in note 16. The carrying amount of right-of-use assets at 31 December 2025 is approximately RMB1,070,899,000 (2024: RMB928,604,000), as disclosed in note 17. The carrying amount of intangible assets at 31 December 2025 is approximately RMB3,146,237,000 (2024: RMB3,217,685,000), as disclosed in note 18.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION

The Company and its subsidiaries (the “Group”) are engaged in the following two principal activities:

- (i) Production and sales of aluminum ingots and liquid aluminum (“Electrolytic Aluminum Business”); and
- (ii) Production and sales of alumina and other related types of products (“Alumina Business”).

(a) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2025

	For the year ended 31 December 2025		
	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Total RMB'000
Types of goods			
Electrolytic aluminum	13,621,878	–	13,621,878
Alumina and other related types of products	–	4,416,908	4,416,908
Scrap and other materials	128,813	105,302	234,115
Electricity	164,889	158,612	323,501
Steam supply	8,838	75,327	84,165
Total	13,924,418	4,756,149	18,680,567

For the year ended 31 December 2024

	For the year ended 31 December 2024		
	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Total RMB'000
Types of goods			
Electrolytic aluminum	12,883,738	–	12,883,738
Alumina and other related types of products	–	1,849,457	1,849,457
Scrap and other materials	130,191	44,707	174,898
Electricity	135,948	95,225	231,173
Steam supply	12,515	11,401	23,916
Total	13,162,392	2,000,790	15,163,182

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Disaggregation of revenue from contracts with customers (Continued)

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
A point in time	18,680,567	15,163,182

(b) Performance obligations for contracts with customers and revenue recognition policies

Revenue from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials

The performance obligation is satisfied upon delivery or acceptance of the industrial products. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. The normal credit term is 7 days for liquid aluminum. For aluminum ingots, alumina and other related types of products and scrap and other materials, a full advance payment is normally required. However, for certain aluminum ingots and alumina, payment is made after delivery. Revenue arising from the sales of electrolytic aluminum, alumina and other related types of products and scrap and other materials is recognised at a point in time.

Revenue from electricity

Revenue arising from the sales of electricity is recognised at a point in time when electricity is generated and transmitted. The revenue from sales of electricity is based on the on-grid benchmark tariff rates of local coal-fired power plants, which can be adjusted by the government. It is currently settled on a monthly basis.

Revenue from steam supply

Revenue arising from the sales of steam is recognised at a point in time and based on steam consumption derived from meter readings. Payment is generally due within 30 days.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

Operating Segments

Information reported to Chief Executive Officer ("CEO"), being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on major types of goods delivered.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

The Group's operating businesses are structured and managed separately according to products. The principal activities of the Group are production and sales of electrolytic aluminum in Inner Mongolia and alumina and other related types of products in Shandong. The Group identified an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenue and incur expenses; and (b) whose operating results are reviewed regularly by the CEO, being the CODM, to make decisions about resources allocation and performance assessment.

Segment revenues and results

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

For the year ended 31 December 2025

	For the year ended 31 December 2025			
	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Adjustments and elimination RMB'000	Total RMB'000
Types of goods				
External sales	13,924,418	4,756,149	-	18,680,567
Inter-segment sales	-	2,518,637	(2,518,637)	-
	13,924,418	7,274,786	(2,518,637)	18,680,567
Segment profit	2,983,791	374,622	215,524	3,573,937
Central administration costs and directors' salaries				(27,361)
Other income				13,455
Other gains and losses				(34,422)
Share of results of joint ventures				(26,376)
Listing expenses				(18,367)
Group's profit before tax				3,480,866

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

Segment revenues and results (continued)

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

For the year ended 31 December 2024

	For the year ended 31 December 2024			
	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Adjustments and elimination RMB'000	Total RMB'000
Types of goods				
External sales	13,162,392	2,000,790	–	15,163,182
Inter-segment sales	–	4,409,511	(4,409,511)	–
	13,162,392	6,410,301	(4,409,511)	15,163,182
Segment profit	1,454,498	2,063,442	(207,137)	3,310,803
Central administration costs and directors' salaries				(12,617)
Share of results of joint ventures				(851)
Listing expenses				(16,438)
Group's profit before tax				3,280,897

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 5. Segment profit represents the profit earned by each segment without allocation of corporate items including central administration costs and directors' salaries, other income, other gains and losses, share of results of joint ventures and listing expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

Segment assets and liabilities

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

Segment assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
Electrolytic Aluminum Business	16,795,086	13,990,784
Alumina Business	7,109,247	4,320,076
Total reportable segment assets	23,904,333	18,310,860
Unallocated		
Property, plant and equipment	3,778	–
Right-of-use assets	10,952	–
Investment in a joint venture	685,499	–
Cash and cash equivalents	3,724,487	865
Other receivables	19,871	8,092
Consolidated assets	28,348,920	18,319,817

Segment liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Electrolytic Aluminum Business	12,404,877	13,413,447
Alumina Business	5,685,653	2,561,475
Total reportable segment liabilities	18,090,530	15,974,922
Unallocated		
Lease liabilities	11,535	–
Other payables	3,563	18,627
Deferred tax liabilities	70,021	–
Consolidated liabilities	18,175,649	15,993,549

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

Segment assets and liabilities (continued)

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

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

Other Segment information

For the year ended 31 December 2025

	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets	2,557,731	1,392,026	3,949,757
Impairment of property, plant and equipment	30,724	–	30,724
Depreciation and amortisation	659,525	335,444	994,969
Impairment losses recognised on trade receivables, net of reversal	329	362	691
Impairment losses recognised on other receivables, net of reversal	55	(1,154)	(1,099)
Gain on disposal of property, plant and equipment	78	1,171	1,249

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

Other Segment information (continued)

For the year ended 31 December 2024

	Electrolytic Aluminum Business RMB'000	Alumina Business RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets	756,340	1,195,164	1,951,504
Impairment of property, plant and equipment	11,246	–	11,246
Depreciation and amortisation	599,413	160,728	760,141
Impairment losses recognised on trade receivables, net of reversal	184	(54)	130
Impairment losses recognised on other receivables, net of reversal	(110)	646	536
Impairment losses recognised on amounts due from related parties, net of reversal	(1,078)	–	(1,078)
Gain on disposal of property, plant and equipment	8,699	–	8,699

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Operating Segments (Continued)

Geographical information

The Group principally operates in the PRC.

Information about the Group's revenue from external customers is presented based on locations of customers. Information about the Group's non-current assets is presented based on the geographical areas of the assets.

	Revenue from external customers		Non-current assets	
	Year ended			
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	18,680,567	15,163,182	17,114,639	14,450,191
Hong Kong	–	–	14,730	–
Saudi Arabia	–	–	685,499	–
	18,680,567	15,163,182	17,814,868	14,450,191

Note:

Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Customer A (note a)	9,819,766	11,608,881

Note:

- (a) Revenue from sales of electrolytic aluminum, electricity, steam supply, and sales of scrap and other materials.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

8. OTHER INCOME

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Interest income		
– bank deposits	38,739	13,342
– amounts due from independent third parties	–	5,184
Rental income	31,443	26,467
Government grants (note)	26,387	4,686
Others	9,475	5,564
Total	106,044	55,243

Note: During the years ended 31 December 2025, the Group received government subsidies of approximately RMB50,810,000 (2024: RMB75,700,000), as to subsidies certain of the Group's construction projects. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries. This policy has resulted in a credit to income during the years ended 31 December 2025 of RMB16,499,000 (2024: RMB2,677,000). The other government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies.

9. OTHER GAINS AND LOSSES

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Gain on disposal of property, plant and equipment	1,249	8,699
Realised gain from financial assets at FVTPL	522	–
Gain (loss) on disposal of subsidiaries (note 37)	5,174	(728)
Net foreign exchange losses	(41,930)	(295)
Loss on derecognition of financial liabilities measured at amortised cost (note 26 (v))	(80,019)	–
Others	(1,311)	10,795
Total	(116,315)	18,471

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

10. FINANCE COSTS

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Interests on bank borrowings	681,388	648,320
Interests on bills discounted	5,261	46,291
Interests on lease liabilities	7,411	17,498
Interests on payable for aluminum production quota	30,949	48,574
Interests on amounts due to related parties	-	7,855
Interests on bank loans under supplier finance arrangements	2,835	1,956
Others	15,589	10,992
Total borrowing costs	743,433	781,486
Less: amounts capitalised in the cost of qualifying assets	(63,249)	(19,839)
	680,184	761,647

Note: Borrowing costs capitalised during the year ended 31 December 2025 arose on the specific borrowing are calculated by applying a capitalisation rate of 2.85% to 4.95% per annum, and arose on the general borrowing pool are calculated by applying a capitalisation rate of 4.46% per annum (2024: arose on the specific borrowing are calculated by applying a capitalisation rate of 4.70% to 4.95% per annum, and arose on the general borrowing pool are calculated by applying a capitalisation rate of 4.44% per annum).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Cost of inventories recognised as an expense	13,909,985	10,768,394
Depreciation of property, plant and equipment	874,021	617,124
Depreciation of right-of-use assets	48,911	71,430
Amortisation of intangible assets	72,037	71,587
Total depreciation and amortisation expenses	994,969	760,141
Capitalised in inventories	(963,586)	(746,039)
	31,383	14,102
Analysed as:		
– charged in administrative expenses	31,383	14,102
Listing expenses	18,367	16,438
Auditors' remuneration	2,880	2,118
Directors' remuneration (note 13):		
Salaries, allowances and other benefits in kind	843	763
Bonus	20,090	10,492
Retirement benefit scheme contributions	40	32
	20,973	11,287
Other staff costs:		
Salaries, allowances and other benefits in kind	416,297	353,010
Bonus	51,972	45,664
Retirement benefit scheme contributions	37,249	29,884
	505,518	428,558
Total staff costs	526,491	439,845
Capitalised in inventories	(369,156)	(349,639)
	157,335	90,206
Analysed as:		
– charged in administrative expenses	155,185	89,732
– charged in selling and marketing expenses	2,150	474
	157,335	90,206
Impairment losses recognised on property, plant and equipment included in		
– cost of sales	30,724	11,246
Other expense comprised:		
– depreciation of leased assets	16,005	10,567
– donation	2,008	605
	18,013	11,172

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

12. INCOME TAX EXPENSES

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Current tax – PRC Enterprise Income Tax (“EIT”)	433,974	746,179
Over provision in prior years	(7,320)	(3)
Deferred tax charge (credit) (note 20)	135,111	(94,799)
Total income tax expenses	561,765	651,377

During the year ended 31 December 2025, Inner Mongolia Chuangyuan was subject to the applicable preferential income tax rate of 15% (2024: 15%), and Chuangyuan Alloy and Inner Mongolia Chuangyuan Keyou Energy Co., Ltd.* (內蒙古創源科右新能源有限公司) (“Keyou Energy”) were eligible for three-year exemption and three-year half reduction of enterprise income tax due to the newly-constructed power grid transmission projects. While all other PRC entities, under the Law of PRC on Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, their tax rate is 25% (2024: 25%) for 2025.

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

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

Income tax expenses for the year can be reconciled to profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Profit before tax	3,480,866	3,280,897
Tax at PRC EIT rate of 25%	870,217	820,224
Preferential income tax rates applicable to subsidiaries	(289,455)	(153,733)
Tax effect of income not taxable for tax purpose	(2,424)	-
Tax effect of expenses not deductible for tax purpose	14,425	5,624
Tax effect of tax losses not recognised	12,854	769
Tax effect of deductible temporary differences not recognised	853	-
Tax effect of additional deduction on environmental protection equipment expenditures	(35,890)	(19,087)
Over provision in prior years	(7,320)	(3)
Withholding tax	70,021	-
Others	(71,516)	(2,417)
Income tax expenses for the year	561,765	651,377

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

13.1 Directors' and the chief executive's emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors and chief executive of the Company (including emoluments for services as employee/directors of the group entities prior to their becoming directors of the Company) for their services are as follows:

	Date of appointment as a director of the Company	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Bonus* RMB'000	Total RMB'000
Year ended 31 December 2025					
Executive directors:					
Mr. Cao Yong	7 January 2025	200	10	9,605	9,815
Mr. Zhang Jianxiang	7 January 2025	162	10	3,509	3,681
Ms. Zhang Yue	7 January 2025	232	10	1,563	1,805
Mr. Fu Qian	7 January 2025	225	10	897	1,132
Non-executive director:					
Mr. Cui	4 July 2023	-	-	4,516	4,516
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	8	-	-	8
Ms. Zheng Juan	9 November 2025	8	-	-	8
Ms. Shen Lingyan	9 November 2025	8	-	-	8
		843	40	20,090	20,973

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

13.1 Directors' and the chief executive's emoluments (Continued)

	Date of appointment as a director of the Company	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Bonus* RMB'000	Total RMB'000
Year ended 31 December 2024					
Executive directors:					
Mr. Cao Yong	7 January 2025	246	10	7,470	7,726
Mr. Zhang Jianxiang	7 January 2025	144	6	1,594	1,744
Ms. Zhang Yue	7 January 2025	149	6	775	930
Mr. Fu Qian	7 January 2025	224	10	653	887
Non-executive director:					
Mr. Cui	4 July 2023	-	-	-	-
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	-	-	-	-
Ms. Zheng Juan	9 November 2025	-	-	-	-
Ms. Shen Lingyan	9 November 2025	-	-	-	-
		763	32	10,492	11,287

* Bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

Mr. Cao Yong was also appointed as the CEO of the Company on 7 January 2025.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

During both current and prior years, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

13.2 Five highest paid employees

The five individuals with the highest emoluments in the Group, included 3 (2024: 2) directors of the Company whose emoluments are included in the disclosures in note 13.1 above for the year ended 31 December 2025. The emoluments of the remaining 2 (2024: 3) individual for the year ended 31 December 2025 were as follows:

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Salaries, allowances and benefits in kind	390	501
Bonus	5,329	8,718
Retirement benefit scheme contributions	21	29
Total	5,740	9,248

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar ("HKD")):

	As at 31 December	
	2025 No. of employees	2024 No. of employees
HKD1,500,001 to HKD2,000,000	–	1
HKD2,000,001 to HKD2,500,000	–	1
HKD2,500,001 to HKD3,000,000	1	–
HKD3,000,001 to HKD3,500,000	1	1
HKD4,000,001 to HKD4,500,000	1	–
HKD4,500,001 to HKD5,000,000	1	1
HKD8,000,001 to HKD8,500,000	–	1
HKD10,500,001 to HKD11,000,000	1	–
Total	5	5

During the year, no emoluments were paid by the Group to any of the directors, CEO or the five highest paid individuals of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the Year Ended 31 December 2025

14. DIVIDENDS

No dividend was declared and paid by the Company during the year ended 31 December 2025, except for Shandong Chuangyuan declared and paid cash dividend of RMB1,710,000,000, of which amount of RMB709,650,000 was paid to Innovation Group (2024: no dividend was declared and paid by the Company and the entities now comprising the Group during the year ended 31 December 2024, except for Shandong Chuangyuan declared and paid cash dividend of RMB330,000,000 to Innovation Group).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HKD0.77 (2024: nil) per ordinary share, in an aggregate amount of HKD1,597,750,000 (equivalent to RMB1,400,416,000) (2024: nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

15. EARNINGS PER SHARE

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit for the year attributable to owners of the Company, for the purposes of basic earnings per share	2,730,811	2,056,227

	Number of shares	
	31/12/2025	31/12/2024
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,556,027,000	1,500,000,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation, the Share Subdivision (as defined in note 30) and issue of 1,499,999,980 ordinary shares (details are set out in note 30) are completed on 1 January 2024.

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

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For the Year Ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Aircraft RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2024	3,344,492	5,110,311	9,087	67,364	-	174,630	8,705,884
Additions	126,015	184,708	5,049	2,746	-	1,538,909	1,857,427
Transfer	456,102	531,392	-	-	-	(987,494)	-
Acquired on acquisition of a subsidiary	-	-	-	-	-	1,164	1,164
Transfer from right-of-use assets	-	1,645,432	-	-	-	-	1,645,432
Disposals	-	(178,693)	(35)	(1,717)	-	-	(180,445)
At 31 December 2024	3,926,609	7,293,150	14,101	68,393	-	727,209	12,029,462
Additions	332	504,610	7,504	7,236	-	3,226,398	3,746,080
Transfer	628,331	2,775,013	-	-	-	(3,403,344)	-
Acquired on acquisition of a subsidiary	-	24	-	48	77,695	-	77,767
Disposals	-	(178,368)	(278)	(724)	-	-	(179,370)
At 31 December 2025	4,555,272	10,394,429	21,327	74,953	77,695	550,263	15,673,939
DEPRECIATION AND IMPAIRMENT							
At 1 January 2024	484,575	1,484,770	3,002	47,432	-	-	2,019,779
Provided for the year	164,184	444,024	1,948	6,968	-	-	617,124
Transfer from right-of-use assets	-	320,107	-	-	-	-	320,107
Impairment loss recognised	-	11,246	-	-	-	-	11,246
Eliminated on disposals	-	(90,551)	(30)	(679)	-	-	(91,260)
At 31 December 2024	648,759	2,169,596	4,920	53,721	-	-	2,876,996
Provided for the year	135,058	728,986	3,031	6,946	-	-	874,021
Impairment loss recognised	-	30,724	-	-	-	-	30,724
Eliminated on disposals	-	(153,523)	(18)	(272)	-	-	(153,813)
At 31 December 2025	783,817	2,775,783	7,933	60,395	-	-	3,627,928
CARRYING VALUES							
At 31 December 2025	3,771,455	7,618,646	13,394	14,558	77,695	550,263	12,046,011
At 31 December 2024	3,277,850	5,123,554	9,181	14,672	-	727,209	9,152,466

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment (except for construction in progress) are depreciated on a straight-line basis over the following estimated useful lives after taking into account their residual values:

	Useful lives	Residual value
Buildings	10-50 years	5%
Plant and machinery	5-20 years	5%
Furniture and fixtures	5 years	5%
Motor vehicles	4-5 years	5%
Aircraft	15 years	5%

Certain buildings, plant and machinery and furniture and fixtures of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024 as summarised in note 39.

The Group has obtained certificates for all buildings except for certain buildings with carrying amounts of RMB50,371,000 as at 31 December 2025 (2024: RMB198,485,000), in which the Group is in the process of obtaining.

According to the relevant terms of construction agreement entered between Inner Mongolia Chuangyuan Alloy Co., Ltd. *(內蒙古創源合金有限公司) (“Chuangyuan Alloy”) and Group’s related party Shandong Hongjie New Energy Technology Co., Ltd.* (山東洪傑新能源科技有限公司) (“Shandong Hongjie”), ownership of photovoltaic power station under the agreement belongs to Shandong Hongjie until the related payables had been settled by the Group. Shandong Hongjie is a subsidiary of Hainan Fujuan Yong trading Co., Ltd.* (海南福雋永貿易有限公司) (“Hainan Fujuan Yong”). As at 31 December 2025, certain wind power plants amounting to RMB109,701,000 are treated as pledged assets.

On 29 April 2025, Chuangyuan Alloy, Inner Mongolia Chuangyuan and Inner Mongolia Chuangyuan Smart Energy Co., Ltd. * (內蒙古創源智慧電能有限公司) (“Chuangyuan Smart Energy”) entered into separate asset disposal agreements with an independent third party to dispose of an electric power project, which includes an energy storage project, a converting station and power lines, at considerations of RMB228,118,000, RMB53,742,000 and RMB48,464,000, respectively. Since the assets attributable to the converting station and power lines have been pledged as securities for bank borrowings as at 31 December 2025 and the mortgage cannot be released under the current conditions, these assets are not classified as assets held for sale. Up to 31 December 2025, the Group has received RMB132,743,000 from the independent third party.

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group wrote off the electrolytic cell lining materials due to periodic maintenance or use of new cathode materials to improve production efficiency and reduce energy consumption. During the year ended 31 December 2025, the related impairment losses of the electrolytic cell lining materials were approximately RMB21,970,000 (2024: RMB11,246,000), which were recognised in profit or loss.

According to the latest production plan, the management of the Group has re-evaluated if any existing long-lived assets will be discontinued from future use. As a result of the assessment, some equipment and machinery used for aluminum ingot production have been identified that has been obsolete and has been replaced by new equipment and machinery, as such, an impairment loss of RMB8,754,000 (2024: nil) was recognised during the year ended 31 December 2025.

The Group as lessor

The Group leases out a number of plant, machineries and office rooms under operating leases. The lease typically run for an initial period of 1 year. The lease does not include variable lease payments. The properties are held partly for rentals, and partly for the production of goods or administrative purposes. As they could not be sold (or leased out under a finance lease) separately, and the portion which is held for use in the production of goods or for administrative purposes is not insignificant, the properties are classified as property, plant and equipment. The disaggregation of these plant, machineries and office rooms under operating leases included within plant and machinery and buildings, and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

	Buildings RMB'000	Plant and machinery RMB'000	Total RMB'000
COST			
At 1 January 2024	108,947	141,767	250,714
Additions	138,063	13,699	151,762
Termination of leases	(19,771)	(139,646)	(159,417)
At 31 December 2024	227,239	15,820	243,059
Additions	116,182	–	116,182
Termination of leases	(59,692)	(9,862)	(69,554)
At 31 December 2025	283,729	5,958	289,687
DEPRECIATION			
At 1 January 2024	6,724	14,143	20,867
Provided for the year	9,430	1,137	10,567
Eliminated on termination of leases	(2,029)	(13,607)	(15,636)
At 31 December 2024	14,125	1,673	15,798
Provided for the year	14,483	1,522	16,005
Impairment loss recognised	–	1,538	1,538
Eliminated on termination of leases	(22,814)	(4,666)	(27,480)
At 31 December 2025	5,794	67	5,861
CARRYING VALUES			
At 31 December 2025	277,935	5,891	283,826
At 31 December 2024	213,114	14,147	227,261

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

17. RIGHT-OF-USE ASSETS

	Leased plant and machinery RMB'000	Leasehold lands RMB'000	Aircraft RMB'000	Offices RMB'000	Total RMB'000
Cost					
At 1 January 2024	1,729,001	919,296	–	–	2,648,297
Additions	–	80,120	–	–	80,120
Acquired on acquisition of a subsidiary	–	12,045	–	–	12,045
Decrease due to termination of leases (note)	(1,645,432)	–	–	–	(1,645,432)
At 31 December 2024	83,569	1,011,461	–	–	1,095,030
Additions	–	18,360	169,251	15,477	203,088
Disposal of leasehold lands	–	(12,044)	–	–	(12,044)
At 31 December 2025	83,569	1,017,777	169,251	15,477	1,286,074
DEPRECIATION					
At 1 January 2024	285,765	129,338	–	–	415,103
Additions	50,305	21,125	–	–	71,430
Decrease due to termination of leases	(320,107)	–	–	–	(320,107)
At 31 December 2024	15,963	150,463	–	–	166,426
Additions	11,268	21,059	12,059	4,525	48,911
Disposal of leasehold lands	–	(162)	–	–	(162)
At 31 December 2025	27,231	171,360	12,059	4,525	215,175
Carrying amounts					
At 31 December 2025	56,338	846,417	157,192	10,952	1,070,899
At 31 December 2024	67,606	860,998	–	–	928,604

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

17. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Expenses relating to short-term leases	6,402	2,000
Total cash outflow for leases	398,690	397,272

Note: During the year ended 31 December 2024, due to the early repayment of financing lease payments, right-of-use assets were transferred to plant and machinery.

For the year ended 31 December 2025, the Group leased various plant, machinery, offices and an aircraft (2024: plant, machinery and offices) for its operations. Lease contracts are entered into for a fixed term ranging from 3 years to 8 years (2024: 3 years to 8 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Certain leasehold lands of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024 as summarised in note 39.

The Group regularly entered into short-term leases for plant and machinery. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Termination options

The Group has termination options in a number of leases for leased plant, machinery and aircraft. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. In May 2024, the finance lease contracts were terminated due to the early repayment.

Restrictions or covenants on leases

As at 31 December 2025, lease liabilities of RMB185,278,000 are recognised with related right-of-use assets of RMB224,482,000 (2024: lease liabilities of RMB428,622,000 are recognised with related right-of-use assets of RMB67,606,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Group is restricted from assigning and subleasing the leased assets outside the Group.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

17. RIGHT-OF-USE ASSETS (CONTINUED)

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended 31 December 2025, the Group raised RMB707,901,000 (2024: RMB104,000,000) borrowings in respect of such sale and leaseback arrangements.

Details of the borrowings are set out in notes 29 and 35(b).

18. INTANGIBLE ASSETS

	Aluminum production quota (note i) RMB'000	Power generation capacity indicators (note ii) RMB'000	Sewage charges license (note iii) RMB'000	Computer software RMB'000	Total RMB'000
COST					
At 1 January 2024	3,254,783	309,339	21,900	2,182	3,588,204
Additions	–	–	–	748	748
At 31 December 2024	3,254,783	309,339	21,900	2,930	3,588,952
Additions	–	–	–	589	589
At 31 December 2025	3,254,783	309,339	21,900	3,519	3,589,541
AMORTISATION					
At 1 January 2024	262,640	12,958	21,900	2,182	299,680
Provided for the year	65,096	6,187	–	304	71,587
At 31 December 2024	327,736	19,145	21,900	2,486	371,267
Provided for the year	65,095	6,187	–	755	72,037
At 31 December 2025	392,831	25,332	21,900	3,241	443,304
CARRYING VALUES					
At 31 December 2025	2,861,952	284,007	–	278	3,146,237
At 31 December 2024	2,927,047	290,194	–	444	3,217,685

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

18. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following estimated useful lives:

	Useful lives
Aluminum production quota	50 years
Power generation capacity indicators	50 years
Sewage charges license	5 years
Computer software	5 years

Aluminum production quota of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024 as summarised in note 39.

Notes:

- (i) Historically the Group acquired the annual aluminum production quota from independent third parties for its aluminum production lines. Aluminum production quota are initially recorded at cost and subsequently stated at cost less any amortisation. Aluminum production quota do not have a definite legal or prescribed service life. Amortisation is provided on a straight-line basis over estimated expected usage of the asset by management of the Group considering the replacement of electrolytic cell and useful life of related lands and buildings.
- (ii) The Group acquired the annual power generation capacity indicators from independent third parties for providing thermal power to its aluminum production lines. Power generation capacity indicators are initially recorded at cost and subsequently stated at cost less any amortisation. Power generation capacity indicators do not have a definite legal or prescribed service life. Amortisation is provided on a straight-line basis over estimated expected usage of the asset by management of the Group. As the power generation capacity indicators are obtained for thermal power plant to provide electricity supply for aluminum smelting process, the management of the Group determined the useful life of power generation capacity indicators is the same as aluminum production quota.
- (iii) The Group acquired sewage charges license from a government authority. Amortisation is provided on a straight-line basis over 5 years from the commence date of discharge according to the sewage charges acquisition agreement.

19. INVESTMENT IN A JOINT VENTURE

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cost of investment	707,561	—
Share of post-acquisition losses and other comprehensive expense	(22,062)	—
	685,499	—

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19. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Details of each of the Group's material joint ventures at the end of the reporting period are as follows:

Name of joint ventures	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			2025	2024	
PT Kayong Aluminum Nusantara ("PT Kayong") (note i)	Indonesia	Indonesia	-	45.0%	Smelting and selling electrolytic aluminum
Red Sea Aluminium Holdings Pte. Ltd. ("Red Sea JV") (note ii)	Saudi Arabia	Saudi Arabia	33.6%	33.0%	Smelting and selling electrolytic aluminum

Notes:

- (i) In November 2024, Inner Mongolia Chuangyuan entered into a joint venture agreement with PT Cipta Langgeng Kemakmuran to jointly control PT Kayong.

PT Kayong is owned by Harrington Management Limited ("Harrington Management"), a wholly owned subsidiary of the Group, and PT Cipta Langgeng Kemakmuran, an independent third party, as to 55% and 45%, respectively. PT Kayong was accounted for as a jointly controlled entity as unanimous consent from both parties was assessed to be required for key business decisions.

As disclosed in note 37, on 30 May 2025, the Group disposed of its entire 100% equity interest in Harrington Management to an independent third party, while, in turn, the Group's 45% equity interest in PT Kayong was also disposed of, accordingly.

- (ii) Red Sea JV was incorporated in Singapore in October 2024 for the purpose to acquire a new integrated electrolytic aluminum industry chain project, which targeted to construct primarily an electrolytic aluminum smelting facility and an aluminum alloy processing facility in Saudi Arabia ("Saudi Project"). Saudi Project was undertaken by Red Sea Aluminium Industrial Company LLC ("Red Sea Aluminium Industrial"), a wholly owned subsidiary of Innovation Group.

On date of incorporation and up to 31 December 2024, Red Sea JV is owned by Kingston Management Pte. Ltd. ("Kingston Management"), a wholly owned subsidiary of the Group, Innovation Group, and other 2 independent third parties as to 33.0%, 32.0% and 35.0%, respectively. As at 31 December 2025, Red Sea JV is owned by Kingston Management, Innovation Group, Innovation new material and other independent third parties as to 33.6%, 25.2%, 25.2% and 16.0%, respectively.

On 5 May 2025, Red Sea JV completed the acquisition of 100% equity interest in Red Sea Aluminium Industrial from Innovation Group.

Red Sea Aluminum Industrial had not carried out any substantive business operation, which is currently under infrastructure construction.

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For the Year Ended 31 December 2025

19. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information of material joint venture

Financial information in respect of the Group's material joint venture is set out below. The financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards.

The joint venture is accounted for using the equity method in the consolidated financial statements.

Red Sea JV

	31/12/2025 RMB'000
Current assets	235,685
Non-current assets	1,895,943
Current liabilities	(90,769)
Non-current liabilities	(684)

The above amounts of assets and liabilities include the following:

	31/12/2025 RMB'000
Cash and cash equivalents	227,803
Current financial liabilities (excluding trade and other payables)	(79,793)

	Year ended 31/12/2025 RMB'000
Revenue	-
Loss and total comprehensive expense for the year	(66,853)

The above profit (loss) for the year includes the following:

	Year ended 31/12/2025 RMB'000
Depreciation and amortisation	(1,578)
Interest income	474

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For the Year Ended 31 December 2025

19. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Red Sea JV (Continued)

Reconciliation of the above financial information to the carrying amount of the interest in Red Sea JV recognised in the consolidated financial statements:

	Year ended 31/12/2025 RMB'000
Net assets of Red Sea JV	2,040,175
Proportion of the Group's ownership interest in Red Sea JV	33.60%
Carrying amount of the Group's interest in Red Sea JV	685,499

Aggregate information of a joint venture that is not material

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
The Group's share of loss and total comprehensive expense for the year	(4,314)	(851)

20. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Deferred tax assets	–	83,126
Deferred tax liabilities	(93,436)	–
	(93,436)	83,126

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20. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax balances recognised and movements thereon during the current and prior years:

	Impairment of assets	Deferred income	Accrued expense	Unrealised profit on intra-group sales	Right-of- use assets	Lease liabilities	Accelerated tax depreciation	Amortisation of intangible assets	Distributable profits of subsidiaries	Tax losses	ECL	Share of results of joint ventures	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	7,086	3,722	115,095	(3,578)	(19,718)	19,830	(185,095)	39,395	-	11,177	413	-	(11,673)
Credit (charge) to profit or loss	1,687	15,897	19,853	59,610	2,817	(2,601)	(1,176)	9,764	-	(11,177)	(3)	128	94,799
At 31 December 2024	8,773	19,619	134,948	56,032	(16,901)	17,229	(186,271)	49,159	-	-	410	128	83,126
(Charge) credit to profit or loss	(3,613)	(6,766)	22,816	(53,837)	(36,481)	25,989	(50,929)	(3,424)	(70,021)	-	(168)	(128)	(176,562)
At 31 December 2025	5,160	12,853	157,764	2,195	(53,382)	43,218	(237,200)	45,735	(70,021)	-	242	-	(93,436)

As at 31 December 2025, the Group had unused tax losses approximately RMB54,598,000 (2024: RMB3,182,000), available for offset against future profits. No deferred tax asset has been recognised of such losses for the both years. Included in unrecognised tax losses are losses of approximately RMB50,304,000 (2024: RMB3,182,000) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	31 December 2025 RMB'000	31 December 2024 RMB'000
2027	2	2
2028	231	231
2029	2,949	2,949
2030	47,122	-
	50,304	3,182

Other than unused tax losses, at the end of the reporting period, the Group has other deductible temporary differences of RMB3,412,000 (2024: nil). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB3,408,425,000 (2024: RMB2,224,233,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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21. INVENTORIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Raw materials	1,548,741	798,099
Work-in-progress	785,995	666,720
Finished goods	42,380	48,761
Spare parts and others	58,749	64,124
Total	2,435,865	1,577,704

Certain inventories of the Group had been pledged as securities for bank borrowings as at 31 December 2025 as summarised in note 39.

All inventories are expected to be recovered within 12 months.

22. TRADE RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables		
– related parties	17,514	17,159
– third parties	103,663	22,507
	121,177	39,666
Less: allowance for credit losses	(1,217)	(526)
Total	119,960	39,140

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 month	102,780	33,132
1 to 12 months	17,113	5,191
1 to 2 years	67	817
Total	119,960	39,140

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22. TRADE RECEIVABLES (CONTINUED)

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

Details of impairment assessment of receivables are set out in note 35(b).

As of 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB17,180,000 (2024: RMB6,008,000), which are past due but not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

23. RECEIVABLES AT FVTOCI

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bills receivables	51,677	485,699

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
0-180 days	51,677	485,499
181-365 days	-	200
	51,677	485,699

RMB20,000,000 (2024: RMB430,000,000) of receivables at FVTOCI are pledged as securities for bank borrowings as at 31 December 2025 as summarised in note 39.

The Group considers the credit risk of bank acceptance bills receivables is limited because counterparties are banks with good credit standing assigned by credit agencies. and the ECL are considered insignificant. For commercial acceptance bills receivables issued by customers, the Group performed impairment assessment under ECL model individually.

Details of impairment assessment and fair value measurement are set out in note 35(b).

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23. RECEIVABLES AT FVTOCI (CONTINUED)

23A. Transfers of Financial Assets

23A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at 31 December 2025 and 2024, that were transferred to suppliers for settlement of trade payables by endorsing, banks to obtain bank loans by discounting or non-bank financial institutions by factoring on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount. These financial assets are carried at amortised cost in the consolidated statements of financial position.

At 31 December 2025

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

At 31 December 2024

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to suppliers with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	430,000	38,158	468,158
Carrying amount of associated liabilities	(430,000)	(38,158)	(468,158)
Net position	-	-	-

23A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 31 December 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB1,625,708,000 (2024: RMB2,066,782,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued the involvement in them, but the amount arising from continuing involvement is insignificant.

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For the Year Ended 31 December 2025

24. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Current		
Prepayments to suppliers	857,111	644,578
Prepaid expense	12,294	18,305
Value-added tax recoverable	277,358	94,191
Deposits (note i)	–	56,274
Refundable deposits for aircraft purchase (note ii)	17,572	–
Refundable cultivated land occupation tax	2,658	–
Refundable customs deposits	7,863	–
Deferred issue costs	–	5,260
Others	4,106	19,247
	1,178,962	837,855
Less: allowance for impairment losses	(103)	(14,042)
	1,178,859	823,813
Non-current		
Refundable rental deposits	2,246	2,303
	1,181,105	826,116

Note:

- (i) The amounts mainly represent the deposits paid to suppliers for the procurement of bauxite. These deposits are to be offset against with trade payables from purchase orders upon delivery.
- (ii) On 22 December 2025, the Group entered into a letter of intent to purchase of a business aircraft with a vendor at a purchase price of USD44,280,000 (equivalent to RMB311,235,000), pursuant to which, the Group paid refundable deposit of USD2,500,000 (equivalent to RMB17,572,000) to the vendor. Subsequent to the reporting period, the Group further entered into aircraft sale and purchase agreement with the vendor, and the transaction has been completed in February 2026.

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25. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted bank deposits

	31 December 2025 RMB'000	31 December 2024 RMB'000
Deposits for bills payable and letter of credit (note i)	1,654,382	666,924
Deposits for bank borrowing (note ii)	-	14,516
Total	1,654,382	681,440

Notes:

- (i) The Group's restricted bank deposits are deposited to banks for the issue of bills payables and letter of credit by the Group primarily for the purchases of materials. The restricted bank deposits will be released upon the settlement of relevant bills payables and letter of credit, which are normally within a repayment period of 1 year, and are therefore classified as current assets.

As at 31 December 2025, restrict bank deposits for the issue of bills payables and letters of credit carried interest at market rates ranging from 0.05% to 1.60% (2024: 0.05% to 1.60%) per annum, respectively.

- (ii) The use of deposits needs to be reviewed and approved by the bank. As at 31 December 2024, the deposits carried interest at market rates ranging from 0.00%-1.60%.

Details of impairment assessment of restrict bank deposits are set out in the note 35(b).

Cash and cash equivalents

As at 31 December 2025, bank balances carried interest at market rates ranging from 0.00% to 3.72% (2024: 0.00% to 0.35%) per annum.

Details of impairment assessment of cash and cash equivalents are set out in the note 35(b).

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26. TRADE, BILLS AND OTHER PAYABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables	1,393,441	1,246,574
Bills payables	1,716,970	72,250
Bills payables under note financing arrangements (note i)	288,320	110,000
	3,398,731	1,428,824
Other payables – current		
Payables for acquisition of property, plant and equipment	1,245,868	596,102
Other taxes payables	124,860	196,738
Amount due to independent third parties (note ii)	–	482,781
Payroll and welfare payables	104,593	85,167
Payables for acquisition of carbon emissions rights	15,541	24,991
Deposits (note iii)	27,619	52,367
Outsourced service payable	10,941	6,050
Advance receipt of value-added tax from customers	14,079	48,408
Accrued listing expenses	3,018	10,003
Accrued issue costs	542	3,269
Advanced receipt for disposal of property, plant and equipment (note 16)	132,743	–
Others	12,063	10,751
	1,691,867	1,516,627
	5,090,598	2,945,451
Other payables – non-current		
Payable to an independent third party under bankruptcy reorganisation (note iv)	–	68,071
Payable for acquisition of aluminum production quota (note v)	–	681,485
	–	749,556

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

26. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Notes:

- i. Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2025, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB1,088,320,000 (2024: RMB1,260,000,000), which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.
- ii. RMB5,032,000 at 31 December 2024, represents short term advances from Carnaby Management. The amount is unsecured, carried at interest rate of 5% and repayable within one year. The amount was subsequently settled in full in November 2025.

RMB289,499,000 at 31 December 2024, represents short term advances from an independent third party, the related party of the independent third party under a reorganisation project disclosed in note vi, which was unsecured, interest free and repayable on demand. The amount was subsequently settled in full in January and March 2025.

RMB100,000,000 at 31 December 2024 represents short term advances from an independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year, and was subsequently settled in full in February and March 2025.

RMB88,250,000 at 31 December 2024 represents short term advances from an independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year. Amount of RMB88,250,000 was subsequently settled in full in April 2025.
- iii. Amounts represented earnest deposits received by the Group in relation to framework agreements entered into with suppliers. These earnest deposits received would either be offset with the Group's future purchase orders or released to the suppliers upon maturity or termination of the framework arrangements.
- iv. Amount represented the payable for acquisition of property, plant and equipment to an independent third party under a reorganisation project. The amount was fully settled in March 2025.
- v. Amount at 31 December 2024 represented the consideration payables to an independent third party, which was a related party of the independent third party under a reorganisation project, for purchase of the annual aluminum production quota in the quantity of 140,000 tons for cash consideration of RMB792,453,000, which was payable in four instalments after July 2026. Payable for acquisition of aluminum production quota was measured at amortised cost using the effective interest rate method and 7.375% per annum. In June and November 2025, two supplementary agreements were entered between Inner Mongolia Chuangyuan and the independent third party, pursuant to which Inner Mongolia Chuangyuan agreed to change the repayment terms. RMB792,453,000 has been paid in 2025. The adjustment to the carrying amount of payable for acquisition of aluminum production quota is recognised in other loss totalling RMB80,019,000 at the date of the payment term modification in note 9 to the consolidated financial statements during the year ended 31 December 2025.



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26. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

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

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
0 to 30 days	696,404	633,473
31 to 90 days	405,864	292,816
91 days to 180 days	24,923	105,205
Over 181 days	266,250	215,080
	1,393,441	1,246,574

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
0-180 days	2,005,290	182,250

27. CONTRACT LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Alumina and other related types of products	52,960	107,086
Electrolytic aluminum – aluminum ingots	55,002	264,389
Scrap and other materials	763	1,332
	108,725	372,807

As at 1 January 2024, contract liabilities amounted to RMB6,979,000.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

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27. CONTRACT LIABILITIES (CONTINUED)

Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised that was included in the balance of contact liabilities at the beginning the year.

	Year ended 2025 RMB'000	Year ended 2024 RMB'000
Alumina and other related types of products	107,086	–
Electrolytic aluminum - aluminum ingots	264,389	5,748
Scrap and other materials	1,332	1,231
	372,807	6,979

28. LEASE LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Lease liabilities payable:		
Within one year	41,337	10,698
Within a period of more than one year but not exceeding two years	42,988	11,002
Within a period of more than two years but not exceeding five years	100,953	394,618
Within a period of more than five years	–	12,304
	185,278	428,622
Less: Amount due for settlement within one year shown under current liabilities	(41,337)	(10,698)
Amount due for settlement after 12 months shown under non-current liabilities	143,941	417,924

As at 31 December 2025, the incremental borrowing rates applied to lease liabilities ranged from 2.55% to 5.00% (2024: 2.55% to 2.80%) per annum, respectively.

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29. BANK AND OTHER BORROWINGS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank loans	11,613,192	9,454,926
Bank loans under supplier finance arrangements (note i)	82,937	86,960
Other loans (note ii)	707,901	1,406,357
	12,404,030	10,948,243
Fixed-rate borrowings	9,085,600	9,330,886
Variable-rate borrowings	3,318,430	1,617,357
	12,404,030	10,948,243
Secured and guaranteed	10,414,664	9,503,894
Secured and unguaranteed	30,254	400,000
Unsecured and guaranteed	1,310,584	957,389
Unsecured and unguaranteed	648,528	86,960
	12,404,030	10,948,243
Carrying amount repayable (based on scheduled repayment terms)		
Within one year	9,428,500	4,941,606
More than one year but not exceeding two years	735,272	4,663,342
More than two years but not exceeding five years	1,138,293	700,650
Within a period of more than five years	1,101,965	642,645
	12,404,030	10,948,243
Less: Amount due for settlement within one year and shown under current liabilities	(9,428,500)	(4,941,606)
Amounts shown under non-current liabilities	2,975,530	6,006,637

The secured and guaranteed bank borrowings were guaranteed by the Controlling Shareholder and the companies controlled by him. Among the secured and guaranteed bank borrowings, RMB3,602,877,000 (2024: RMB1,362,954,000) were secured by certain property, plant and equipment, and right-of-use assets, RMB800,822,000 (2024: nil) were secured by certain inventories, RMB5,410,490,000 (2024: RMB8,110,940,000) were secured by aluminum production quota, certain property, plant and equipment, right-of-use assets and shares of subsidiaries of the Group, RMB600,475,000 (2024: nil) were secured by shares of subsidiaries of the Group, and no borrowings (2024: RMB30,000,000) were secured by receivables at FVTOCI.

The secured and unguaranteed borrowing of RMB30,254,000 are secured by trade receivables (2024: the secured and unguaranteed borrowing of RMB400,000,000 are secured by receivables at FVTOCI).

The unsecured and guaranteed bank borrowings of approximately RMB1,310,584,000 (2024: RMB957,389,000) at 31 December 2025 were guaranteed by subsidiaries of the Group, the Controlling Shareholder and Innovation Group.

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29. BANK AND OTHER BORROWINGS (CONTINUED)

Note:

- (i) The Group has entered into certain supplier finance arrangements with Bank of Jinzhou in 2024 and 2025, and Bank of Qingdao in 2025. Under these arrangements, Bank of Jinzhou and Bank of Qingdao settle the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by Bank of Jinzhou and Bank of Qingdao. The Group then settles with Bank of Jinzhou within 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao within 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangements is set out in note 33b.
- (ii) Other loans were arising from trade receivables to non-bank financial institutions with full recourse and sales and lease back transactions.

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

	31 December 2025	31 December 2024
Effective interest rate		
– fixed-rate borrowings	3.00% to 5.50%	3.10% to 9.00%
– variable-rate borrowings	2.80% to 4.60%	2.90% to 4.95%

New borrowing raised subsequent to end of the reporting period

On 5 January 2026, the Group obtained new borrowings with Dongying Bank amounting to RMB50,000,000.

In January 2026 and March 2026, the Group obtained new borrowings with Huaxia Bank Co., Ltd. amounting to RMB47,000,000.

On 20 January 2026, the Group obtained new borrowings with Inner Mongolia Rural Commercial Bank Co., Ltd. amounting to RMB200,000,000.

On 20 January 2026, the Group obtained new borrowings with China CITIC Bank amounting to RMB200,000,000.

In January 2026 and February 2026, the Group obtained new borrowings with Mengshang Bank amounting to RMB210,361,000.

On 4 February 2026, the Group obtained new borrowings with East West Bank amounting to RMB150,000,000.

On 2 March 2026, the Group obtained new bank facility with Bank of Inner Mongolia amounting to RMB479,000,000, of which RMB264,490,000 has been drawn down.

In February 2026 and March 2026, the Group obtained new borrowings with China Everbright Bank Co., Ltd. amounting to RMB150,000,000.

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29. BANK AND OTHER BORROWINGS (CONTINUED)

Loan covenant

(i) *Shandong Wudi Rural Commercial Bank*

In respect of bank borrowing from Shandong Wudi Rural Commercial Bank with carrying amount of RMB66,660,000 (2024: RMB29,029,000) as at 31 December 2025, Shandong Chuangyuan is required to comply with the following financial covenant which is tested on a yearly basis:

- the ratio of the liabilities to the assets shall not be more than 0.70:1

Shandong Chuangyuan has complied with the relevant covenant at each test date on or before the end of the reporting period.

(ii) *Industrial and Commercial Bank of China*

In respect of bank borrowing from Industrial and Commercial Bank of China with carrying amount of RMB 800,622,000 (2024: RMB600,242,000) as at 31 December 2025, Chuangyuan Alloy is required to comply with the following financial covenant which is tested on a yearly basis:

When the annual sales of 400MW wind power project are higher than 910 million kilowatts or the sales price is higher than RMB0.18/KWH, the repayment shall be accelerated according to the actual operation;

One year after the official operation of 400MW wind power project, if the net cash flow of operating activities in each fiscal year is negative, or the net profit is negative for two consecutive years, the lender has the right to declare the loan to expire early, or require the borrower to add additional risk mitigation measures approved by lenders, or require the borrower to repay part or all of the loan in advance.

One year after the official operation of 400MW wind power project, if the discharge hours are less than 2,277 hours, or the electricity generation is less than 900 million kilowatts, or the annual wind curtailment rate is higher than 3.9%, the lender has the right to declare the loan to expire early or require the borrower to add additional risk mitigation measures approved by the lender.

Construction of 400MW wind power project was completed and put into operation in 2025, and Chuangyuan Alloy has complied with the relevant covenant at each test date on or before the end of the reporting period.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

30. PAID-IN/SHARE CAPITAL

The Group

The Reorganisation has been completed on 23 October 2024. As mentioned in note 2, the consolidated financial statements have been prepared as if the Group structure after the Reorganisation had been in existence throughout the years ended 31 December 2024 and 2025.

For the purposes of presentation of the consolidated statements of financial position, the balance of paid-in capital as at 1 January 2024 represented the share capital of the Company, paid-in capital of Inner Mongolia Chuangyuan and 58.5% of paid-in capital of Shandong Chuangyuan prior to the completion of the Reorganisation. As at 31 December 2024 and 31 December 2025, the balance of share capital represented the share capital of the Company.

Name of the entity	As at 1 January	As at 31 December	
	2024 RMB'000	2024 RMB'000	2025 RMB'000
The Company	—*	—*	74
Inner Mongolia Chuangyuan	2,000,000	N/A	N/A
Shandong Chuangyuan New Material	70,551	N/A	N/A
	2,070,551	—*	74

Details of the share capital of the Company were as follows:

The Company

	Par value per share USD	Number of ordinary shares	Share capital USD'000	Share capital presented in RMB RMB'000
Authorised				
On 1 January 2024				
and 31 December 2024	0.0001	500,000,000	50	360
Share Subdivision (note i)	N/A	9,500,000,000	—	—
On 31 December 2025	0.000005	10,000,000,000	50	360
Issued				
On 1 January 2024				
and 31 December 2024	0.0001	1	—*	—*
Share Subdivision (note i)	N/A	19	—*	—*
Issue of ordinary shares (note i)	0.000005	1,499,999,980	7	54
Shares issued pursuant to IPO (note ii)	0.000005	575,000,000	3	20
On 31 December 2025	0.000005	2,075,000,000	10	74

* Less than RMB1,000.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

30. PAID-IN/SHARE CAPITAL (CONTINUED)

Notes:

- i. On 6 January 2025, a written resolution of the shareholders of the Company was passed to approve each share in the issued and unissued share capital was subdivided into 20 shares with a nominal value of USD0.000005 each (“Share Subdivision”). After the subdivision, the total issued share capital of the Company consisted of 20 shares with a nominal value of USD0.000005 each. Immediately following the Share Subdivision taking effect, the Company issued 1,499,999,980 ordinary shares to Bloomsbury Holding, the parent of the Company at a consideration of USD7,500.
- ii. On 24 November 2025, 500,000,000 ordinary shares were issued at an offer price of HKD10.99 per share pursuant to the IPO; and on 5 December 2025, 75,000,000 ordinary shares at an offer price of HKD10.99 per share in respect of the over-allotment option are fully exercised. Gross proceeds from the issuance of these shares and the exercise of over-allotment option amounted to approximately HKD6,319,250,000 (equivalent to approximately RMB5,751,391,000). After netting of share issuance cost of approximately RMB113,893,000, approximately RMB20,000 and RMB5,637,478,000 are credited to the share capital and share premium of the Company, respectively.

31. RESERVES

Statutory surplus reserve

In accordance with the PRC Companies Law and the PRC subsidiaries’ articles of association, subsidiaries registered in the PRC as a domestic companies are required to appropriate 10% of their annual statutory net profit as determined under PRC Generally Accepted Accounting Practice (“PRC GAAP”) (after offsetting any prior years’ losses) to the statutory surplus fund. When the balance of this fund reaches 50% of the entity’s capital, any further appropriation is optional. The statutory surplus fund can be utilised to offset prior years’ losses or to increase capital. However, the balance of the statutory surplus fund must be maintained at a minimum of 25% of the capital after those usages.

Safety fund reserve

Pursuant to regulation in the PRC, the Group’s subsidiaries, including Inner Mongolia Chuangyuan and Chuangyuan Alloy, carrying on Electrolytic Aluminum Business, are required to transfer an amount to safety fund ranging from 0.05% – 3% of annual revenue from electrolytic aluminum for the years ended 31 December 2025 and 2024. Shandong Chuangyuan, another subsidiary of the Group carrying on Alumina Business, is required to transfer an amount to safety fund ranging from 0.2% – 3% of annual revenue from alumina and other related types of products, ranging from 1.5% – 3.0% of annual revenue from electricity, and at RMB1.5 to RMB4 per ton of red mud, which is generated from the production process, for the years ended 31 December 2025 and 2024.

Pursuant to the requirement of PRC government, a portion of retained earning is apportioned to safety fund reserve which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be reclassified out from safety fund reserve to retained earnings. At the same time, the safety facilities costs or expenditures are recognised as assets or in profit or loss respectively. This safety fund is not available for distribution to shareholders. Safety fund provided amounted to RMB50,979,000 and utilised amounted to RMB55,226,000 during the years ended 31 December 2025 (2024: provided amounted to RMB55,072,000 and utilised amounted to RMB27,363,000), respectively.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

32. NON-CONTROLLING INTERESTS

Non-controlling interests represents the corresponding 41.5% equity interest of Shandong Chuangyuan which were held by Innovation Group over the both years.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

33a. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank and other borrowings	Bills payables under note financing arrangements	Payables to a finance provider	Lease liabilities	Amount due to related parties	Amount due to independent third parties	Prepaid/ Accrued issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	9,281,807	2,087,060	65,095	806,396	416,131	59,999	-	12,716,488
Net financing cash flows	1,203,670	(2,016,743)	(230,691)	(395,272)	(423,986)	422,782	(1,991)	(1,442,231)
<i>Non-cash changes</i>								
Expire of bills discounted to banks that are not derecognised in their entirety	(300,000)	-	-	-	-	-	-	(300,000)
Issue costs incurred	-	-	-	-	-	-	5,260	5,260
Interest expenses	650,276	39,683	-	17,498	7,855	-	-	715,312
Advance under a finance provider	-	-	165,596	-	-	-	-	165,596
New bank borrowings under supplier finance arrangement entered	112,490	-	-	-	-	-	-	112,490
At 31 December 2024	10,948,243	110,000	-	428,622	-	482,781	3,269	11,972,915
Net financing cash flows	1,118,627	173,059	-	(399,699)	-	(498,370)	(111,360)	282,257
<i>Non-cash changes</i>								
Expire of bills discounted to banks that are not derecognised in their entirety	(430,000)	-	-	-	-	-	-	(430,000)
Issue costs incurred	-	-	-	-	-	-	108,633	108,633
Interest expenses	684,223	5,261	-	7,411	-	15,589	-	712,484
New lease entered	-	-	-	148,944	-	-	-	148,944
New bank borrowings under supplier finance arrangement entered	82,937	-	-	-	-	-	-	82,937
At 31 December 2025	12,404,030	288,320	-	185,278	-	-	542	12,878,170

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

33b. Information of Supplier Finance Arrangements

	31/12/2025 RMB'000	31/12/2024 RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements		
Presented as part of "Bank and other borrowings" (note 29)	82,937	86,960
– Of which suppliers have already received payment from the finance provider	82,937	86,960
	31/12/2025 Days	31/12/2024 Days
Range of payment due dates		
For liabilities presented as part of "Bank and other borrowings" (note 29)		
– Liabilities that are part of supplier finance arrangements	289-365	365

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. During the year ended 31 December 2025, borrowings under supplier finance arrangement of RMB82,937,000 represents the payments to the suppliers by Bank of Qingdao directly. During the year ended 31 December 2024, payments to a finance provider of RMB165,596,000, represent suppliers have already received payments from the finance supplier which is the finance provider directly, and borrowings under supplier finance arrangement of RMB112,490,000, represents the payments to the suppliers by Bank of Jinzhou directly.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities now comprising the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings and lease liabilities disclosed in notes 29 and 28, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising paid-in capital/share capital, retained earnings, other reserve and non-controlling interests.

Management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and raise of new borrowings or the redemption of existing debt.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31 December 2025 RMB'000	31 December 2024 RMB'000
Financial assets		
Receivables at FVTOCI	51,677	485,699
Financial assets at amortised cost (including cash and cash equivalents)	6,897,089	904,489
	6,948,766	1,390,188
Financial liabilities		
Amortised cost	17,114,793	14,299,665

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents, trade, bills and other payables, bank and other borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose it primarily to the financial risks of currency risk and interest rates.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk during the reporting period.

Currency risk

As at 31 December 2025, the Group has bank balances, restricted deposits, prepayments and other receivables, property, plant and equipment, right-of use assets, trade and other payables and lease liabilities denominated in the USD, HKD, United Arab Emirates Dirham ("AED") and Great Britain Pound ("GBP") (2024: bank balances, restricted deposits, trade and other receivables and trade and other payables denominated in the USD and HKD), which expose the Group to foreign currency risk.

For the year ended 31 December 2025, the impact of HKD, AED and GBP is not presented, since the outstanding monetary items denominated in HKD, AED and GBP are not significant and their impact is immaterial (2024: the impact of HKD is not presented, since the outstanding monetary items denominated in HKD are not significant and their impact is immaterial).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (continued)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	At 31 December 2025	
	Assets RMB'000	Liabilities RMB'000
USD	3,743,975	238,611

	At 31 December 2024	
	Assets RMB'000	Liabilities RMB'000
USD	283,300	1,129

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in USD against RMB (2024: USD against RMB), 10% (2024: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% (2024: 10%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit where a USD strengthens 10% against RMB. For a 10% weakening of USD against RMB, there would be an equal and opposite impact on the post-tax profit and the balances below would be negative.

	Profit for the year ended 31 December 2025 RMB'000	Profit for the year ended 31 December 2024 RMB'000
USD	262,902	21,248

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (see note 25 for details), fixed-rate bank and other borrowings (see note 29 for details) and lease liabilities (see note 28 for details). The Group is also exposed to cash flow interest rate in relation to variable-rate bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances and bank borrowings. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's post-tax profit for the year would decrease by the following magnitude. If interest rates had been 100 basis points lower, there would be an equal and opposite impact on the post-tax profit.

	2025 RMB'000	2024 RMB'000
Decrease in profit for the year	(18,892)	(2,156)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 14.60% (2024: 40.60%) of the total trade receivables was due from the Group's largest customer and five largest customers at 31 December 2025.

The Group provided an ECL impairment loss of RMB869,000 and reversed an ECL impairment loss of RMB178,000 during the year ended 31 December 2025 (2024: provided an ECL impairment loss of RMB278,000 and reversed an ECL impairment loss of RMB148,000), based on the individual analysis. Details of the quantitative disclosures are set out below in this note.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (continued)

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2025, the Group provided an ECL impairment loss of RMB98,000 and reversed RMB1,197,000 (2024: provided an ECL impairment loss of RMB1,201,000 and reversed RMB665,000) for other receivables.

Restricted bank deposits, cash and cash equivalents

The restricted bank deposits, cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, cash and cash equivalents is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

Receivables at FVTOCI

Bank acceptance bills receivables are determined to have low credit risk at the end of each reporting period. The credit risk on bank acceptance bills receivables is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low. Commercial acceptance bills receivables are issued by customers and assessed individually. For the years ended 31 December 2025, no loss allowance was recognised in other comprehensive income as the amount of impairment loss for receivables at FVTOCI was insignificant (2024: no loss allowance was recognised in other comprehensive income as the amount of impairment loss for receivables at FVTOCI was insignificant).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

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35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

31 December 2025	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortised cost					
Trade receivables	22	Low risk	Lifetime ECL (not credit impaired)	121,177	1.00%
Other receivables	24	Low risk	12m ECL	31,787	0.32%
Cash and cash equivalents	25	Low risk	12m ECL	5,091,063	–
Restricted bank deposits	25	Low risk	12m ECL	1,654,382	–
				6,898,409	
Receivables at FVTOCI	23	Low risk	12m ECL	51,677	–
31 December 2024					
	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount RMB'000	Average loss rate
Financial assets at amortised cost					
Trade receivables	22	Low risk	Lifetime ECL (not credit impaired)	39,666	1.33%
Other receivables	24	Low risk	12m ECL	19,247	6.25%
Cash and cash equivalents	25	Low risk	12m ECL	176,401	–
Restricted bank deposits	25	Low risk	12m ECL	681,440	–
				916,754	
Receivables at FVTOCI	23	Low risk	12m ECL	485,699	–

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35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (continued)

The following table shows the movements in lifetime ECL that have been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit impaired) RMB'000
As at 1 January 2024	396
Impairment losses recognised	278
Impairment losses reversed	(148)
As at 31 December 2024	526
Impairment losses recognised	869
Impairment losses reversed	(178)
As at 31 December 2025	1,217

The following table shows the movement in ECL that has been recognised for other receivables.

	12m ECL RMB'000
As at 1 January 2024	666
Impairment losses recognised	1,201
Impairment losses reversed	(665)
As at 31 December 2024	1,202
Impairment losses recognised	98
Impairment losses reversed	(1,197)
As at 31 December 2025	103

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The directors of the Company have adopted an appropriate liquidity risk management framework for the management of the Group's short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group's consolidated financial position. The directors of the Company monitor the sufficiency of cash flows with availability of unutilised banking facilities, internally generated funds and alternative refinancing and extension of due date of bank and other borrowings. The directors of the Company also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's borrowings is subject to supplier finance arrangements. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in note 29.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (continued)

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total un-discounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2025							
Bank and other borrowings							
– fixed rates	4.71	8,695,134	102,909	456,115	190,539	9,444,697	9,085,600
– variable rates	3.36	836,967	680,922	1,202,836	1,007,647	3,728,372	3,318,430
Trade payables	-	1,393,441	-	-	-	1,393,441	1,393,441
Other payables							
– non-interest bearing	-	1,312,032	-	-	-	1,312,032	1,312,032
Bills payables (including those under note financing arrangement)	-	2,005,290	-	-	-	2,005,290	2,005,290
Lease liabilities	3.36	50,137	49,807	110,883	-	210,827	185,278
		14,293,001	833,638	1,769,834	1,198,186	18,094,659	17,300,071
As at 31 December 2024							
Bank and other borrowings							
– fixed rates	6.55	4,938,697	4,947,179	91,459	-	9,977,335	9,330,886
– variable rates	3.67	132,222	284,664	791,694	695,698	1,904,278	1,617,357
Trade payables	-	1,246,574	-	-	-	1,246,574	1,246,574
Other payables							
– interest bearing	0.97	102,645	383,250	-	-	485,895	482,781
– non-interest bearing	-	690,261	475,472	385,052	-	1,550,785	1,439,817
Bills payables (including those under note financing arrangement)	-	182,250	-	-	-	182,250	182,250
Lease liabilities	2.80	372,196	12,491	37,474	24,983	447,144	428,622
		7,664,845	6,103,056	1,305,679	720,681	15,794,261	14,728,287

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at 31 December		Fair value	
	2025 RMB'000	2024 RMB'000	hierarchy	Valuation technique and key input
Financial assets:				
Receivables at FVTOCI	51,677	485,699	Level 2	Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable.

There were no transfers between Level 1 and 2 during the both years.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

36. ACQUISITION OF SUBSIDIARIES

(a) During the year ended 31 December 2025

On 30 December 2025, Inner Mongolia Chuangyuan acquired a 100% equity interest in Southern Jet Co., Ltd. (華南國際商務航空有限公司) (“Southern Jet”) for a purchase price of RMB79,749,000, which was determined based on the base price of RMB76,000,000, plus the advance payment for aircraft inspection and other related expenses. Following completion of the acquisition, Southern Jet has become a wholly owned subsidiary of Inner Mongolia Chuangyuan.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to property, plant and equipment at the date of acquisition. As of the acquisition date, Southern Jet did not have any external operations. The aircraft acquired is for Group’s own use.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	77,767
Prepayments and other receivables	1,890
Cash and cash equivalents	1,769
Other payables	(1,677)
Net assets	79,749

Net cash outflows arising on acquisition of Southern Jet

	RMB'000
Consideration paid in cash	79,749
Less: cash and cash equivalents acquired	(1,769)
	77,980

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

36. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) During the year ended 31 December 2024

In September 2024, Inner Mongolia Chuangyuan acquired a 100% equity interest in Inner Mongolia Kanghong New Materials Co., Ltd. * (內蒙古康鴻新材料有限公司)(“Kanghong New Materials”) for a consideration of RMB14,000,000. Following completion of the acquisition, Kanghong New Materials become a wholly owned subsidiary of Inner Mongolia Chuangyuan.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of purchase.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Right-of-use assets	12,045
Property, plant and equipment	1,164
Prepayments and other receivables	1,045
Cash and cash equivalents	443
Other payables	(697)
Net assets	14,000

Net cash outflows arising on acquisition of Kanghong New Materials

	RMB'000
Consideration paid in cash	14,000
Less: cash and cash equivalents acquired	(443)
	13,557

* *English name is for identification purpose only*

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES

(i) Harrington Management Limited

On 30 May 2025, Inner Mongolia Chuangyuan disposed of its 100% interest in Harrington Management Limited to a third party at a consideration of HKD10,000 (equivalent to RMB9,000). This transaction has resulted in the recognition of a disposal gain of RMB5,174,000. The consideration has not been received yet.

(ii) Inner Mongolia Chuangyuan Logistics Co., Ltd.* (內蒙古創源物流有限公司) (“Inner Mongolia Chuangyuan Logistics”)

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics, to its related party, Zouping Chuangyuan Logistics Co., Ltd.* (鄒平創源物流有限公司) (“Zouping Chuangyuan Logistics”), for RMB3,820,000. The net assets of Inner Mongolia Chuangyuan Logistics at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

	30 November 2024 RMB'000
Trade receivables	18,020
Prepayments and other receivables	1,850
Cash and cash equivalents	3,977
Trade and other payables	(19,299)
Net assets disposed of	4,548

* *English name is for identification purpose only*

Consideration received:

	RMB'000
Cash received	3,820
Gain on disposal of a subsidiary:	
Consideration received	3,820
Net assets disposed of	(4,548)
Loss on disposal	(728)
Net cash outflow arising on disposal:	
Cash consideration	3,820
Less: cash and cash equivalents disposed of	(3,977)
	(157)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

38. CAPITAL COMMITMENTS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	1,499,455	2,243,511

39. PLEDGE OF ASSETS

The following assets have been pledged to various banks for securing of the Group's banking facilities, and the issue of bills payables or letter of credit at the end of each reporting period were summarised below:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Property, plant and equipment	8,993,422	7,290,813
Receivables at FVTOCI	20,000	430,000
Right-of-use assets	703,594	591,425
Intangible assets	2,861,952	2,927,047
Restricted bank deposits	1,654,382	681,440
Inventories	600,000	–
Trade receivables	30,000	–
	14,863,350	11,920,725

During the years ended 31 December 2025, Innovation Group pledged 100% of equity interests in Inner Mongolia Chuangyuan and 100% of equity interests in Chuangyuan Alloy in favour of Industrial and Commercial Bank of China as security for bank loans. Inner Mongolia Chuangyuan pledged 78.1% of equity interests in Keyou Energy and Keyou Energy pledged the electricity collection right in favour of Hua Xia Bank Co., Limited as security for bank loans. (2024: Innovation Group pledged 100% of equity interests in Inner Mongolia Chuangyuan in favour of Bank of Jinzhou as security for bank loans, and pledged 100% of equity interests in Chuangyuan Alloy in favour of Industrial and Commercial Bank of China as security for bank loans.)

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS

During the year, the directors of the Company are of the view that the following are related parties of the Group and the Company:

Name of party	Relationship
Innovation Group	Controlled by Mr. Cui
Innovation New Material Technology Co., Ltd.* (創新新材料科技股份有限公司) ("Innovation New Material") and its subsidiaries	Controlled by Mr. Cui
Shandong Luyu Valve Co., Ltd.* (山東魯豫閥門有限公司) ("Shandong Luyu")	Controlled by family of Mr. Cui
Hainan Fujuanong and its subsidiaries	Controlled by family of Mr. Cui
Shandong Suotong Innovation Materials Co., Ltd.* (山東索通創新炭材料有限公司) (formerly known as Shandong Innovation Carbon Materials Co., Ltd.* (山東創新炭材料有限公司)) ("Shandong Suotong")	Associate of Innovation Group
Zouping Minsheng Metal Material Co., Ltd.* (鄒平縣民生金屬材料有限公司) ("Zouping Minsheng")	Controlled by family of Mr. Cui
Zouping Chuangyuan Logistics	Controlled by Mr. Cui
Binzhou Chuangtai Trading Co., Ltd.* (濱州創泰貿易有限公司) ("Binzhou Chuangtai") (note)	Controlled by Mr. Cui
Shandong Kangtai Ecological Agriculture Park Co., Ltd.* (山東康泰生態農業園區有限公司) ("Shandong Kangtai")	Controlled by family of Mr. Cui
Shandong Chuangtai New Materials Technology Co., Ltd.* (山東創泰新材料科技有限公司) ("Chuangtai New Materials") (note)	Controlled by Mr. Cui
Inner Mongolia innovation lightweight New Material Co., Ltd.* (內蒙古創新輕量化新材料有限公司) ("Innovation Lightweight")	Controlled by Mr. Cui
Inner Mongolia Yuanwang Metal Technology Co., Ltd.* (內蒙古元旺金屬科技有限公司) ("Yuanwang Metal")	Controlled by Mr. Cui
Inner Mongolia Chuangxin New Material Co., Ltd.* (內蒙古創新新材料有限公司) ("Inner Mongolia Chuangxin New Material")	Controlled by Mr. Cui

Note: On 6 February 2025, Innovation Group disposed Binzhou Chuangtai and Chuangtai New Materials to an independent third party. Thus, transactions between the Group and Binzhou Chuangtai as well as Chuangtai New Materials after date of disposal are no longer regarded as related party transactions.

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions

During the year, save as disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

(i) Revenue from related parties:

Nature of transactions		Year ended	
		2025 RMB'000	2024 RMB'000
Innovation New Material and its subsidiaries	Electrolytic aluminum, electricity, steam supply, and scrap and other materials	9,819,766	11,608,881
Shandong Luyu	Scrap and other materials	–	2,119
Chuangtai New Materials	Electricity, natural gas and Lime	98	–
Hainan Fujuanrong and its subsidiaries	Scrap and other materials	1,654	–
Total		9,821,518	11,611,000

(ii) Purchases of goods

Nature of transactions		Year ended	
		2025 RMB'000	2024 RMB'000
Shandong Suotong	Carbon anodes	406,061	623,265
Zouping Minsheng	Spare parts and others	169	758
Shandong Luyu	Spare parts and others	254	2,430
Innovation New Material and its subsidiaries	Spare parts and others	32	890
Hainan Fujuanrong and its subsidiaries	Spare parts and others	–	498
Total		406,516	627,841

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

(iii) Purchases of services

Nature of transactions		Year ended	
		2025 RMB'000	2024 RMB'000
Zouping Chuangyuan Logistics	Transportation service	31,814	23,991
Innovation Group	Labor cost	745	650
Total		32,559	24,641

(iv) Purchases of property, plant and equipment

		Year ended	
		2025 RMB'000	2024 RMB'000
Zouping Minsheng		8,015	22,226
Innovation New Material and its subsidiaries (note i)		1,030	134,408
Hainan Fujuanong and its subsidiaries (note ii)		110,446	51,079
Shandong Kangtai		-	265
Total		119,491	207,978

Notes:

- (i) On 28 April 2024, Inner Mongolia Chuangyuan acquired a plant and an office building under construction from Innovation Lightweight, a subsidiary of Innovation New Material, at a consideration of RMB130,625,000 which was determined with reference to an independent valuation report.
- (ii) During the year ended 31 December 2025, Chuangyuan Alloy entered a construction agreement with a subsidiary of Hainan Fujuanong to acquire photovoltaic power plants. Details are set out in note 16.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

(v) Interest expense

	Year ended	
	2025 RMB'000	2024 RMB'000
Innovation Group	-	7,855
Total	-	7,855

(vi) Gain on disposal of property, plant and equipment

On 31 March 2025, Inner Mongolia Chuangyuan sold machinery equipment to Inner Mongolia Chuangxin New Material, the subsidiary of Innovation New Materials, with sale price of RMB80,000, resulting in loss on disposal of property, plant and equipment of RMB66,000.

On 1 January 2024, Chuangyuan Alloy sold machinery equipment to Yuanwang Metal and Inner Mongolia Chuangxin New Material, the subsidiaries of Innovation New Materials, with respective sale prices of RMB17,848,000 and RMB77,756,000, resulting in gain on disposal of property, plant and equipment of RMB4,393,000 and RMB4,190,000 respectively.

(vii) Acquisition of a subsidiary

In November 2024, Inner Mongolia Chuangyuan acquired from Innovation Group a 100% equity interest of Harrington Management Limited, which in turn holding 55% equity interest of PT Kayong Aluminum Nusantara at nil consideration.

Harrington Management Limited and PT Kayong Aluminum Nusantara have no material operation since its establishment in June 2024 and July 2024, respectively, and up to the acquisition date.

(viii) Disposal of a subsidiary

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics to its related party, Zouping Chuangyuan Logistics for RMB3,820,000. Details of which are set out in note 37.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

(ix) Other income

i) Rental income

	Year ended	
	2025 RMB'000	2024 RMB'000
Innovation New Material and its subsidiaries	29,065	25,652

ii) Others

	Year ended	
	2025 RMB'000	2024 RMB'000
Innovation New Material and its subsidiaries	3,136	5,856
Shandong Suotong	1	–
	3,137	5,856

(b) Outstanding balances with related parties:

(i) Trade receivables

	31 December	
	2025 RMB'000	2024 RMB'000
Shandong Luyu	–	1,266
Innovation New Material and its subsidiaries	17,514	15,893
	17,514	17,159
Less: allowance for credit losses	(5)	(5)
	17,509	17,154

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties: (Continued)

(i) Trade receivables (continued)

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

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 month	17,509	16,861
1 to 12 months	–	293
Total	17,509	17,154

(ii) Trade payables

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Shandong Suotong	48,863	288,100
Zouping Chuangyuan Logistics	–	10,363
Shandong Luyu	581	1,047
Total	49,444	299,510

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

	As at 31 December	
	2025 RMB'000	2024 RMB'000
0 to 30 days	18,540	126,601
31 to 90 days	30,904	116,754
91 days to 180 days	–	56,155
Total	49,444	299,510

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties: (Continued)

(iii) Prepayments and other receivables

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
Zouping Minsheng	Spare parts and others	12	416
Binzhou Chuangtai	Alumina and other related types of products	-	1,259
Innovation New Material and its subsidiaries	Spare parts and others	-	412
Total		12	2,087

(iv) Contract liabilities

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
Binzhou Chuangtai	Alumina and other related types of products	-	26,431
Innovation New Material and its subsidiaries	Electrolytic aluminum	678	-
		678	26,431

(v) Other payables

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
Hainan Fujuanrong and its subsidiaries		43,895	-

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

40. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended	
	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,160	1,070
Bonus	22,571	17,419
Retirement benefit scheme contributions	62	42
Total	23,793	18,531

41. MAJOR NON-CASH TRANSACTIONS

The Group has carried out the following major non-cash transactions during the year.

- i. During the year ended 31 December 2025, borrowings under supplier finance arrangement of RMB82,937,000 represents the payments to the suppliers by Bank of Qingdao directly. During the year ended 31 December 2024, bank loans under supplier finance arrangements amounted to RMB112,490,000, represents the payments to the suppliers by Bank of Jinzhou directly.
- ii. During the year ended 31 December 2025, lease liabilities amounted to RMB148,944,000 recognised with related right-of-use assets amounted to RMB184,728,000, represents the new lease entered of aircraft and offices.
- iii. During the year ended 31 December 2024, payments to a finance provider amounted to RMB165,596,000, represents the payments to suppliers by the finance provider directly.
- iv. On 29 January 2024 and 29 March 2024, Inner Mongolia Chuangyuan acquired 58.5% equity interests in aggregate of Shandong Chuangyuan from Innovation Group in stages at a total consideration of RMB751,372,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Inner Mongolia Chuangyuan to Innovation Group.
- v. On 9 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% equity interest in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3,000,000,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.



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For the Year Ended 31 December 2025

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

42.1 General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary/consolidated affiliated entity	Place of incorporation/registration/operations	Date of incorporation/registration	Issued and fully paid share/registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities	Notes
				2025	31 December 2024		
Directly held: Phineas Management	Hong Kong	15 September 2023	Ordinary share HKD1	100%	100%	Investment holding	
Brentford Management Pte. Ltd.	Singapore	10 September 2024	Ordinary share USD100	100%	100%	Investment holding	
Innovation Global Oasis FZ-LLC	United Arab Emirates	5 April 2025	Ordinary share AED50,000	100%	100%	Investment holding	
Innovation Global Industries UK Ltd.	The United Kingdom of Great Britain and Northern Ireland	21 January 2025	Ordinary share GBP500	100%	100%	Commodity trading platform	
Cedarway Management Limited	Hong Kong	14 March 2025	Ordinary share HKD10,000	100%	100%	Commodity trading platform	
Southern Jet Limited (formerly known as Camden Management Limited)	Hong Kong	14 March 2025	Ordinary share HKD10,000	100%	100%	Commodity trading platform	
Indirectly held: Inner Mongolia Chuangyuan	PRC	10 May 2012	Paid-in capital RMB3,232,320,000	100%	100%	Smelting and selling electrolytic aluminum	(note a)
Chuangyuan Alloy	PRC	28 January 2019	Paid-in capital RMB390,000,000	100%	100%	Providing electricity transmission services	
Inner Mongolia Chuangyuan Wind Power Co., Ltd.* (內蒙古創源風電有限公司)	PRC	20 July 2018	Registered and paid-in capital RMB100,000,000	100%	100%	Developing wind power generation	
Keyou Energy	PRC	11 November 2022	Registered capital RMB600,000,000	100%	100%	Providing electricity transmission services	
Inner Mongolia Chuangyuan Material Recycling Co., Ltd.* (內蒙古創源物資再生利用有限公司)	* PRC	26 July 2018	Paid-in capital RMB3,000,000	100%	100%	Recycling and processing metals	
Inner Mongolia Chuangyuan New Material Co., Ltd.* (內蒙古創源新材料有限公司)	PRC	13 January 2022	Paid-in capital RMB20,000,000	100%	100%	Manufacturing and selling eco-environmental materials	
Chuangyuan Smart Energy	PRC	4 June 2018	Registered and paid-in capital RMB20,000,000	100%	100%	Providing electricity transmission services	

* English name is for identification purpose only.



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

42.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below. (Continued)

Name of subsidiary/consolidated affiliated entity	Place of incorporation/registration/operations	Date of incorporation/registration	Issued and fully paid share/registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities	Notes
				2025	2024		
				31 December			
Indirectly held - continued Shandong Chuangyuan	PRC	12 November 2018	Registered and paid-in capital RMB450,000,000	58.5%	58.5%	Producing and selling alumina and other related types of products	
Inner Mongolia Chuangyuan Supply Chain Management Co., Ltd.* (内蒙古创源供应链管理 有限公司) (formerly known as Inner Mongolia Tengxin Industry and Trade Co., Ltd.* (内蒙古腾信工贸有限公司)) Beijing Chuangyuan	PRC	27 June 2023	Registered capital RMB450,000,000	100%	100%	Selling coal and non-ferrous metals	
Kanghong New Materials	PRC	9 May 2024	Paid-in capital USD150,000,000	100%	100%	Investment holding	(note a)
Harrington Management Limited	Hong Kong	25 May 2023	Registered and paid-in capital RMB100,000,000	100%	100%	Investment holding	
Kingston Management Pte. Ltd.	Singapore	20 June 2024	Ordinary share HKD10,000	-	-	Investment holding	(note b)
Beijing Chuangyuan Xinchuang Metal Materials Design & Research Co., Ltd.* (北京创源新金属材料设计 研究有限公司) Southern Jet	Singapore	26 September 2024	Ordinary share USD100	100%	100%	Investment holding	
	PRC	23 October 2025	Registered capital RMB10,000,000	100%	100%	N/A	Designing and researching of metal materials
	PRC	29 January 2016	Paid-in capital RMB32,500,000	100%	100%	-	Business aviation charter services

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

42.1 General information of subsidiaries (Continued)

All entities now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

Notes:

- (a) The companies are a wholly owned foreign enterprises.
- (b) As disclosed in note 37, the subsidiary was disposed to a third party on 30 May 2025.

All subsidiaries in PRC are limited liability companies.

None of the subsidiaries had issued any debt securities at the end of the years ended 31 December 2025 and 2024.

43. RETIREMENT BENEFITS PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

For the years ended 31 December 2025, the total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB37,289,000 (2024: RMB29,916,000).



Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	3,778	–
Right-of-use assets	10,952	–
Investment in subsidiaries	1,881,190	–
Other receivables	2,246	2,303
	1,898,166	2,303
Current assets		
Cash and cash equivalents	3,724,014	865
Amount due from parent company	53	–
Other receivables	–	5,789
Amount due from a related party	–	–*
	3,724,067	6,654
Current liabilities		
Other payables	3,563	18,627
Lease liabilities	4,904	–
Amount due to subsidiaries	40,123	8,098
	48,590	26,725
Net current assets (liabilities)	3,675,477	(20,071)
Total assets less current liabilities	5,573,643	(17,768)
Non-current liability		
Lease liabilities	6,631	–
Net assets (liabilities)	5,567,012	(17,768)
Capital and reserves		
Share capital	74	–*
Reserves	5,566,938	(17,768)
Total equity (deficit)	5,567,012	(17,768)

* Less than RMB1,000.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves

	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2023	-	-	-
Loss and total comprehensive expense for the year	-	(17,768)	(17,768)
At 31 December 2024	-	(17,768)	(17,768)
Shares issued pursuant to the IPO	5,751,371	-	5,751,371
Transaction costs attributable to issue of new shares	(113,893)	-	(113,893)
Loss and total comprehensive expense for the year	-	(52,772)	(52,772)
At 31 December 2025	5,637,478	(70,540)	5,566,938

45. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in notes 24 and 29, the following significant events took place after the end of the reporting period:

On 17 March 2026, Inner Mongolia Chuangyuan entered into two equity transfer agreements with Innovation Group to acquire:

- i) the 41.5% equity interest in Shandong Chuangyuan held by it, with a consideration of RMB526 million. After the completion of the acquisition, Shandong Chuangyuan will become a wholly-owned subsidiary of the Group.
- ii) the 100% equity interest in Tongliao Smart Mining Co., Ltd. * (通遼市智慧礦業有限公司) held by Innovation Group, with a transaction consideration of RMB1 billion. Tongliao Smart Mining Co., Ltd. holds a exploration right of a coal mine.

These two transactions are subject to approval by the shareholders in the forthcoming general meeting.

The management of the Group is currently assessing the financial impact arising from the above two acquisition transactions.

* English name is for identification purpose only.

Definitions

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“AGM”	the forthcoming annual general meeting of the Company
“alumina refining”	the process of extracting aluminum oxide from bauxite ore
“alumina”	aluminum oxide, the primary material for electrolytic aluminum smelting
“aluminum hydroxide”	a white crystalline compound formed in the Bayer process of alumina refining process, can be calcined into alumina
“aluminum ingots”	the standardized solid form of aluminum that has been cast into a convenient shape for storage, transportation, and further processing
“aluminum smelting”	the electrolytic reduction process required to produce electrolytic aluminum from alumina
“Antaika”	Beijing Antaika Information Technology Co., Ltd. (北京安泰科信息科技股份有限公司)
“Articles of Association”	the first amended and restated articles of association of our Company (as amended from time to time), conditionally adopted on 9 November 2025 with effect from the Listing Date
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“bauxite”	a mineral, a mixture of hydrated aluminum oxides usually containing oxides of iron and silicon in varying quantities, characteristically composed of small, round concretions
“Bayer process”	the principal industrial method for refining bauxite to produce alumina developed by Carl Josef Bayer
“Beijing Chuangyuan”	Beijing Chuangyuan Zhixin Trading Co., Ltd. (北京創源智新商貿有限公司), a limited company established under the laws of the PRC on 9 May 2024, and an indirectly wholly-owned subsidiary of our Company
“Bloomsbury Holding”	Bloomsbury Holding Limited, a limited liability company incorporated under the laws of the British Virgin Islands on 28 June 2023, which is wholly owned by Mr. Cui



“Board” or “Board of Directors”	the board of Directors of the Company
“Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“China” or “PRC”	the People’s Republic of China, and for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Chuangyuan Alloy”	Inner Mongolia Chuangyuan Alloy Co., Ltd. (內蒙古創源合金有限公司), a limited company established under the laws of the PRC on 28 January 2019, and an indirectly wholly-owned subsidiary of our Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Chuangxin Industries Holdings Limited (創新實業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 4 July 2023
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Transaction Control Committee”	the connected transaction control committee of the Board
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Cui and Bloomsbury Holding, and a Controlling Shareholder shall mean each or any one of them
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company

Definitions

“dual-carbon”	“Carbon Peaking” and “Carbon Neutrality”
“Environmental, Social and Governance Committee”	the environmental, social and governance committee of the Board
“Group”, “our Group”, “we”, “our” or “us”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board
“Inner Mongolia Chuangyuan”	Inner Mongolia Chuangyuan Metal Co., Ltd. (內蒙古創源金屬有限公司), a limited company established under the laws of the PRC on 10 May 2012, and an indirectly wholly-owned subsidiary of the Company
“Innovation Group”	Shandong Innovation Group Co., Ltd. (山東創新集團有限公司), a limited company established under the laws of the PRC on 13 August 2013, a company held by Mr. Cui and his associates, namely Yang Aimei, Geng Hongyu and Wang Wei as to 71.82%, 11.82%, 8.18% and 8.18%, respectively, thus our connected person
“Innovation New Material”	Innovation New Material Technology Co., Ltd. (創新新材料科技股份有限公司), a limited company established under the laws of the PRC on 7 June 1996 and listed on the Shanghai Stock Exchange (stock code: 600361.SH), a subsidiary of Innovation Group which is held by Innovation Group and Mr. Cui as to 30.08% and 14.40%, respectively, thus our connected person. The other shareholders of Innovation New Materials include enterprises, institutions and natural persons, each of them holding less than 5% of the shares
“Listing Date”	24 November 2025, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Cui”	Mr. CUI Lixin (崔立新), the chairman of the Board, a non-executive Director, our founder and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“Phineas Management”	Phineas Management Limited, a limited liability company incorporated under the laws of Hong Kong on 15 September 2023, and a wholly-owned subsidiary of our Company
“Prospectus”	the prospectus of the Company dated 14 November 2025
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	For the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shandong Chuangyuan”	Shandong Chuangyuan New Material Technology Co., Ltd. (山東創源新材料科技有限公司) (formerly known as Shandong Luyu Bochuang Aluminum Co., Ltd. (山東魯渝博創鋁業有限公司), a limited company established under the laws of PRC on 12 November 2018, which is held by our Group and Innovation Group as to 58.5% and 41.5%, respectively
“Share(s)”	ordinary shares in the share capital of the Company with par value of US\$0.000005 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Definitions

“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For identification purposes only