南山鋁業國際
NANSHAN ALUMINIUM INTL.

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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2610

2024
Annual Report

CONTENTS

Corporate Information

COMPANY NAME

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

STOCK CODE

2610.HK

LISTING DATE

25 March 2025

BOARD OF DIRECTORS

Executive Directors

Mr. Hao Weisong *(Chairman of the Board and Chief Executive Officer) (appointed on 7 February 2024)*
Mr. Wang Shisan *(appointed on 29 September 2023)*

Non-Executive Directors

Ms. Wang Yanli *(appointed on 13 September 2024)*
Mr. Loo Tai Choong *(appointed on 16 September 2024)*
Mr. George Santos *(appointed on 13 September 2024)*

Independent Non-Executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. Leung Ka Hong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN INDONESIA

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY WEBSITE

www.nanshanintl.com

AUDITOR

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

HONG KONG LEGAL ADVISOR

Stevenson, Wong & Co. in association with AllBright Law (Hong Kong) Offices LLP

COMPLIANCE ADVISOR

UOB Kay Hian (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
PT. Bank Mandiri (Persero) Tbk
United Overseas Bank Limited

Definitions

In this annual report, the following expressions have the meanings set out below unless the context otherwise requires:

"alumina"	an aluminium oxide, a white or nearly colourless crystalline substance that is used as a starting material for the smelting of aluminium. It also serves as the raw material for a broad range of advanced ceramic products and as an active agent in chemical processing
"Alumina Production Projects"	collectively, the Phase I Alumina Production Project, Phase II Alumina Production Project and New Alumina Production Project
"BAI"	PT. Bintan Alumina Indonesia, a company incorporated in Indonesia with limited liability on 10 May 2012 and an indirect non wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of directors of our Company
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company" or "our Company"	Nanshan Aluminium International Holdings Limited (南山鋁業國際控股有限公司)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)" or our "Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive directors
"FY"	the financial year ended or ending (as the case may be) 31 December
"GAI"	Global Aluminium International Pte. Ltd., a company incorporated in Singapore with limited liability on 4 April 2013 and an indirect wholly-owned subsidiary of our Company
"GBAI"	PT. Galang Batang Aluminium Indonesia, a company incorporated in Indonesia on 25 October 2024 and an indirectly non wholly-owned subsidiary of our Company
"GB/T 24487-2022"	PRC National Standard: <Alumina>, which was issued on 9 March 2022
"Global Offering"	the Hong Kong Public Offering and the International Placing
"Group", "we, "us" or "our Group"	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"HKD", "Hong Kong dollars", "HK$" or "cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"INED(s)"	Independent non-executive Director(s)
"Indonesia"	the Republic of Indonesia

Definitions

"Latest Practicable Date"	15 April 2025, being the latest practicable date prior to the publication of this annual report for the purpose of ascertaining certain information contained herein
"Listing"	listing of the Shares on the Main Board
"Listing Date"	25 March 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, modified and supplemented from time to time
"MGB"	PT. Medical Galang Batang, a company incorporated in Indonesia on 14 September 2024 and an indirectly non wholly-owned subsidiary of our Company
"MKU"	PT. Mahkota Karya Utama
"NAIHL"	Nanshan Aluminium Investment Holding Limited
"NAM"	Hong Kong Nanshan Aluminium Management Company Limited (香港南山鋁業管理有限公司)
"Nanshan Aluminium"	Shandong Nanshan Aluminium Co., Ltd.* (山東南山鋁業股份有限公司)
"Nanshan Aluminium Group"	Nanshan Aluminium and its subsidiaries
"Nanshan Group"	Nanshan Group Co., Ltd.* (南山集團有限公司)
"Nanshan Village Committee"	the village member committee (龍口市東江街道南山村村民委員會) of Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, the PRC (龍口市東江街道南山村)
"NAS"	Nanshan Aluminium Singapore Co. Pte. Ltd.
"New Alumina Production Project"	our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of two million tons and has commenced construction in the first half of 2024
"PAIHL"	Prime Aluminium Investment Holding Limited
"PAIL"	Hong Kong Prime Aluminium Investment Limited
"Phase I Alumina Production Project"	phase I of our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of one million tons and has commenced operation in the second quarter of 2021
"Phase II Alumina Production Project"	phase II of our project on alumina production in the Special Economic Zone, Bintan Island, Riau Islands Province with a designed annual alumina production capacity of one million tons and has commenced operation in the last quarter of 2022
"PRC"	the People's Republic of China
"Press Metal"	Press Metal Aluminium Holdings Berhad

"PMIRHK"	Press Metal International Resources (HK) Limited (齊力國際資源(香港)有限公司)
"Prospectus"	the Prospectus of the Company dated 17 March 2025
"Reporting Period"	the financial year ended 31 December 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal or par value of US$0.0000002 each in the share capital of our Company
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 10 March 2025, the principal terms of which are summarised in the section headed "D. Other Information — 1. Share Option Scheme" in Appendix V in the Prospectus
"Shareholder(s)"	holder(s) of the Share(s)
"Southeast Asia"	Southeast Asia, consisting of Vietnam, Thailand, Malaysia, Singapore and Indonesia
"Special Economic Zone"	Galang Batang Special Economic Zone in Indonesia
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"Yili Electric"	Shandong Yili Electric Industry Co., Ltd.* (山東怡力電業有限公司)
"%"	per cent.

* The English name is for identification purpose only.

Chairman's Statement

On behalf of the Board of Directors of the Company, I hereby present to the shareholders of the Company (the "**Shareholders**") the annual report of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**", "**FY2024**" or the "**Reporting Period**").

The Company, as a leading alumina enterprise in Southeast Asia, is establishing an alumina production base in the Galang Batang Special Economic Zone in Indonesia. In 2017, we officially launched the plan to construct an alumina refinery in Indonesia. The journey has been filled with hardships and challenges, but also with the joy of achievements. During this time, we overcame numerous difficulties, including cultural differences both domestically and internationally, as well as the outbreak of the pandemic. In 2021, our Phase I Alumina Production Project with designed annual alumina production capacity of one million tons was put into operation. In 2022, the second phase, also with an annual capacity of 1 million tons, successfully began operations, marking a steady transition from planning to implementation and from production to capacity expansion. The Company has successfully established its industrial landscape and become a benchmark for the overseas development of Chinese enterprises.

Under the guidance of the national "Belt and Road" strategy, leveraging Indonesia's unique resources and locational advantages, we have collaborated sincerely with strategic shareholders and partners to build strong competitive advantages in cost control, technological innovation, and logistics. This has successfully created an industry-leading cost advantage, firmly positioning us at the forefront of the alumina industry in Southeast Asia. This not only showcases the strength of our Company but also represents our commitment to promoting the green and efficient development of the industry.

Looking ahead, the Group will continue to pursue its long-term growth strategy with determination and vision, and deepen strategic cooperation with our Shareholders and business partners. We will also continue to reinforce our governance standards and risk management capabilities, ensuring long-term stability and accountability.

Finally, on behalf of the Board, I would like to express our sincere gratitude towards the Shareholders, business partners, customers and all staff of the Group for their continuous support. The Company will endeavour to improve the Group's performance, expand its business scope and create greater value for the Shareholders and all stakeholders in the society.

Hao Weisong
Chairman
Nanshan Aluminium International Holdings Limited

BUSINESS OVERVIEW

We are an alumina manufacturer in Southeast Asia and are committed to continually strengthening our market position in the region. Since our inception, our primary focus has been on tapping into Indonesia's abundant bauxite and coal reserves, utilising these resources to fuel our operations. We believe our strategic position within the Special Economic Zone amplifies our logistical and economic efficiencies, and enables us to forge a highly efficient and technologically advanced alumina production base.

The completion of Phase II Alumina Production Project marked a key milestone, increasing our designed annual alumina production capacity to two million tons, which allowed our Group to rank among the first in Indonesia and Southeast Asia in terms of designed annual production capacity in 2023. Our achievements above are also testaments to our technological strengths, operational excellence, and commitment to growth.

In line with our strategy to further expand our market share in Southeast Asia, in the first half of 2024, we initiated the construction of additional alumina production facilities with our New Alumina Production Project which has a designed annual alumina production capacity of two million tons. Our metallurgical-grade alumina is a crucial raw material in the production of electrolytic aluminium. It enjoys a robust demand in the Southeast Asian market due to its pivotal role in meeting the stringent requirements for high-performance aluminium products. Our product quality surpasses AO-1 Grade of GB/T 24487–2022 standard, as demonstrated by its exceptional chemical composition.

Beyond capacity expansion, we remain focused on securing stable and competitive supplies of raw materials such as bauxite, caustic soda, and coal. During the Reporting Period, we optimised our raw materials procurement strategy by diversifying sources and establishing deeper partnerships with suppliers in Indonesia and overseas.

During the Reporting Period, the Group's only business segment, namely the production and sale of metallurgical-grade alumina continued to experience strong demand growth across Southeast Asia. In 2024, the global demand for alumina, primarily driven by its application in electrolytic aluminium production, continued to rise, supported by robust activity across downstream industries such as construction, transportation, electrical, and packaging. The Southeast Asian alumina market remained robust, supported by regional demand for metallurgical-grade alumina.

Management Discussion and Analysis

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

	2024	2023
	US$'000	US$'000
Geographical region		
Malaysia	**485,918**	318,880
Hong Kong	**408,637**	223,542
Singapore	**90,154**	55,108
Indonesia	**33,215**	—
South Korea	**2,744**	2,177
Mainland China	**—**	67,461
Switzerland	**—**	10,617
	1,020,668	677,785

FINANCIAL REVIEW

Revenue

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

Our revenue increased by 50.6% from US$677.8 million in FY2023 to US$1,020.7 million in FY2024, which was primarily due to the increase in the sales volume and average selling price.

The sales volume of alumina increased by approximately 13.4% from 1,902,000 tons (including approximately 8,000 tons of aluminium hydroxide) in FY2023 to 2,158,000 tons (including approximately 54,000 tons of aluminium hydroxide) in FY2024. The average selling price increased by approximately 32.8% from US$356 in FY2023 to US$473 in FY2024.

Gross Profit and Gross Profit Margin

Our gross profit increased significantly by 161.4% from US$197.7 million in FY2023 to US$516.7 million in FY2024, which was primarily driven by our increase in revenue. Our gross profit margin also increased significantly from 29.2% in FY2023 to 50.6% in FY2024, primarily due to the increase in our average selling price of alumina which outweighed the increase in our cost of sales.

Other Net Income

Our other net income increased by 48.4% from US$11.5 million in FY2023 to US$17.0 million in FY2024, primarily due to (a) an increase in net foreign exchange gain by US$3.9 million, and (b) an increase in interest income on financial assets measured at amortised cost, representing the Group's demand deposits with banks, by US$2.9 million.

Administrative Expenses

Our administrative expenses increased by approximately 55.8% from US$18.1 million in FY2023 to US$28.2 million in FY2024, primarily due to the increase in listing expenses and salaries and allowances, representing approximately 2.8% of the total revenue of the Group (FY2023: approximately 2.7%).

Our administrative expenses excluding listing expenses is US$23.3 million, representing approximately 2.3% of the total revenue of the Group (FY2023: approximately 2.6%).

Income Tax Expense

We incurred income tax expense of US$13.6 million in FY2023, which increased by approximately 219.1% to US$43.3 million in FY2024, primarily due to the withholding tax in relation to the dividend distribution of GAI, and the recognition of deferred tax liabilities in relation to the undistributed profits of BAI.

Profit for the Year

Our profit for the year increased from US$173.5 million in FY2023 to US$457.4 million in FY2024, representing an increase of approximately 163%. The increase in net profit was mainly due to the increase in sales and improved gross profit margin.

During the Reporting Period, basic earnings per share of the Company were approximately US$0.94, which increased from US$0.35 in FY2023.

Dividend

Pursuant to the resolutions of the Directors passed on 22 September 2024, based on the financial conditions of the Company as at 30 June 2024 including the amount of share premium, the Company declared a dividend of US$260.0 million, which is payable to the then existing Shareholders at the time of declaration and was settled upon Listing.

The Board did not recommend payment of any final dividend to the Shareholders of the Company for the Reporting Period (FY2023: nil).

Liquidity, financial resources and capital resources

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately US$454.2 million (31 December 2023: approximately US$251.6 million), which were mainly denominated in Indonesian Rupiah and United States dollars. Working capital (current assets less current liabilities) and the total equity of the Group as at 31 December 2024 amounted to approximately US$248.2 million (31 December 2023: approximately US$359.5 million) and approximately US$1,294.4 million (31 December 2023: approximately US$1,269.6 million), respectively. As at 31 December 2024, there are no borrowings by the Group (31 December 2023: nil).

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) buildings, (ii) plant and machinery, (iii) furniture and fixtures, (iv) motor vehicles; and (v) construction in progress. Our property, plant and equipment increased by approximately 11.4% from US$869.6 million as at 31 December 2023 to US$969.0 million as at 31 December 2024, primarily due to our capital expenditure for the development of our New Alumina Production Project.

Inventories

Our inventories primarily consisted of (i) raw materials, which primarily included bauxite, coals and caustic soda procured for the production of alumina; (ii) work in progress, which included semi-finished products; and (iii) finished goods, which consisted of alumina for sale to customers. Our inventories decreased by 23.3% from US$129.9 million as at 31 December 2023 to US$99.6 million as at 31 December 2024, primarily due to our utilisation of raw materials for production during FY2024, coupled with the fact that we slowed down our bauxite procurement during FY2024 with a view to utilise the inventories we stocked up in FY2023 to control our inventories.

Management Discussion and Analysis

Right-of-Use Assets

Our right-of-use assets primarily represented our leasehold lands in Indonesia for our production base. Our right-of-use assets decreased slightly from US$52.7 million as at 31 December 2023 to US$50.9 million as at 31 December 2024, primarily due to depreciation charges incurred during FY2024 and negative exchange adjustment.

Intangible Assets

Our intangible assets mainly consisted of software used for our business operations. Our intangible assets decreased from US$5.4 million as at 31 December 2023 to US$4.6 million as at 31 December 2024, primarily due to the effect of amortisation.

Cash and cash equivalents

Our cash and cash equivalents were mainly denominated in Indonesian Rupiah or United States dollars. Our cash and cash equivalents increased from US$251.6 million as at 31 December 2023 to US$454.2 million as at 31 December 2024, primarily due to our cash generated from operations in FY2024.

Trade Receivables

Our trade receivables represented outstanding trade receivables from our customers for the purchase of our products. Our trade receivables decreased from US$62.6 million as at 31 December 2023 to US$41.0 million as at 31 December 2024, primarily due to settlement made by our customers.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of (i) prepayments for purchase of leasehold lands; (ii) prepayments for purchase of property, plant and equipment; (iii) prepayments for purchase of inventories; (iv) value-added tax recoverable; (v) amount due from related parties; (vi) listing expenses to be capitalised; and (vii) others. Our prepayments and other receivables (inclusive of both current and non-current portion) amounted to US$63.0 million as at 31 December 2023, and increased to US$97.0 million as at 31 December 2024, primarily as a result of our increased prepayments for purchase of property, plant and equipment in connection with the construction of our New Alumina Production Project.

Trade Payables

Our trade payables mainly included payables to our raw materials suppliers. Our trade payables amounted to US$35.6 million as at 31 December 2023, and decreased to US$17.9 million as at 31 December 2024, primarily due to the settlements made by our Group.

Other Payables and Accruals

Our other payables and accruals mainly included (i) payables for purchase of property, plant and equipment; and (ii) dividend payable. Our other payables and accruals increased by approximately 220.7% from US$112.9 million as at 31 December 2023 to US$362.1 million as at 31 December 2024, primarily due to an increase in our dividend payable. The dividend of US$260 million was settled upon Listing and as at the Latest Practicable Date.

Employees and remuneration policy

As at 31 December 2024, the Group employed 3,282 full time employees (31 December 2023: 2,869) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately US$39.9 million for the Reporting Period (31 December 2023: approximately US$22.5 million). The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees (including the Directors) with reference to the performance of the Group, the performance of the relevant individuals and the prevailing market rates. Other benefits, such as medical and retirement benefits, are also provided to employees (including the Directors). In addition, share options may be granted to eligible employees of the Group and/ or the Directors of the Company in accordance with the terms of the share option scheme adopted by the Company. Please refer to the paragraph headed "Report of the Directors — Share Option Scheme" in this report for details.

Pledge of assets

As at 31 December 2024, the Group did not have any pledge of assets.

Treasury policy

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

Gearing ratio

Gearing ratio is calculated on the basis of total borrowings over the Group's total equity as at the end of the year. The Group does not have borrowings and other debt financing obligations as at 31 December 2023 and 31 December 2024 and the resulting gearing ratio is nil.

Significant investments

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

Future plans for material investments or capital assets

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

Save as disclosed above, during FY2024 and as at the Latest Practicable Date, there was no future plan approved by the Group for any material investments or capital assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

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

Foreign exchange risk

The Group receives majority of payments from customers in United States dollar and majority of the Group's costs are denominated in Indonesian Rupiah and Renminbi. The Group may also need to convert and remit United States dollar into foreign currencies for the payment of dividends, if any, to holders of shares of the Company (the "**Shares**"). The Group assets and liabilities are mainly denominated in Indonesian Rupiah, United States dollar and Renminbi. The Group is therefore exposed to foreign exchange risk arising from currency exposures, primarily in respect to the Indonesian Rupiah, United States dollar and Renminbi. During the Reporting Period, the Group held derivative financial instruments to manage its foreign currency risk exposures. The Group will closely monitor the exchange rate risks involved, actively discuss foreign exchange hedging solutions with major banks, and use financial instruments to counter the risks involved when necessary.

Our net foreign exchange gain increased by approximately 160% from US$2.5 million in FY2023 to US$6.5 million in FY2024 mainly due to the appreciation of United States dollar again Indonesian Rupiah during the Reporting Period.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 10 March 2025 by resolutions of our Shareholders. A summary of the principal terms of the Share Option Scheme was set out in paragraph headed "Report of the Directors — Share Option Scheme" in this report.

There were no share options outstanding under the Share Option Scheme nor were any option granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme for the period from the date of Listing up to the Latest Practicable Date.

EVENTS AFTER THE REPORTING PERIOD

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

On 25 March 2025, the Company was listed on the Main Board of the Stock Exchange with a global offering of 88,235,300 Shares, comprising a Hong Kong public offering of 8,823,600 Shares and an international placing of 79,411,700 Shares. The issued shares of the Company were increased to 588,235,000.

OUTLOOK AND PLANS

Through our dedicated efforts in Indonesia for years, we have successfully completed our Phase I Alumina Production Project and Phase II Alumina Production Project, encompassing a designed annual production capacity of two million tons of alumina. Leveraging our experience, we plan to further expand our designed annual alumina production capacity to four million tons through our New Alumina Production Project, in order to satisfy the surging market demand in the aluminium industry and to achieve a greater economy of scale. There will be an expansion of the deep-water port with the construction of additional 70,000 tons berths and ancillary equipment in the deep-water port, for the purpose of logistical enhancements. The expected operation commencement date for the first one million tons per annum of the New Alumina Production Project is in the second half of 2025 and the second one million tons per annum is expected to be in the second half of 2026. We aim to enhance our production capacity to meet the diverse needs of our customers, contribute to regional economic development, and ensure sustainable business growth while maximising Shareholder value.

Going forward, we plan to implement the following strategies, which we believe, will strengthen our core competitive strengths and enable us to capture rising business opportunities:

- By integrating resources, fostering cooperation and innovation, and optimising processes, we aim to reduce costs and improve our efficiency, enhancing our competitiveness and sustainable development.

- Continuously attract, develop and motivate talents to build a global leading production and management team.

- Increasing ESG investment, building a century-long foundation, and setting a benchmark for sustainable development.

We are committed to seizing the opportunities and leveraging advantages brought by our listing status to achieve the leapfrog in our business development in 2025. Nonetheless, we are mindful of the broader macroeconomic and geopolitical environment. The economic uncertainty in 2025 originates from the United States, with a significant concern being the Trump administration's tariff policies on exporting nations. Even there is no sales to the United States by the Group, these measures have the potential to disrupt trade dynamics, further contributing to the unpredictability of the global economy.

We will continue to closely monitor global developments and remain agile in adjusting our strategies where appropriate. Looking forward, we remain committed to driving growth, executing our New Alumina Production Project as scheduled, and delivering long-term value to our Shareholders.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Hao Weisong (郝維松), aged 48, is the chairman of our Board, executive Director and chief executive officer and general manager. He was appointed to our Board as a Director on 7 February 2024 and was designated as an executive Director on 22 September 2024. Since February 2018, Mr. Hao has been a general manager of BAI and since March 2019, he is also a director of BAI. He is primarily responsible for the overall management of our Group, in particular overseeing the strategic planning, overall management and procurement and sales.

Mr. Hao has approximately 29 years of experience in the power plant operation and maintenance field, as well as in the electric power and alumina-related production industry. Mr. Hao joined Nanshan Aluminium in October 1996. From October 1996 to December 2011, Mr. Hao held various positions in the power plants of Nanshan Aluminium, including manager and deputy manager of the boiler maintenance department, manager of the turbine maintenance department, manager of the expansion office and deputy chief engineer of the deputy general office. From January 2012 to February 2018, he held several positions in the Nanshan Power Corporation* (南山電力總公司) ("**Nanshan Power Corporation**") of Nanshan Aluminium, including assistant commander-in-chief, assistant general manager and deputy general manager, where he was responsible for operation and technical management and electric safety operation. From April 2021 to June 2023, Mr. Hao was the deputy general manager of Nanshan Aluminium and from July 2023 to January 2024, Mr. Hao was a director of Nanshan Aluminium. Mr. Hao is a director of GAI, MGB and GBAI since June 2018, September 2024 and October 2024, respectively.

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

Mr. Wang Shisan (王仕三), aged 51, is our executive Director and chief financial officer. He was appointed to our Board as a Director on 29 September 2023 and was designated as an executive Director on 22 September 2024. He joined BAI in June 2018 as the chief financial officer and is primarily responsible for overseeing the overall finance and accounting management.

Mr. Wang Shisan has over 30 years of experience in financial accounting and management. Between September 1994 and February 2002, he worked for Rizhao Sanyin Textile Co., Ltd.* (日照三銀紡織有限公司) as the financial manager, responsible for financial accounting and auditing functions of the company. Subsequently, he served as the cost control director of Asia Symbol (Shandong) Pulp and Paper Co., Ltd.* (山東亞太森博漿紙有限公司) from March 2002 to February 2010. Before joining our Group, Mr. Wang Shisan served as the vice president of Yinyi Philippines Investment and Holding Group* (銀億集團菲律賓控股公司) from March 2010 to June 2018, responsible for financing, tax, accounting and auditing.

Mr. Wang Shisan obtained a bachelor's degree in accounting from the Shandong University of Finance and Economics (山東財政學院) in Shandong, the PRC in July 2002.

Non-executive Directors

Ms. Wang Yanli (王艷麗), aged 46, is our non-executive Director. She is primarily responsible for providing guidance for the strategy and business development of our Group. She was appointed to our Board as a Director on 13 September 2024 and was designated as a non-executive Director on 22 September 2024.

Ms. Wang Yanli was a director of Longkou Kaisheng New Material Technology Co., Ltd.* (龍口凱盛新材料科技有限公司) from August 2013 to November 2023 and the chairman of Longkou Xinde Aluminium Industry Development Co., Ltd.* (龍口新德鋁業發展有限公司) until September 2018. From February 2020 to March 2024, she served as the operations manager of Jaron Energy Pte. Ltd. where she was responsible for overseeing and managing the day-to-day operations. Since May 2024, she is a director of PAIHL, PAIL, GAIHL and NAM.

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

Mr. Loo Tai Choong, aged 56, is our non-executive Director. He is primarily responsible for providing guidance for the strategy and business development of our Group. He was appointed to our Board as a Director on 16 September 2024 and was designated as a non-executive Director on 22 September 2024.

Mr. Loo Tai Choong has more than 23 years of experience in the alumina industry. He joined Press Metal in February 2001 and was promoted to the position of group financial controller in 2002. He was subsequently redesignated as the chief financial officer of Press Metal in January 2024. Mr. Loo Tai Choong started his career as an auditor, involved in a wide range of audit and tax consultation, as well as corporate investigation works, specialising particularly in manufacturing, banking and insurance industries. Prior to joining Press Metal, he was the accountant of a Malaysia banking group.

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

Mr. George Santos, aged 29, is our non-executive Director. He is also the son of Mr. Santony, a connected person of our Company. He is primarily responsible for providing guidance for the strategy and business development of our Group. He was appointed to our Board as a Director on 13 September 2024 and was designated as a non-executive Director on 22 September 2024.

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wen Xianjun (文獻軍), aged 62, was appointed as our independent non-executive Director on 10 March 2025. He is primarily responsible for supervising and providing independent advice to our Board.

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

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

Mr. Cheung Kwong Tat (張廣達), aged 57, was appointed as our independent non-executive Director on 10 March 2025. He is primarily responsible for supervising and providing independent advice to our Board.

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

Mr. Cheung was the founding regional managing partner of Western China of Deloitte China. He has solid experience and extensive network in both Hong Kong and China, particularly in the sector of Hong Kong initial public offering market.

Mr. Cheung also served Deloitte China Governance Board for over six years and has experience in corporate governance and business development strategies. Other than his technical expertise, Mr. Cheung is very active in serving the community. He has served as the director of Rotarian Lodge of Hong Kong Charitable Foundation Limited since September 2022. Since August 2024, he is an independent non-executive director of Wonderful Sky Financial Group Holdings Limited (皓天財經集團控股有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1260).

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

Ms. Dong Meihua (董美華), aged 45, was appointed as our independent non-executive Director on 10 March 2025. She is primarily responsible for supervising and providing independent advice to our Board.

Ms. Dong Meihua has over 23 years of experience in auditing and management. She joined Shandong Huaxing Certified Public Accountants Firm* (山東華興有限責任會計師事務所) as auditor and department manager from August 2001 to September 2005. Subsequently, she served as department manager in Beijing China Enterprise Appraisals Juncheng Certified Public Accountants Shandong Branch* (北京中企華君誠會計師事務所有限公司山東分所) from October 2005 to November 2009. Since December 2009, she has been appointed as the partner and the person in charge of the Shandong Branch in Beijing Xinghua Certified Public Accountants (Special General Partnership) (北京興華會計師事務所(特殊普通合夥)).

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

Biographical Details of Directors and Senior Management

GENERAL

Save as disclosed, none of our Directors:

(i) held any other positions in our Company or other members of our Group as at the Latest Practicable Date;

(ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date;

(iii) held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date; and

(iv) have any interest in the Shares within the meaning of Part XV of the SFO or is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of our Company.

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

SENIOR MANAGEMENT

Mr. Jia Zhenjiang (賈振江), aged 61, is our chief project officer. He joined BAI in May 2020. From May 2020 to August 2020, he was the deputy general manager of BAI. Since September 2020, Mr. Jia Zhenjiang has been the chief project officer of BAI, and was responsible for overseeing the overall planning, project construction, production management, supervision and safety.

Mr. Jia Zhenjiang has approximately 17 years of experience in electric power and alumina-related production industry. Before joining our Group, he served in Yili Electric as the chief engineer and plant manager from June 2007 to December 2016. From January 2017 to May 2020, he served various positions in Nanshan Power Corporation, including deputy general manager and plant manager of a thermal power plant.

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

Mr. Lin Jiqiang (林吉強), aged 49, is our deputy general manager. From February 2018 to January 2020, he was an assistant general manager of BAI, and he has been serving as the deputy general manager since July 2020, and was responsible for overseeing engineering construction and environment protection.

Mr. Lin Jiqiang has approximately 16 years of experience in electric power and alumina-related production industry. Mr. Lin Jiqiang served various positions in Yili Electric from February 2008 to December 2015 including deputy chief engineer for operations and deputy chief engineer for a power plant expansion project. From January 2016 to February 2018, he served various positions in Nanshan Power Corporation, including the deputy head of Indonesia projects, and the assistant general manager in the expansion project department, responsible for the construction management of the power plant expansion project and technical renovation.

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

Biographical Details of Directors and Senior Management

Mr. Huo Liang (霍亮), aged 52, is our deputy general manager. From January 2020 to March 2022, he joined BAI as deputy factory manager and factory manager, responsible for overseeing the construction and production operations of the alumina projects. Since March 2022, he served as the deputy general manager of BAI, responsible for overseeing the safety production management and equipment management of BAI.

Mr. Huo Liang has more than 11 years of experience in the alumina-related production industry. From September 2014 to January 2020, Mr. Huo Liang held various positions in Donghai Alumina Co., Ltd.* (龍口東海氧化鋁有限公司) ("**Donghai Alumina**"), including deputy head of equipment and assistant general manager, where he was in charge of safety, environmental protection, technology transformation and equipment management for alumina.

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

Mr. Zhu Jiahui (朱家輝), aged 51, is our deputy general manager since January 2023. He joined BAI in December 2018, responsible for overseeing power management, and procurement and sales planning and management. From December 2018 to January 2020, he was the deputy chief engineer of equipment of BAI, responsible for equipment management of BAI's power plant. From January 2020 to February 2021, he was the deputy factory manager responsible for construction of the power plant for BAI, and later became the factory manager of the power plant from February 2021 to January 2023 whose duties were the power management of the production facilities for alumina production.

Mr. Zhu Jiahui has approximately 22 years of experience in electric power and alumina-related production industry. From October 2002 to December 2018, he held various positions in Yili Electric, such as head of equipment department and head of electrical branch.

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

Mr. Jiang Yongqiang (姜永強), aged 43, is our director of overall management. He joined BAI in August 2020 and has been the director of overall management, responsible for overseeing the administration and public relations management.

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

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

Mr. Sui Meizhao (隋美釗), aged 40, is our assistant general manager. He joined BAI in January 2022, responsible for overseeing human resources management for the alumina projects in Indonesia.

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

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

Mr. Leung Ka Hong (梁家康), aged 37, joined our Group in December 2023. He is the finance director and company secretary of our Company, responsible for the finance and company secretarial matters of our Company.

Mr. Leung Ka Hong has over 15 years of working experience in the accounting, finance, mergers and acquisitions, and risk management field. He was with the audit department of an international accounting firm from October 2009 to April 2014. He took positions as senior finance executives in a Hong Kong subsidiary of a state-owned enterprise of PRC from September 2014 to March 2017, and a privately owned enterprise in Hong Kong from April 2017 to February 2021, the businesses of both included investments and finance related operations. He served as a senior finance executive in a manufacturing company listed on the Main Board of the Stock Exchange from February 2021 to October 2022. Subsequently, from December 2022 to November 2023, Mr. Leung Ka Hong was the executive director, the chief financial officer and the joint company secretary of a company listed on the Main Board of the Stock Exchange, where he was responsible for overseeing the business development, financial and capital management and the company secretarial matters.

He is a Certified Public Accountant and a fellow of the Hong Kong Institute of Certified Public Accountants. He is also a fellow of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute, a member of the Association of Chartered Certified Accountants as well as a Certified Financial Risk Manager of the Global Association of Risk Professionals. In October 2009, he graduated from the Hong Kong Polytechnic University with a bachelor's degree in accounting and finance. In November 2022, he further obtained a master's degree in science majoring in corporate governance and compliance from Hong Kong Baptist University. Since July 2024, he is a director of PAIL. Save as disclosed, he has no directorship or management involvement in our Group.

Corporate Governance Report

The Board hereby presents to the Shareholders the corporate governance report of the Company for the year ended 31 December 2024 (the "**Reporting Period**").

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules. As the Company had not yet been listed on the Stock Exchange during the Reporting Period, the CG Code was not applicable to the Company during the Reporting Period. During the period from the Listing Date to the Latest Practicable Date, the Company has complied with all the principles and applicable code provisions under the CG Code, save and except for Code Provision C.2.1 of the CG Code. The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. From the Listing Date and up to the Latest Practicable Date, the Board confirms that it has performed the corporate governance duties which include the following: (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct applicable to employees and Directors; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company under the Listing Rules. In addition, the Board has established mechanism to ensure independent views and input are available to the Board and the implementation and effectiveness of such mechanism on an annual basis.

CORPORATE CULTURE

Vision

The Company strives to become an industry-leading international and professional company with the most integrated aluminium processing industry chain and distinctive features, and bears the mission of fulfilling social responsibilities, creating value for shareholders, providing a platform for employees and assisting industrial development.

Culture

The Board establishes the Company's purpose, values and strategy and satisfies itself that these and the Company's culture are aligned. In particular, the Board and the management create the culture of the Company in the following aspects:

- Mutual benefit through cooperation — Deepening industrial collaboration and long-term partnerships throughout the value chain. The Company aims to create shared value with stakeholders, promotes efficient resource utilisation, and enhances competitiveness in the alumina industry.

- Integration of industry and education; education with synergy — Take full advantage of advanced enterprises in running education, and absorb excellent corporate culture and promote better development of education.

- People-oriented — With rich industry experience and professionalism, build a complete management system with customers, investors and employees to achieve convenient, fast, smooth and effective information communication.

- Give back to society — Build a harmonious and responsible relationship with the communities where it operates. Contribute to local economic growth, and promotes environmental sustainability. Through its actions, the Company strives to support the coordinated advancement of society, industry, and nature.

BOARD OF DIRECTORS

Board Composition

As at 31 December 2024 and up to the Latest Practicable Date, our Board consists of eight Directors, of which two are executive Directors, three are non-executive Directors and three are INEDs:

Executive Directors

Mr. Hao Weisong *(Chairman of the Board and Chief Executive Officer) (appointed on 7 February 2024)*
Mr. Wang Shisan *(appointed on 29 September 2023)*

Non-executive Directors

Ms. Wang Yanli *(appointed on 13 September 2024)*
Mr. Loo Tai Choong *(appointed on 16 September 2024)*
Mr. George Santos *(appointed on 13 September 2024)*

Independent Non-executive Directors

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

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Responsibilities of the Board

The functions and duties of the Board include, but are not limited to, convening general meetings, reporting on the performance of the Group at general meetings, implementing resolutions passed at general meetings, formulating business and investment plans, preparing annual budget and final accounts, preparing proposals on profit distribution and increasing or decreasing the registered capital, as well as exercising other authorities, functions and responsibilities in accordance with the articles of association of the Company. The biographies of the Directors are set out on pages 14 to 19 of this report under the section headed "Biographical Details of Directors and Senior Management".

None of the members of the Board are related to one another or have any financial, business, family or other material or relevant relationships with each other.

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

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

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

Corporate Governance Report

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

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

EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

APPOINTMENT AND ROTATION OF DIRECTORS

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

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

BOARD MEETINGS, GENERAL MEETINGS AND ATTENDANCE

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

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

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

During the period from the Listing Date and up to the Latest Practicable Date, no general meeting has been held and therefore no Director attended the general meeting.

As the Company had not yet been listed on the Stock Exchange during the Reporting Period, the attendance record of the Directors at Board meetings and general meetings will be disclosed in accordance with the Listing Rules in subsequent annual reports of the Company. For the same reason, the Company was not required to comply with the requirements of the CG Code which stipulates that the Chairman should at least annually hold meetings with the INEDs without the presence of other directors during FY2024.

During the period from the Listing Date and up to the Latest Practicable Date, one Board meeting was held and the attendance record of each Director is set out in the table below:

Directors	Attended/Eligible to attend the Board meeting(s)	Attended/ Eligible to attend the general meeting(s)
Mr. Hao Weisong	1/1	0/0
Mr. Wang Shisan	1/1	0/0
Ms. Wang Yanli	1/1	0/0
Mr. Loo Tai Choong	1/1	0/0
Mr. George Santos	1/1	0/0
Mr. Wen Xianjun	1/1	0/0
Mr. Cheung Kwong Tat	1/1	0/0
Ms. Dong Meihua	1/1	0/0

ROLE AND RESPONSIBILITIES OF THE DIRECTORS AND DELEGATION TO MANAGEMENT

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

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

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

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

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

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

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

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

BOARD COMMITTEES

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

Audit Committee

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

During the period from the Listing Date and up to the Latest Practicable Date, the Company has held one meeting of Audit Committee and all three members of the Audit Committee attended all meetings. The Audit Committee has reviewed with the external auditors the accounting principles and practices adopted by the Group, internal controls and financial reporting matters, annual results of the Group of the Reporting Period and proposed adoption of the same by the Directors. The Audit Committee also reviewed the risk management, internal control design and effectiveness of the internal audit function of the Company during the Reporting Period. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and risk management and other matters. The Board has adopted the recommendation from the Audit Committee.

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

Remuneration Committee

The Remuneration Committee has three members, including two INEDs, namely Ms. Dong Meihua (Chairman) and Mr. Cheung Kwong Tat, and one executive Director, namely Mr. Hao Weisong. The terms of reference of the Remuneration Committee are in compliance with the code provision of E.1.2 of the CG Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's remuneration policy and the remuneration packages of the executive Directors and the senior management, make recommendations on employee benefit arrangement, review the terms of service contracts of executive Directors and review matters related to the Share Option Scheme.

During the period from the Listing Date and up to the Latest Practicable Date, the Company has held one meeting of Remuneration Committee and all three members of the Remuneration Committee attended all meetings. The Remuneration Committee had reviewed the current remuneration policy and the remuneration packages of the Directors subject to rotation and made recommendations to the Board. The Board has adopted the recommendations from the Remuneration Committee.

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

Nomination Committee

The Nomination Committee has three members, including one executive Director, namely Mr. Hao Weisong (Chairman), and two INEDs, namely Mr. Wen Xianjun and Ms. Dong Meihua. The terms of reference of the Nomination Committee are in compliance with the code provision of B.3.1 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and to make recommendations to the Board on the appointments of the Directors, assess the independence of the INEDs, take up references and consider related matters.

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

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

DIRECTORS' AND OFFICERS' LIABILITIES

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

SECURITIES DEALING CODE

The Company has adopted a securities dealing code (the "**Securities Dealing Code**") regarding securities transactions by Directors and employees on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 of the Listing Rules. The Company will periodically issue notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. As the Company has not been listed on the main board of the Stock Exchange as at 31 December 2024, the Securities Dealing Code are not applicable to the Directors of our Company as at 31 December 2024. Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the Model Code since the Listing Date up to the Latest Practicable Date. The Company continues and will continue to ensure compliance with the code of conduct.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

Before the Listing, a training session was provided to each of the Directors on topics of legal and regulatory duties of directors and the Listing Rules.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings of the Company. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

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

SENIOR MANAGEMENT'S REMUNERATION

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

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

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

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

Amount of Fees	*US$'000*
Audit services	
— audit services on the financial statements of our Group for the reporting period	333
— audit services related to the Listing of the Shares on the Main Board of the Stock Exchange	1,489
Non-audit services in relation to the Listing (tax consulting services)	39
	1,861

DIRECTORS' AND AUDITORS' RESPONSIBILITY OF FINANCIAL REPORTING

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

1. Board of Directors' Responsibilities

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

2. Risk Management Process

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

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

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

3. Corporate Governance Function

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

i) developing and reviewing the Group's policies and practices on corporate governance;

ii) reviewing and monitoring the training and continuous professional development of directors and senior management;

iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;

iv) developing, reviewing and monitoring the code of conduct applicable to employees and directors; and

v) reviewing the Group's compliance with the CG Code and disclosure in the corporate governance report of the Company.

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

4. Internal Audit Function

The Board conducts a review on the Group's internal control system on an annual basis. During the Reporting Period, the Group engaged an outsourced internal control consultant to review the Group's internal control system and no significant risk and control deficiencies were identified.

The internal control review covered the following areas:

i) Corporate governance

ii) Financial reporting

iii) Information disclosure

iv) Operation control

v) Compliance on the Appendix C1 of the Listing Rules, including without limitation to:

A. Directors

— Board
— Chairman and Chief Executive
— Composition of Board
— Appointment, re-election and removal
— Nomination committee
— Directors' responsibilities
— Provision and use of information

B. Directors and Senior Management Remuneration

— Remuneration, disclosure and composition

C. Accountability and Audit

— Financial reporting
— Risk management and internal control
— Audit committee

D. Delegation by the Board

— Management function
— Board committees
— Corporate governance function

E. Shareholders' communication

— Effective communication
— Decision making by voting

F. Company Secretary

The Company has developed a disclosure policy, which provides general guidance to our Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to strictly prohibit unauthorised access to and use of inside information. The Company takes the Guidelines on Disclosure of Inside Information issued by the

Securities and Futures Commission of Hong Kong as the Company's basis of identification of inside information, to ensure the timely report of inside information to the executive Directors and maintain communication with the Board. Meanwhile, the Company handles and disseminates the inside information according to the related policy of the Company to ensure that the inside information is kept confidential before being approved for dissemination and the relevant information will be released effectively and consistently.

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

The Board and the Audit Committee have conducted a review on and are satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the Reporting Period including financial, operational and compliance controls. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks). From the review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. For FY2024 and up to the Latest Practicable Date, the Board was not aware of any material defect in internal control of the Group.

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

NOMINATION POLICY

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

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

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

i) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.

ii) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate's personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate's consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.

iii) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

iv) In the context of shareholders' nomination of any proposed candidate for election as a Director, the Nomination Committee shall refer to the "Procedures for a shareholder to propose a person for election as a director", which is available on the Company's website.

v) The Board shall have the final decision on all matters relating to its recommendations of candidates to stand for election at a general meeting, the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board.

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

WHISTLEBLOWING POLICY

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

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

ANTI-CORRUPTION POLICY

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

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

ASSESSMENT OF BOARD INDEPENDENCE

The Company has established a mechanism to ensure independent views and input are available to the Board. INEDs may express their views through formal or informal channels in an open and candid manner as well as in a confidential manner. The implementation and effectiveness of such mechanism will be reviewed on an annual basis.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of diversity at Board level and has commitment to diversity at all levels through consideration of a number of factors, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service and any other factors that the Board may consider relevant and applicable from time to time. The Board adopted a board diversity policy which sets out the approach of which the Board could achieve a higher level of diversity. The Board will review this policy at least on an annual basis to ensure its effectiveness.

During the Reporting Period, the Nomination Committee reviewed the board diversity policy of the Company, as well as the composition and the diversity of the Board. The Nomination Committee considers that the Board has achieved Board diversity. The Board is also aware of the composition as at 31 December 2024 and the benefits of achieving an appropriate balance of gender diversity at the Board level by making reference to stakeholders' expectations and international and local recommended best practices. Two female Directors, Ms. Wang Yanli and Ms. Dong Meihua had been appointed as Directors on 13 September 2024 and 10 March 2025 respectively. Given that the Board considers it has already reached gender diversity, as at the Latest Practicable Date, the Board has not set any numerical targets and timelines for achieving gender diversity on the Board. The Board is mindful of the objectives for the factors as set out in the diversity policy for assessing the candidacy of the Board members and will ensure that any successors to the Board shall follow the diversity policy.

In addition to the Board level, the Company promotes gender diversity in all levels of its employees. 232 of its 3,282 full-time employees (including senior management) as at 31 December 2024 are female, which represented 7% of total number of employees. The Group belongs to the alumina industry, and due to industry characteristics, the proportion of male employees is relatively higher. However, the Group implements the principle of equal employment, respects and treats employees of different genders fairly, and provides equal opportunities for employees in terms of recruitment, training and development, job promotion and salary and benefits. We will continue to strive to improve the representation of women and to achieve the right balance of gender diversity, taking into account the expectations of our Shareholders and the recommended best management. As such, the Board has not specified any quotas or similar measurable objectives for achieving gender diversity, rather the focus is on identifying the right person for the right role whilst taking into account diversity in a range of areas, including gender.

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

DIVIDEND POLICY

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

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

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

(a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;

(b) the amount of distributable reserves of the Company;

(c) the expected capital requirements and future expansion plans of the Group;

(d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(e) the statutory and regulatory restrictions;

(f) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;

(g) the Shareholders' interests; and

(h) other factors that the Board deems relevant.

COMPANY SECRETARY

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

SHAREHOLDERS' RIGHTS

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

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

SHAREHOLDERS' COMMUNICATION POLICY

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

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

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

Procedures for shareholders to convene extraordinary general meetings

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

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

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

Procedures for shareholders to put through proposals at general meetings

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

Procedures for shareholders to put forward enquiries to the Board

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

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

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

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

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

Constitutional Documents

The amended and restated memorandum and articles of association of the Company (the "**Existing M&A**") was adopted on 10 March 2025 and took effect from 25 March 2025. There was no significant change in the Existing M&A after Listing Date and up to the Latest Practicable Date.

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

The Directors are pleased to present the annual report for the year ended 31 December 2024 (the "**Reporting Period**").

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income in this report. The Board did not recommend the payment of any final dividend for the end of the Reporting Period nor there is any arrangement under which a shareholder has waived or agreed to waive any dividends.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial results and the assets and liabilities of the Group for the last four financial years, as extracted from the published audited consolidated financial statements, are set out on page 168. This summary does not form part of the audited consolidated financial statements.

GLOBAL OFFERING

On 25 March 2025, the Shares of the Company were listed on the Main Board of the Stock Exchange in a global offering of 88,235,300 Shares with aggregate nominal value of US$17.6, comprising a Hong Kong public offering of 8,823,600 Shares and an international placing of 79,411,700 Shares. The Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK$26.60 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange transaction fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The exercise period for the over-allotment option has not lapsed as at the Latest Practicable Date. For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of the Company dated 24 March 2025.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Listing) amounted to approximately HK$2,220.8 million (or equivalent to approximately HK$25.2 per Share). There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the Latest Practicable Date, the Company had not utilized any net proceeds from the Global Offering. The following table sets out breakdown of the use of net proceeds from the Global Offering.

Use of net proceeds	Percentage of net proceeds	Actual allocated net proceeds from the Global Offering (approximately) (HK$ million) *(Note)*	Net proceeds utilized since the Listing and up to the Latest Practicable Date (approximately) (HK$ million)	Expected timeline of full utilization of net proceeds	Remaining Amount as at the Latest Practicable Date (approximately) (HK$ million)
Development and the construction of our New Alumina Production Project	90.0%	1,998.72	–	By 31 December 2028	1,998.72
(i) To construct the related alumina production facilities for second one million ton of designed production capacity	53.4%	1,185.91	–	By 31 December 2028	1,185.91
(ii) To construct additional 70,000 tons berths and the construction of ancillary equipment in deep-water port	14.7%	326.46	–	By 31 December 2028	326.46
(iii) To expand an additional 700 million cubic meter in coal gasification plant	12.9%	286.48	–	By 31 December 2028	286.48
(iv) To construct and enhance the auxiliary facilities to support the related alumina production facilities	9.0%	199.87	–	By 31 December 2028	199.87
General working capital	10.0%	222.08	–	By 31 December 2028	222.08
Total	100.0%	2,220.8	–		2,220.8

Note: Assuming the over-allotment option is not exercised as the exercise period for the over-allotment option has not been lapsed as at the Latest Practicable Date.

To the extent that the net proceeds are not immediately applied to the above purposes, we will only deposit the net proceeds to short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions. We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CUSTOMERS AND SUPPLIERS

For the Reporting Period, the Group's five largest customers accounted for approximately 98.1% (31 December 2023: 100%) of the Group's total revenue and the largest customer accounted for approximately 47.6% (31 December 2023: approximately 47.0%) of total revenue.

For the Reporting Period, the Group's five largest suppliers accounted for approximately 50.0% (31 December 2023: 53.7%) of the Group's total purchases and the largest suppliers accounted for approximately 14.4% (31 December 2023: approximately 15.7%) of total purchases.

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

PRINCIPAL SUBSIDIARIES OF THE COMPANY

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

PROPERTY, PLANT AND EQUIPMENT

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

BORROWINGS

As at 31 December 2024, the Group did not have any borrowings (31 December 2023: nil).

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period and up to the Latest Practicable Date.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 23(a) to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company for the Reporting Period are set out in note 23(a) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Companies Act (As Revised) of the Cayman Islands, the share premium account may be applied by the Company to pay distribution or dividends to shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company shall be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2024, the Company's reserves available for distribution amounted to approximately US$850.6 million (31 December 2023: Nil). Such amount includes the Company's share premium.

PRE-EMPTIVE RIGHTS

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

Report of the Directors

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on 26 May 2025 (the "**2025 AGM**"). For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from 21 May 2025 to 26 May 2025, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 20 May 2025.

DIRECTORS

Our Board currently consists of eight Directors, of which two are executive Directors, three are non-executive Directors and three are independent non-executive Directors.

Executive Directors

Mr. Hao Weisong *(Chairman of the Board and Chief Executive Officer) (appointed on 7 February 2024)*
Mr. Wang Shisan *(appointed on 29 September 2023)*

Non-Executive Directors

Ms. Wang Yanli *(appointed on 13 September 2024)*
Mr. Loo Tai Choong *(appointed on 16 September 2024)*
Mr. George Santos *(appointed on 13 September 2024)*

Independent Non-Executive Directors

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

Pursuant to Articles 84(1) and (2) of articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election at the annual general meeting. Accordingly, Mr. Wen Xianjun, Mr. Cheung Kwong Tat and Ms. Dong Meihua shall retire at the 2025 AGM, and being eligible, offer themselves for re-election at the 2025 AGM.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 14 to 19 of this report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

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

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

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

DIVIDEND

Pursuant to the resolutions of the Directors passed on 22 September 2024, based on the financial conditions of the Company as at 30 June 2024 including the amount of share premium, the Company declared a dividend of US$260.0 million, which was payable to the then existing Shareholders at the time of declaration and was settled upon Listing.

The Board did not recommend the payment of any final dividend for the Reporting Period (31 December 2023: nil).

There is no arrangement that any Shareholder of the Company has waived or agreed to waive any dividend.

MANAGEMENT CONTRACTS

As at 31 December 2024, other than contracts of service with Directors or any persons engaged in full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

EMOLUMENT POLICY

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

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

COMPETITION AND CONFLICT OF INTERESTS

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

DEED OF NON-COMPETITION

Deed of Non-competition of Controlling Shareholders

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

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

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

For further details of the Controlling Shareholders' Deed of Non-Competition, please refer to the section headed "Relationship with Controlling Shareholders" in the Prospectus. Our Company will make appropriate disclosure regarding the compliance of the Controlling Shareholders' Deed of Non-Competition in its subsequent annual reports.

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

To safeguard the Group from any potential competition from our executive Directors and non-executive Directors, each of our executive Directors and non-executive Directors has entered into the deed of non-competition dated 10 March 2025 (the "**Directors' Deed of Non-competition**") in favour of our Company (for itself and as trustee for each of our subsidiaries) to provide certain non-competition undertakings.

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

DIRECTORS' PERMITTED INDEMNITY PROVISION

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

CHANGES OF DIRECTORS AND DIRECTORS' INFORMATION

There has been no changes to information which is required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules from the Listing Date up to the Latest Practicable Date.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As the Company has not been listed on the Main Board of the Stock Exchange as at 31 December 2024, Divisions 7 and 8 of Part XV and section 352 of the SFO are not applicable to the Directors and chief executives of our Company as at 31 December 2024.

As at the Latest Practicable Date, the interests or short positions of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO as defined below) which will be required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into the register referred to in that section, or which will be required, pursuant to Securities Dealing Code, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, were as follows:

Long positions in shares/underlying shares of the Company

Name of Director/chief executive	Capacity/nature of interest	Number and class of Shares(1)	Percentage of interest in the Company
Mr. George Santos	Interested in controlled corporation(2)	18,602,865 Shares (L)	3.16%

Notes:

(1) The letter "L" denotes the person's long positions in the Shares.

(2) Mr. George Santos had a deemed interest of 18,602,865 Shares held by Redstone Alumina International Pte. Ltd., a company 100% owned by Mr. George Santos, within the meaning of Part XV of the SFO.

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

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

Long positions in Shares/underlying Shares

Name of substantial shareholders	Capacity/nature of interest	Number and class of Shares[(1)]	Percentage of interest in the Company
Nanshan Village Committee [(2)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
Mr. Song Jianbo [(3)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
Ms. Sui Yongqing [(4)]	Interest of spouse	353,454,455 Shares (L)[(6)]	60.09%
Nanshan Group [(2)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
Yili Electric [(2)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
Nanshan Aluminium [(2)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
NAS [(2)]	Interest in controlled corporation	353,454,455 Shares (L)[(6)]	60.09%
NAIHL	Beneficial owner	353,454,455 Shares (L)[(6)]	60.09%
Press Metal [(5)]	Interest in controlled corporation	127,942,680 Shares (L)	21.75%
PMIRHK	Beneficial owner	127,942,680 Shares (L)	21.75%

Notes:

(1) The letter "L" denotes the person's long positions in the Shares.

(2) NAIHL is wholly-owned by NAS, which is in turn wholly-owned by Nanshan Aluminium. Nanshan Aluminium is owned as to 22.22% by Yili Electric and 20.91% by Nanshan Group. Yili Electric is wholly-owned by Nanshan Group. Nanshan Group is owned as to 51.0% by the Nanshan Village Committee and 49.0% by Mr. Song Jianbo. Accordingly, NAS, Nanshan Aluminium, Yili Electric, Nanshan Group, Nanshan Village Committee and Mr. Song Jianbo are therefore be deemed or taken to be interested in the Shares in which NAIHL is interested pursuant to the SFO.

(3) For the purpose of relevant disclosure obligations, Mr. Song Jianbo is deemed to be interested in the Shares held by NAIHL in our Company since he holds one-third voting power of Nanshan Group pursuant to the SFO. However, Mr. Song Jianbo is not regarded as a Controlling Shareholder of the Company under the Listing Rules.

(4) For the purpose of relevant disclosure obligations, Ms. Sui Yongqing is the spouse of Mr. Song Jianbo. Ms. Sui Yongqing is therefore deemed to be interested in the Shares in which Mr. Song Jianbo is interested pursuant to the SFO. However, Ms. Sui Yongqing is not regarded as a Controlling Shareholder of the Company under the Listing Rules.

(5) PMIRHK was wholly-owned by Press Metal. Accordingly, Press Metal is therefore deemed or taken to be interested in the Shares in which PMIRHK is interested pursuant to the SFO.

(6) In order to facilitate the settlement of over-allocations in connection with the Global Offering, Huatai Financial Holdings (Hong Kong) Limited entered into an agreement with NAIHL to borrow (whether on its own or through its affiliates) 13,235,200 Shares, representing approximately 15% of the Global Offering of 88,235,300 Shares by the Company on 25 March 2025. The stabilising period, which commenced on the Listing Date, is expected to expire on 19 April 2025 (being the 30th day after the last day for lodging applications under the Hong Kong Public Offering).

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

CONTINUING CONNECTED TRANSACTIONS

Connected persons

(i) Nanshan Aluminium is a company established in the PRC with limited liability and is listed on the Shanghai Stock Exchange (stock code: 600219). Nanshan Aluminium Group is an integrated aluminium group, and principally engaged in the provision of cold-rolled products, hot-rolled products, aluminium profiles, alloy ingots and aluminium foils. It is ultimately owned as to approximately 60.09% of the issued share capital of the Company through various intermediate holding companies. Accordingly, Nanshan Aluminium is a Controlling Shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

(ii) Press Metal is a company listed on the Main Market of Bursa Malaysia Securities Berhad (stock code: 8869) and is principally engaged in the manufacturing and trading of primary, value-added and extruded aluminium products. Press Metal indirectly holds approximately 21.75% of the issued share capital of the Company through its wholly-owned subsidiary, PMIRHK. Accordingly, Press Metal is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

(iii) Mr. George Santos is a non-executive Director of the Company. As such, he is a connected person of the Company under the Listing Rules.

(iv) Mr. Santony is the father of Mr. George Santos. Therefore, Mr. Santony is an associate of Mr. George Santos and a connected person of the Company under the Listing Rules.

(v) MKU is a company incorporated in Indonesia and is primarily engaged in mining and excavation of bauxite, aluminium and other minerals, and trading in metals and metal ores. MKU, being owned as to 99% by Mr. Santony and 1% by Mr. George Santos, is an associate of Mr. George Santos, and therefore a connected person of the Company under the Listing Rules.

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

Continuing Connected Transactions Exempt from Independent Shareholders' Approval Requirement

1. *Technical Support Framework Agreement*

Principal terms

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

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately RMB45.0 million for FY2024.

Annual caps

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

2. *Construction Services Framework Agreement*

Principal terms

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

Historical transaction amount

The aggregate historical transaction amount paid by the Group during FY2024 was approximately IDR62,453.8 million.

Annual caps

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

Non-exempt Continuing Connected Transactions

3. *Procurement Framework Agreement*

Principal terms

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

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately RMB104.4 million for FY2024.

Annual caps

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

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

(a) *Raw Material Master Purchase Agreement*

Principal terms

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

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately US$23.1 million for FY2024.

(b) *Bauxite Supply Framework Agreement*

Principal terms

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

Historical transaction amount

The aggregate historical transaction amount paid by the Group was approximately US$15.2 million for FY2024.

Annual caps

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

5. Alumina Sales Contract

Principal terms

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

Historical transaction amounts and volumes

For FY2024, the Group recorded alumina sales of approximately US$485.9 million (approximately 1,040,300 tons).

Annual caps

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

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

The INEDs have confirmed that the continuing connected transactions are in accordance with Rule 14A.55 of the Listing Rules. Specifically, the INEDs have reviewed the continuing connected transactions and have confirmed that the continuing connected transactions entered into by the Group were in the ordinary and usual course of its business, on normal commercial terms or on terms no less favourable than those available to or from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

As the Company was not a listed company for FY2024, the annual review and reporting requirements under Chapter 14A of the Listing Rules are not applicable to the Company for FY2024. The Company will comply with the relevant requirements under the Listing Rules in its subsequent annual reports.

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

RELATED PARTY TRANSACTIONS

Related party transactions during the Reporting Period were disclosed in note 26 to the consolidated financial statements. They include the above connected transactions under the Listing Rules. As the Company was listed on 25 March 2025, none of those related party transactions constituted connected transaction or continuing connected transaction under the Listing Rules for FY2024.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the subsection headed "Continuing Connected Transactions" in this section, during FY2024, none of the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholders or any of its subsidiaries, and there is no contract of significance in relation to provision of services by the Controlling Shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

SHARE OPTION SCHEME

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

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

The eligibility of any of the Participants for grant(s) of option(s) (the "**Options**") shall be determined by our Board from time to time on the basis of our Board's opinion as to the Participant's contribution to the success of our Group's operations.

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of Options to Directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of Option to any participant as the Board may determine after which period no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period. The total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and any other scheme(s) of our Company must not in aggregate exceed 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 58,823,530 Shares) (the "**General Scheme Limit**") or the relevant date of approval of the refreshment of the General Scheme Limit. Within the General Scheme Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Option Scheme and any other schemes shall not in aggregate exceed 1% of the number of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange or the relevant date of approval of the refreshment of the Service Provider Sublimit (the "**Service Provider Sublimit**"). The General Scheme Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the adoption date).

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

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HKD1.00.

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

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

There were no share options outstanding under the Share Option Scheme nor were any option granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme for the period from the date of the adoption of the Share Option Scheme and up to the Latest Practicable Date. As at the Latest Practicable Date, the remaining life of the Share Option Scheme is approximately ten years.

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

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

PENSION SCHEMES

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

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

The Group also provides post-employment defined benefits to their employees in conformity with the requirements of Indonesian Labor Law. As at 31 December 2024, the Group's total defined benefit obligations were approximately US$339,000. No plan assets were maintained and no funding was allocated to cover these obligations. The Group believes its internal financial resources are sufficient to meet these obligations as they become due, and there was no material surplus or deficiency related to the defined benefit scheme as at 31 December 2024.

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

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

DONATIONS

No charitable and other donations were made by the Group during the Reporting Period.

EQUITY-LINKED AGREEMENTS

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

TAX RELIEF

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICY AND PERFORMANCE

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

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

The details of environmental, social and governance policies and performance of the Group will be disclosed in the "Environmental, Social and Governance Report", which are issued by the Company on the same date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the Latest Practicable Date, the Company has maintained a sufficient public float for the issued Shares as required under the Listing Rules.

PROPERTY INTERESTS AND PROPERTY VALUATION

The Company has valued the property interests of the Group and included such valuation in the Prospectus and those property interests are not stated at valuation (or at subsequent valuation) in the financial statement. The valuation of the industrial complex located in Desa Gunung Kijang, Kecamatan, Gunung Kijang, Kabupaten Bintan, Kepulauan Riau, Indonesia as at 31 December 2024 was IDR14,042,400,000,000 as included in the Prospectus. There is no additional depreciation against the statement of comprehensive income during the Reporting Period had the property interests been stated at such valuation.

EVENTS AFTER THE REPORTING PERIOD

Regarding the material events subsequent to 31 December 2024 and up to the Latest Practicable Date, please refer to the paragraph headed "Management Discussion and Analysis — Events after the Reporting Period" in this report for more details.

LITIGATION

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

BUSINESS REVIEW

Detailed business review and outlook and plans are set out in the section of "Management Discussion and Analysis" in this report from pages 7 to 13. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" from pages 20 to 34 of this report.

AUDITOR

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

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

Hong Kong, 16 April 2025

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About The Report

ABOUT THE REPORT

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

Basis of Preparation

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

Reporting Cycle

From 1 January 2024 to 31 December 2024 (hereinafter referred to as the "**Reporting Period**" or the "**Year**"), but some information may involve time beyond the Reporting Period.

Reporting Scope

The reporting scope of the Report covers Nanshan Aluminium International Holdings Limited (02610.HK) and its subsidiaries, which is in line with the 2024 annual report of the Company.

Source of Information and Guarantee for Reliability

Save as special instructions, data contained herein are derived from the internal information, investigation and interview records and relevant documents of the Company. The Board of the Company undertakes that the Report does not contain any false information or misleading statement, and is responsible for its truthfulness, accuracy and completeness.

Confirmation and Approval

The Report has been approved by the Board on 16 April 2025 upon confirmation by the Management.

Availability

The Report is incorporated in the 2024 annual report of the Company. Out of concern for environmental protection, we recommend you to read the electronic version which is available at the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company website (www.nanshanintl.com).

1. ESG Governance

Nanshan Aluminium International continues to promote ESG governance practices and has built an efficient ESG governance structure. The Company builds close communication bridges with various stakeholders. Through comprehensive, multi-dimensional interactions, the Company accurately identifies material ESG issues, which helps the Company make steady progress along the path of sustainable development.

1.1 ESG Governance System

Nanshan Aluminium International has proactively aligned itself with China and international calls for sustainable transformation, deeply integrating ESG concepts into its corporate strategies and day-to-day operations. We have formulated strategies to balance business objectives with environmental and social responsibilities, achieving sustainable development through continuous enhancement of our ESG capabilities. The Board regularly reviews our ESG strategies to ensure alignment with the Company's overall development plan.

Based on our ESG strategies, we have established and implemented sound ESG-related policies to guarantee the achievement of our sustainability goals. These ESG policies encompass various aspects, including emissions, resource utilization, climate change, employees, occupational health and safety, employee development and training, labor standards, and supply chain management.

We have established ESG governance structure with the Board as its core. The Board, as the highest oversight body for ESG matters, is responsible for reviewing ESG risks, opportunities, and material issues, evaluating ESG strategies and goals, and regularly monitoring and reviewing the Company's ESG performance and progress toward ESG goals. At the executive level, a cross-departmental ESG working group is set up to ensure each department implements ESG-related tasks within their respective terms of reference.

Board Statement

Responsibilities of the Board	The Board, as the highest oversight body for ESG matters, regularly reviews ESG governance strategies, policies and implementation plans, and is responsible for reviewing ESG risks, opportunities, and material issues, evaluating ESG strategies and goals, and regularly monitoring and reviewing the Company's ESG performance and progress toward ESG goals.
ESG Risk Management	In order to effectively prevent and control various potential risks that may hinder the Company's sustainable development, the Board is responsible for overseeing the implementation of ESG management strategies in general and regularly reviewing and examining the assessment of ESG risks and opportunities to ensure that ESG risk management is closely integrated with the Company's business to achieve sustainable business development.
Analysis of Material Issues	The Company regularly identifies, evaluates and follows up on stakeholders' ESG materiality requests. We have established a stable and transparent communication channel and feedback mechanism with our stakeholders, and regularly carry out assessment of material issues to further understand and respond accurately to the demands and expectations of our stakeholders.

1. ESG Governance

1.2 Communication with Stakeholders

Nanshan Aluminium International maintains good communication with its stakeholders. Our stakeholders include government and regulatory authorities, investors and shareholders, suppliers, customers, society and the public, as well as employees. To effectively gather feedback from all parties and make more effective ESG management decisions, we have established diversified communication channels. Adhering to the principles of openness and transparency, we regularly disclose company information to our stakeholders. Meanwhile, stakeholders can proactively contact the Company through communication channels.

Types of Stakeholders, Key Topics and Communication Channels

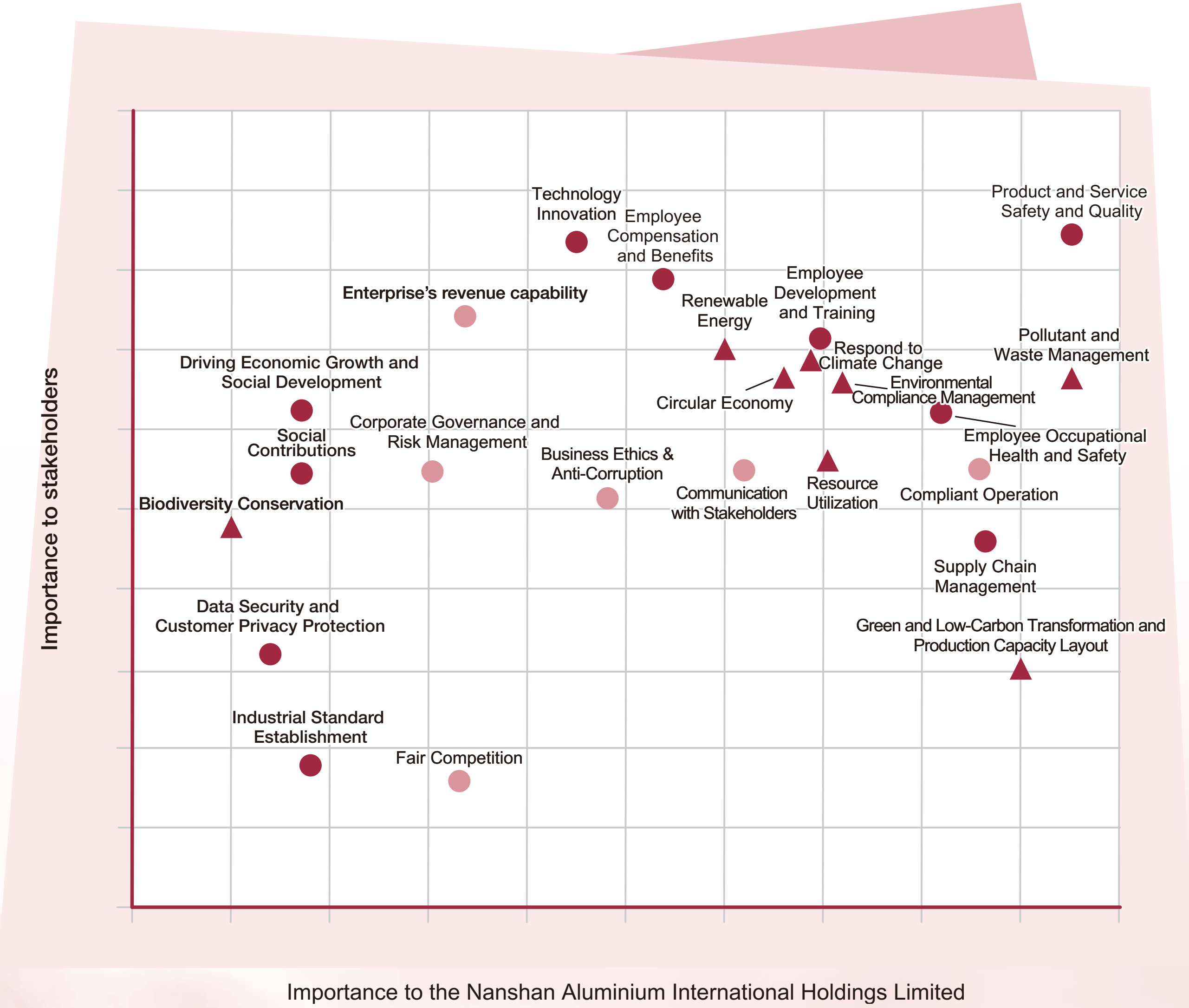
Stakeholders	Key Topics	Communication Channels
Governments/regulatory authorities	➢ Compliant operation ➢ Business ethics & anti-corruption ➢ Fair competition ➢ Driving economic growth and social development ➢ Green and low-carbon transformation and production capacity layout ➢ Environmental compliance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

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

1. ESG Governance

1.3 Analysis of Material Issues

In accordance with the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, we have identified and summarized key ESG issues, including environmental management, quality management, supply chain management, employee rights and interests and development, occupational health and safety, climate change, business ethics and anti-corruption, as well as potential ESG risks and opportunities, taking into account internal and external stakeholders' concerns about ESG issues, the Company's business characteristics, the opinions of third-party professionals.



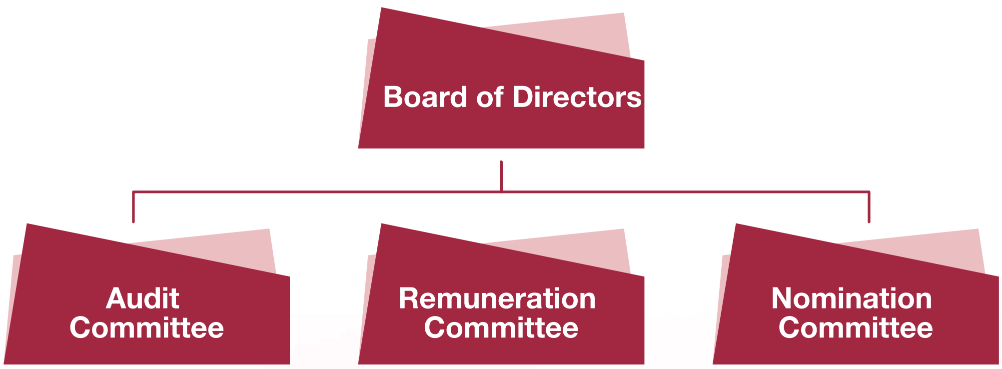
Nanshan Aluminium International's Material Issues Matrix

2. Responsibility Governance

Nanshan Aluminium International stays true to the bottom line of compliant cooperation while strictly complying with various requirements and regulations, and builds a sound corporate governance structure. We continuously strengthen our risk management and business ethics and accurately implement all risk identification and management processes. With a strong sense of responsibility and commitment, we work hand in hand with all sectors of society to foster an integrity and honest business environment.

2.1 Corporate Governance

The Company has established a corporate governance structure comprising the general meetings, the Board and special committees in accordance with the Investment Law, the Indonesian Law on Limited Liability Company[1], and the Corporate Governance Code of the Hong Kong Stock Exchange. Within this framework, the Board of the Company has set up three special committees to implement top-down corporate governance responsibilities and provide a system guarantee for carrying out day-to-day business activities in a scientific and reasonable manner.



Nanshan Aluminium puts great emphasis on the diversity of the Board and the independence of decision-making. The Company has begun to establish a Board with diverse backgrounds and forward-thinking perspectives to strongly support its compliant operation and efficient and high-quality decision-making. In terms of diversity, the Company focuses on professional background diversity and gender diversity among its directors, recruiting experts from diverse fields such as corporate management, finance and accounting, and the aluminum industry to bring wisdom from different perspectives to the Company. In terms of independence, the Company continuously optimizes the composition of the Board, standardizes the process for the election of directors, and ensures the independence of its independent Directors by reviewing candidates' independence and offering necessary working conditions and information support. As of the end of the Reporting Period, the Board of the Company consisted of 8 Directors, including 2 female Directors and 3 independent Directors, with independent Directors accounting for 37.5% of the Board.

[1] Law No. 40 of 2007 regarding Limited Liability Companies

2. Responsibility Governance

2.2 Risk Management

Nanshan Aluminium International integrates risk management into all aspects of the Company's operations and management. It is committed to establishing a comprehensive, systematic, and effective risk prevention and control system. We concentrate on operational, market, financial, legal, and import/export compliance risks, regularly conduct risk identification and inspections for hidden dangers, comprehensively manage and control risks, and develop targeted risk mitigation plans and measures. We continuously identify and control risks that may have material impact on the Company, regularly review our internal risk management systems and processes to ensure that all departments involved in risk management bear clearly defined responsibilities, thereby constantly enhancing risk control measures, and gradually strengthening the effectiveness of enterprise risk management.

Key risks for internal operations	Potential external macro risks
• Production and operations	• Customs
• Employee health and safety	• Taxes
• Ecological environment	• Import and export
• Protection of human rights	• Technology innovations
• Cash flow	• Foreign exchange for international settlement

Internal and external risk dimensions

2.3 Business ethics

Nanshan Aluminium International strictly complies with the Anti-Unfair Competition Law, Transparency International's Anti-Corruption Corporate Guidelines, the Republic of Indonesia's Anti-Bribery Law and Anti-Corruption Law, and other relevant laws and regulations. Nanshan Aluminium International has formulated internal systems, such as the Nanshan Aluminum International-Anti-Corruption Policy, Nanshan Aluminum International-Anti-Fraud Management Policy and Nanshan Aluminum International-Anti-Money Laundering Management System, to clearly define specific operational requirements and legal boundaries, and strictly prohibit corruption and other breaches and violations, laying a solid foundation for the Company's compliant operations.

To ensure effective implementation of these rules, the Company's Audit Department regularly organizes professionals to audit the integrity of employees in key positions. Any breaches of integrity or self-discipline shall be promptly investigated and addressed by the Audit Department, with a firm commitment to eliminating any corruption, bribery, money laundering, unfair competition, and other illegal business practices. During the Reporting Period, no incidents of ethical violations occurred, and neither the Company nor its employees were involved in any corruption-related litigation.

The Company has established internal and external whistle-blowing channels for violations, allowing all stakeholders to report through public channels. Upon receiving a report, the Company will immediately initiate an internal investigation process. During investigations, strict confidentiality shall be maintained to protect the personal information of whistleblowers and witnesses, and all individuals involved shall undergo comprehensive interviews and in-depth investigations. If violations are confirmed through investigations, internal disciplinary actions will be enforced against relevant personnel in accordance with the systems. For cases involving severe violations, the Company will promptly refer them to judicial authorities.

Report email for integrity matters

- baiyjx@nanshanbai.com

We take a "zero tolerance" attitude towards any obstruction or retaliation against whistleblowers. We promise to keep strict confidentiality of the whistleblower's information throughout the acceptance, investigation and all other procedures for the reported cases. In addition, if a report turns out to be true after investigations, the Company will grant various amounts of monetary rewards to whistleblowers commensurate with the materiality of the information provided.

We regularly provide the Board of Directors, the management, and employees with anti-corruption training to constantly strengthen their awareness of business ethics, integrity, honesty and self-discipline, ensuring work is carried out lawfully and fairly. Monthly special training is also provided to employees in high-risk roles, such as marketing personnel.

Indexes	Unit	2024
Time of anti-corruption training provided to the Board of Directors of the Company	Hour(s)	20
Number of the Board of Directors participating in training	Person(s)	8
Total time of anti-corruption training provided to employees of the Company	Hour(s)	16,410
Number of employees participating in training	Person(s)	3,282

2.4 Information Security

Nanshan Aluminium International strictly abides by laws and regulations relevant to information security, and formulated the Nanshan Aluminum International-IT Management System, which comprehensively sets out the management standards for the Company's information and data, as well as customers' privacy. Meanwhile, we have developed a sound information security and privacy protection management framework to fortify the security of the Company's information assets.

As for safeguard measures for information security, we have implemented stringent control over information and data access rights. Each permission request shall undergo a rigorous approval process. We meticulously verify if the permission aligns with business needs, preventing unnecessary access for irrelevant personnel. In addition, we ensure that the entire data transmission process is traceable, thereby comprehensively protecting the Company's and our customers' data. During the Reporting Period, the Company did not experience any data security or information leakage incidents.

3. Product Responsibility

Nanshan Aluminium International consistently upholds quality as its lifeline, and continuously innovates and makes breakthroughs in its business. It is dedicated to delivering reliable, high-performance products to its customers. An efficient communication, feedback and complaint handling mechanism has been established to maintain close and smooth contact with customers, enabling timely responses to their needs and constant improvements in service quality. In supply chain management, we strengthen our cooperation with and management over suppliers, and optimize raw material procurement processes to ensure the stability and efficiency of the supply chain. We also actively work together with suppliers to fulfill ESG responsibilities, promote sustainable development, and achieve mutual benefits and win-win results, thereby offering customers higher-quality and more environmentally friendly products and services.

3.1 Product Quality

Nanshan Aluminium International consistently upholds the quality management policy of "Independent Innovation, Scientific Management and Continuous Improvement". It is committed to providing high-quality products to customers worldwide. We have developed a governance system with a quality risk management and pre-control mechanism as its core, which sets out the quality management responsibilities of senior management and staff of all executive departments. This ensures that such system aligns with market demands, relevant regulations, and the Company's strategic direction, so as to consistently provide customers with high-quality products. During the Reporting Period, our quality production system obtained ISO 9001 quality management system certification.

ISO 9001 Quality Management System Certification

Guided by the development strategy of "Innovation-driven Growth, High-end Manufacturing, and Intensive Processing", Nanshan Aluminium International focuses on gaining a quality-centered competitive edge. It ensures that every step from production to delivery fully meets its quality requirements, providing customers with highly reliable and high-performance products and services. In 2024, the Company set and achieved its quality management objectives of a product qualification rate of 100% and a product completion rate of 100%. Meanwhile, no product recalls were necessary due to safety or health reasons.

The Company introduced advanced digital management system, adopted advanced DCS system in production process, set the operation adjustment and online monitoring in one. From the quality control of raw materials to the production process adjustment and final product quality control, the Company implement real-time comprehensive production process data tracking feedback. It not only provides operator with latest real-time data, but also provides a reference for adjusting the unit consumption of materials and energy consumption in the production process.

General manager

- Responsible for overall production quality objectives

Vice Presidents of production/ operations

- Setting product yield and quality objectives

Production department/ plant manager

- Coordinate all branches to achieve objectives

Production section

- Responsible for the implementation of the objectives

Laboratory

- Responsible for the testing and monitoring of indexes

Business department

- Communicating with customers to collect feedback on product sales and quality

The management process of product quality management systems

Product recall

Nanshan Aluminium International complies with all applicable laws and regulations in the regions where it operates. It has developed a product recall management system that sets out the conditions and procedures for initiating a recall. The Company constantly improves its product recall system to ensure prompt and effective responses or recalls will be made when products may expose to quality issues or other risks, thereby minimizing any potential adverse impact. During the Reporting Period, the company did not experience any product recall arising from quality or customer complaints.

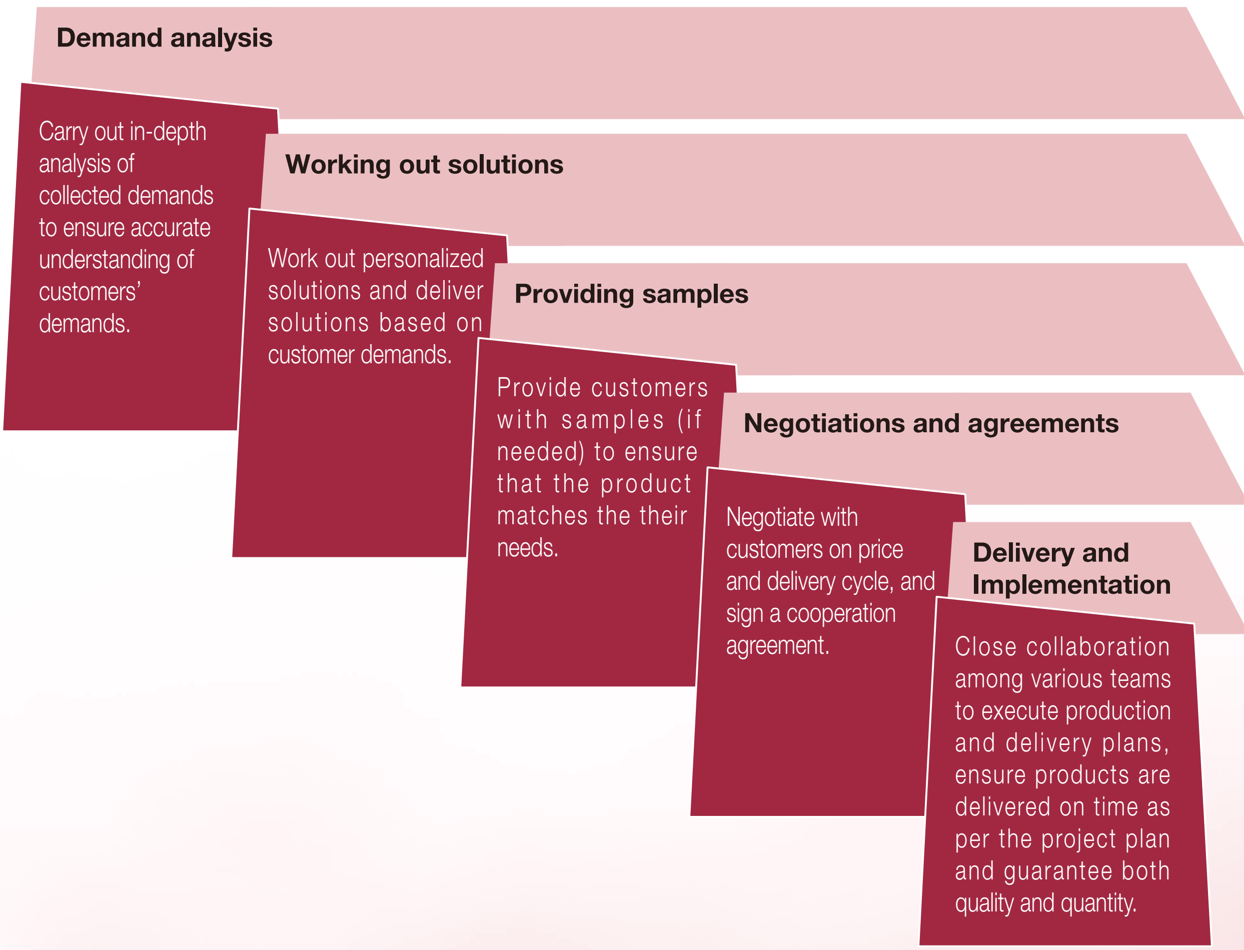
3.2 Customer Service

Nanshan Aluminium International adheres to a customer-centric approach, striving to establish close and smooth communication channels to gain timely insights into customers' demands, so as to ensure that every customer demand is handled promptly and efficiently and every customer can gain outstanding service experiences. We strictly prohibit any unfair competition and false advertising, and uphold integrity in business operations. We win our customers' trust and support by providing real and accurate information.

3. Product Responsibility

3.2.1 Quality Service

The Company complies with relevant laws and regulations in Indonesia, Southeast Asia, India, Europe, and other countries and regions where it operates and sells products, as well as internal policies such as Nanshan Aluminum International-Sales Policy. Nanshan Aluminium is dedicated to establishing a standardized customer service process. We establish and maintain diversified communication channels, including email, on-line social platforms (WeChat, WhatsApp), telephone calls, and video conferences, so as to closely communicate with customers. This enables us to promptly understand and respond to customers' needs in daily affairs, such as order details, delivery progress, shipping schedules, sailing schedule tracking and payments.



Customer demand response mechanisms

Customer complaints

Nanshan Aluminium International has established a comprehensive customer complaint management process and strictly implements internal systems, such as the Nanshan Aluminum International-Sales Policy. Our salesmen regularly follow up with customers in respect of their delivery experience and product usage. For any objection against quality raised throughout the purchase and usage process, our team will respond promptly within the specified time, providing comprehensive quality assurance from pre-sale service to after-sale service. For all customer complaints, we will give them feedback and improvement plans in a timely manner to optimize our service processes and prevent the recurrence of similar problems. During the Reporting Period, we did not receive any complaints related to products or services.

Receiving complaints

- Once a project liaison man receives customer feedback, it must be immediately reported to relevant responsible departments, such as the production department and the logistics department

Problem analysis

- The department in charge of problems will organize internal personnel to analyze the problem, trace the root cause, and put forward a resolution

Issuing handling suggestions

- The responsible department must respond to the problem within the specified time and provide the customer with a preliminary resolution
- For product quality complaints, a preliminary handling suggestion must be offered within 24 hours
- For non-product quality complaints, a handling suggestion shall be offered within 48 hours, depending on the customer's complaint reasons and requirements

Internal review

- The responsible department shall conduct a post-event review and analysis, and formulate an internal process with corrective and accident prevention measures to eliminate risks

Customer complaint handling process

3.2.2 Responsible Marketing

Nanshan Aluminium International always adheres to the concept of responsible marketing, closely following the tracks of market dynamics and the actual situation of various products. It regularly formulates and continuously improves its marketing plans and management systems to highly match its enterprise development strategy. Meanwhile, Nanshan Aluminium International actively carries out marketing, publicity, and promotional activities, and works together with customers and all stakeholders to devote every effort to creating a fair and transparent marketing environment.

Code of ethics

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

Compliance

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

Product promotion

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

Anti-corruption and anti-bribery

- Stipulate that employees cannot engage in any form of corruption or bribery to ensure the transparency and integrity of the Company' operations.

Responsible Marketing Requirements Which Employees Shall Comply with

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

3.3 Intellectual Property Management

Nanshan Aluminium International attaches great importance to the protection of intellectual property rights, continuously improves its intellectual property management system, and formulates internal systems, such as the Nanshan Aluminum International-R&D Management System and the Nanshan Aluminum International-Intangible Asset Management System to promote the creation, protection, application and management of its intellectual property rights in an all-round manner. The manual explicitly prescribe the responsibilities and authorities of each department in respect of intellectual property protection, and establishes an intellectual property risk warning mechanism and an infringement response mechanism. In case an infringement act is found, the relevant departments can promptly initiate the response procedures and safeguard the legitimate rights and interests of the Company with legal means.

Early-stage preparations	Regularly monitor intellectual property rights relevant to the Company in the market. Prior to engaging in foreign trade, investigate the intellectual property laws, policies, and enforcement practices of the target countries or regions. Know about industry-related litigations, analyze potential disputes and their possible adverse impact on the Company, and make preventive plans
Contract execution	Ensure all outsourced operations have written contracts that explicitly define intellectual property ownership, confidentiality obligations, etc. All contracts shall be filed with the Company's legal department for its review
Cross-department collaboration	Monitor intellectual property infringement risks in the process of procurement, sales, R&D, and other operations. If issues are identified, promptly report them to the Intellectual Property Department for handling. When necessary and appropriately, entrust the legal department to protect our intellectual property rights through administrative and judicial measures
Proactive monitoring	Actively renew trademarks upon expiration and combat malicious trademark imitations. Proactively defending against infringements in the market
Joint management	Cooperate with affiliated companies and clarify the scope of intellectual property ownership to reduce trademark conflicts and narrow gaps in rights

Measures for intellectual property management

As of the end of the Reporting Period, Nanshan Aluminium International has a total of 5 trademarks.

3. Product Responsibility

3.4 Responsible Supply Chain

We adhere to the concept of sustainable development, and work closely with our suppliers to move forward side by side in the process of promoting sustainable development, so as to obtain mutual benefit and win-win results. In this process, we continuously monitor and manage our suppliers' ESG practices to ensure product quality while actively enhancing integrity management, prohibiting the use of conflict mineral products, and ensuring that every link of the supply chain is transparent and fair.

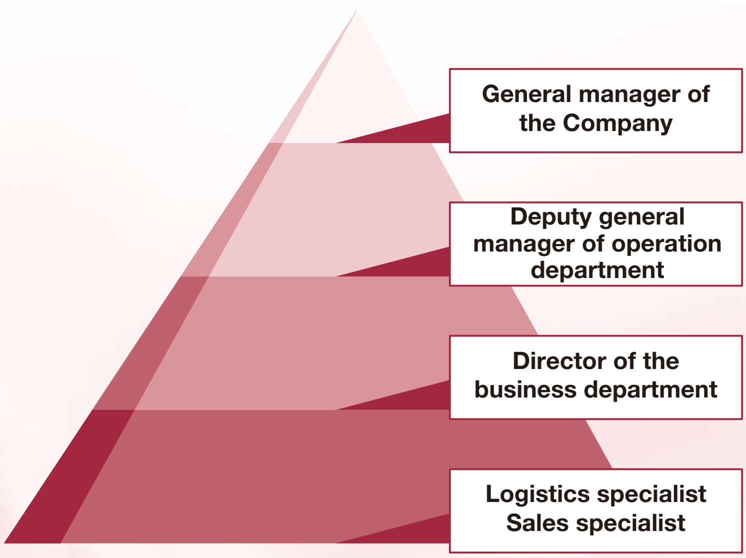
As of the end of the Reporting Period, the number of suppliers the Company cooperated with is set out below:

Indexes		Unit	2024
Total number of suppliers		unit	496
Number of suppliers by regions	Indonesia	unit	129
	Other regions	unit	367

3.4.1 Supplier Management

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

We have established a top-down, four-tier supply chain management framework, explicitly defining the responsibilities of each tier. We orderly complete the Company's procurement tasks throughout the year by close collaboration among departments,



The Supplier Management Structure of Nanshan Aluminium International

We have actively driven the digital transformation of our supply chain by establishing the Supplier Digital System (NC System), which integrates core functions, including procurement order management and supplier management, thereby effectively manage suppliers' full life cycle.

Supplier admission

- Public bidding on online platforms
- Self recommendations
- Supplier categories
- Signing the letter of undertaking for ASI social responsibility

Supplier evaluation

- Site inspection
- Supplier assessment scores
- Adjustment of supplier procurement ratings

Communication and cooperation with suppliers

- Regular communication
- Industrial exhibitions, annual conferences

Supplier exit

- Elimination of unqualified suppliers based on assessment scores

Supplier Lifecycle Management

Supplier admission and management

In terms of supplier admission, we have established specific supplier selection criteria according to the system such as Nanshan Aluminium International-Procurement Management System. These criteria set out distinct qualification requirements for different categories of suppliers, including environmental and quality management system certifications, such as ISO 9001 and ISO 14001. When a supplier meets the basic qualification conditions, we conduct a systematic evaluation based on our full lifecycle assessment mechanism. The scoring system contains multiple assessment aspects, including product quality, occupational health and safety, business ethics, and environmental management.

Verification of qualifications

- Information submitted by suppliers
- The supply department audits business licenses, three-year financial statements, cooperation contracts and account opening permits, etc.
- Filing and records of information about suppliers and supplies
- Complete the initial review of supplier qualifications
- Small amount on trial

On-site investigation

- The supply department make an on-site inspection plan in advance
- Inspect the supplier's operations according to the plan
- Conduct periodic on-site inspections of supplier who won the bidding
- Complete the supplier admission evaluation form

Approved for entry the list

- Pass the assessment and be included in the list of qualified suppliers

Supplier Admission Process

3. Product Responsibility

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

Category A Suppliers	Category B Suppliers	Category C Suppliers
• Strategic cooperation suppliers, bulk raw material suppliers	• Specific accessories for equipment unique/ irreplaceable materials	• Materials of price inquiry and comparison

Categories of suppliers

In terms of supplier management, we regularly conduct comprehensive assessments of different categories of suppliers in key aspects, such as product quality, on-time delivery and service level. If any supplier is found to be in breach of a contract during the assessment process, we will promptly send a written notice to the supplier, requesting it to take appropriate measures to rectify, and we will continuously monitor the supplier's improvement results.

Elimination of suppliers

For suppliers with consistently poor product quality, those who refuse to take corrective measures for issues, or those who violate business ethics, we will eliminate and blacklist them.

Assessment Score Too Low

- For suppliers with too low assessment scores, if other suppliers offering the same products, processes, or services can fully guarantee the supply, we will terminate purchasing from them and cancel their qualified supplier status.

Hindered cooperation

- If any supplier refuses to cooperate and rectify in respect of issues related to quality, delivery, and post-sales service in the process of cooperation, we will eliminate it.

Violations of business ethics

- If any supplier violates business ethics, such as bid-rigging, bidding collusion, rotation of winning bids, briefcase company, falsification, or falsification of qualifications, we will eliminate it.

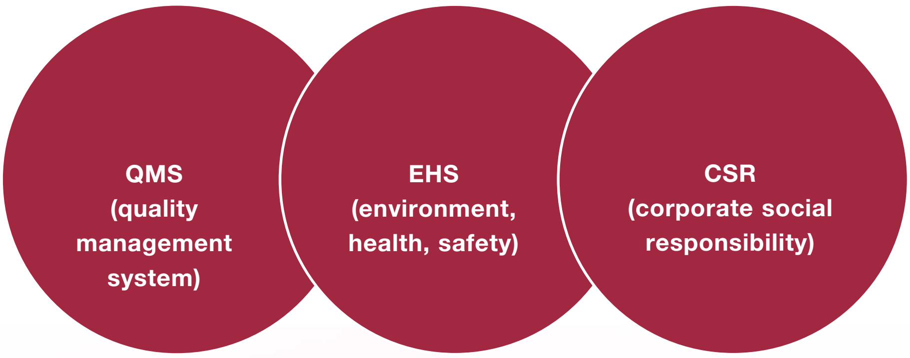
Rules of supplier elimination

3.4.2 Sustainable Supply Chain

Supply chain management

We regularly carry out audit on our core raw materials and accessories suppliers to assess their QMS (quality management system), EHS (environment, health, safety), and CSR (corporate social responsibility), and continuously monitor and strengthen the management of suppliers in quality, environment, occupational health and safety, and labor and human rights.

In addition, we've taken an innovative approach by incorporating the ASI International Sustainable aluminium Standard into our requirements for suppliers. ESG criteria such as the management and control of conflict minerals and carbon footprint traceability are included in the provisions of supplier admission. Through these compliance reviews, we ensure raw materials traceability aligns with the Company's regulations.



3. Product Responsibility

Elements of on-site audit and assessment on suppliers[2]

Evaluation dimensions	Contents of assessments
ASI requirements	• Integrate Aluminium Stewardship Initiative (ASI) requirements into regular management. Require relevant suppliers to sign the Letter of Undertaking for ASI Social Responsibility and comply with provisions in respect of product quality, environmental protection, health and safety, business ethics, human rights, etc.
Environment, safety, labor and human rights	• Comply with laws and regulations in Indonesia and countries or regions where we operate • Prioritize cooperation with green power-sourced aluminium raw material suppliers and encourage the usage of clean energy and green packaging • Regularly monitor and inspect suppliers' environment to ensure their compliance and encourage them to make environmental protection efforts to reduce toxic emissions in the supply chain • Implement safety production to safeguard occupational health and safety of employees • Ensure no child labor, forced labor, or health-hazardous work
Business ethics and integrity	• Comply with laws and regulations in Indonesia and countries or regions where we operate • Require all cooperative suppliers to sign integrity documents, such as the Sunshine Undertaking Letter. In case of default, Nanshan Aluminium reserves the right to terminate cooperation with suppliers or refer it to judicial authorities
Conflict minerals	• All mineral suppliers are required to obtain a legal mining development permit (RKAB) from the Government of Indonesia and are prohibited from supplying any minerals from conflict areas

Sustainability evaluation dimensions of suppliers

As for supply chain stability management, we have implemented a series of optimization measures for the supply of key materials, such as ore and coal. We have established procurement partnerships with powerful local suppliers and sign long-term supply agreements with large bauxite miners and coal suppliers to ensure the stability of the supply chain

Honest supply chain

Nanshan Aluminium International strictly abides by and implements the Nanshan Aluminium International-Anti-Corruption System, and continuously monitors the behaviors of employees and partners. All cooperative suppliers have signed the Sunshine Undertaking Letter, promising to fulfill their social responsibilities and work together to create a fair, open and transparent sunshine procurement environment.

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

the Sunshine Commitment Letter

- We undertake and guarantee that we will strictly abide by all relevant laws and regulations when we carry out business activities with Nanshan Aluminium International. We will adhere to the principles of openness, justice, fairness, and good faith, and we will not seek illegitimate benefits or transaction opportunities, nor will we engage in any improper transaction practices

- We undertake and guarantee that we hold all necessary licenses, qualifications, approvals, permits, certificates, and any other documents required for the relevant business. Furthermore, we guarantee that we comply with all applicable laws and regulations, and that the products we provide meet the technical requirements specified by Nanshan Aluminium International

- We undertake and guarantee that we will not implement any price or sales policy discrimination against Nanshan Aluminium International, and our transaction prices of goods and sales policies will not be higher or more rigorous than those offered by any third party in the market

- We promise to maintain the confidentiality of any business information and trade secrets of Nanshan Aluminium International that we and our representatives acquire during the bidding process

Excerpts from the Sunshine Undertaking Letter of Suppliers

The audit department of the Company will supervise the entire procurement process, and regularly audit the procurement business, so as to ensure that the procurement process is lawful, and that there are no violations of rules, laws or business ethics.

In addition, the Company has a dedicated whistle-blowing hotline and a whistle-blowing email for disciplinary violations, allowing all stakeholders to report through these public channels. During the Reporting Period, there were no incidents in which suppliers or procurement personnel violated integrity and ethical principles.

3. Product Responsibility

Conflict minerals

In our mineral procurement cooperation, compliance and sustainability are the fundamental principles we always uphold. We only work with suppliers that hold a legal mine development permit (RKAB) and environmental permit issued by the Government of Indonesia, so as to ensure that our suppliers have passed the Indonesian government's strict audit and certification in respect of environmental protection, social responsibility, among others, while obtaining development permit. During the Reporting Period, we purchased all of our minerals from Indonesia and were not involved in any use of conflict minerals.

Nanshan Aluminium International undertakes:

Not to support or use any metals derived from armed conflict, illegal mining, or poor working environment, namely "conflict minerals". Suppliers shall investigate the gold (Au), tantalum (Ta), stannum (Sn), tungsten (W), and aluminium (Al) in their products and identify the source of these metals in accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas[3].

Communication with suppliers

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

As for mineral raw material suppliers, we conduct site visits every two to three months. Inspectors will know about production and logistics at the mines during the visits while identifying whether there's any breach of the cooperation agreement. This approach enables us to timely identify potential risks related to quality, environment and human rights, allowing us to implement effective preventive measures and responses in advance.

3 https://mneguidelines.oecd.org/duediligence/

4. Harmonious Ecology

Nanshan Aluminium International adheres to the principles of green development. We actively respond to the challenges posed by climate change and continuously refine our environmental management systems, so as to ensure the discharge of pollutants complies with regulations, and enhance energy and resource utilization efficiency. By fulfilling our responsibilities of environmental protection, we promote the sustainable development of the Company.

4.1 Responding Climate Change

Climate change poses a significant threat to global well-being and the earth health. In recent years, the international community has become increasingly concerned about climate change. As a responsible enterprise, Nanshan Aluminium International actively takes its role in mitigating climate change, committing itself to contributing to addressing climate change.

4.1.1 Governance

The Company continues to improve its climate management system and gradually establishes a climate change governance structure. Under the leadership of the Board, we manage risks associated with climate, and supervise climate-related strategies, policies and targets, as well as implementation of strategies in relation to climate risks and opportunities, ensuring the effectiveness of our climate risk management.

4.1.2 Strategies

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Nanshan Aluminium International identifies and evaluates climate-related risks and formulates corresponding strategies, and integrates these measures into the its production and operations, so as to continuously enhance its capacity to address climate change risks.

Type of Risks/ Opportunities		Description of Risks/ Opportunities	Potential Impact	Financial impact	Response Measures
Physical risks	Acute	Extreme weather (typhoons, rainstorms, floods, etc.) may cause production interruptions, depreciation of fixed assets or loss of labor, etc. Meanwhile, the acute risks could affect the logistics transportation, affect the timeliness and safety of the Company's suppliers and product transportation, and lead to potential economic losses	• The Company is located near the equator and lacks coriolis force, so typhoons are unlikely to occur, and the Company has not been affected by typhoons since it was established • The location of the Company has a high rainfall, thus there is a possibility of floods	Impairment of assets An increase in operating costs	• Formulate contingency plans for extreme weather and conduct regular drills to enhance the capacities to respond to natural disasters • Use diversified procurement channels and establish reasonable safety inventory to ensure supply chain security and respond to unexpected natural disasters
	Chronic	Chronic risks caused by climate change, such as sea level rise and increased high – temperature weather may affect our operations	• The region where the Company operates may be affected by sea level rise in the future, and the relocation of operations may increase operating costs • At present, the average temperature in the region where the Company operates is around 26°C and the highest temperature is around 33°C. If high – temperature weather increases in the future, the demand for refrigeration equipment may increase and equipment life may reduce	Impairment of assets An increase in operating costs	• Identify and assess potential climate change risks on a long-term basis, and improve our ability to respond to chronic risks

4. Harmonious Ecology

Type of Risks/ Opportunities		Description of Risks/ Opportunities	Potential Impact	Financial impact	Response Measures
Transition Risks	Policies and laws	Government policies, laws and regulations related to carbon emissions are becoming increasingly stringent, which will put enterprises under the pressure of compliance and increase the cost of carbon emissions	• In October 2021, the Government of Indonesia issued the Act on Tax the Harmonization of Regulations, which introduces a carbon tax mechanism This carbon tax will apply to all individuals and enterprises that purchase carbon-containing goods or take part in activities involved in carbon emissions across sectors, including energy, transportation, agriculture, forestry, industrial process and waste disposal • In December 2022, the Government of Indonesia issued the Procedures for the Implementation of Carbon Economic Value of Power Plants. Carbon transactions for coal-fired power plants will be implemented in three phases in 2023–2024, 2025–2027 and 2028–2030 • In February 2023, the Government of Indonesia launched the first phase of mandatory carbon transactions for coal-fired power plants. Participants must have an installed capacity of at least 100 MW and be connected to the power grid of Perusahaan Listrik Negara (PLN), a national utility company. At present, Nanshan Aluminium International does not meet these two conditions	Risk of fines An increase in operating costs	• Follow closely the development direction of international industrial policies and such policies of the country where we operate and accelerate enterprise transformation based on the Company's development situation • Continuously calculate and verify greenhouse gas emissions, set relevant goals, and regularly review their achievement • Reduce carbon emissions and implement green and low-carbon development by promoting technological transformation, improving the efficiency of energy use, and expanding usage of renewable energy sources
	Market	Characteristics of the industry in which the Company operates: downstream enterprises in the value chain are increasingly paying attention to the low-carbon attributes of their products, thereby raising their low-carbon requirements for the Company's major products	• To adapt to market changes, the Company faces the challenge of transforming its products to low-carbon ones, with the risk of failure in transformation However, the shift in market demands also offers a direction for the Company's green and high-quality development	An increase in operating costs A decline in revenue (loss of orders if products lack relevant product certification)	• Responding positively to our customers" requests for environmental protection and energy management • Promote the green transformation of products, green aluminium brand building, extend the Company's influence in the value chain and the image of its sustainable development
	Reputation	Clients, consumers and other stakeholders are increasingly concerned about the performance of the Company in addressing climate change	• Failure to actively address climate change may not be able to meet stakeholders' expectations, which may result in damage to our image and reputation	A decline in revenue (possible loss of orders and cooperation if the Company's reputation is damaged)	

After a systematic assessment and in-depth analysis, we further evaluated the impacts of risks and opportunities associated with climate change on our operations. Through auditing the greenhouse gas, we gained a clear understanding of the current status of our greenhouse gas management. We then implemented carbon reduction measures according to our low-carbon development plan to better address risks and seize climate-related opportunities. Nanshan Aluminium International has established three strategic paths to address climate change, namely, integrating energy-saving and emission-reduction measures into manufacturing and operational processes, energy recycling, and using renewable energy to replace fossil energy.

Energy saving and consumption reduction

- Improve energy efficiency through process optimization, equipment upgrades and facility retrofits

Energy recycling

- Minimizing energy waste by recycling waste heat and gradient utilization

Replaced with renewable energy

- Developing clean energy projects to gradually reduce reliance on fossil fuels and promote a low-carbon transition

Carbon audit and tracking

During the Reporting Period, Nanshan Aluminium International organized a greenhouse gas task force. The team completed the GHG audit and calculation for six captive power units and five diesel generator units in our self-generation power plant. The team also finished a feasibility study on greenhouse gas emission reduction and carbon transactions and formulated emission monitoring plans for the power plant with the assistance of a third party. For details on GHG data, please refer to the subsection of “Metrics and Targets”.

Preliminary feasibility study on energy-related mitigation actions

4. Harmonious Ecology

Process optimization

We continuously improve energy efficiency and reduce energy consumption through process optimization, equipment upgrades, facility replacement and renovations. We have implemented a process improvement project of flashing discharge through evaporation of alumina liquid with a view to improve thermal efficiency of the evaporation process and reduce steam consumption. In addition, our self-generation power plant has increased the amount of blending combustion through a blending combustion process of coal gas and fly ash to reduce coal consumption.

Power plant's boiler economizer and soot blower retrofits

- Improved boiler efficiency by approximately 1.6%, and reached an annual reduction of 7,360 tonnes of standard coal

Retrofits of inverse heating for the three-steam-extraction heating pipes of the steam turbines in our power plant

- Optimizing cylinder preheating control achieved annual savings of 10.8 tonnes of standard coal and additional power generation of 37,500 kWh per unit, enhancing operational efficiency and reducing energy consumption

Blending combustion of coal gasification fly ash

- The coal gasification fly ash was completely integrated into the boiler combustion system of our power plant through the Company's experiments, which achieved zero emission of fly ash while recycling hazardous waste, resulting in annual raw coal savings of approximately 106,608 tons.

Energy recycling

We reduced losses and waste throughout the entire process of energy production, consumption and utilization. We improved energy efficiency and rationally utilize energy to reduce GHG emissions. As an important way to save and efficiently utilize energy in the aluminium industry, we effectively saved steam through the efficient usage of gradient recovery of waste heat from alumina calcination furnaces.

Waste heat recovery from alumina calcination furnaces

- An analysis of the utilization data of the waste heat from our two calcination furnaces demonstrates annual steam savings of 40,195 tons after they were put into operation. Calculated based on a standard coal consumption rate of 108 kg per ton of steam, the standard coal consumption can be saved 4,341 tons/year.

Utilization of clean energy

The utilization of renewable energy is one of the key factors for Nanshan Aluminium International to realize low-carbon transition. In 2024, the Company initiated clean energy construction planning, taking into account unit peak load regulating capacity and available photovoltaic (PV) resources in the industrial park. In the near term, PV installations will cover approximately 30 hectares of usable area, and we will gradually expand the utilization of renewable energy in line with the park's future development plans. At present, our PV construction and planning are set out below:

Planning	Usable area for PV	Electrical load (MW)
Phase I	Roof, 16.6 hectares	139.5
Phase II	Ground, 15 hectares	163.9
Phase III	Developed reservoir area, 78.3 hectares	637.5
Phase IV	Planned reservoir area, 70 hectares	459
Phase V	Planned reservoir area, 71 hectares	918

4.1.3 Risk Management

Nanshan Aluminium International has developed a comprehensive climate change risk management system, which integrates climate change risks into the Company's sustainable development risk management and forms a risk identification, assessment and response process. In addition, we have established a reporting mechanism, the performance of climate change risk management and the progress towards targets are reported to the Board on a regular basis to ensure the effectiveness of risk management.

Risk Identification
Starting from physical risks and transition risks, to identify and describe the climate risks that impact the Company's business, and categorize these risks accordingly

Risk Assessment
To evaluate the impact, duration, and likelihood of occurrence of climate risk factors on the Company's business from both qualitative and quantitative dimensions

Risk Response
To develop risk response measures based on scientific predictions such as climate change scenario analysis, taking into account factors such as the Company's operations, geographical conditions and industry development

Climate Change-related Risk Management Process

4. Harmonious Ecology

4.1.4 Indicators and Targets

Nanshan Aluminium International fully understands that low-carbon transformation has become the only way which must be passed for the manufacturing industry to achieve sustainable development. In response to the Group's overall dual-carbon targets, and based on an in-depth analysis of the Company's overall emission status and extensive professional opinions, we have formulated Nanshan Aluminium International's energy efficiency targets and continuously monitored the progress towards these targets

Group's Targets: achieve carbon peak by 2030 and carbon Neutrality by 2050.

Energy efficiency Targets: By 2025, total production energy consumption per ton of products will not exceed 0.6 tons of standard coal.

During the Reporting Period, Nanshan Aluminium International's indicators for GHG emissions[4] and energy consumption[5] are set out below:

GHG emission indicators	Unit	2024
Total GHG emissions (scope 1 and scope 2)	tCO_2e	2,070,319.63
GHG emissions (scope 1)	tCO_2e	2,070,319.63
GHG emissions (scope 2)	tCO_2e	—
Intensity of GHG emissions (scope 1 and scope 2)	tCO_2e/tons of products	0.98

Energy-consumption indicators	Unit	2024
Purchased electricity	kWh	—
Purchased steam	million kJ	—
Diesel	tons	97.88
Raw coal	tons	1,123,949.60
Natural gas	Ten thousand m^3	—
Comprehensive energy consumption	tons of standard coal	802,979.81
Comprehensive energy consumption intensity	tons of standard coal/tons of products	0.38

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

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

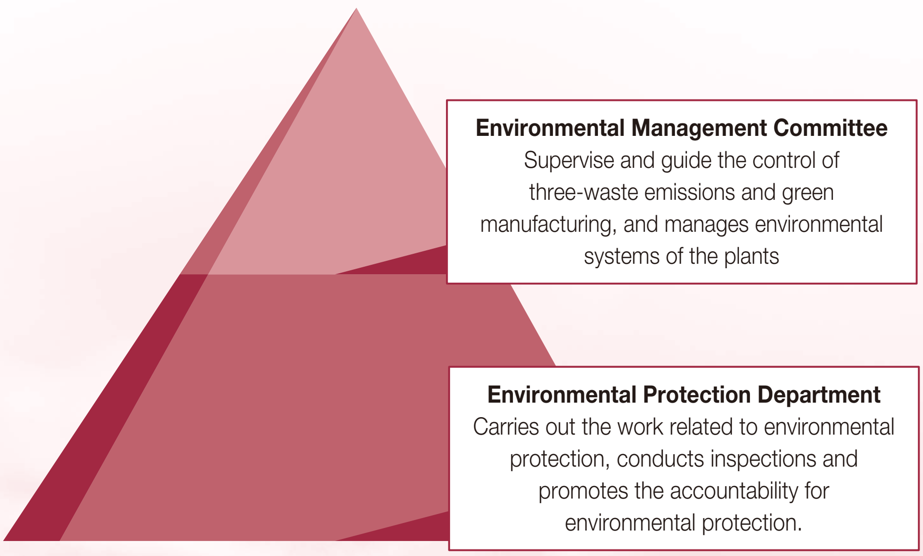
4.2 Environmental Management

Nanshan Aluminium International strictly observes all applicable laws and regulations. It continuously enhances its environmental management systems, strengthens its environmental risk and emergency management mechanisms, attaches importance to the protection of ecological environment and biodiversity and facilitates the green operation and sustainable development of the Company by working with employees and local communities.

4.2.1 Environmental Management Systems

Nanshan Aluminium International strictly abide by laws and regulations associated with environmental protection in the places where we operate, such as the Implementation of Environmental Protection Management (Indonesian Regulation No. 22 of 2021) and the Procedure for the Issuance of On-site Technical Approval and Operational Feasibility Letter in Environmental Pollution Control (Indonesia Regulation No. 5 of 2021). Nanshan Aluminium International has established and implemented internal policies such as the Company Environmental Protection Regulations (Compilation), which includes detailed systems like the Environmental Protection Target Responsibility System, Three Wastes Management System, Hazardous Waste Management System, Environmental Protection Training and Education System, Environmental Performance Evaluation System, Environmental Risk Identification and Control System, Construction Project Environmental Management System, and Environmental Emergency Response Plan, continuously improving its internal environmental protection management system.

The Company constantly enhances its environmental governance capacity by forming a sound organizational structure for environmental management. Based on this structure, the Environmental Management Committee shall be responsible for overall supervision and guidance, and the Safety and Environmental Protection Department of the Company shall be responsible for promoting the implementation of the accountability for environmental protection. Moreover, we audit and assess the environment on a regular basis to persistently enhance our environmental performance and ensure the sustainability of our projects.



Environmental management structure

Nanshan Aluminium International carries out on-site environmental audits and impact assessments at different frequencies, i.e. weekly, monthly, quarterly and annually, so as to ensure that the management of environmental protection and pollution discharges always meet various standards. During the Reporting Period, no violations against environmental protection occurred at the Company.

Environmental audit and assessment

- ANDAL (Environmental Impact Analysis Report)
- The semi-annual PKL-RPL (Environmental Management and Monitoring Plan) were carried out as scheduled, with all monitoring data meetings the regulations
- A third-party testing organization was engaged to conduct monthly testing of the Company's wastewater and exhaust gas, with all testing items meeting the regulations

Environmental audit and assessment

In order to address risks associated with sustainable development, the Company set short-term, medium and long-term environmental targets and carried out relevant performance appraisals. The appraisal results will be pegged with the performance-based pay of the senior management.

Environmental management targets	
Exhaust emission targets	**By 2025:** • the intensity of SO_X will decrease by 50% compared with the base year 2022 (4.48 kg/tons of products) • the intensity of NO_X will decrease by 15% compared with the base year 2022 (1.18 kg/tons of products) • the intensity of particulate matter will decrease by 50% compared with the base year 2022 (0.1 kg/tons of products)
Solid waste	• 100% compliant disposal of solid waste • By 2025, the intensity of solid waste will decrease by 2% compared with the base year 2022 (1.16 tons/tons of products)
Wastewater treatment	• 100% of industrial wastewater will be recycled back into the production system • 100% of domestic wastewater will be discharged in compliance with standards • By 2025, the intensity of wastewater will not increase compared with the base year 2023 (0.04 m^3/tons of products)

4.2.2 Emissions and Waste

Nanshan Aluminium International upholds the concept of "promoting clean production and realizing sustainable development", and actively carries out pollution prevention in the entire production process. We strictly comply with the management requirements on pollutant discharge of the regulatory authorities in the places where we operate and manage exhaust gas, wastewater and waste according to regulations. Meanwhile, we have set more stringent emission targets while ensuring 100% compliance. We are committed to reducing pollutant emissions from source reduction and recycling to minimize our impact on the environment.

Management of exhaust gas

We strictly abide by the Indonesian Emission Quality Standards for Thermal Power Plants and other laws and regulations on the management of exhaust gas emissions issued by the regulatory authorities in the places where we operate, ensuring that 100% of our exhaust gas emissions reach the standards. Online monitoring systems have been installed in all plants, and ongoing emission monitoring and evaluation are conducted. In order to ensure the accuracy and reliability of the monitoring data, we compare monitoring results and conduct audits on validity. We treat air pollutants such as dust and particulate matter by means of electric dedusting and cloth bag dedusting to reduce their emission concentration and avoid impacting the surrounding air environment. Meanwhile, we use desulphurisation towers to remove sulphur from the waste gas and reduce sulphur dioxide emissions. In 2024, the Company commissioned an external testing agency to monitor the emissions of waste gas from the production sites, the power plant chimney, nearby residential areas and other areas, and passed all the tests conducted.

Reduce the smoke dust in exhaust gas with various types of dust remover, such as high voltage static dust remover for boilers in the plants, high voltage static dust remover for alumina calcination furnaces, bag dust collector for coal gasification gasifier

Reduce sulfide content in exhaust gas by seawater desulfurization system and coal gasification desulfurization system in the power plant

Windbreak and dust suppression walls of the piling yard in the power plant: reduce air particulate pollution with windbreak and dust suppression walls and sprinklers, which can effectively suppress dust in the coal pilling yard

Measures for Exhaust Gas Emission Reduction

During the Reporting Period, our exhaust gas emission indexes are shown in the table below:

Exhaust emission indicators	Unit	2024
Nitrogen oxides	kg	2,041,830
Sulfur dioxide	kg	55,840
Smoke particulate matters from calcination furnaces	g/m^3	142
Particulate matter	kg	72,880
Nitrogen oxides intensity	kg/tons of products	0.97
Sulfur dioxide intensity	kg/tons of products	0.03
Particulate matter intensity	kg/tons of products	0.03

4. Harmonious Ecology

Wastewater management

We strictly abide by the Second Amendment to the Wastewater Quality Standards (No. 5 of 2014) issued by the Ministry of Environment of Indonesia and other laws and regulations on the management of exhaust gas emissions issued by the regulatory authorities in the places where we operate, ensuring that our exhaust gas emissions reach the standards. In addition, to achieve the target of 100% recycling of industrial wastewater in the production system and 100% of domestic sewage discharge up to standard, the industrial wastewater treatment station at the alumina factories conducted comprehensive treatment of industrial wastewater and return water in the red mud warehouse, after which the treated water was refilled into the aluminium oxide production system. Meanwhile, the treated "reusing water from the power plant's industrial wastewater was transported to the alumina factories as industrial water. In addition, we conducted wastewater tests at the inlet and outlet of each wastewater treatment facility, and inspected multiple wastewater discharge points, domestic water, and drinking water on a monthly basis, and passed all the tests conducted. As of the end of the Reporting Period, the Company achieved its targets. Our wastewater emission indexes are shown in the table below:

Wastewater emission indicators	**Unit**	**2024**
Wastewater emissions	m^3	106,900
Wastewater emissions intensity	m^3/tons of products	0.05
Filter pressing water	tons	3,987,931
Recycled wastewater	m^3	64,200
COD	kg	1,737
Ammonia nitrogen	kg	253

Solid waste management

We strictly comply with the laws and regulations on the management of waste discharge issued by the regulatory authorities in the places where we operate, including Indonesian Port Waste Management (No. 05 of 2009). With the strategy of "source reduction, intermediate control, terminal governance, and recycling" as the core and adhering to the principles of "reduction, recycling, and harmless", we implement meticulous classification and efficient treatment of solid waste. In addition, while achieving 100% compliant disposal of solid waste, Nanshan Aluminium International also actively promotes the recycling and reusing of non-hazardous waste.

Non-hazardous waste

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

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

Hazardous waste

Waste engine oil, waste lubricating oil, etc.

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

Domestic garbage

- Regular transportation and classified disposal by the sanitation department

Red mud disposal

Red mud is one of the main wastes of alumina production. Nanshan Aluminium International strictly complies with local regulations related to environmental protection, such as the Indonesian Regulation on Procedures and Requirements for the Management of Hazardous and Toxic Waste. We employ a dry stockpiling method to dispose of red mud, which can reduce its water content through filter pressing and drying in the sun, thereby reducing environmental pollution risks and enhancing the stability of dam foundations. To prevent dust, we implement water sprinkling and wetting measures to ensure environmental security.

Furthermore, we conduct regular emergency drills to ensure rescue measures are taken quickly in case of emergencies, such as dam break, to reduce environmental pollution and casualties. Our Indonesian factory has introduced detailed dam break prevention and response measures, including adjusting discharge outlets, organizing emergency rescue, and using engineering machinery and geomembrane to block off gaps, safeguarding the dam body. As of the end of the Reporting Period, we were working on planning a red mud recycling project with a partner to achieve sustainable resource utilization.

4. Harmonious Ecology

During the Reporting Period, we achieved our target of compliant disposal of waste. Solid waste discharge indexes are set out in the table below:

Solid Waste Generation and Utilization

Indexes	Unit	2024
Total non-hazardous waste	tons	2,335,427
Of which, non-hazardous waste generated	tons	57,691
Of which, non-hazardous waste recycled	tons	—
Of which, red mud	tons	2,277,736
Density of total non-hazardous waste	tons/tons of products	1.11
Hazardous waste generated	tons	143.67
Density of hazardous waste	tons/tons of products	0.07

4.2.3 Resource Utilization

Nanshan Aluminium International attaches importance to the fine management of water resources. The Company strictly observes and implements the relevant laws and regulations in connection with water resources in the places where it operates. Through rational allocation of resources, water resource saving and recycling, and other efforts, the Company constantly improves the efficiency of water utilisation.

Risk assessment of water resource

We have developed a risk assessment and emergency mechanism for water resources based on the probability of occurrence, the severity of the hazard, and the risk level of water resources risks. In light of the results of such assessments, we have formulated risk monitoring mechanisms and contingency plans, preventive water risk management measures, and normalised water resources management to ensure that water resources are plentiful and efficiently utilised during the production process.

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

Priorities of Pre-event, During-event, and Post-event Water Resource Management Measures

Reuse and recycle of water resource

Aside from the effective reuse of wastewater from production, we are also actively exploring multiple water resources reuse methods to improve water utilisation. We reuse steam condensate for circulating water pool replenishment and washing process based on its water quality. We implement a rainwater and sewage diversion system in the plant area, where rainwater is collected through sedimentation pools and then recycled. Besides, we also use the reclaimed water produced by the sewage station of the living area for the greening of the plant area.

During the Reporting Period, Nanshan Aluminium International's indicators for water resource consumption[6] indicators are set out below:

Water consumption indicators

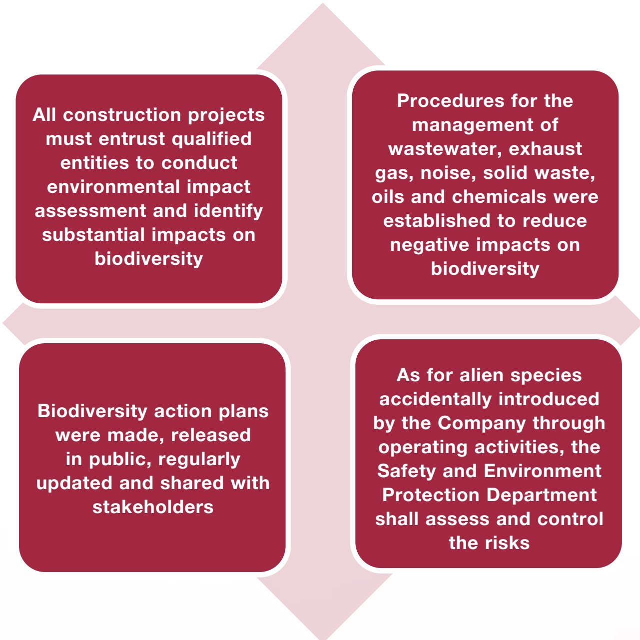
Indicators	Unit	2024
Total water intake	10,000 m^3	348.04
Total water consumption	10,000 m^3	252.41
Total water recycled and reused	10,000 m^3	213.57
Water recycling/reuse rate	%	15

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

4. Harmonious Ecology

4.2.4 Conservation of Biodiversity

Nanshan Aluminium International conducts biodiversity assessments throughout the construction and operation phases in accordance with the relevant requirements of the places where it operates. In selecting project development and operation sites, we keep away from ecological conservation redlines and eco-sensitive zones to avoid disturbing wildlife habitats, water and soil erosion and deforestation. During the construction of our two million tons of alumina and supporting projects, we took into full consideration the biological survival environment and passages were intentionally left for small animals, with a view to reducing the impact of production and operation on the surrounding creatures.



Biodiversity Management Procedures of Nanshan Aluminium International

Due to the nature of the Group's businesses, packaging materials are not involved in the daily operation. Therefore, total packaging material used for finished products is not applicable.

5. Putting People First

Nanshan Aluminium International has always regarded talents as its most valuable assets. The Company provides employees with a broad development platform, establishes clear career advancement pathways, and drives its growth by talents.

5.1 Employment

The Company builds a diversified development platform for employees through an open, transparent recruitment mechanism and a fair and equitable employment system. We are dedicated to building a high-quality, specialized talent team whose capabilities highly match our development needs. While pursuing the sustainable growth of our Company, we place more emphasis on our employees' career development and the realization of their personal value. By establishing long-term talent incentives and training mechanisms, we promote the common progress of both our Company and our employees, working together to create a brighter future.

5.1.1 Equal Employment

Nanshan Aluminium International strictly complies with the Indonesian Labor Law and all applicable laws and regulations in the places where it operates. The Company has formulated Nanshan Aluminium International--Human Resources Management System. The Company is committed to prohibiting discrimination based on gender, race, religion, age, disability, nationality, etc. Nanshan Aluminium International aims to guarantee that every employee enjoys equal labor rights and is committed to establishing a scientific, standardized management system to safeguard the lawful rights and interests of its employees.

We adhere to the employment principle of "strictly prohibiting the use of child labor or any form of forced labor, and eliminating any form of employee discrimination and unfair employment". To ensure compliance in labor management, the Company conducts pre-employment background investigations, verifies the age of all prospective employees prior to employment and signs employment contracts with every employee. During the Reporting Period, there was no child labor or forced labor in Nanshan Aluminium International. If child labour or forced labour is found, we will stop his/her work immediately and carry out an investigation to identify the loophole, then implement remedial measures to prevent such incident from happening again.

As of the end of the Reporting Period, Nanshan Aluminium International had a total of 3,282 employees, with the number of employees in each category distributed as follows:

2024 Employee Composition of Nanshan Aluminium International

Indicators		Unit	Data in 2024
Total number of employees		person(s)	3,282
By gender	Male employees	person(s)	3,050
	Female employees	person(s)	232
By age	Employees at 30 and below	person(s)	1,414
	Employees at 31-49	person(s)	1,756
	Employees at 50 and above	person(s)	112
By position level	Senior management	person(s)	8
	Middle management	person(s)	191
	Frontline employees	person(s)	3,083
By region	Indonesian employees	person(s)	2,382
	Non-Indonesian employees	person(s)	900

5.1.2 Talent Attraction

In the recruitment process, Nanshan Aluminium International continue to implement its localized employment strategy, creating job opportunities and better welfare benefits for residents in the places where we operate, while fostering a good corporate image. By leveraging both expatriate and local recruitment channels, we effectively promote local employment while building a cross-culture team.

In March 2024, Nanshan Aluminium International, together with the local labor department in Indonesia, planned and hosted a large-scale comprehensive local job fair, which attracted nearly 3,000 participants. In August 2024, the Company participated in a campus recruitment fair at a local maritime university, which attracted approximately 200 participants. Through the integration of high-quality regional resources, we have established an efficient platform to connect enterprises with job seekers. We continue to strengthen collaborations with local and neighboring universities, and carry out multi-form and multi-level school-enterprise cooperative projects in the future.

Participating in a local job fair

Campus recruitment at a local university

Nanshan Aluminium International is dedicated to maximizing attraction to employees and employee retention rate and enhancing employees' working enthusiasm through a competitive compensation system. The Company has implemented a unified compensation structure, ensuring all employees adhere to the same salary structure. In the specific implementation, salary and subsidy standards are determined for each post based on value assessment results to ensure that the same post has the same compensation benchmark range. Actual compensation is dynamically adjusted according to individual performance, contributions, working hours and other factors. In addition, the Company has formed a diversified compensation adjustment mechanism. Beyond compensation increases tied to promotions, a special performance-based adjustment channel is set to recognize employees' value contributions.

During the Reporting Period, Nanshan Aluminium International revised and improved its compensation and performance program. New performance appraisal criteria were introduced for key Indonesian employees, while enhanced evaluations were implemented for Chinese employees., so as to ensure the successful completion of all production targets. We implemented performance incentives for Indonesian employees in management and technical roles, including monthly performance bonuses for employees with strong abilities and good performance. Furthermore, individual income tax exemptions were granted to managers with more than three years of service and employees with more than five years of service, thereby significantly improving retention rates of Indonesian employees and significantly reducing the turnover rate.

To further improve the Company's overall operational efficiency and optimize the talent management mechanism, we have made the turnover rate an appraisal indicator for the leaders of each unit and department, so as to better motivate the senior management team to focus on staff retention and create a good corporate culture and working environment. As of the end of the Reporting Period, Nanshan Aluminium International's overall employee turnover rate was 12.19%[7]. The turnover rates of different categories of employees are set out in the table below:

Indicators		Unit	Data in 2024
Employee turnover rate		%	12.19
By gender	Male employees	%	11.67
	Female employees	%	18.97
By age	Employees at 30 and below	%	15.21
	Employees at 31–49	%	9.57
	Employees at 50 and above	%	15.18
By region	Indonesian employees	%	12.93
	Non-Indonesian employees	%	10.22

5.1.3 Talent Cultivation

Nanshan Aluminium International attaches great importance to employee training and development. It is dedicated to building a systematic talent cultivation system and establishing clear career development pathways that offer our employees all-around support for their growth, so as to inspire employees to continuously challenge themselves, fostering a synergistic effect for individual growth and corporate development to achieve shared success and mutual benefit.

We offer various career development paths and training programs for our employees. We effectively improve the professional operation level and comprehensive quality of our employees through various training programs.

New employee training	Provide each new employee with 2 to 3 hours of training on the Company's development history, systems and rules, safety procedures, corporate culture and Indonesian customs and culture
Language training	Organize language training for four hours per week for Chinese and Indonesian employees
Mentorship training	Each Indonesian employee is paired with an experienced Chinese mentor who makes training plans based on training objectives, enabling employees to grow gradually in working practices
Training for special types of work	Training for special type of work is organized by relevant government. Upon completion of the training, participants will receive relevant skill certificates. The Company bears costs for the training. We ensure that all employees engage in special types of work take appointments with certificates
Continuous training in China	Every three months, we organize outstanding Indonesian employees to go to China for further training, learning Chinese traditional culture, Chinese and workshop techniques, etc.

Training highlights of Nanshan Aluminium International

[7] Turnover rate = annual number of employee resigned/(number of employee at the end of the period) *100%.

5. Putting People First

"Mentorship Training" model

Nanshan Aluminium International implemented a "Mentorship Training" training model, pairing experienced Chinese employees with Indonesian employees. This training model aims to give full play to the technical advantages and experience inheritance of Chinese mentors to help Indonesian employees quickly grasp professional skills, adapt to job requirements, and profoundly understand the corporate culture. Through practice guidance and face-to-face teaching, a group of localized talents with excellent skills and high work efficiency were cultivated, which significantly improved the overall professional level and production efficiency of the team, promoted Sino-Indonesian cultural blending and teamwork and provided a strong talent foundation supporting the Company's sustainable development.

Leadership training

In order to improve the management level, promote cross-departmental cooperation, optimize workflow and solve practical problems, Nanshan Aluminium International held two regular weekly training sessions for exchange and sharing among middle management, which enhanced team cohesiveness and innovation capabilities through experience sharing and collision of ideas. Meanwhile, the training promoted knowledge sharing and talent cultivation, injected new power for the sustainable development of the Company, and improved the overall operational efficiency and executive force.

During the Reporting Period, Nanshan Aluminium International provided employees with a total of 459,480 hours of training, with 140 hours of training per capita.

2024 Employee Training of Nanshan Aluminium International

Indicators		Unit	Data in 2024
Number of employees receiving training		person(s)	3,282
Total hours of employee training		hour(s)	459,480
Employee training coverage rate		%	100
Percentage of employees trained by gender	Male	%	92.9%
	Female	%	7.1%
Percentage of employees trained by position level	Senior management	%	0.2%
	Middle management	%	5.8%
	Frontline employees	%	94.0%
Average training hours of employees by gender	Male	hour(s)	140.0
	Female	hour(s)	140.0
Average training hours of employees by position level	Senior management	hour(s)	4.5
	Middle management	hour(s)	72.0
	Frontline employees	hour(s)	144.0

5. Putting People First

Employee promotion

Nanshan Aluminium International fixes work posts and defines personnel quota each year based on the Company's development situation. Vacant positions are publicly announced internally, ensuring transparency and equal opportunities. Qualified employees are encouraged to apply and participate in a competitive meeting held by the Company. The best one will be elected through the test of theories, democratic appraisals, and competitive speeches, ensuring that the selection of management members is open, transparent, fair and impartial. We break down the Company's overall development goals into specific performance targets at each level and implement a tiered appraisal system, which ensures fairness and encourages all employees to meet their individual performance targets, thereby contributing to the achievement of the Company's overall goals. In addition, we conduct appraisals through both superior leaders' feedback and 360-degree assessments. An annual evaluation is conducted at the end of each year, and the evaluation results serve as the basis for promotions, salary adjustments, excellence selection, and elimination.

5.2 Employee Care

Nanshan Aluminium International always puts the happiness and sense of belonging of its employees in the first place. Through meticulous employee care and democratic communication mechanism, it constantly improves employee satisfaction and creates a harmonious and warm corporate culture.

5.2.1 Welfare and Care

As a responsible enterprise, Nanshan Aluminium International has established a comprehensive and diversified benefits system that guarantees welfare for all employees, so as to consistently improve employees' quality of life and work satisfaction. In addition, we carry out recreational and sports activities, such as swimming competition, and selection activities, such as skills contests. These activities can enrich employees' leisure time and help employees keep a balance between work and life.

Employee benefits

Type of benefit	Contents of benefits
Mandated benefits	• Funeral leave, marriage leave, etc.
Supplement benefits	• Family visit: return home from abroad for family visits once every three months; additional extension allowance and airfare subsidy if not returning home for vacations; airfare subsidy for employees in the outer islands of Indonesia if they give up their vacations • Benefits for holidays: Benefits and meal coupons for all employees on Chinese and Indonesian holidays • Travel benefits: annual selection of outstanding employees, who can enjoy cash awards and traveling outside • Housing: provide employees (excluding local employees) with free dormitories and living materials such as water, electricity and heating, and provide employees with gymnasiums, sports venues, libraries and other entertainment venues • Physical examination: provide free physical examination for each candidate who will be on board to ensure that the candidate's health condition meets the requirements of the post

Employee dormitories

A gymnasium

A sports venue

The first session of swimming competition was held successfully

During the Reporting Period, Nanshan Aluminium International successfully hosted its first session swimming competition, which saw enthusiastic participation from nearly 140 employees from both China and Indonesia. Throughout the competition, participants went all out, showcasing a strong competitive spirit and fully demonstrating the team's vitality and cohesion. After fierce competition, participants each group achieved excellent results, showing excellent competitive level and good sportsmanship. To recognize the efforts and achievements of the participants, the Company prepared medals and generous prizes. The atmosphere at the event was warm and filled with joy and laughter. This activity not only enriched employees' leisure time but also further strengthened the friendship and communication between Chinese and Indonesian employees, injecting fresh vitality into the building of a harmonious team.

5. Putting People First

Skill competition

In October 2024, the Company organized a skill competition for its Indonesian employees, covering special types of work, including excavator and loader operators, forklift drivers, electricians, welders, bench workers, and crane men, which, on the one hand, upgraded the skill level of the employees, identified and cultivated talents for the Company, and, on the other hand, stimulated the enthusiasm of the employees to work and created a good atmosphere for learning. A total of 137 employees qualified for performance-based incentives based on the competition results, representing a year-on-year increase of 25 participants.

5.2.2 Employee Communication

Nanshan Aluminium International established diverse and transparent communication channels, clarified the mechanism of two-way communication with employees. The Company listened to employee voices at multiple dimensions and responded promptly to their reasonable demands. We conduct monthly communication sessions across each branch and department, enabling employees to give feedback through a hierarchical reporting system. For issues that cannot be directly raised in person, employees can submit feedback via the Company's email address. Moreover, we organize both regular and ad-hoc exchanges and visits, ensuring that employees' feedback is timely given to the appropriate management members. This approach allows us to resolve employees' issues at the earliest opportunity, ultimately improving employee satisfaction The Company opens and maintains various complaint channels and strictly adheres to confidentiality rules to keep the personal information of complainants strictly confidential.

To gain deeper insights into employees' demands and expectations, we conduct annual employee satisfaction surveys with anonymous questionnaires. These surveys comprehensively assess employees' feedback on various aspects, including: working environment, career development, teamwork, benefits and salaries, and company culture. The Company will form a satisfaction survey report based on the feedback results, deeply analyze the problems in the operation process, make timely rectifications and track the feedback results.

5.3 Production Safety

Nanshan Aluminium International regards production safety as the lifeline and bottom line of enterprise development. Built on a perfect safety management system, the Company constructs a multi-layered defense system for production safety through effective health and safety management, safety risk prevention and control, and safety culture promotion, thereby safeguarding the physical and psychological health of all employees.

5.3.1 Safety Management

Nanshan Aluminium International strictly complies with laws and regulations, as well as rules of the competent authorities, including, including the Occupational Health and Safety in the Work Environment and the Occupational Injury Emergency Treatment in the Workplace promulgated by the Ministry of Labor of Indonesia. The Company standardise safety management practices in accordance with the requirements of the ISO 45001 Occupational Health and Safety Management System.

The Company has set up a Safety and Environmental Protection Department, which is responsible for supervising each plant's exercise of the key responsibilities under the safe production and the safety production responsibility policy, improving safety production conditions, investigating and dealing with various types of production safety incidents, and providing employee with safety education. Each plant has set up a comprehensive safety section taking the responsibility of the day-to-day safety management, making regular safety reports, and organising inspections over safety production and occupational health.

To further improve the management efficiency, the Company includes the safety performance into the performance indicators of the senior management to ensure the realisation of the Company's safety management targets.

Key Safety Performance Targets	Completion status in 2024
No serious injury or fatal accidents	Completed
No liability-related equipment or production accidents	Completed
Timely rectification rate of identified potential safety hazards reached 100%	Completed
Qualification rate of safety training and education at all levels reached 100%	Completed

5. Putting People First

During the Reporting Period, Nanshan Aluminium International obtained ISO 45001 Occupational Health and Safety Management System Certification. The Occupational Health and Safety Management System (SMK3) Review Working Group actively promoted the development of the safety management system and conducted internal audits. We actively collaborated with Indonesian safety and environmental protection regulatory authorities to fulfill various tasks, ensuring that the Company's safety, environmental protection, occupational health, and occupational hygiene practices comply with laws and regulations. We have won multiple awards and honours, including the BPJS[8] (Badan Penyelenggara Jaminan Sosial Ketenag-akerjaan), Social Security Compliance Award, and the K3[9] (Safety, Health, and Occupation) Safety Activities Award sponsored by the local government.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CERTIFICATE
OF REGISTRATION

This is to certify that the management system of:

PT BINTAN ALUMINA INDONESIA

Main Site: Kawasan Ekonomi Khusus (KEK) Galang Batang, Kampung Galang Batang, Desa Gunung. Kijang, Kec. Gunung. Kijang, Kabupaten Bintan, Kepulauan Riau, 29151, Indonesia.

has been registered by Intertek as conforming to the requirements of:

ISO 45001:2018

The management system is applicable to:

Refining Bauxite to Alumina

Certificate Number:
0166137

Initial Certification Date:
24 January 2024

Date of Certification Decision:
24 January 2024

Issuing Date:
24 January 2024

Valid Until:
23 January 2027

Calin Moldovean
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

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ISO 45001 Occupational Health and Safety Management System Certification

Hidden risk identification

To address safety risks, Nanshan Aluminium International prioritizes prevention and control through annual internal safety risk assessments and audits. Based on these assessment results, the Company updates its emergency drills and training programs, makes and refines contingency plans to address emerging scenarios, new needs, and new risks, and prevent potential safety hazards in all aspects. During the Reporting Period, the Safety and Environmental Protection Department investigated 1,455 safety and civilized production issues, all of which were sent to each plant and construction unit by rectification notices.

Safety culture promotion

Nanshan Aluminium International upholds "safety-first" corporate culture. Employee training serves as the carrier of this commitment. The training we provide to employees contains laws, regulations, and safety rules and systems, operating instructions for posts, emergency plans, occupational health, dual prevention systems, firefighting training, specialized safety knowledge and accident cases. The multi-tiered and all-around training can reinforce employees' accountability for production safety, and improve employees' risk identification and prevention and control capabilities. New employees are required to receive four levels of safety training (company, plant, workshop, and team or group) before they are qualified to work. We conduct annual on-the-job safety training covering all employees in accordance with our safety training program to ensure that each employee's operations are safe. By the end of the Reporting Period, Nanshan Aluminium International organized 125 safety training sessions with 3,097 participants and 106 emergency drills with 1,428 participants.

8 BPJS (Badan Penyelenggara Jaminan Sosial Ketenagakerjaan) is the Indonesian Health Social Security Administration.
9 K3 stands for KESELAMATAN (safety), KESEHATAN (health) and KERJA (occupation).

Safety training for new employees

Safety training on first aid knowledge

Fire fighting competition

As of the end of the Reporting Period, the indexes on occupational health and safety of Nanshan Aluminium International are set out below:

Indicators	Unit	
Number of work-related fatalities (last three years), including the Reporting Period	person(s)	0
Rate of work-related fatalities (last three years), including the Reporting Period	%	0
Number of working days lost due to work injury (2024)	Day(s)	180

5.3.2 Occupational Health

Nanshan Aluminium International earnestly fulfills its primary responsibility for safeguarding employees' occupational health, building and continuously improving its occupational health and safety management system. It coordinates to carry out various safety culture promotional activities, so as to effectively reduce the occupational health and safety risks in the workplace.

We actively coordinate to facilitate the employee check-ups and annual occupational health checks. The occupational health check of all employees has been completed during the Reporting Period. We also provide all employees with applicable safety protection equipment including safety helmets, safety shoes, protective masks, earplugs, and goggles. In addition, firefighting facilities are well provided on site. Our Company uses HIRADC[10] to identify occupational hazards, assess risks and determine control measures to identify occupational hazards and diseases. Our Company also samples and tests the air quality, noise, and other environmental indicators in the working area to ensure that the workplace environment meets the standards. Based on the actual conditions of the site, we have formulated and adjusted emergency response procedures.

10 Hazard Identification, Risk Assessment and Determining Control (HIRADC) is part of OHSAS 18001:2007 Occupational Health and Safety Management System, which provides that organisations should establish, implement and maintain procedures for continuous hazard identification, risk assessment and determination of necessary control.

5. Putting People First

Occupational Health and Safety Measures

Identification and prevention and control of occupational disease hazards	• Continuously promote the risk classification and control of occupational disease hazards, hidden danger identification and control and hazards identification, risk assessment and control, so as to realize the normalized management of the risks of occupational hazards • Regularly employ a third-party testing organization to conduct occupational hazard testing in the workplace • Periodic inspection of special equipment
Improvement of the working environment	• Provide employees with complimentary personal protective equipment (PPE) tailored to their specific job requirements in alignment with operational need • Install air conditioners or ventilation systems in high-temperature operation workshops • Carry out on-site testing of occupational hazard factors and strengthen the control of on-site protective facilities based on the testing data
Regularly conduct employee medical examinations	• Conduct employee health screening and issue health risk notices to employees with high risk of occupational diseases
Promote safety culture	• Regularly carry out occupational disease prevention training, occupational health publicity week and other culture promotion activities • Distribute guide books on standard operation procedures for employees who may be at risk of occupational diseases

6. Giving Back to Society

As a responsible international enterprise, Nanshan Aluminium International knows that the development of the enterprise cannot be separated from the support of the local community. We actively participate in community building, fulfill our overseas responsibilities, give back to the community with a sincere heart, actively participate in various charitable donations and public welfare, and pass on love and warmth to those in need.

6.1 Community Protection

Nanshan Aluminium International has always maintained a responsible attitude to ensure the rational development and utilization of minerals, water resources and other local natural resources based on full respect and obtaining consent from the aborigines and provide them with all-around, multi-layered protection of their rights and interests.

We pay close attention to community impacts during project planning and construction. We actively communicate and collaborate with aborigines and local organizations. We pay high attention to projects that may negatively affect local communities and are committed to responding promptly and making necessary adjustments, so as to ensure that our operational and development activities are carried out in harmony with cultural and environmental protection.

Nanshan Aluminium International Commitment

The Company fully respects the fundamental rights and interests of aborigines, including but not limited to their rights to subsistence, development, utilization of natural resources (e.g., mines, land, scenic spots, etc.), benefit-sharing and informed consent. The Company undertakes that during the construction of new projects (including reconstructions, expansions), closures, decommissioning, divestment, and the requisition of natural resources, it will not collude with local governments under any circumstances. Furthermore, compensation for the requisition of natural resources or resettlement will be provided strictly in accordance with laws and regulations. The Company also undertakes to communicate well in advance and deal with matters related to recruitment, work arrangements, salaries and compensation, and promotion for aborigines in a fair and equitable manner to eliminate any form of discrimination.

Nanshan Aluminium International strictly abide by the professional guidance issued by cultural relics administrative departments and the Regulations on the Protection of Sites of Ancient Cultural Remains and the Holy Land. In the implementation of its projects, the Company carefully weighs environmental, social, and economic benefits while adopting prudent strategies to avoid, protect, or relocate from sites of ancient cultural remains and the holy land whenever necessary. For projects that may potentially impact local cultural heritage, we will take immediate corrective actions to ensure the integrity and safety of such heritage.

Nanshan Aluminium International Commitment

The Company fully respects the freedom of religious belief in the places where it operates and undertakes to protect sites of ancient cultural remains and the holy land in compliance with laws and regulations in its daily operations.

6. Giving Back to Society

6.2 Public Charity

Nanshan Aluminium International encourages its employees to engage in volunteer service, blood donation, and other public benefit activities. The Company persistently engages in public welfare programs, including educational assistance and holiday solicitude for the local community. These efforts not only deliver warmth and love to communities but also improve the material, cultural and living standards of the local community and successfully establish a good image of Chinese enterprises in the local community.

When Bintan Island in Indonesia suffered heavy rainfall and severe floods, the Company was among the first to prepare and distribute food and essential supplies to assist the disaster-stricken villagers. During every traditional Muslim festival, we visited local nursing homes, orphanages, and nearby communities to carry out charitable activities, delivering large amounts of food and other supplies to the people.

A primary and junior high school was donated to Bintan Island

A community-based charitable activity

Organizing firefighting and disaster relief

Cooperate with the Red Cross Society in Bintan, Indonesia to give blood donation

Construction of the Galang Batang Public Welfare Hospital

Understanding the shortage of local medical resources, Nanshan Aluminium International communicated with the local government. It built a public welfare hospital — Galang Batang Hospital. The hospital is equipped with nearly 20 departments, including surgical and outpatient services, a CT room, an ECG room, a color ultrasonic room and an operating room. It operates as a non-profit institution, and helps to enhance local medical level and people's quality of life.

During the Reporting Period, Nanshan Aluminium International employees contributed a total of 80 hours to public welfare, charity, and volunteer service. The total annual donations amounted to RMB100,000.

7. Appendix

7.1 ESG Policies and Key Systems

Environment

Environmental Protection Management (Indonesian Regulation No. 22 of 2021)
Procedure for the Issuance of On-site Technical Approval and Operational Feasibility Letter in Environmental Pollution Control (Indonesia Regulation No. 5 of 2021)
Company Environmental Protection Regulations (Compilation)
Environmental Protection Target Responsibility System
Three Wastes Management System
Hazardous Waste Management System
Environmental Protection Training and Education System
Environmental Performance Evaluation System
Environmental Risk Identification and Control System
Construction Project Environmental Management System
Environmental Emergency Response Plan
Indonesian Emission Quality Standards for Thermal Power Plants
Indonesian Port Waste Management (No. 05 of 2009)

Social

Nanshan Aluminum International-IT Management System,
Nanshan Aluminum International-Sales Policy
Nanshan Aluminum International-R&D Management System
Nanshan Aluminum International-Intangible Asset Management System
Nanshan Aluminium International-Procurement Management System,
Labor Law
Nanshan Aluminium International-Human Resources Management System
Occupational Health and Safety in the Work Environment
Occupational Injury Emergency Treatment in the Workplace
Regulations on the Protection of Sites of Ancient Cultural Remains and the Holy Land

Governance

Investment Law
Law on Limited Liability Company
Corporate Governance Code
Anti-Unfair Competition Law
Transparency International's Anti-Corruption Corporate Guidelines
Anti-Bribery Law
Anti-Corruption Law
Nanshan Aluminum International-Anti-Corruption Policy
Nanshan Aluminum International-Anti-Fraud Management Policy
Nanshan Aluminum International-Anti-Money Laundering Management System

7.2 THE ESG REPORTING GUIDE INDEX OF THE HONG KONG STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and KPIs			Section
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Harmonious Ecology – Environmental Management
	A1.1	The types of emissions and respective emissions information.	Harmonious Ecology – Environmental Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and intensity.	Harmonious Ecology – Environmental Management
	A1.3	Total hazardous waste produced and intensity.	Harmonious Ecology – Environmental Management
	A1.4	Total non-hazardous waste produced and intensity.	Harmonious Ecology – Environmental Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Harmonious Ecology – Environmental Management
	A2.1	Direct and/or indirect energy (such as electricity, gas or oil) consumption by type in total and intensity.	Harmonious Ecology – Environmental Management
	A2.2	Water consumption in total and intensity.	Harmonious Ecology – Environmental Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Harmonious Ecology – Environmental Management
	A2.5	Total packaging materials used for finished products and, if applicable, with reference to per unit produced.	Harmonious Ecology – Environmental Management
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Harmonious Ecology – Environmental Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Harmonious Ecology – Environmental Management
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Harmonious Ecology – Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Harmonious Ecology – Responding to Climate Change

7. Appendix

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

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

Independent Auditor's Report

KPMG

To the shareholders of
Nanshan Aluminium International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Nanshan Aluminium International Holdings Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 111 to 167, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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 MATTERS *(Continued)*

Timing of revenue recognition

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

The Key Audit Matter

The Group's revenue, amounted to US$1,021 million for the year ended 31 December 2024, is generated from the production and sales of alumina (including aluminum hydroxide).

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

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

How the matter was addressed in our audit

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

- Assessing the design, implementation and operating effectiveness of management's key internal controls which govern revenue recognition;

- Inspecting sale contracts, on a sample basis, to identify terms and conditions relating to transfer of the control of the alumina and assessing the Group's policies in respect of the timing of revenue recognition with reference to the requirements of the prevailing accounting standards;

- Inspecting, on a sample basis, sale orders and shipping documents ("**underlying documentation**") for revenue transactions recorded during the year to assess whether the related revenue had been recognised in accordance with the Group's revenue recognition accounting policies;

- Obtaining confirmations from customers, on a sample basis, for the amount of sales during the year and balances of trade receivables as at the year end, and for unreturned confirmations, performing alternative procedures by comparing the sales amount of the transactions with relevant underlying documentation;

- Inspecting, on a sample basis, delivery documents for revenue transactions recorded before and after the financial year end date to determine whether the related revenue had been recognised in the appropriate financial period.

Independent Auditor's Report

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

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs 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.

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

(Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

(Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

16 April 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024
(Expressed in United States dollars ("US$"))

	Note	2024 US$'000	2023 US$'000
Revenue	4	**1,020,668**	677,785
Cost of sales		**(503,978)**	(480,117)
Gross profit		**516,690**	197,668
Other net income	5	**17,047**	11,485
Selling expenses		**(5,489)**	(3,193)
Administrative expenses		**(28,246)**	(18,140)
Impairment loss reversed/(recognised) on trade receivables	24(a)	**708**	(729)
Profit from operations		**500,710**	187,091
Finance costs	6(a)	**(6)**	(2)
Profit before taxation	6	**500,704**	187,089
Income tax	7(a)	**(43,295)**	(13,564)
Profit for the year		**457,409**	173,525
Attributable to:			
Equity shareholders of the Company		**401,812**	122,665
Non-controlling interests	14	**55,597**	50,860
Profit for the year		**457,409**	173,525
Earnings per share	10		
Basic and diluted (US$)		**0.94**	0.35

The notes on pages 118 to 167 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 23(d).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024
(Expressed in US$)

	Note	2024 US$'000	2023 US$'000
Profit for the year		**457,409**	173,525
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations	*21(a)*	**(163)**	(29)
— Exchange differences on translation into presentation currency		**474**	1
Items that are or may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of foreign operations		**(71,914)**	17,609
Other comprehensive income for the year		**(71,603)**	17,581
Total comprehensive income for the year		**385,806**	191,106
Attributable to:			
Equity shareholders of the Company		**352,657**	135,219
Non-controlling interests	*14*	**33,149**	55,887
Total comprehensive income for the year		**385,806**	191,106

The notes on pages 118 to 167 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in US$)

	Note	31 December 2024 US$'000	31 December 2023 US$'000
Non-current assets			
Property, plant and equipment	*11*	**969,020**	869,594
Right-of-use assets	*12*	**50,932**	52,698
Intangible assets	*13*	**4,606**	5,350
Prepayments and other receivables	*17*	**50,742**	2,175
		1,075,300	929,817
Current assets			
Inventories	*15*	**99,619**	129,881
Trade receivables	*16*	**41,006**	62,588
Prepayments and other receivables	*17*	**46,246**	60,820
Other financial assets		**—**	175
Restricted deposits	*18(a)*	**4,316**	3,120
Cash and cash equivalents	*18(a)*	**454,152**	251,561
		645,339	508,145
Current liabilities			
Trade payables	*19*	**17,891**	35,607
Contract liabilities		**495**	—
Lease liabilities		**134**	—
Other payables and accruals	*20*	**362,062**	112,898
Defined benefit obligations	*21*	**21**	20
Other financial liabilities		**1,820**	—
Current taxation	*22(a)*	**14,732**	108
		397,155	148,633
Net current assets		**248,184**	359,512
Total assets less current liabilities		**1,323,484**	1,289,329

The notes on pages 118 to 167 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in US$)

	Note	31 December 2024 US$'000	31 December 2023 US$'000
Non-current liabilities			
Lease liabilities		**80**	—
Defined benefit obligations	*21*	**318**	57
Deferred tax liabilities	*22(b)*	**28,726**	19,632
		29,124	19,689
NET ASSETS		**1,294,360**	1,269,640
CAPITAL AND RESERVES	*23*		
Share capital		*	786,173
Reserves		**1,264,225**	132,625
Total equity attributable to equity shareholders of the Company		**1,264,225**	918,798
Non-controlling interests		**30,135**	350,842
TOTAL EQUITY		**1,294,360**	1,269,640

* The balance represented amount less than US$500.

Approved and authorised for issue by the board of directors on 16 April 2025.

Hao Weisong
Executive director

Wang Shisan
Executive director

The notes on pages 118 to 167 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024
(Expressed in US$)

		Attributable to equity shareholders of the Company								
	Note	Share capital US$'000 *Note23(b)*	Share premium US$'000 *Note23(c)*	Capital reserve US$'000 *Note23(e)(i)*	Exchange reserve US$'000 *Note23(e)(ii)*	Defined benefit obligations remeasurement reserve US$'000 *Note23(e)(iii)*	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2024		786,173	–	10,351	(60,926)	(42)	183,242	918,798	350,842	1,269,640
Changes in equity for 2024:										
Profit for the year		–	–	–	–	–	401,812	401,812	55,597	457,409
Other comprehensive income		–	–	–	(48,992)	(163)	–	(49,155)	(22,448)	(71,603)
Total comprehensive income		–	–	–	(48,992)	(163)	401,812	352,657	33,149	385,806
Dividend declared by Global Aluminium International Pte. Ltd. ("**GAI**")	*23(d)*	–	–	–	–	–	(66,736)	(66,736)	–	(66,736)
Dividend declared by PT. Bintan Alumina Indonesia ("**BAI**")	*23(d)*	–	–	–	–	–	–	–	(34,400)	(34,400)
Capital injection by non-controlling interest		–	–	–	–	–	–	–	50	50
Issuance of ordinary shares to shareholders of the Company in connection with the Reorganisation		*	1,116,704	(10,290)	–	–	–	1,106,414	(319,506)	786,908
Effect of Reorganisation		(786,173)	–	(735)	–	–	–	(786,908)	–	(786,908)
Dividend declared by the Company	*23(d)*	–	(260,000)	–	–	–	–	(260,000)	–	(260,000)
Balance at 31 December 2024		*	856,704	(674)	(109,918)	(205)	518,318	1,264,225	30,135	1,294,360

* The amount less than US$500.

The notes on pages 118 to 167 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024 (continued)
(Expressed in US$)

	Note	Share capital US$'000 *Note23(b)*	Share premium US$'000 *Note23(c)*	Capital reserve US$'000 *Note23(e)(i)*	Exchange reserve US$'000 *Note23(e)(ii)*	Defined benefit obligations remeasurement reserve US$'000 *Note23(e)(iii)*	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		Attributable to equity shareholders of the Company								
Balance at 1 January 2023		704,460	–	10,355	(73,501)	(21)	79,577	720,870	274,639	995,509
Changes in equity for 2023:										
Profit for the year		–	–	–	–	–	122,665	122,665	50,860	173,525
Other comprehensive income		–	–	–	12,575	(21)	–	12,554	5,027	17,581
Total comprehensive income		–	–	–	12,575	(21)	122,665	135,219	55,887	191,106
Dividend declared by GAI	*23(d)*	–	–	–	–	–	(19,000)	(19,000)	–	(19,000)
Dividend declared by BAI	*23(d)*	–	–	–	–	–	–	–	(10,366)	(10,366)
Capital injection by shareholders	*23(b)*	81,713	–	(4)	–	–	–	81,709	4	81,713
Capital injection by non-controlling interests of BAI		–	–	–	–	–	–	–	30,678	30,678
Balance at 31 December 2023		786,173	–	10,351	(60,926)	(42)	183,242	918,798	350,842	1,269,640

The notes on pages 118 to 167 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2024
(Expressed in US$)

	Note	2024 US$'000	2023 US$'000
Operating activities			
Cash generated from operations	*18(b)*	**601,410**	99,010
Income tax paid	*22(a)*	**(19,577)**	(2,741)
Net cash generated from operating activities		**581,833**	96,269
Investing activities			
Payment for the addition in right-of-use assets		**(2,826)**	(1,835)
Payment for the purchase of property, plant and equipment and intangible assets		**(270,755)**	(72,800)
Proceeds from sale of property, plant and equipment		**1**	453
Net cash used in investing activities		**(273,580)**	(74,182)
Financing activities			
Capital element of lease rentals paid		**(43)**	—
Interest element of lease rentals paid		**(3)**	—
Dividend paid to a shareholder of GAI		**(67,686)**	(18,050)
Dividend paid to non-controlling interests of BAI		**(27,342)**	(10,366)
Advance receipt of capital injection by shareholders of GAI	*18(c)*	**—**	4,081
Advance receipt of capital injection by non-controlling interests of BAI	*18(c)*	**—**	30,387
Receipt of capital injection by non-controlling interest		**50**	—
Proceeds from related parties	*18(c)*	**17,443**	1,359
Repayment to related parties	*18(c)*	**(18,350)**	(2,202)
Listing expenses		**(432)**	(83)
Net cash flows (used in)/generated from financing activities		**(96,363)**	5,126
Net increase in cash and cash equivalents		**211,890**	27,213
Cash and cash equivalents at the beginning of year	*18(a)*	**251,561**	219,748
Effect of foreign exchange rate changes		**(9,299)**	4,600
Cash and cash equivalents at the end of year	*18(a)*	**454,152**	251,561

The notes on pages 118 to 167 form part of these financial statements.

Notes to the Financial Statements

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

1 GENERAL INFORMATION

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

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

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

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation of the financial statements

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

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

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

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

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

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

(c) Basis of measurement

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

(d) Use of estimates and judgements

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

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

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

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements — Classification of liabilities as current or non-current ("**2020 amendments**") and amendments to HKAS 1, Presentation of financial statements — Non-current liabilities with covenants ("**2022 amendments**")
- Amendments to HKFRS 16, Leases — Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements

None of these developments have had a material effect on how to the Group's results and financial position for the current or prior periods have been prepared or presented.

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

(f) Subsidiaries and non-controlling interests

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

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

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment and right-of-use assets is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment and right-of-use assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

—	Leased office buildings	Over the lease term
—	Leasehold lands	30 years
—	Plant and buildings	20 years
—	Machinery and equipment	8–16 years
—	Furniture and fixtures	4–8 years
—	Motor vehicles	4–8 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Construction in progress

Construction in progress represents plant and buildings under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment loss, if any (see note 2(l)). The cost includes the direct costs of construction, plant and equipment.

Construction in progress is not depreciated until such time as the assets are completed and ready for operational use, after which the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 2(g).

(i) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Intangible assets

Intangible assets, including software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(l)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Software	4–10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(l)(ii)).

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Leased assets *(Continued)*

(i) ***As a lessee*** *(Continued)*

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) ***As a lessor***

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECLs**") on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets, trade receivables and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Credit losses and impairment of assets *(Continued)*

(i) ***Credit losses from financial instruments*** *(Continued)*

Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

— there is a breach of financial covenants by the debtor; or

— information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its credit obligations to the Group in full (without taking into account any collaterals held by the Group).

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

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) ***Impairment of other non-current assets***

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(l)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(l)(i)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Employee benefits *(Continued)*

(ii) Defined benefit obligations

The Group provides defined benefit plans to its employees in Indonesia in conformity with the relevant requirements of Indonesia's Labor Law. The provision for defined benefit plans is determined using the Projected Unit Credit method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss at the earlier of:

— The date of the plan amendment or curtailment; or

— The date of the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation in profit or loss:

— Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

— Net interest expense or income.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(r) Income tax *(Continued)*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("**OECD**").

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

The principal activities of the Group are sale of alumina. Revenue is recognised when the customer takes possession of and accepts the alumina.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

(b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and consequently are recognised in profit or loss on a systematic basis over the useful life of the asset.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of the Company and its subsidiaries using the functional currency other than US$, are translated into US$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US$ at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(v) Related parties *(Continued)*

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group determined that it only has one operating segment.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty are as follows:

(a) Depreciation

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment and right-of-use assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of useful lives and residual values, if any, are based on the historical experience with similar assets and taking into account anticipated changes on how such assets are to be deployed. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(b) Expected credit losses for trade receivables

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

(c) Recognition of deferred tax liabilities

Deferred tax liabilities are recognised in respect of taxable temporary differences. Some temporary differences arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Such temporary differences are often described as timing differences. Management's judgment needs to assess the amount of taxable timing differences. Management's assessment will be revised as necessary and additional or less deferred tax liabilities are recognised or reversed if the estimate amount of taxable timing differences changes.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the production and sales of alumina (including aluminium hydroxide). Revenue is recognised at a point in time.

Revenue from contracts with customers within the scope of HKFRS 15 is as follows:

	2024	2023
	US$'000	US$'000
Sales of alumina	**1,020,668**	677,785

During the year ended 31 December 2024, the Group's customers with whom transactions have exceeded 10% of the Group's revenue are set out below. Details of concentrations of credit risk arising from largest debtors are set out in note 24(a).

	2024	2023
	US$'000	US$'000
Customer A	**485,918**	318,880
Customer B	**385,455**	202,756
Customer C**	*	143,354

* Transactions with these customers did not exceed 10% of the Group's revenue.

** Customer C includes a group of our customers that are under the common control of the same ultimate shareholder.

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 and does not disclose remaining performance obligations under existing sales contracts as the performance obligations under these contracts have an original expected duration of one year or less.

4 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Geographical information

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

	2024 US$'000	2023 US$'000
Geographical region		
Malaysia	**485,918**	318,880
Hong Kong	**408,637**	223,542
Singapore	**90,154**	55,108
Indonesia	**33,215**	—
South Korea	**2,744**	2,177
Mainland China	**—**	67,461
Switzerland	**—**	10,617
	1,020,668	677,785

Most of the Group's non-current assets are located in Indonesia.

5 OTHER NET INCOME

	2024 US$'000	2023 US$'000
Interest income on financial assets measured at amortised cost	**11,350**	8,405
Net foreign exchange gain	**6,458**	2,546
Gain from sales of scraps materials	**688**	584
(Loss)/gain of forward exchange contracts at fair value through profit or loss	**(1,928)**	251
Others	**479**	(301)
	17,047	11,485

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Note	2024 US$'000	2023 US$'000
Interest on defined benefit obligations	*21(a)*	**3**	2
Interest on lease liabilities	*18(c)*	**3**	—
		6	2

(b) Staff costs

	Note	2024 US$'000	2023 US$'000
Salaries, wages and other benefits		**37,729**	21,271
Contributions to defined contribution retirement plans	*(i)*	**2,026**	1,246
Expenses recognised in respect of defined benefit obligations	*21(b)*	**118**	25
		39,873	22,542

Note:

(i) As stipulated by rules and regulations in the Indonesia, subsidiaries in the Indonesia are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

6 PROFIT BEFORE TAXATION *(Continued)*

(c) Other items

	Note	2024 US$'000	2023 US$'000
Auditors' remuneration			
— Annual audit services		**333**	—
— Other services *(note (i))*		**1,323**	—
		1,656	—
Amortisation cost of intangible assets	*13*	**676**	389
Depreciation and amortisation			
— Property, plant and equipment		**57,494**	49,208
— Right-of-use assets	*12*	**2,151**	2,146
		59,645	51,354
Listing expenses		**4,984**	625
Impairment loss (reversed)/recognised on trade receivables		**(708)**	729
Cost of inventories *(note (ii))*	*15*	**503,978**	480,117

Notes:

(i) Other services include US$1,323,000 (2023: nil) which is also included in the listing expenses disclosed separately above.

(ii) Cost of inventories includes US$89,001,000 (2023:US$72,422,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	2024 US$'000	2023 US$'000
Current tax		
— Corporate Income Tax	**871**	108
— Withholding tax	**33,330**	2,741
	34,201	2,849
Deferred tax		
— Origination and reversal of temporary differences	**9,094**	10,715
	43,295	13,564

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	2024 US$'000	2023 US$'000
Profit before taxation	**500,704**	187,089
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**867**	154
Tax effect of unused tax losses not recognised	**4**	2
Utilisation of tax losses previously not recognised	**—**	(48)
Withholding tax of foreign sourced income	**33,330**	2,741
Undistributed profits of foreign subsidiaries	**9,094**	10,715
Actual tax expense	**43,295**	13,564

Notes:

(i) The subsidiary incorporated in Singapore is subject to Singapore Corporate Income Tax ("**Singapore CIT**") at the statutory rate of 17% on any estimated assessable profits arising in Singapore during the year ended 31 December 2024.

(ii) The subsidiary incorporated in Indonesia is subject to Indonesia Corporate Income Tax ("**Indonesia CIT**") at the statutory rate of 22% on any estimated assessable profits arising in Indonesia during the year ended 31 December 2024. In 2021, the main operating subsidiary of the Company in Indonesia, BAI, obtained approvals from the relevant tax authorities for entitlement of an Indonesia CIT exemption consisting of a 20-year-exemption of Indonesia CIT commencing from 2021 to 2040 and a 50% reduction in ordinary tax rate from 2041 to 2042.

(iii) Taxation for group entities in other tax jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS *(Continued)*

(c) Pillar Two income taxes

The Organisation for Economic Co-operation and Development ("**OECD**") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("**Pillar Two legislation**") to implement the Pillar Two model rules on a globally agreed common approach. The Group mainly operates in Indonesia and its intermediate holding company and subsidiaries are located in Singapore and Hong Kong, both of which are jurisdictions which are subject to the Pillar Two legislation, after the respective jurisdiction has completed its new tax law enactment process. As the new tax laws are not yet effective for the year ended 31 December 2024, the Group does not recognise any current tax relating to the Pillar Two model rules for the year ended 31 December 2024.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and would account for the tax as current tax when incurred. Due to the uncertainties in enactment and interpretation of Pillar Two legislation, and complexities in applying the legislation and calculating taxable income, the quantitative impact of Pillar Two is not yet reasonably estimable. The Group is continuously monitoring the law enactment progress of Pillar Two legislation in relevant jurisdictions to assess the impact to the financial statements of the Group.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments are as follows:

	2024				
	Directors' fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Retirement scheme contributions US$'000	Total US$'000
Executive directors					
Mr. Hao Weisong *(i)*	–	108	–	4	112
Mr. Wang Shisan *(ii)*	–	65	–	4	69
Non-executive directors					
Ms. Wang Yanli *(iii)*	–	–	–	–	–
Mr. Loo Tai Choong *(iii)*	–	–	–	–	–
Mr. George Santos *(iii)*	–	–	–	–	–
	–	173	–	8	181

8 DIRECTORS' EMOLUMENTS *(Continued)*

	2023				
	Directors' fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Retirement scheme contributions US$'000	Total US$'000
Executive directors					
Mr. Hao Weisong *(i)*	–	87	–	4	91
Mr. Wang Shisan *(ii)*	–	61	–	4	65
	–	148	–	8	156

Notes:

(i) Mr. Hao Weisong was appointed as a director of the Company on 7 February 2024. He joined the Group in February 2018 and his emoluments disclosed above included the compensations for his services to one of the Group's subsidiaries as a general manager and a director.

(ii) Mr. Wang Shisan was appointed as a director of the Company on 29 September 2023. He joined the Group in June 2018 and his emoluments disclosed above included the compensations for his services as a chief financial officer.

(iii) Ms. Wang Yanli, Mr. Loo Tai Choong and Mr. George Santos were appointed as non-executive directors in 13 September 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2024. No amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2023: one) is a director whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other four (2023: four) individuals are as follows:

	2024 US$'000	2023 US$'000
Salaries and other emoluments	**563**	378
Retirement scheme contributions	**16**	37
	579	415

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS *(Continued)*

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2024 Number of individuals	2023 Number of individuals
Nil — HK$1,000,000	**2**	4
HK$1,000,001 – HK$1,500,000	**1**	—
HK$1,500,001 – HK$2,000,000	**1**	—

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

10 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of US$401,812,000 (2023: US$122,665,000) and the weighted average number of ordinary shares in issue or deemed to be in issue during the year.

As described in notes 2(b) and 23(b), the Group underwent the Reorganisation, pursuant to which the Company became the holding company of GAI in June 2024. Prior to the incorporation of the Company, the principal business of the Group was carried out through GAI and its subsidiary, BAI. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Reorganisation was determined assuming the Reorganisation had occurred since 1 January 2023, at the exchange ratio established in the Reorganisation.

In addition, on 10 March 2025, each of the Company's issued ordinary shares was subdivided into 5 shares. Accordingly, the weighted average number of shares throughout the periods presented has also been adjusted retrospectively for the impact of such share subdivision.

Weighted average number of ordinary shares

	2024 '000	2023 '000
Issued ordinary shares at 1 January	**74,411**	66,677
Effect of ordinary shares in issue or deemed to be in issue	**10,662**	3,223
Effect of share subdivision	**340,292**	279,598
Weighted average number of ordinary shares at 31 December	**425,365**	349,498

As there were no potential dilutive ordinary shares during the years ended 31 December 2024 and 2023, the diluted earnings per share were the same as the basic earnings per share.

11 PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings US$'000	Machinery and equipment US$'000	Furniture and fixtures US$'000	Motor vehicles US$'000	Construction in progress US$'000	Total US$'000
Cost:						
At 1 January 2023	622,683	231,686	14,738	2,635	92,026	963,768
Additions	–	–	–	–	5,230	5,230
Disposals	(819)	–	(6)	–	–	(825)
Transfer in/(out)	18,216	68,530	279	130	(87,155)	–
Exchange adjustment	12,542	4,018	298	52	2,736	19,646
At 31 December 2023	**652,622**	**304,234**	**15,309**	**2,817**	**12,837**	**987,819**
Additions	**–**	**–**	**15**	**293**	**199,522**	**199,830**
Disposals	**–**	**(1)**	**(40)**	**–**	**–**	**(41)**
Transfer in/(out)	**6,830**	**22,957**	**290**	**52**	**(30,129)**	**–**
Exchange adjustment	**(30,257)**	**(14,490)**	**(711)**	**(131)**	**(3,897)**	**(49,486)**
At 31 December 2024	**629,195**	**312,700**	**14,863**	**3,031**	**178,333**	**1,138,122**
Accumulated depreciation:						
At 1 January 2023	42,804	16,162	3,819	776	–	63,561
Charge for the year	31,006	19,495	3,449	351	–	54,301
Disposals	(367)	–	(5)	–	–	(372)
Exchange adjustment	554	127	42	12	–	735
At 31 December 2023	**73,997**	**35,784**	**7,305**	**1,139**	**–**	**118,225**
Charge for the year	**33,248**	**20,309**	**3,582**	**355**	**–**	**57,494**
Disposals	**–**	**–**	**(40)**	**–**	**–**	**(40)**
Exchange adjustment	**(4,064)**	**(2,048)**	**(406)**	**(59)**	**–**	**(6,577)**
At 31 December 2024	**103,181**	**54,045**	**10,441**	**1,435**	**–**	**169,102**
Carrying amount:						
At 31 December 2024	**526,014**	**258,655**	**4,422**	**1,596**	**178,333**	**969,020**
At 31 December 2023	578,625	268,450	8,004	1,678	12,837	869,594

12 RIGHT-OF-USE ASSETS

	Leasehold lands US$'000	Leased Office buildings US$'000	Total US$'000
At 1 January 2023	53,320	—	53,320
Additions	418	—	418
Depreciation for the year	(2,146)	—	(2,146)
Exchange adjustment	1,106	—	1,106
At 31 December 2023	**52,698**	**—**	**52,698**
Additions	**2,570**	**256**	**2,826**
Depreciation for the year	**(2,098)**	**(53)**	**(2,151)**
Exchange adjustment	**(2,441)**	**—**	**(2,441)**
At 31 December 2024	**50,729**	**203**	**50,932**

Note:

(i) At 31 December 2024 and 2023, leasehold lands official certificates of certain pieces of land of the Group with carrying amounts of US$40,710,000 and US$42,218,000, respectively, were in the process of obtaining. The directors of the Company consider that there is no legal impediment for the Group to access and use such land and it should not lead to any significant adverse impact on the operations of the Group.

13 INTANGIBLE ASSETS

	2024 US$'000	2023 US$'000
At 1 January	**5,350**	411
Addition	**169**	5,371
Amortisation for the year	**(676)**	(389)
Exchange adjustment	**(237)**	(43)
At 31 December	**4,606**	5,350

During the year ended 31 December 2024, the intangible assets mainly consisted of software owned by the Group for its business operations, which were acquired from independent third parties and have finite useful lives.

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

14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary:

			Proportion of ownership interest			
Name of company	**Place and date of establishment/ incorporation and business**	**Particulars of issued and paid-up capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary/ subsidiaries**	**Principal activities**
Hong Kong Nanshan Aluminium Management Company Limited ("**NAM**")	Hong Kong 21 July 2023	1 share	100%	100%	–	Investment holding
Prime Aluminium Investment Holding Limited ("**PAIHL**")	British Virgin Islands (the "**BVI**") 6 July 2023	100 share of US$1 each	100%	100%	–	Investment holding
Global Aluminium Investment Holding Limited ("**GAIHL**")	The BVI 6 July 2023	100 shares of US$1 each	100%	100%	–	Investment holding
Hong Kong Prime Aluminium Investment Limited ("**PAIL**")	Hong Kong 21 July 2023	100 share	100%	–	100%	Investment holding
GAI	Singapore 4 April 2013	US$786,172,698	100%	–	100%	Sale of alumina
BAI	Indonesia 10 May 2012	Indonesian Rupiah ("**IDR**") 15,424,131,000,000	97.7%	–	97.7%	Production and sale of alumina
Longkou Baihuida Consultation Service Co., Ltd. (龍口百匯達諮詢服務有限公司) (i)	The People's Republic of China (the "**PRC**") 7 October 2023	Renminbi ("**RMB**") 6,000,000	100%	–	100%	Management consultation service
PT. Medical Galang Batang ("**MGB**")	Indonesia 14 September 2024	IDR 10,100,000,000	96.7%	–	96.7%	N/A (ii)
PT. Galang Batang Aluminium Indonesia ("**GBAI**")	Indonesia 23 October 2024	IDR 10,100,000,000	97.7%	–	97.7%	N/A (ii)

Notes:

(i) The official name of this entity is in Chinese. The English translation is for identification purpose only. This entity is registered as a wholly foreign-owned enterprise under the PRC Law. This entity established in the PRC is a limited liability company.

(ii) Since its establishment, MGB and GBAI has no business operation.

Notes to the Financial Statements

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

14 INVESTMENTS IN SUBSIDIARIES *(Continued)*

The following table lists out the information relating to BAI, the subsidiary of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	2024	2023
	US$'000	US$'000
NCI percentage	**2.3%**	27.3%
Current assets	**646,218**	501,990
Non-current assets	**1,074,702**	929,817
Current liabilities	**(412,489)**	(146,613)
Non-current liabilities	**(318)**	(57)
Net assets	**1,308,113**	1,285,137
Carrying amount of NCI	**30,135**	350,842

As disclosed in note 23(b), the Group acquired 25% equity interest in BAI from Press Metal Aluminium Holdings Berhad ("**Press Metal**") on 11 July 2024.

	2024	2023
	US$'000	US$'000
Revenue	**1,014,325**	676,636
Profit for the year	**499,920**	186,301
Total comprehensive income	**427,986**	204,716
Profit allocated to NCI	**55,597**	50,860
Dividend paid to NCI	**(34,400)**	(10,366)
Cash flows generated from operating activities	**569,049**	90,219
Cash flows used in investing activities	**(278,138)**	(74,182)
Cash flows used in financing activities	**(110,481)**	(7,855)

15 INVENTORIES

	2024	2023
	US$'000	US$'000
Raw materials	**54,357**	97,187
Work in progress	**35,823**	26,761
Finished goods	**9,439**	5,933
	99,619	129,881

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024	2023
	US$'000	US$'000
Carrying amounts of inventories sold	**503,978**	480,117

16 TRADE RECEIVABLES

		2024	2023
	Note	**US$'000**	US$'000
Trade receivables			
— Related parties		**35**	20,169
— Third parties		**41,345**	43,539
		41,380	63,708
Less: loss allowance	*24(a)*	**(374)**	(1,120)
		41,006	62,588

All of the trade receivables are expected to be recovered within one year.

Ageing analysis

As at 31 December 2024 and 2023, the ageing analyses of trade receivables, based on the date of revenue recognition and net of loss allowance, are as follows:

	2024	2023
	US$'000	US$'000
Within 3 months	**41,006**	62,588

Trade receivables are typically due within 30 working days upon the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 24(a).

17 PREPAYMENTS AND OTHER RECEIVABLES

	2024 US$'000	2023 US$'000
Current portion		
Prepayments		
— Purchase of inventories	**29,059**	45,677
Value-added tax recoverable	**15,476**	8,950
Amount due from related parties	**1**	5,500
Listing expenses to be capitalised *(note (i))*	**693**	83
Others	**1,017**	610
	46,246	60,820
Non-current portion		
Prepayments		
— Purchase of leasehold lands	**1,757**	1,825
— Purchase of property, plant and equipment	**48,985**	350
	50,742	2,175

Note:

(i) The balances have been transferred to the share premium account within equity upon the listing of the Company's shares on the Stock Exchange.

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2024 US$'000	2023 US$'000
Bank deposits	**458,453**	254,668
Cash on hand	**15**	13
Less: restricted deposits *(note (i))*	**(4,316)**	(3,120)
	454,152	251,561

Note:

(i) As at 31 December 2024 and 2023, restricted deposits included the deposits of forward exchange contracts and deposits of issuing letters of credit.

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2024 US$'000	2023 US$'000
Profit before taxation		**500,704**	187,089
Adjustments for:			
Depreciation of property, plant and equipment	*11*	**57,494**	54,301
Depreciation of right-of-use assets	*12*	**2,151**	2,146
Amortisation of intangible assets	*13*	**676**	389
Finance costs	*6(a)*	**6**	2
(Reversed)/recognised of impairment loss on trade receivables	*6(c)*	**(708)**	729
Loss on disposal of property, plant and equipment		**1**	—
Decrease/(increase) in other financial assets		**175**	(175)
Increase in other financial liabilities		**1,820**	—
Changes in working capital:			
Decrease/(increase) in inventories		**30,262**	(59,515)
Decrease/(increase) in trade receivables		**22,328**	(51,834)
Decrease/(increase) in prepayments and other receivables		**15,006**	(49,659)
(Increase)/decrease in restricted deposits		**(1,196)**	8,053
(Decrease)/increase in trade payables		**(17,716)**	23,961
Increase in contract liabilities		**495**	—
(Decrease) in other payables and accruals		**(10,350)**	(16,568)
Increase in defined benefit obligations		**262**	91
Cash generated from operations		**601,410**	99,010

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(c) Reconciliation of liabilities arising from financing activities

The tables below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statements as cash flows from financing activities.

	Amounts due to related parties US$'000 *Note 20*	Dividend payable US$'000 *Note 20*	Lease liabilities US$'000	Total
At 1 January 2024	907	950	–	1,857
Changes from financing cash flows:				
Dividend paid to shareholders of GAI	–	(67,686)	–	(67,686)
Dividend paid to non-controlling interests of BAI	–	(27,342)	–	(27,342)
Proceeds from related parties	17,443	–	–	17,443
Repayment to related parties	(18,350)	–	–	(18,350)
Capital element of lease rentals paid	–	–	(43)	(43)
Interest element of lease rentals paid	–	–	(3)	(3)
Total changes from financing cash flows	(907)	(95,028)	(46)	(95,981)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	256	256
Interest on lease liabilities	–	–	4	4
Dividend declared by GAI	–	66,736	–	66,736
Dividend declared by BAI	–	34,400	–	34,400
Dividend declared by the Company	–	260,000	–	260,000
Total other changes	–	361,136	260	361,396
At 31 December 2024	–	267,058	214	267,272

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(c) Reconciliation of liabilities arising from financing activities *(Continued)*

	Amounts due to related parties US$'000 *Note 20*	Capital received in advance US$'000	Dividend payable US$'000 *Note 20*	Total
At 1 January 2023	1,750	77,923	—	79,673
Changes from financing cash flows:				
Advance receipt of capital injection by shareholders of GAI	—	4,081	—	4,081
Advance receipt of capital injection by shareholders of BAI	—	30,387	—	30,387
Dividend paid to a shareholder of GAI	—	—	(18,050)	(18,050)
Dividend paid to non-controlling interests of BAI	—	—	(10,366)	(10,366)
Proceeds from related parties	1,359	—	—	1,359
Repayment to related parties	(2,202)	—	—	(2,202)
Total changes from financing cash flows	(843)	34,468	(28,416)	5,209
Other changes:				
Convert into share capital of GAI	—	(81,713)	—	(81,713)
Convert into share capital of BAI	—	(30,678)	—	(30,678)
Dividend declared by GAI	—	—	19,000	19,000
Dividend declared by BAI	—	—	10,366	10,366
Total other changes	—	(112,391)	29,366	(83,025)
At 31 December 2023	907	—	950	1,857

19 TRADE PAYABLES

	2024	2023
	US$'000	US$'000
Related parties	**6,767**	17,153
Third parties	**11,124**	18,454
	17,891	35,607

As at 31 December 2024 and 2023, all trade payables are expected to be settled within one year or are repayable on demand.

Ageing analysis

An ageing analysis of trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	2024	2023
	US$'000	US$'000
Within 1 year	**17,891**	35,607

20 OTHER PAYABLES AND ACCRUALS

	2024	2023
	US$'000	US$'000
Amounts due to related parties	**–**	907
Dividend payable	**267,058**	950
Payables for purchase of property, plant and equipment	**83,302**	106,208
Accrued payroll and other benefits	**6,601**	2,572
Taxes and surcharge payables	**1,203**	854
Others	**3,898**	1,407
	362,062	112,898

All of the balance are expected to be settled within one year.

21 DEFINED BENEFIT OBLIGATIONS

BAI, a subsidiary of the Group, provide post-employment benefits to their employees in conformity with the requirements of Indonesia's Labor Law. The estimated liabilities for employees' benefits as at 31 December 2024 and 2023 are based on the actuarial calculation prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a firm regulated by Royal Institute of Chartered Surveyors, which applied the "Projected Unit Credit" method.

	2024	2023
	US$'000	US$'000
Portion classified as current portion	**21**	20
Non-current portion	**318**	57
Total defined benefit obligations	**339**	77

(a) Movements in the present value of the defined benefit obligation

	2024	2023
	US$'000	US$'000
At 1 January:	**77**	25
Remeasurement of defined benefit obligations	**163**	29
Benefits paid by the plans	**(13)**	(4)
Current service cost	**118**	25
Interest cost	**3**	2
Foreign exchange difference	**(9)**	—
At 31 December	**339**	77

The average duration of the defined benefit obligation is 33.56 years and 33.59 years as at 31 December 2024 and 2023, respectively.

21 DEFINED BENEFIT OBLIGATIONS *(Continued)*

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2024 US$'000	2023 US$'000
Current service cost	**118**	25
Net interest on defined benefit obligations	**3**	2
Total amounts recognised in profit or loss	**121**	27
Remeasurement of defined benefit obligations	**163**	29
Total amounts recognised in other comprehensive income	**163**	29
Total defined benefit costs	**284**	56

The current service cost and the net interest on net defined benefit liability are recognised in the following line items in the consolidated statements of profit or loss:

	2024 US$'000	2023 US$'000
Finance costs	**3**	2
Administrative expenses	**118**	25
	121	27

(c) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2024	2023
Discount rate	**7.07%**	6.85%
Mortality table	**TMI IV**	TMI IV
Annual salary increase rate	**2.69%**	2.88%

Note:

(i) TMI IV stands for "forth updated Tabel Mortalita Indonesia", which assesses the probability of employee death during employment or after retirement.

21 DEFINED BENEFIT OBLIGATIONS *(Continued)*

(c) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows: *(Continued)*

The below analysis shows how the defined benefit obligation would have increased (decreased) as a result of 1% change in the significant actuarial assumptions:

	Increase in 1%		Decrease in 1%	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Discount rate	**(21)**	(3)	**25**	4
Future salary increases	**21**	4	**(17)**	(4)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

22 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	Note	**2024** **US$'000**	2023 US$'000
Income tax payable at 1 January		**108**	—
Provision for the year	*7(a)*	**34,201**	2,849
Income tax paid		**(19,577)**	(2,741)
Income tax payable at 31 December		**14,732**	108

(b) Deferred tax liabilities

Deferred tax liabilities arising from:	**Undistributed profits of foreign subsidiaries** US$'000
1 January 2023	8,917
Charged to profit or loss for the year	10,715
At 31 December 2023 and 1 January 2024	**19,632**
Charged to profit or loss for the year	**9,094**
At 31 December 2024	**28,726**

22 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Continued)*

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), at 31 December 2024 and 2023, the Group has not recognised deferred tax assets in respect of cumulative tax losses of US$29,000 and US$3,000, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

23 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliations between the opening and closing balances of each component of the Group's consolidated equity during the year ended 31 December 2024 are set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US$'000	**Share premium** US$'000	**Exchange reserve** US$'000	**Accumulated losses** US$'000	**Total** US$'000
At 28 June 2023 (date of incorporation)	*	–	–	–	*
Changes in equity for the period from 28 June 2023 (date of incorporation) to 31 December 2023:					
Total comprehensive income for the period	–	–	(1)	(660)	(661)
Balance at 31 December 2023 and 1 January 2024	*****	**–**	**(1)**	**(660)**	**(661)**
Changes in equity for the year:					
Issuance of shares	*****	**1,116,704**	**–**	**–**	**1,116,704**
Dividends declared	**–**	**(260,000)**	**–**	**–**	**(260,000)**
Total comprehensive income for the year	**–**	**–**	**(758)**	**(4,645)**	**(5,403)**
Balance at 31 December 2024	*****	**856,704**	**(759)**	**(5,305)**	**850,640**

* The amount less than US$500.

23 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Share capital

For the purpose of these financial statements, the share capital of the Group as at 31 December 2023 represents the aggregate amount of the share capital of the companies now comprising the Group after the elimination of investments in subsidiaries. After the Company becoming the holding company of the companies now comprising the Group in June 2024, share capital as at 31 December 2024 represents the share capital of the Company.

(i) On 1 August 2023, Nanshan Aluminium Singapore Co. Pte. Ltd.("**NAS**") and Redstone Alumina International Pte. Ltd. ("**Redstone**") made a capital contribution in GAI in proportion to their existing shareholding and the issued share capital of GAI increased from US$704,460,000 to US$786,173,000.

(ii) Share capital of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2023 with an authorised share capital of US$50,000 divided into 50,000 shares with a par value of US$1.00 each. On the date of its incorporation, one (1) share was allotted and issued to Nanshan Aluminium Investment Holding Limited ("**NAIHL**"), which is directly wholly-owned by NAS.

On 14 June 2024, each authorised, issued and unissued share then of US$1.00 par value was subdivided into 1,000,000 shares of US$0.000001 par value each. Upon completion of the increase of authorised share capital and the share subdivision, the authorised share capital of the Company was US$50,000, divided into 50,000,000,000 Share of par value of US$0.000001 each.

On 18 June 2024, the Company issued 69,690,891 shares to NAIHL, and the consideration was settled by the transfer of 95% equity interest in GAI from NAS to a subsidiary of the Company.

On 19 June 2024, the Company issued 3,720,573 shares to Redstone, and the consideration was settled by the transfer of 5% equity interest in GAI from Redstone to a subsidiary of the Company.

On 11 July 2024, the Company issued 25,588,536 shares to Press Metal International Resources (HK) Limited, a wholly-owned subsidiary of Press Metal, and the consideration was settled by the transfer of 25% equity interest in BAI from Press Metal to a subsidiary of the Company.

(c) Share premium

The share premium represented the difference between the consideration received and par value of issued shares of the Company.

Pursuant to the written resolutions of the directors of the Company on 22 September 2024, the Company declared dividends of US$260,000,000 to the then existing shareholders at the time of declaration from its share premium.

23 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(d) Dividends

(i) Dividends payable to equity shareholders of the Company during the year.

	2024 US$'000	2023 US$'000
Dividend declared by the Company	**260,000**	—

As at 31 December 2024, the declared but unpaid dividend of US$260,000,000 of the Company was recognised as dividend payable, which has not been settled as at 31 December 2024.

(ii) Profit distributions to minority shareholders of the subsidiaries declared during the year:

	2024 US$'000	2023 US$'000
Dividend declared and paid by BAI	**100,336**	37,970
Dividend declared by BAI *(note (i))*	**304,724**	—
Dividend declared and paid by GAI	**66,736**	18,050
Dividend declared by GAI *(note (ii))*	**—**	950

Notes:

(i) As at 31 December 2024, the declared but unpaid dividend of US$304,724,000 of BAI was recognised as dividend payable, which has not been settled as at 31 December 2024.

(ii) As at 31 December 2023, the declared but unpaid dividend of US$950,000 of GAI was recognised as dividend payable, which has been paid in January 2024.

(e) Nature of reserves

(i) Capital reserve

Capital reserve represents: (i) the difference between the contributions from the shareholders of BAI and their respective share of net assets in BAI; (ii) the reserve arising from the Reorganisation, which represents the difference between the consideration received from the shareholders and the share capital of GAI; and (iii) the difference between the consideration paid to non-controlling interests and the carrying amount of the proportionate net assets of the subsidiaries.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange difference arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policies set out in note 2(u).

(iii) Defined benefit obligations remeasurement reserve

Defined benefit obligation remeasurement reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

23 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, currency and commodity price risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit ratings assigned by credit-rating agencies, for which the Group consider to have low credit risk. The directors of the Group consider the Group's exposure to credit risk arising from other receivables was not significant as the balances of other receivables as at 31 December 2024 remained immaterial and no significant actual losses were experienced historically by the Group.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer rather than the industry in which the customers operate. As at 31 December 2024 and 2023, 48% and 68% of the total trade receivables, respectively, was due from the Group's largest customer and 96% and 100% of the total trade receivables, respectively, was due from the five largest customers. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables.

Individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current liability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are typically due within 30 working days upon the date of billing. Normally, the Group does not obtain collateral from customers.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk *(Continued)*

Trade receivables *(Continued)*

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. The calculation of loss allowance for trade receivables was carried out by an independent specialist (the "**Valuer**"), with experience in expected credit loss calculation. The loss allowance is estimated by taking into account the probability of default and their corresponding recovery rate, with reference to the credit risk exposures of the debtors' industry, and considering forward looking information.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2024		
	Expected loss rate %	**Gross carrying amount US$'000**	**Loss allowance US$'000**
Within 3 months	**0.90**	**41,380**	**(374)**

	2023		
	Expected loss rate %	Gross carrying amount US$'000	Loss allowance US$'000
Within 3 months	1.76	63,708	(1,120)

Movement in the loss allowance account in respect of trade receivables during the year ended 31 December 2024 is as follows:

	2024 US$'000	2023 US$'000
At the beginning of the year	**1,120**	390
(Reversed)/recognised of impairment losses	**(708)**	729
Exchange adjustment	**(38)**	1
At the end of the year	**374**	1,120

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay:

	2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand US$'000	**More than 1 year but less than 2 years US$'000**	**More than 2 years but less than 5 years US$'000**	**More than 5 years US$'000**	**Total US$'000**	**Carrying amount US$'000**
Trade payables	**17,891**	**–**	**–**	**–**	**17,891**	**17,891**
Other payables and accruals	**362,062**	**–**	**–**	**–**	**362,062**	**362,062**
Lease liabilities	**138**	**81**	**–**	**–**	**219**	**214**

	2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount US$'000
Trade payables	35,607	–	–	–	35,607	35,607
Other payables and accruals	112,898	–	–	–	112,898	112,898

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash and cash equivalents. The Group's exposure to interest rate risk is not significant.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are RMB, US$ and Singapore dollars (SGD). Foreign exchange contracts are usually used by the Group to manage foreign exchange risk associated with foreign currency-denominated assets and liabilities.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in US$, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the Company and its subsidiaries using the functional currency other than US$ into the Group's presentation currency are excluded.

	2024		
	RMB US$'000	**US$ US$'000**	**SGD US$'000**
Cash and cash equivalents	**6,566**	**207,249**	**114**
Trade receivables	**—**	**20,647**	**—**
Prepayments and other receivables	**—**	**26**	**—**
Trade payables	**(135)**	**—**	**—**
Other payables	**(463)**	**—**	**—**
Net exposure arising from recognised assets and liabilities	**5,968**	**227,922**	**114**

	2023		
	RMB US$'000	US$ US$'000	SGD US$'000
Cash and cash equivalents	6,575	47,463	126
Trade receivables	—	62,509	—
Trade payables	(325)	(594)	—
Other payables	(47,835)	(92)	—
Net exposure arising from recognised assets and liabilities	(41,585)	109,286	126

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2024	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and retained profits US$'000**
RMB	**5%**	**298**
	-5%	**(298)**
USD	**5%**	**11,396**
	-5%	**(11,396)**
SGD	**5%**	**6**
	-5%	**(6)**

	2023	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits US$'000
RMB	5%	(2,079)
	(5%)	2,079
USD	5%	5,464
	(5%)	(5,464)
SGD	5%	6
	(5%)	(6)

(e) Commodity price risk

The price of commodity products is influenced by international and domestic market prices and changes in global supply and demand for such products, Both the international and domestic market price of commodities as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue and comprehensive income of the Group, The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of commodity prices.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value measurements as at categorised into Level 2	
	2024	2023
Other financial assets/(liabilities):		
— Forward exchange contracts	**(1,820)**	175

The fair value of forward exchange contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

(ii) Fair value of financial assets and liabilities not carried at fair value

The carrying amounts of the Group's financial instruments at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023.

25 COMMITMENTS

Capital commitments outstanding at 31 December 2024 not provided for in the financial information were as follows:

	2024	2023
	US$'000	US$'000
Commitments in respect of property, plant and equipment		
—Contracted for	**269,211**	118,360

26 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had material transactions with the Group:

Name of related party	Relationships
NAS	Intermediate holding company
NAIHL	Intermediate holding company
Shandong Nanshan Aluminium Co., Ltd. ("**Nanshan Aluminium**") 山東南山鋁業股份有限公司*	Intermediate holding company
Yantai Jintai International Co., Ltd. ("**Jintai**") (煙台錦泰國際貿易有限公司)*	A subsidiary of Nanshan Aluminium
Shandong Nanshan International Travel ServiceCo., Ltd. ("**NITS**") (山東南山國際旅行社有限公司)*	A Company controlled by the ultimate controlling party
PT. Bintan Electrolytic Aluminium ("**BEA**")	A subsidiary of Nanshan Aluminium
Press Metal	Non-controlling interest of BAI with significant influence (up to 10 July 2024)/Non-controlling interest of the Company with significant influence (from 11 July 2024)
Mr. Santony	Director of BAI
PT. Mahkota Karya Utama ("**MKU**")	A company controlled by Mr. Santony and/or his close family member
PT. Sanmas Mekar Abadi	A company controlled by Mr. Santony and/or his close family member
PT. Bintangar Maju Abadi	A company controlled by Mr. Santony and/or his close family member
PT. Bintan Tayan Mineral	A company controlled by Mr. Santony and/or his close family member
PT. Bintan Bangun Karya	A company controlled by Mr. Santony and/or his close family member
PT. Bukit Batu Mulia	A company controlled by Mr. Santony and/or his close family member
PT. Cahaya Kota Nusantara	A company controlled by Mr. Santony and/or his close family member
CV. Pelita Alam Semesta	A company controlled by Mr. Santony and/or his close family member
CV. Galang Batang Prima	A company controlled by Mr. Santony and/or his close family member
PT. Foxy Energi Alam	A company controlled by Mr. Santony and/or his close family member
PT. Indo Aluvium Permata	A company controlled by Mr. Santony and/or his close family member
PT. Solid Tambang Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Beton Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Green Technology Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Nusantara Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Solid Petro Indonesia	A company controlled by Mr. Santony and/or his close family member
PT. Galaxy Ocean Shipyard	A company controlled by Mr. Santony and/or his close family member

* The official names of these companies are in Chinese. The English translations are for identification purpose only.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2024	2023
	US$'000	US$'000
Short-term employee benefits	**729**	447
Retirement scheme contributions	**31**	29
	760	476

Total remuneration is included in "staff costs" (see note 6(b)).

26 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Transactions with related parties

	2024 US$'000	2023 US$'000
Purchase bauxite		
— Companies controlled by Mr. Santony and/or his close family member	**15,244**	21,748
Purchase other raw materials		
— Companies controlled by Mr. Santony and/or his close family member	**2,376**	2,740
Purchase property, plant and equipment		
— Companies controlled by Mr. Santony and/or his close family member	**19,677**	3,474
— Jintai	**13,774**	9,535
— BEA	**1,216**	—
Purchase services		
— Nanshan Aluminium	**6,258**	12,019
— NITS	**743**	549
Purchase leasehold lands		
— Mr. Santony	**—**	1,090
— MKU	**—**	334
Sourcing service fee		
— Companies controlled by Mr. Santony and/or his close family member	**8,184**	9,375
Payment and collection for purchase of raw materials and service as sourcing agent		
— Companies controlled by Mr. Santony and/or his close family member	**131,706**	166,733
Sales of alumina and scraps materials		
— Press Metal	**485,918**	318,880
— A company controlled by Mr. Santony and/or his close family member	**122**	448
Proceeds from related parties		
— NAS	**17,443**	1,359
— Nanshan Aluminium	**222**	—
Repayment to related parties		
— NAS	**18,350**	2,202
— Nanshan Aluminium	**222**	—
Payment on behalf of related parties		
— NAIHL	**1**	—

26 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties

	2024 US$'000	2023 US$'000
Trade nature:		
Trade receivables		
— Press Metal	**35**	20,169
Prepayments and other receivables		
— Companies controlled by Mr. Santony and/or his close family member	**2,810**	7,868
— Jintai	**12,122**	—
Trade payables		
— Companies controlled by Mr. Santony and/or his close family member	**6,767**	17,153
Other payables and accruals		
— Jintai	**–**	15,604
— Companies controlled by Mr. Santony and/or his close family member	**6,539**	8,104
Non-trade nature:		
Prepayments and other receivables		
— NAS	**–**	5,500
— NAIHL	**1**	—
Other payables and accruals		
— NAS	**–**	907

The non-trade balances with related parties are unsecured, interest free and had no fixed term of repayment, and are expected to be settled upon listing.

At 31 December 2024 and 2023, the Group had unused bank credit lines with the amount of US$35,000,000 and US$20,000,000, respectively, which was guaranteed by the controlling shareholder of the Group. Such guarantee arrangement will be terminated upon listing.

(e) Immediate parent and ultimate controlling party

The directors of the Company consider the immediate parent and the ultimate controlling party of the Company at 31 December 2024 to be Nanshan Aluminium Investment Holding Limited and the village committee of Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, the PRC, respectively.

27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Non-current assets			
Property, plant and equipment		**1**	1
Investments in subsidiaries	*14*	**1,116,706**	*
		1,116,707	1
Current assets			
Prepayments and other receivables		**11,542**	83
Cash and cash equivalents		**1,108**	—
		12,650	83
Current liabilities			
Other payables		**278,717**	745
		278,717	745
Net current liabilities		**(266,067)**	(662)
Total assets less current liabilities		**850,640**	(661)
NET (LIABILITIES)/ASSETS		**850,640**	(661)
CAPITAL AND RESERVES	*23*		
Share capital		*****	*
Reserves		**850,640**	(661)
TOTAL EQUITY/(DEFICIT)		**850,640**	(661)

* The balance represented amount less than US$500.

Approved and authorised for issue by the board of directors on 16 April 2025.

Hao Weisong
Executive director

Wang Shisan
Executive director

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

28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON 1 JANUARY 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9 and HKFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standard-Volume 11	1 January 2026
HKFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
HKFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

29 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

(b) On 25 March 2025, the shares of the Company were listed on the Main Board of the Stock Exchange, where 88,235,300 shares with a par value of US$0.0000002 each were issued at a price of HK$26.60 each. The proceeds, net of share issuance expenses, have been credited to the Company's share capital and share premium account accordingly.

Summary of Financial Information

Key profit or loss items	**For the year ended 31 December**			
(US$'000)	**2024**	2023	2022	2021
Revenue	**1,020,668**	677,785	466,777	172,842
Gross profit	**516,690**	197,668	112,069	44,802
Profit before taxation	**500,704**	187,089	103,132	41,658
Profit for the year	**457,409**	173,525	96,092	39,710

Key statement of financial position items	**As at 31 December**			
(US$'000)	**2024**	2023	2022	2021
Non-current assets	**1,075,300**	929,817	958,270	866,539
Current assets	**645,339**	508,145	323,847	335,872
Total assets	**1,720,639**	1,437,962	1,282,117	1,202,411
Current liabilities	**397,155**	148,633	277,676	194,952
Non-current liabilities	**29,124**	19,689	8,932	1,966
Total liabilities	**426.279**	168,322	286,608	196,918
Total equity	**1,294,360**	1,269,640	995,509	1,005,493