

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHUANGXIN INDUSTRIES HOLDINGS LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONGKONG SECURITIES LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Chuangxin Industries Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 3 to 125, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 31 May 2025, the statements of financial position of the Company as at 31 December 2023 and 2024 and 31 May 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages 3 to 12 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 14 November 2025 (the "Document") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Reporting accountants' responsibility - continued

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2022, 2023 and 2024 and 31 May 2025, of the Company's financial position as at 31 December 2023 and 2024 and 31 May 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended May 31 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page 4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the group entities in respect of the Track Record Period and states that no dividend was declared or paid by the Company since its incorporation.

A handwritten signature in blue ink, appearing to read 'Deloitte Touche Tohmatsu', is written over the printed name of the firm.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
14 November 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	<i>Notes</i>	Year ended 31 December			Five Months ended 31 May	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Revenue	6	13,489,726	13,814,657	15,163,182	5,883,228	7,213,526
Cost of sales		(11,448,584)	(11,478,369)	(10,886,722)	(4,242,896)	(5,780,865)
Gross profit		2,041,142	2,336,288	4,276,460	1,640,332	1,432,661
Other income	7	93,503	97,948	55,243	19,792	22,807
Other expenses		(7,500)	(20,947)	(11,172)	(2,528)	(6,863)
Listing expenses		–	–	(16,438)	–	(4,736)
Other gains and losses	8	205,962	5,245	18,471	10,845	6,888
Selling and marketing expenses		(2,834)	(313)	(563)	(120)	(861)
Administrative expenses		(218,619)	(206,009)	(279,018)	(101,197)	(145,594)
Impairment (losses) gains under expected credit loss (“ECL”) model, net of reversal		(2,126)	(14)	412	400	793
Share of results of joint ventures		–	–	(851)	–	(7,005)
Finance costs	9	(1,061,869)	(939,706)	(761,647)	(366,468)	(262,444)
Profit before tax	10	1,047,659	1,272,492	3,280,897	1,201,056	1,035,646
Income tax expenses	11	(134,757)	(191,860)	(651,377)	(201,620)	(180,195)
Profit and total comprehensive income for the year/period		<u>912,902</u>	<u>1,080,632</u>	<u>2,629,520</u>	<u>999,436</u>	<u>855,451</u>
Profit and total comprehensive income for the year/period attributable to:						
Owners of the Company		881,286	1,003,572	2,056,227	879,941	755,955
Non-controlling interests		31,616	77,060	573,293	119,495	99,496
		<u>912,902</u>	<u>1,080,632</u>	<u>2,629,520</u>	<u>999,436</u>	<u>855,451</u>
Earnings per share	14					
– Basic (RMB)		<u>0.59</u>	<u>0.67</u>	<u>1.37</u>	<u>0.59</u>	<u>0.50</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	15	6,394,185	6,686,105	9,152,466	10,741,958
Right-of-use assets	16	2,262,694	2,233,194	928,604	1,083,733
Intangible assets	17	3,359,808	3,288,524	3,217,685	3,187,859
Prepayments on acquisition of long-lived assets		47,687	98,870	1,151,436	746,964
Other receivables	22	–	–	2,303	2,292
Deferred tax assets	18	7,104	5,608	83,126	–
		<u>12,071,478</u>	<u>12,312,301</u>	<u>14,535,620</u>	<u>15,762,806</u>
Current assets					
Inventories	19	1,761,037	1,255,138	1,577,704	2,253,286
Trade receivables	20	40,232	96,131	39,140	84,755
Receivables at fair value through other comprehensive income ("FVTOCI")	21	29,102	62,678	485,699	90,972
Prepayments and other receivables . .	22	331,176	181,666	823,813	989,316
Financial assets at fair value through profit or loss ("FVTPL")	23	30,044	–	–	699,900
Amounts due from related parties . .	24	4,260,136	3,752,415	–	–
Tax recoverable		8,919	–	–	–
Restricted bank deposits	25	2,798,680	1,309,070	681,440	591,314
Cash and cash equivalents	25	158,909	584,126	176,401	470,857
		<u>9,418,235</u>	<u>7,241,224</u>	<u>3,784,197</u>	<u>5,180,400</u>
Current liabilities					
Trade, bills and other payables	26	6,736,129	4,698,653	2,945,451	3,755,878
Contract liabilities	27	26,336	6,979	372,807	344,055
Lease liabilities	28	280,630	346,554	10,698	46,539
Deferred income		2,564	2,677	8,790	12,532
Bank and other borrowings	29	8,342,273	4,250,981	4,941,606	6,676,496
Amounts due to related parties	30	317,191	416,131	–	–
Tax payable		–	159,487	458,908	66,630
		<u>15,705,123</u>	<u>9,881,462</u>	<u>8,738,260</u>	<u>10,902,130</u>
Net current liabilities		<u>(6,286,888)</u>	<u>(2,640,238)</u>	<u>(4,954,063)</u>	<u>(5,721,730)</u>
Total assets less current liabilities . .		<u>5,784,590</u>	<u>9,672,063</u>	<u>9,581,557</u>	<u>10,041,076</u>
Non-current liabilities					
Deferred tax liabilities	18	20,465	17,281	–	60,262
Bank and other borrowings	29	2,488,003	5,030,826	6,006,637	5,844,895
Other payables	26	655,990	700,982	749,556	702,595
Lease liabilities	28	673,967	459,842	417,924	172,849
Deferred income		16,939	14,262	81,172	78,702
		<u>3,855,364</u>	<u>6,223,193</u>	<u>7,255,289</u>	<u>6,859,303</u>
Net assets		<u>1,929,226</u>	<u>3,448,870</u>	<u>2,326,268</u>	<u>3,181,773</u>
Capital and reserves					
Paid-in/share capital	31	2,017,901	2,070,551	–*	54
Reserves	32	(327,936)	879,808	1,254,713	2,010,668
Equity attributable to owners of the Company		<u>1,689,965</u>	<u>2,950,359</u>	<u>1,254,713</u>	<u>2,010,722</u>
Non-controlling interests	33	239,261	498,511	1,071,555	1,171,051
Total equity		<u>1,929,226</u>	<u>3,448,870</u>	<u>2,326,268</u>	<u>3,181,773</u>

* Less than RMB1,000.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		As at 31 May
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	15	—	—	3,129
Right-of-use assets	16	—	—	13,882
Other receivables	22	—	2,303	2,292
		—	2,303	19,303
Current assets				
Cash and cash equivalents		—	865	28
Other receivables	22	—	5,789	11,524
Amount due from a related party	41	—*	—*	—
		—*	6,654	11,552
Current liabilities				
Other payables	26	—	18,627	13,695
Lease liabilities	28	—	—	5,465
Amount due to subsidiaries	41	—	8,098	26,869
		—	26,725	46,029
Net current liabilities		—*	(20,071)	(34,477)
Total assets less current liabilities . .		—*	(17,768)	(15,174)
Non-current liability				
Lease liabilities	28	—	—	9,378
		—	—	9,378
Net liabilities		—*	(17,768)	(24,552)
Capital and reserves				
Share capital	31	—*	—*	54
Reserves	32	—	(17,768)	(24,606)
Total deficit		—*	(17,768)	(24,552)

* Less than RMB1,000.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in/ share capital	Statutory surplus reserve	Safety fund reserve	Other reserve	(Accumulated losses) retained Earnings	Sub-total	Non- controlling Interests	Total
	(note 31)	(note 32)	(note 32)				(note 33)	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . .	2,017,901	156,217	22,438	–	(1,387,877)	808,679	207,645	1,016,324
Profit and total comprehensive income for the year .	–	–	–	–	881,286	881,286	31,616	912,902
Transfer to statutory surplus reserve . . .	–	3,617	–	–	(3,617)	–	–	–
Transfer to safety funds reserve, net of utilisation	–	–	29,443	–	(29,443)	–	–	–
At 31 December 2022 .	2,017,901	159,834	51,881	–	(539,651)	1,689,965	239,261	1,929,226
Profit and total comprehensive income for the year	–	–	–	–	1,003,572	1,003,572	77,060	1,080,632
Capital injection from a non-controlling interest to Shandong Chuangyuan New Material Technology Co., Ltd.* (山東創源 新材料科技有限公 司) (“Shandong Chuangyuan”) (note 15)	52,650	–	–	204,172	–	256,822	182,190	439,012
Issue of one ordinary share by the Company	–**	–	–	–	–	–	–	–**
Transfer to statutory surplus reserve . . .	–	11,353	–	–	(11,353)	–	–	–
Transfer to safety funds reserve, net of utilisation	–	–	16,753	–	(16,753)	–	–	–
At 31 December 2023 .	2,070,551	171,187	68,634	204,172	435,815	2,950,359	498,511	3,448,870
Profit and total comprehensive income for the year .	–	–	–	–	2,056,227	2,056,227	573,293	2,629,520
Capital injection from Shandong Innovation Group Co., Ltd* (山 東創新集團有限公 司) (“Innovation Group”) to Shandong Chuangyuan (note a)	–	–	–	192,699	–	192,699	136,701	329,400

	Paid-in/ share capital	Statutory surplus reserve	Safety fund reserve	Other reserve	(Accumulated losses) retained Earnings	Sub-total	Non- controlling Interests	Total
	(note 31)	(note 32)	(note 32)				(note 33)	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Acquisition of Shandong Chuangyuan	(70,551)	–	–	(680,821)	–	(751,372)	–	(751,372)
Capital injection to Inner Mongolia Chuangyuan Metal Co., Ltd* (內蒙古創 源金屬有限公司) ("Inner Mongolia Chuangyuan") as part of the Reorganisation (as defined in note 2) (note 2)	32,320	–	–	–	–	32,320	–	32,320
Dividend declared and paid (note 13)	–	–	–	–	(193,050)	(193,050)	(136,950)	(330,000)
Acquisition of 99% equity interest in Inner Mongolia Chuangyuan	(2,000,000)	–	–	(1,000,000)	–	(3,000,000)	–	(3,000,000)
Acquisition of 1% equity interest in Inner Mongolia Chuangyuan	(32,320)	–	–	(150)	–	(32,470)	–	(32,470)
Transfer to statutory surplus reserve	–	214,442	–	–	(214,442)	–	–	–
Transfer to safety funds reserve, net of utilisation	–	–	27,709	–	(27,709)	–	–	–
At 31 December 2024	–**	385,629	96,343	(1,284,100)	2,056,841	1,254,713	1,071,555	2,326,268
Profit and total comprehensive income for the period	–	–	–	–	755,955	755,955	99,496	855,451
Issue of ordinary shares	54	–	–	–	–	54	–	54
Transfer to statutory surplus reserve	–	61,209	–	–	(61,209)	–	–	–
Transfer to safety funds reserve, net of utilisation	–	–	2,354	–	(2,354)	–	–	–
At 31 May 2025	54	446,838	98,697	(1,284,100)	2,749,233	2,010,722	1,171,051	3,181,773
At 31 December 2023	2,070,551	171,187	68,634	204,172	435,815	2,950,359	498,511	3,448,870
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	879,941	879,941	119,495	999,436

	Paid-in/ share capital	Statutory surplus reserve	Safety fund reserve	Other reserve	(Accumulated losses) retained Earnings	Sub-total	Non- controlling Interests	Total
	(note 31)	(note 32)	(note 32)				(note 33)	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Capital injection from Innovation Group to Shandong Chuangyuan (note a) (unaudited)	-	-	-	192,699	-	192,699	136,701	329,400
Acquisition of Shandong Chuangyuan	(70,551)	-	-	(680,821)	-	(751,372)	-	(751,372)
Dividend declared and paid (note 13) (unaudited)	-	-	-	-	(193,050)	(193,050)	(136,950)	(330,000)
Transfer to statutory surplus reserve (unaudited)	-	89,331	-	-	(89,331)	-	-	-
Transfer to safety funds reserve, net of utilisation (unaudited)	-	-	14,696	-	(14,696)	-	-	-
At 31 May 2024 (unaudited)	<u>2,000,000</u>	<u>260,518</u>	<u>83,330</u>	<u>(283,950)</u>	<u>1,018,679</u>	<u>3,078,577</u>	<u>617,757</u>	<u>3,696,334</u>

* English name is for identification purpose only

** Less than RMB1,000.

Note:

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
OPERATING ACTIVITIES					
Profit before tax	1,047,659	1,272,492	3,280,897	1,201,056	1,035,646
Adjustments for:					
(Gain) loss on disposal of property, plant and equipment	(2,167)	(1,690)	(8,699)	(8,582)	56
Gain on disposal of intangible assets	(180,749)	—	—	—	—
Loss on disposal of land use right	—	—	—	—	(10)
Depreciation of property, plant and equipment	462,642	546,932	617,124	233,146	323,450
Depreciation of right-of-use assets	201,817	162,849	71,430	52,524	18,021
Amortisation of intangible assets	74,981	71,284	71,587	29,700	29,826
Impairment loss on property, plant and equipment	15,316	19,084	11,246	5,767	9,559
Write-down of inventories	5,440	—	—	—	—
Finance costs	1,061,869	939,706	761,647	366,468	262,444
Interest income	(90,116)	(48,878)	(18,526)	(9,315)	(2,037)
Share of results of joint ventures	—	—	851	—	7,005
Gain on disposal of derivative financial instruments	(23,702)	—	—	—	—
Impairment loss under ECL model, net of reversal	2,126	14	(412)	(400)	(793)
Fair value changes of financial assets at FVTPL	(44)	44	—	—	—
Realised gain from financial assets at FVTPL	(93)	(99)	—	—	(83)
Net foreign exchange losses (gains)	78	11	295	—	(496)
Loss (gain) on disposal of subsidiaries	—	—	728	—	(5,174)
Operating cash flows before movements in working capital	2,575,057	2,961,749	4,788,168	1,870,364	1,677,414
(Increase) decrease in inventories	(347,705)	505,899	(322,566)	157,868	(675,582)
Decrease (increase) in trade receivables	88,052	(55,739)	56,861	45,216	(45,964)
Increase in receivables at FVTOCI	(13,290)	(38,342)	(729,629)	(281,792)	(38,126)
Decrease (increase) in prepayments and other receivables	131,535	129,919	(667,689)	(76,254)	207,416
(Decrease) increase in trade and bills payables	(240,219)	1,102,211	208,066	166,782	72,951
(Decrease) increase in contract liabilities	(32,735)	(19,357)	365,828	312,597	(28,752)
(Decrease) increase in other payables	(118,799)	(4,422)	136,462	(20,369)	91,319
Increase (decrease) in deferred income	10,940	(2,564)	73,023	28,762	1,272
Cash generated from operations	2,052,836	4,579,354	3,908,524	2,203,174	1,261,948
Income taxes refund	44,246	53,465	—	—	—
Income taxes paid	(227,943)	(78,607)	(446,755)	(212,262)	(429,085)
NET CASH FROM OPERATING ACTIVITIES	1,869,139	4,554,212	3,461,769	1,990,912	832,863

	Year ended 31 December			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
INVESTING ACTIVITIES					
Payments for acquisition of property, plant and equipment . .	(956,322)	(452,479)	(3,102,539)	(519,877)	(1,301,498)
Payments for acquisition of intangible assets	(142,862)	(76,010)	(748)	–	–
Payments for acquisition of right-of-use assets	(268,620)	(17,581)	(4,110)	(2,281)	(36,088)
Payments for rental deposit	–	–	(2,303)	–	–
Proceeds on disposal of property, plant and equipment	7,438	2,441	97,884	97,459	2,472
Proceeds on disposal of intangible assets	354,717	–	–	–	–
Interest received	96,865	89,617	25,224	13,152	1,562
Withdrawal of restricted bank deposits	2,942,291	3,947,661	2,758,927	1,780,676	1,421,043
Placement of restricted bank deposits	(2,829,166)	(2,499,530)	(2,137,995)	(1,253,750)	(1,330,442)
Purchases of financial assets at FVTPL	(594,000)	(65,000)	–	–	(999,900)
Proceeds from disposal of financial assets at FVTPL	564,093	95,099	–	–	300,083
Purchases of derivative financial instruments	(30,842)	–	–	–	–
Proceeds from disposal of derivative financial instruments . .	54,544	–	–	–	–
Repayments received from a related party	228,551	1,002,927	1,985,146	1,620,616	–
Advance to a related party	(246,240)	(495,049)	(1,983,025)	(1,560,214)	–
Repayments received from a third party	205,000	20,000	75,140	16,550	–
Advance to a third party	(50,000)	–	(44,400)	(21,427)	–
Investment deposit received from a third party	–	80,000	(80,000)	–	–
Net cash outflow on acquisition of a subsidiary	–	–	(13,557)	–	–
Net cash outflow on disposal of subsidiaries	–	–	(157)	–	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES . . .	(664,553)	1,632,096	(2,426,513)	170,904	(1,942,768)

	Year ended 31 December			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
FINANCING ACTIVITIES					
Dividends paid	–	–	(330,000)	(330,000)	–
New borrowings raised	620,000	4,918,000	4,238,690	695,294	4,330,819
Repayments of borrowings	(1,519,018)	(6,538,542)	(2,386,513)	(877,585)	(2,417,705)
Proceeds from notes financing	3,765,131	3,704,439	1,220,317	430,000	500,000
Payments for notes financing	(2,504,000)	(5,534,030)	(3,237,060)	(1,587,060)	(110,000)
Payments of lease liabilities	(346,948)	(232,786)	(379,862)	(379,862)	(359,049)
Interest paid	(899,456)	(824,701)	(671,772)	(322,139)	(286,613)
Payments to a finance provider	(722,787)	(1,298,975)	(230,691)	(139,293)	–
Loans raised from related parties	320,300	1,276,029	1,012,385	135,179	–
Repayments of loans from related parties	(205,267)	(1,194,325)	(1,428,516)	(520,986)	–
Loans raised from third parties	73,000	64,300	471,982	194,109	207,185
Repayments of loans from third parties	(15,000)	(100,500)	(49,200)	(30,800)	(457,550)
Capital injection from Innovation Group to Shandong Chuangyuan	–	–	329,400	329,400	–
Capital injection to Inner Mongolia Chuangyuan as part of the Reorganisation (as defined in Appendix I of this document)	–	–	32,320	–	–
Acquire 1% of Inner Mongolia Chuangyuan from Carnaby Management	–	–	(32,470)	–	–
Payments of issue costs	–	–	(1,991)	–	(2,780)
Proceeds from issue of ordinary shares	–	–	–	–	54
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(1,434,045)	(5,761,091)	(1,442,981)	(2,403,743)	1,404,361
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(229,459)	425,217	(407,725)	(241,927)	294,456
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	388,368	158,909	584,126	584,126	176,401
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	158,909	584,126	176,401	342,199	470,857

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Chuangxin Industries Holdings Limited (the “Company”) is an exempted limited liability company incorporated in the Cayman Islands on 4 July 2023. The addresses of the registered office and principal place of business of the Company are disclosed in the section “Corporate Information” of the Document.

Pursuant to the Reorganisation (as defined and detailed in note 2) completed on 23 October 2024, the Company became the holding company of the entities now comprising the Group since then.

The Company is an investment holding company. During the Track Record Period, the Company, together with its subsidiaries as set out in note 43 (collectively referred to as the “Group”) are principally engaged in production and sales of electrolytic aluminum and alumina in the People’s Republic of China (“PRC”), focusing on alumina refining and aluminum smelting within the upstream of the aluminum industry chain.

Mr. Cui Lixin, the founder of the Group, as at 31 December 2022 and 2023, owned effectively 71.82% equity interest of the Group through Innovation Group and owned 100% equity interest of the Company upon completion of the Reorganisation (as defined in note 2) since October 2024. Accordingly, Mr. Cui Lixin is the ultimate controlling shareholder (“Mr. Cui” or the “Controlling Shareholder”) of the Group prior to and upon completion of the Reorganisation (as defined in note 2).

The functional currency of the Company and its subsidiaries is Renminbi (“RMB”), which is the same as the presentation currency of the Historical Financial Information.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

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

During the Track Record Period, Innovation Group is owned by Mr. Cui as to 71.82%, while the remaining minority interests totaling 28.18% were held by 3 individuals.

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

The major steps of the Reorganisation comprised the following:

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

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

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

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

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

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

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

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

Details of the Reorganisation has been more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the Document.

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

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the year ended 31 December 2022 and 2023, including the results, changes in equity and cash flows of the entities now comprising the Group, as if the Company had always been the holding company of the Group and the group structure upon completion of the Reorganisation had been in existence throughout the Track Record Period, or since their respective date of establishment, incorporation or acquisition, where this is a shorter period.

The combined statements of financial position of the Group as at 31 December 2022 and 2023 have been prepared to present the assets and liabilities of the entities now comprising the Group, as if the Company had always been the holding company of the Group and the group structure upon completion of the Reorganisation had been in existence at those dates taking into account the respective dates of establishment, incorporation or acquisition, where applicable.

No statutory financial statements of the Company has been prepared since its date of incorporate as it is incorporated in a jurisdiction where there are no statutory audit requirements.

Going Concern Assumption

The management of the Group have given careful consideration to the going concern of the Group in light of the fact that as at 31 May 2025, the Group's current liabilities exceeded its current assets by RMB5,721,730,000. In addition, as at 31 May 2025, the Group had capital commitments contracted for but not provided in the Historical Financial Information amounting to RMB1,269,805,000, as disclosed in note 39.

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

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

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

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's accounting period beginning on 1 January 2025, throughout the Track Record Period.

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

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

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

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

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

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

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

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

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

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

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

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

Merger accounting for business consolidation involving businesses under common control

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS accounting standards).

Business combinations or asset acquisitions

Asset acquisitions

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

Business combinations

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

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

Investment in a joint venture

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

The results and assets and liabilities of a joint venture is incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of a joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

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

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 6 and 27.

Property, plant and equipment

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

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

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

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

Intangible assets

Intangible assets acquired separately

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

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

Leases

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

The Group as lessee

Allocation of consideration to components of a contract

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

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

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain office premises and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

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

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

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

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

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

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

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

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

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

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

Lease modifications

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

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

Lease modification

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

Operating leases

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

Sale and leaseback transactions

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

The Group as a seller-lessee

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

Foreign currencies

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

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

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

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

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

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

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

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

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

Borrowing costs

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

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

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

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

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

Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at FVTPL

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

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

Impairment of financial assets subject to impairment assessment under IFRS 9

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

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

The Group always recognises lifetime ECL for trade receivables.

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

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

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

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

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

Definition of default

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

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

Credit-impaired financial assets

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

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

Write-off policy

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

Measurement and recognition of ECL

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

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

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

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

Derecognition of financial assets

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

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

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

Cash and cash equivalents

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

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

Taxation

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

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

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

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

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

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

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

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

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

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

Current and deferred tax are recognised in profit or loss.

Employee benefits

Retirement benefit costs

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

Short-term employee benefits

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

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

Government grants

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

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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 4, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgement in applying accounting policies

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

Supplier finance arrangement

As disclosed in note 26, 29 and 34b, the Group entered into supplier finance arrangements with a procurement agent, which is one of the largest aluminum products trading company in China, to procure bauxite from overseas suppliers, Bank of Jinzhou to procure coals and carbon anodes from domestic suppliers and Bank of Qingdao to procure coals and bauxite from domestic suppliers. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider amounted to RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent the payments to suppliers by the finance provider directly. During the year ended 31 December 2023 and 2024 and the five months ended 31 May 2024 and 2025, bank loans under supplier finance arrangements amounted to RMB77,500,000, RMB112,490,000, RMB75,520,000 (unaudited) and nil, respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of

RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly. Under these arrangements, the procurement agent, Bank of Jinzhou and Bank of Qingdao settles the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by the procurement agent, Bank of Jinzhou and Bank of Qingdao. The Group then settles with the procurement agent 90 days after settlement by the procurement agent with fixed interest ranges from 4.8%-5.4% per annum, settles with Bank of Jinzhou 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao approximately 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. In determining whether the liabilities resulting from such arrangements are presented separately from trade payables, the directors of the Group consider whether the nature and function of these liabilities are sufficiently different from trade payables. For liabilities that are part of the working capital used in the Group's normal operating cycle, they are presented within trade payable. In addition, the directors of the Group determine whether the arrangement has extinguished the entity's obligation to suppliers and whether the terms and conditions in the agreements with the procurement agent or Bank of Jinzhou and Bank of Qingdao are similar to the Group's financing activities. When the liabilities are part of the Group's financing activities, the Group presents these liabilities within other payables or bank borrowings in the consolidated statement of financial position.

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

Key sources of estimation uncertainty

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

Provision of ECL on trade receivables and other receivables

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

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

The Group's management determines the estimated useful lives and the depreciation/amortisation method in determining the related charges for its property, plant and equipment, right-of-use assets and intangible assets. This estimate is referenced to useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. The carrying amount of property, plant and equipment at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB6,394,185,000, RMB6,686,105,000, RMB9,152,466,000 and RMB10,741,958,000, respectively, as disclosed in note 15. The carrying amount of right-of-use assets at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB2,262,694,000, RMB2,233,194,000, RMB928,604,000 and RMB1,083,733,000, respectively, as disclosed in note 16. The carrying amount of intangible assets at 31 December 2022, 2023 and 2024 and 31 May 2025 is approximately RMB3,359,808,000, RMB3,288,524,000, RMB3,217,685,000 and RMB3,187,859,000, respectively, as disclosed in note 17.

6. REVENUE AND SEGMENT INFORMATION

During the Track Record Period, the Company and its subsidiaries (the “Group”) are engaged in the following two principal activities:

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

(a) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2022

	For the year ended 31 December 2022		
	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000	RMB'000	RMB'000
Types of goods			
Electrolytic aluminum	12,881,870	—	12,881,870
Alumina and other related types of products	—	270,599	270,599
Scrap and other materials	251,332	14,000	265,332
Electricity	96	62,902	62,998
Steam supply	750	8,177	8,927
Total	13,134,048	355,678	13,489,726

For the year ended 31 December 2023

	For the year ended 31 December 2023		
	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000	RMB'000	RMB'000
Types of goods			
Electrolytic aluminum	12,502,317	—	12,502,317
Alumina and other related types of products	—	977,358	977,358
Scrap and other materials	188,708	14,072	202,780
Electricity	11,541	98,617	110,158
Steam supply	5,803	16,241	22,044
Total	12,708,369	1,106,288	13,814,657

For the year ended 31 December 2024

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

Five months ended 31 May 2024

	Five months ended 31 May 2024		
	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Types of goods			
Electrolytic aluminum	5,275,979	—	5,275,979
Alumina and other related types of products. . . .	—	449,480	449,480
Scrap and other materials	60,430	17,282	77,712
Electricity	31,327	39,105	70,432
Steam supply	5,150	4,475	9,625
Total	<u>5,372,886</u>	<u>510,342</u>	<u>5,883,228</u>

Five months ended 31 May 2025

	Five months ended 31 May 2025		
	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000	RMB'000	RMB'000
Types of goods			
Electrolytic aluminum	5,523,248	—	5,523,248
Alumina and other related types of products. . . .	—	1,523,687	1,523,687
Scrap and other materials	50,014	21,242	71,256
Electricity	52,084	34,567	86,651
Steam supply	5,986	2,698	8,684
Total	<u>5,631,332</u>	<u>1,582,194</u>	<u>7,213,526</u>

	For the year ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Timing of revenue recognition					
A point in time.	<u>13,489,726</u>	<u>13,814,657</u>	<u>15,163,182</u>	<u>5,883,228</u>	<u>7,213,526</u>

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

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

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

Revenue from electricity

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

Revenue from steam supply

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

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

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

Operating Segments

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

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

Segment revenues and results

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

For the year ended 31 December 2022

	For the year ended 31 December 2022			
	Electrolytic Aluminum Business	Alumina Business	Adjustments and elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods				
External sales	13,134,048	355,678	—	13,489,726
Inter-segment sales	—	1,706,773	(1,706,773)	—
	<u>13,134,048</u>	<u>2,062,451</u>	<u>(1,706,773)</u>	<u>13,489,726</u>
Segment profit	<u>937,692</u>	<u>101,743</u>	<u>8,224</u>	<u>1,047,659</u>
Group's profit before tax. . . .				<u><u>1,047,659</u></u>

For the year ended 31 December 2023

	For the year ended 31 December 2023			
	Electrolytic Aluminum Business	Alumina Business	Adjustments and elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods				
External sales	12,708,369	1,106,288	–	13,814,657
Inter-segment sales	–	3,258,345	(3,258,345)	–
	<u>12,708,369</u>	<u>4,364,633</u>	<u>(3,258,345)</u>	<u>13,814,657</u>
Segment profit	<u>1,016,793</u>	<u>247,903</u>	<u>7,796</u>	<u>1,272,492</u>
Group's profit before tax. . . .				<u><u>1,272,492</u></u>

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

Five months ended 31 May 2024

	Five Months ended 31 May 2024			
	Electrolytic Aluminum Business	Alumina Business	Adjustments and elimination	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Types of goods				
External sales	5,372,886	510,342	–	5,883,228
Inter-segment sales	–	1,623,656	(1,623,656)	–
	<u>5,372,886</u>	<u>2,133,998</u>	<u>(1,623,656)</u>	<u>5,883,228</u>
Segment profit	<u>777,485</u>	<u>476,468</u>	<u>(48,922)</u>	<u>1,205,031</u>
Central administration costs and directors' salaries				(3,975)
Group's profit before tax. . . .				<u><u>1,201,056</u></u>

Five Months ended 31 May 2025

	Five Months ended 31 May 2025			
	Electrolytic Aluminum Business	Alumina Business	Adjustments and elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods				
External sales	5,631,332	1,582,194	–	7,213,526
Inter-segment sales	–	1,525,982	(1,525,982)	–
	<u>5,631,332</u>	<u>3,108,176</u>	<u>(1,525,982)</u>	<u>7,213,526</u>
Segment profit	<u>731,597</u>	<u>94,941</u>	<u>228,856</u>	<u>1,055,394</u>
Central administration costs and directors' salaries				(8,007)
Share of results of joint ventures				(7,005)
Listing expenses				(4,736)
Group's profit before tax. . . .				<u>1,035,646</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of corporate items including central administration costs and directors' salaries, share of results of joint ventures and listing expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

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

Segment assets

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Electrolytic Aluminum Business	19,352,234	16,861,564	13,990,784	13,549,250
Alumina Business	<u>2,137,479</u>	<u>2,691,961</u>	<u>4,320,076</u>	<u>7,363,101</u>
Total reportable segment assets	<u>21,489,713</u>	<u>19,553,525</u>	<u>18,310,860</u>	<u>20,912,351</u>
Unallocated				
Property, plant and equipment	–	–	–	3,129
Right-of-use assets	–	–	–	13,882
Cash and cash equivalents . . .	–	–	865	28
Other receivables	–	–	8,092	13,816
Consolidated assets	<u>21,489,713</u>	<u>19,553,525</u>	<u>18,319,817</u>	<u>20,943,206</u>

Segment liabilities

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Electrolytic Aluminum				
Business	17,391,322	14,347,475	13,413,447	12,730,653
Alumina Business	<u>2,169,165</u>	<u>1,757,180</u>	<u>2,561,475</u>	<u>5,002,242</u>
Total reportable segment				
liabilities	<u>19,560,487</u>	<u>16,104,655</u>	<u>15,974,922</u>	<u>17,732,895</u>
Unallocated				
Lease liabilities	—	—	—	14,843
Other payables	—	—	18,627	13,695
Consolidated liabilities	<u>19,560,487</u>	<u>16,104,655</u>	<u>15,993,549</u>	<u>17,761,433</u>

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

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

Other Segment information

For the year ended 31 December 2022

	Electrolytic Aluminum Business	Alumina Business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	457,653	1,017,889	1,475,542
Impairment of property, plant and equipment . . .	15,316	—	15,316
Depreciation and amortisation	614,006	125,434	739,440
Impairment losses recognised on trade			
receivables, net of reversal	230	326	556
Impairment losses recognised on other			
receivables, net of reversal	236	99	335
Impairment losses recognised on amounts due			
from related parties, net of reversal.	1,235	—	1,235
Gain on disposal of intangible assets	180,749	—	180,749
Gain on disposal of property, plant and			
equipment	2,167	—	2,167
Write-down of inventories	—	5,440	5,440

For the year ended 31 December 2023

	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	242,556	749,480	992,036
Impairment of property, plant and equipment . . .	19,084	–	19,084
Depreciation and amortisation	616,649	164,416	781,065
Impairment losses recognised on trade receivables, net of reversal	(206)	46	(160)
Impairment losses recognised on other receivables, net of reversal	(117)	448	331
Impairment losses recognised on amounts due from related parties, net of reversal.	(157)	–	(157)
Gain on disposal of property, plant and equipment	167	1,523	1,690

For the year ended 31 December 2024

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

Five months ended 31 May 2024

	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	194,558	121,080	315,638
Impairment of property, plant and equipment . . .	5,767	–	5,767
Depreciation and amortisation	245,646	69,724	315,370
Impairment losses recognised on trade receivables, net of reversal	(367)	15	(352)
Impairment losses recognised on other receivables, net of reversal	102	379	481
Impairment losses recognised on amounts due from related parties, net of reversal.	315	(44)	271
Gain on disposal of property, plant and equipment	8,582	–	8,582

Five months ended 31 May 2025

	Electrolytic Aluminum Business	Alumina Business	Total
	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:			
Addition to non-current assets	737,556	1,575,214	2,312,770
Impairment of property, plant and equipment . . .	9,559	—	9,559
Depreciation and amortisation	260,820	110,477	371,297
Impairment losses recognised on trade receivables, net of reversal	(257)	(92)	(349)
Impairment losses recognised on other receivables, net of reversal	4	1,138	1,142
Loss on disposal of property, plant and equipment	(56)	—	(56)

Information about major customers

Revenue from customers contributing for 10% or more of the Group's revenue during the Track Record Period are as follows:

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
	RMB'000	RMB'000	RMB'000	2024	2025
				RMB'000	RMB'000
				(unaudited)	
Customer A (note a)	1,598,141	N/A (note c)	N/A (note c)	N/A (note c)	N/A (note c)
Customer B (note a)	1,482,735	N/A (note c)	N/A (note c)	N/A (note c)	N/A (note c)
Customer C (note b)	N/A (note c)	10,891,848	11,608,881	5,289,226	4,315,938
Total	3,080,876	10,891,848	11,608,881	5,289,226	4,315,938

Notes:

- (a) Revenue from sales of electrolytic aluminum.
- (b) Revenue from sales of electrolytic aluminum, electricity, steam supply, and sales of scrap and other materials.
- (c) The corresponding revenue did not contribute over 10% of the revenue of the Group.

Geographical information

During the Track Record Period, the Group principally operates in the PRC. All revenue of the Group are derived from the PRC and substantially all the Group's non-current assets are located in the PRC.

7. OTHER INCOME

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
				2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income					
– bank deposits	85,373	44,668	13,342	7,542	2,037
– amounts due from independent third parties	4,743	4,210	5,184	1,773	–
Rental income	–	37,911	26,467	8,457	12,651
Government grants (note)	2,954	4,210	4,686	1,593	7,176
Others	433	6,949	5,564	427	943
Total	<u>93,503</u>	<u>97,948</u>	<u>55,243</u>	<u>19,792</u>	<u>22,807</u>

Notes: During the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, the Group received government subsidies of approximately RMB12,660,000, nil, RMB75,700,000, RMB30,000,000 (unaudited) and RMB5,900,000, respectively, as to subsidies certain of the Group's construction projects. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries. This policy has resulted in a credit to income during the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025 of RMB1,720,000, RMB2,564,000, RMB2,677,000, RMB1,237,000 (unaudited) and RMB4,628,000, respectively. The other government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies.

8. OTHER GAINS AND LOSSES

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
				2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Gain on disposal of intangible assets (note)	180,749	–	–	–	–
Gain (loss) on disposal of property, plant and equipment	2,167	1,690	8,699	8,582	(56)
Gain on disposal of derivative financial instruments	23,702	–	–	–	–
Realised gain from financial assets at FVTPL	93	99	–	–	83
(Loss) gain on disposal of a subsidiary (note 38)	–	–	(728)	–	5,174
Net foreign exchange (loss) gain	(78)	(11)	(295)	–	496
Fair value changes of financial assets at FVTPL	44	(44)	–	–	–
Others	(715)	3,511	10,795	2,263	1,191
Total	<u>205,962</u>	<u>5,245</u>	<u>18,471</u>	<u>10,845</u>	<u>6,888</u>

Note: During the year ended 31 December 2022, Inner Mongolia Chuangyuan disposed of the annual aluminum production quota in the quantity of 47,000 tons with carrying amount of RMB173,968,000 to an independent third party for cash consideration of RMB354,717,000, resulting in gain on disposal of RMB180,749,000.

9. FINANCE COSTS

	Year ended	Year ended	Year ended	Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interests on bank borrowings . . .	839,067	765,906	648,320	280,796	285,395
Interests on bills discounted . . .	108,080	50,387	46,291	28,920	5,510
Interests on lease liabilities . . .	69,898	45,087	17,498	16,315	1,654
Interests on payable for aluminum production quota . .	41,794	44,992	48,574	19,738	21,110
Interests on amounts due to related parties	2,532	23,082	7,855	7,855	–
Interests on bank loans under supplier finance arrangements	–	3,451	1,956	1,956	4,978
Others	498	6,801	10,992	10,888	1,589
Total borrowing costs	1,061,869	939,706	781,486	366,468	320,236
Less: amounts capitalised in the cost of qualifying assets	–	–	(19,839)	–	(57,792)
	<u>1,061,869</u>	<u>939,706</u>	<u>761,647</u>	<u>366,468</u>	<u>262,444</u>

Note: There was no significant borrowing cost increased directly attributable to the acquisition, construction or production of qualifying assets, which are necessary to be capitalised during the year ended 31 December 2022 and 2023 and five months ended 31 May 2024.

Borrowing costs capitalised during the year ended 31 December 2024 and five months ended 31 May 2025 arose on the specific borrowing are calculated by applying a capitalization rate of 4.70% to 4.95% and 3.10% to 5.00% per annum, respectively, and arose on the general borrowing pool are calculated by applying a capitalisation rate of 4.77% and 4.44% per annum per annum.

10. PROFIT FOR THE YEAR/PERIOD

Profit for the year/period for the Track Record Period has been arrived at after charging (crediting):

	Year ended	Year ended	Year ended	Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB5,440,000 during the year ended 31 December 2022)	11,220,124	11,390,946	10,768,394	4,193,329	5,736,243
Depreciation of property, plant and equipment	462,642	546,932	617,124	233,146	323,450
Depreciation of right-of-use assets	201,817	162,849	71,430	52,524	18,021
Amortisation of intangible assets	74,981	71,284	71,587	29,700	29,826
Total depreciation and amortisation expenses	739,440	781,065	760,141	315,370	371,297
Capitalised in inventories	(720,169)	(765,398)	(746,039)	(309,604)	(360,771)
	<u>19,271</u>	<u>15,667</u>	<u>14,102</u>	<u>5,766</u>	<u>10,526</u>

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
				2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Analysed as:					
– charged in administrative expenses	19,194	15,662	14,102	5,766	10,526
– charged in selling and marketing expenses	77	5	–	–	–
	<u>19,271</u>	<u>15,667</u>	<u>14,102</u>	<u>5,766</u>	<u>10,526</u>
Listing expenses	<u>–</u>	<u>–</u>	<u>16,438</u>	<u>–</u>	<u>4,736</u>
Auditors' remuneration	<u>–</u>	<u>–</u>	<u>2,118</u>	<u>–</u>	<u>1,200</u>
Directors' remuneration (note 12):					
Salaries, allowances and other benefits in kind	472	475	763	228	324
Bonus	3,981	6,483	10,492	3,738	5,556
Retirement benefit scheme contributions	12	12	32	9	16
	<u>4,465</u>	<u>6,970</u>	<u>11,287</u>	<u>3,975</u>	<u>5,896</u>
Other staff costs:					
Salaries, allowances and other benefits in kind	340,684	314,684	353,010	143,223	168,297
Bonus	36,244	34,116	45,664	19,660	17,894
Retirement benefit scheme contributions	24,543	24,936	29,884	12,933	14,772
	<u>401,471</u>	<u>373,736</u>	<u>428,558</u>	<u>175,816</u>	<u>200,963</u>
Total staff costs	405,936	380,706	439,845	179,791	206,859
Capitalised in inventories	<u>(326,156)</u>	<u>(302,376)</u>	<u>(349,639)</u>	<u>(143,151)</u>	<u>(161,784)</u>
	<u>79,780</u>	<u>78,330</u>	<u>90,206</u>	<u>36,640</u>	<u>45,075</u>
Analysed as:					
– charged in administrative expenses	77,363	78,167	89,732	36,542	44,425
– charged in selling and marketing expenses	2,417	163	474	98	650
	<u>79,780</u>	<u>78,330</u>	<u>90,206</u>	<u>36,640</u>	<u>45,075</u>
Impairment losses recognised on property, plant and equipment included in					
– cost of sales	<u>15,316</u>	<u>19,084</u>	<u>11,246</u>	<u>5,767</u>	<u>9,559</u>
Other expense comprised:					
– depreciation of leased assets	–	20,867	10,567	2,523	5,863
– donation	7,500	80	605	5	1,000
	<u>7,500</u>	<u>20,947</u>	<u>11,172</u>	<u>2,528</u>	<u>6,863</u>

11. INCOME TAX EXPENSES

	Year ended	Year ended	Year ended	Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current tax – PRC Enterprise					
Income Tax (“EIT”)	120,683	193,350	746,179	241,255	85,578
Under (over) provision in prior years	62	198	(3)	(3)	(7,320)
Deferred tax (note 18)	14,012	(1,688)	(94,799)	(39,632)	101,937
Total income tax expenses	<u>134,757</u>	<u>191,860</u>	<u>651,377</u>	<u>201,620</u>	<u>180,195</u>

During the Track Record Period, Inner Mongolia Chuangyuan was subject to the applicable preferential income tax rate of 15%. While all other PRC entities, under the Law of PRC on Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, their tax rate is 25% during the Track Record Period.

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

No provision of Hong Kong Profit Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profit Tax during the Track Record Period.

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

	Year ended	Year ended	Year ended	Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Profit before tax	<u>1,047,659</u>	<u>1,272,492</u>	<u>3,280,897</u>	<u>1,201,056</u>	<u>1,035,646</u>
Tax at PRC EIT rate of 25%	261,915	318,123	820,224	300,264	258,912
Preferential income tax rates applicable to subsidiaries	(90,775)	(115,869)	(153,733)	(90,358)	(71,532)
Tax effect of expenses not deductible for tax purpose	1,983	2,070	5,624	809	2,671
Utilisation of tax losses previously not recognised	(361)	(575)	–	–	–
Tax effect of tax losses not recognised	603	147	769	309	1,521
Tax effect of additional deduction on environmental protection equipment expenditures	(37,236)	(11,580)	(19,087)	(7,953)	–
Under (over) provision in prior years	62	198	(3)	(3)	(7,320)
Others	<u>(1,434)</u>	<u>(654)</u>	<u>(2,417)</u>	<u>(1,448)</u>	<u>(4,057)</u>
Income tax expenses for the year/period	<u>134,757</u>	<u>191,860</u>	<u>651,377</u>	<u>201,620</u>	<u>180,195</u>

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

12.1 Directors' and the chief executive's emoluments

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

	Date of appointment as a director of the Company	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Bonus*	Total
		RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2022					
Executive directors:					
Mr. Cao Yong	7 January 2025	256	6	3,641	3,903
Mr. Zhang Jianxiang	7 January 2025	—	—	—	—
Ms. Zhang Yue	7 January 2025	—	—	—	—
Mr. Fu Qian	7 January 2025	216	6	340	562
Non-executive director:					
Mr. Cui	4 July 2023	—	—	—	—
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	—	—	—	—
Ms. Zheng Juan	9 November 2025	—	—	—	—
Ms. Shen Lingyan	9 November 2025	—	—	—	—
		<u>472</u>	<u>12</u>	<u>3,981</u>	<u>4,465</u>

	Date of appointment as a director of the Company	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Bonus*	Total
		RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Executive directors:					
Mr. Cao Yong	7 January 2025	258	6	5,957	6,221
Mr. Zhang Jianxiang	7 January 2025	—	—	—	—
Ms. Zhang Yue	7 January 2025	—	—	—	—
Mr. Fu Qian	7 January 2025	217	6	526	749
Non-executive director:					
Mr. Cui	4 July 2023	—	—	—	—

	<u>Date of appointment as a director of the Company</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Retirement benefit scheme contributions</u>	<u>Bonus*</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	—	—	—	—
Ms. Zheng Juan	9 November 2025	—	—	—	—
Ms. Shen Lingyan	9 November 2025	—	—	—	—
		<u>475</u>	<u>12</u>	<u>6,483</u>	<u>6,970</u>

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

	<u>Date of appointment as a director of the Company</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Retirement benefit scheme contributions</u>	<u>Bonus*</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Five months ended 31 May 2024 (unaudited)					
Executive directors:					
Mr. Cao Yong	7 January 2025	103	4	3,112	3,219
Mr. Zhang Jianxiang	7 January 2025	32	1	354	387

	<u>Date of appointment as a director of the Company</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Retirement benefit scheme contributions</u>	<u>Bonus*</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Ms. Zhang Yue	7 January 2025	—	—	—	—
Mr. Fu Qian	7 January 2025	93	4	272	369
Non-executive director:					
Mr. Cui	4 July 2023	—	—	—	—
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	—	—	—	—
Ms. Zheng Juan	9 November 2025	—	—	—	—
Ms. Shen Lingyan	9 November 2025	—	—	—	—
		<u>228</u>	<u>9</u>	<u>3,738</u>	<u>3,975</u>

	<u>Date of appointment as a director of the Company</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Retirement benefit scheme contributions</u>	<u>Bonus*</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Five months ended					
31 May 2025					
Executive directors:					
Mr. Cao Yong	7 January 2025	79	4	3,779	3,862
Mr. Zhang Jianxiang	7 January 2025	65	4	1,025	1,094
Ms. Zhang Yue	7 January 2025	93	4	425	522
Mr. Fu Qian	7 January 2025	87	4	327	418
Non-executive director:					
Mr. Cui	4 July 2023	—	—	—	—
Independent non-executive directors:					
Mr. Liu Yanzhao	9 November 2025	—	—	—	—
Ms. Zheng Juan	9 November 2025	—	—	—	—
Ms. Shen Lingyan	9 November 2025	—	—	—	—
		<u>324</u>	<u>16</u>	<u>5,556</u>	<u>5,896</u>

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

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

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

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument.

12.2 Five highest paid employees

The five individuals with the highest emoluments in the Group, included 1, 1, 2, 2 (unaudited) and 2 directors of the Company whose emoluments are included in the disclosures in note 12.1 above for the years ended 31 December 2022, 2023 and 2024, and 31 May 2024 and 2025. The emoluments of the remaining 4, 4, 3, 3(unaudited) and 3 individuals for each of the three years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025 were as follows:

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
	RMB'000	RMB'000	RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Salaries, allowances and benefits in kind	849	856	501	209	240
Bonus	4,866	5,689	8,718	3,632	2,125
Retirement benefit scheme contributions	25	25	29	12	14
Total	<u>5,740</u>	<u>6,570</u>	<u>9,248</u>	<u>3,853</u>	<u>2,379</u>

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar (“HK\$”)):

	As at 31 December			As at 31 May	
	2022	2023	2024	2024	2025
	No. of employees	No. of employees	No. of employees	No. of employees	No. of employees
				(unaudited)	
Nil to HK\$1,000,000	–	–	–	2	2
HK\$1,000,001 to HK\$1,500,000 . .	2	2	–	1	2
HK\$1,500,001 to HK\$2,000,000 . .	1	–	1	1	–
HK\$2,000,001 to HK\$2,500,000 . .	1	1	1	–	–
HK\$2,500,001 to HK\$3,000,000 . .	–	1	–	–	–
HK\$3,000,001 to HK\$3,500,000 . .	–	–	1	1	–
HK\$4,000,001 to HK\$4,500,000 . .	1	–	–	–	1
HK\$4,500,001 to HK\$5,000,000 . .	–	–	1	–	–
HK\$6,500,001 to HK\$7,000,000 . .	–	1	–	–	–
HK\$8,000,001 to HK\$8,500,000 . .	–	–	1	–	–
Total	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

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

13. DIVIDENDS

No dividend was declared or paid by the Company and the entities now comprising the Group in respect of the Track Record Period, except for Shandong Chuangyuan declared and paid cash dividend of RMB330,000,000 during the year ended 31 December 2024.

14. EARNINGS PER SHARE

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

	Year ended 31 December			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit for the year/period attributable to owners of the Company, for the purposes of basic earnings per share	881,286	1,003,572	2,056,227	879,941	755,955
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Number of shares				
	31/12/2022	31/12/2023	31/12/2024	31/05/2024	31/05/2025
				(unaudited)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation, the Share Subdivision (as defined in note 31) and issue of 1,499,999,980 ordinary shares (details are set out in note 31) are completed on 1 January 2022.

No diluted earnings per share is presented as there were no dilutive potential ordinary shares outstanding during the year ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 (unaudited) and 2025.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
At 1 January 2022	2,425,636	4,371,833	3,900	59,976	133,902	6,995,247
Additions	–	166,736	725	3,095	777,404	947,960
Transfer	650,808	120,389	–	–	(771,197)	–
Disposals	–	(30,335)	–	(1,570)	–	(31,905)
At 31 December 2022 . . .	3,076,444	4,628,623	4,625	61,501	140,109	7,911,302
Additions	–	89,266	4,462	6,931	389,450	490,109
Capital injection from a non-controlling interest (note)	141,133	227,445	–	–	–	368,578
Transfer	126,915	228,014	–	–	(354,929)	–
Disposals	–	(63,037)	–	(1,068)	–	(64,105)
At 31 December 2023 . . .	3,344,492	5,110,311	9,087	67,364	174,630	8,705,884
Additions	126,015	184,708	5,049	2,746	1,538,909	1,857,427
Transfer	456,102	531,392	–	–	(987,494)	–
Acquired on acquisition of a subsidiary	–	–	–	–	1,164	1,164
Transfer from right-of-use assets	–	1,645,432	–	–	–	1,645,432
Disposals	–	(178,693)	(35)	(1,717)	–	(180,445)

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 . . .	3,926,609	7,293,150	14,101	68,393	727,209	12,029,462
Additions	–	379,836	5,685	2,940	1,536,568	1,925,029
Transfer	265,426	1,012,515	–	–	(1,277,941)	–
Disposals	–	(75,056)	(277)	–	–	(75,333)
At 31 May 2025	4,192,035	8,610,445	19,509	71,333	985,836	13,879,158
DEPRECIATION AND IMPAIRMENT						
At 1 January 2022	228,983	803,540	1,374	31,896	–	1,065,793
Provided for the year . . .	104,309	347,588	646	10,099	–	462,642
Impairment loss recognised	–	15,316	–	–	–	15,316
Eliminated on disposals . .	–	(25,331)	–	(1,303)	–	(26,634)
At 31 December 2022 . . .	333,292	1,141,113	2,020	40,692	–	1,517,117
Provided for the year . . .	151,283	387,283	982	7,384	–	546,932
Impairment loss recognised	–	19,084	–	–	–	19,084
Eliminated on disposals . .	–	(62,710)	–	(644)	–	(63,354)
At 31 December 2023 . . .	484,575	1,484,770	3,002	47,432	–	2,019,779
Provided for the year . . .	164,184	444,024	1,948	6,968	–	617,124
Transfer from right-of-use assets	–	320,107	–	–	–	320,107
Impairment loss recognised	–	11,246	–	–	–	11,246
Eliminated on disposals . .	–	(90,551)	(30)	(679)	–	(91,260)
At 31 December 2024 . . .	648,759	2,169,596	4,920	53,721	–	2,876,996
Provided for the year . . .	49,928	269,673	1,070	2,779	–	323,450
Impairment loss recognised	–	9,559	–	–	–	9,559
Eliminated on disposals . .	–	(72,787)	(18)	–	–	(72,805)
At 31 May 2025	698,687	2,376,041	5,972	56,500	–	3,137,200
CARRYING VALUES						
At 31 December 2022 . . .	2,743,152	3,487,510	2,605	20,809	140,109	6,394,185
At 31 December 2023 . . .	2,859,917	3,625,541	6,085	19,932	174,630	6,686,105
At 31 December 2024 . . .	3,277,850	5,123,554	9,181	14,672	727,209	9,152,466
At 31 May 2025	3,493,348	6,234,404	13,537	14,833	985,836	10,741,958

Note: In June 2023, Wudi Qixing High-Tech Aluminum Co., Ltd.* (無棣齊星高科技鋁材有限公司) (“Wudi Qixing”), an independent third party, injected certain assets related to an alumina factory and power plant to Shandong Chuangyuan, and in return to obtain 20% equity interest of Shandong Chuangyuan. Shandong Chuangyuan was then held by Innovation Group and Wudi Qixing as to 80% and 20%, respectively.

After a short period in August 2023, Innovation Group acquired from Wudi Qixing the 20% equity interest in Shandong Chuangyuan at a consideration equivalent to the appraisal value of the injected assets, including property, plant and equipment of RMB368,578,000, leasehold lands of RMB32,199,000 (as shown in note 16), together with an input value-added tax recoverable of RMB38,235,000, totalling RMB439,012,000.

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

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

Certain buildings, plant and machinery and furniture and fixtures of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 as summarised in note 40.

The Group has obtained certificates for all buildings except for certain buildings with carrying amounts of RMB186,329,000, RMB169,398,000 and RMB198,485,000 and RMB229,257,000 as at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively, in which the Group is in the process of obtaining.

According to the relevant terms of construction agreement entered between Inner Mongolia Chuangyuan Alloy Co., Ltd. *(內蒙古創源合金有限公司)(“Chuangyuan Alloy”) and Group’s related party Shandong Hongjie New Energy Technology Co., Ltd.* (山東洪傑新能源科技有限公司)(“Shandong Hongjie”), ownership of photovoltaic power station under the agreement belongs to Shandong Hongjie until the related payables had been settled by the Group. Shandong Hongjie is a subsidiary of Hainan Fujuan Yong trading Co., Ltd.*(海南福雋永貿易有限公司)(“Hainan Fujuan Yong”). As at 31 May 2025, certain wind power plants amounting to RMB41,802,000 are treated as pledged assets.

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

During the year ended 31 December 2022, the directors of the Company conducted a review and determined to abandon the development plan in relation to silicon business due to the management of the Group’s decision to focus on the Group’s principal businesses. As a result, certain plant and machinery in relation to a silicon manufacturing plant were impaired and an impairment of approximately RMB3,989,000 had been recognised in profit or loss.

During the years ended 31 December 2022, 2023 and 2024 and 31 May 2025, Group wrote off the electrolytic cell lining materials due to periodic maintenance or use of new cathode materials to improve production efficiency and reduce energy consumption. The related impairment losses of the electrolytic cell lining materials were approximately RMB11,327,000, RMB19,084,000, RMB11,246,000 and RMB9,559,000 respectively, which were recognised in profit or loss.

The Group as lessor

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

	Buildings	Plant and machinery	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST			
At 1 January 2022 and 31 December 2022	–	–	–
Additions	108,947	141,767	250,714
At 31 December 2023	108,947	141,767	250,714
Additions	138,063	13,699	151,762
Termination of leases	(19,771)	(139,646)	(159,417)
At 31 December 2024	227,239	15,820	243,059
Additions	21,493	–	21,493
At 31 May 2025	248,732	15,820	264,552
DEPRECIATION			
At 1 January 2022 and 31 December 2022	–	–	–
Provided for the year	6,724	14,143	20,867
At 31 December 2023	6,724	14,143	20,867
Provided for the year	9,430	1,137	10,567
Eliminated on termination of leases	(2,029)	(13,607)	(15,636)
At 31 December 2024	14,125	1,673	15,798
Provided for the year	5,251	613	5,864
At 31 May 2025	19,376	2,286	21,662
CARRYING VALUES			
At 31 December 2022	–	–	–
At 31 December 2023	102,223	127,624	229,847
At 31 December 2024	213,114	14,147	227,261
At 31 May 2025	229,356	13,534	242,890

The Company

	Construction in progress
	<i>RMB'000</i>
COST	
At 1 January 2025	–
Additions	3,129
At 31 May 2025	3,129

16. RIGHT-OF-USE ASSETS

The Group

	Leased plant and machinery	Leasehold lands	Aircraft	Offices	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost					
At 1 January 2022	1,805,275	600,896	—	—	2,406,171
Additions	—	268,620	—	—	268,620
At 31 December 2022	1,805,275	869,516	—	—	2,674,791
Additions	83,569	17,581	—	—	101,150
Capital injection from a non-controlling interest (note 15)	—	32,199	—	—	32,199
Decrease due to termination of leases	(159,843)	—	—	—	(159,843)
At 31 December 2023	1,729,001	919,296	—	—	2,648,297
Additions	—	80,120	—	—	80,120
Acquired on acquisition of a subsidiary	—	12,045	—	—	12,045
Decrease due to termination of leases (note)	(1,645,432)	—	—	—	(1,645,432)
At 31 December 2024	83,569	1,011,461	—	—	1,095,030
Additions	—	304	169,251	15,477	185,032
Disposal of leasehold lands	—	(12,044)	—	—	(12,044)
At 31 May 2025	83,569	999,721	169,251	15,477	1,268,018
DEPRECIATION					
At 1 January 2022	116,528	93,752	—	—	210,280
Additions	185,027	16,790	—	—	201,817
At 31 December 2022	301,555	110,542	—	—	412,097
Additions	144,053	18,796	—	—	162,849
Decrease due to termination of leases	(159,843)	—	—	—	(159,843)
At 31 December 2023	285,765	129,338	—	—	415,103
Additions	50,305	21,125	—	—	71,430
Decrease due to termination of leases	(320,107)	—	—	—	(320,107)
At 31 December 2024	15,963	150,463	—	—	166,426
Additions	4,693	8,880	2,853	1,595	18,021
Disposal of leasehold lands	—	(162)	—	—	(162)
At 31 May 2025	20,656	159,181	2,853	1,595	184,285
Carrying amount					
At 31 December 2022	1,503,720	758,974	—	—	2,262,694
At 31 December 2023	1,443,236	789,958	—	—	2,233,194
At 31 December 2024	67,606	860,998	—	—	928,604
At 31 May 2025	62,913	840,540	166,398	13,882	1,083,733

	Year ended 2022	Year ended 2023	Year ended 2024	Five Months ended 31 May	
				2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Expenses relating to short-term leases	577	279	2,000	257	3,107
Total cash outflow for leases	<u>302,438</u>	<u>277,136</u>	<u>397,272</u>	<u>395,529</u>	<u>362,939</u>

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

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

In addition, the Group has made lump sum payments upfront to government for leasehold lands. The Group has obtained the land use right certificates for all such leasehold lands except for leasehold lands with carrying amount of RMB233,848,000, RMB229,075,000, nil and nil at 31 December 2022, 2023 and 2024, and 31 May 2025, respectively, in which the Group is in the process of obtaining.

Certain leasehold lands of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 and 31 May 2025 as summarised in note 40.

The Group regularly entered into short-term leases for plant and machinery. As at 31 December 2022, 2023 and 2024 and 31 May 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Termination options

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

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

Restrictions or covenants on leases

As at 31 December 2022, 2023 and 2024 and 31 May 2025, lease liabilities of RMB954,597,000, RMB806,396,000, RMB428,622,000 and RMB219,388,000 are recognised with related right-of-use assets of RMB1,503,720,000, RMB1,443,236,000, RMB67,606,000 and RMB243,193,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Group is restricted from assigning and subleasing the leased assets outside the Group.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended 31 December 2022, 2023 and 2024 and 31 May 2025, the Group raised RMB30,000,000, RMB80,000,000, RMB104,000,000 and RMB600,000,000 borrowings in respect of such sale and leaseback arrangements, respectively.

Details of the borrowings are set out in notes 29 and 36(b).

The Company

	Offices
	<i>RMB'000</i>
Cost	
At 31 December 2024	–
Additions	15,477
At 31 May 2025	<u>15,477</u>
DEPRECIATION	
At 31 December 2024	–
Additions	1,595
At 31 May 2025	<u>1,595</u>
Carrying amount	
At 31 December 2024	–
At 31 May 2025	<u>13,882</u>

17. INTANGIBLE ASSETS

	Aluminum production quota (note i)	Power generation capacity indicators (note ii)	Sewage charges license (note iii)	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST					
At 1 January 2022	3,428,751	50,377	21,900	2,182	3,503,210
Additions	–	258,962	–	–	258,962
Disposals	<u>(173,968)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(173,968)</u>
At 31 December 2022 and 2023	3,254,783	309,339	21,900	2,182	3,588,204
Additions	<u>–</u>	<u>–</u>	<u>–</u>	<u>748</u>	<u>748</u>
At 31 December 2024 and 31 May 2025	<u>3,254,783</u>	<u>309,339</u>	<u>21,900</u>	<u>2,930</u>	<u>3,588,952</u>
AMORTISATION					
At 1 January 2022	132,448	1,265	17,520	2,182	153,415
Provided for the year	<u>65,095</u>	<u>5,506</u>	<u>4,380</u>	<u>–</u>	<u>74,981</u>
At 31 December 2022 . . .	197,543	6,771	21,900	2,182	228,396
Provided for the year	<u>65,097</u>	<u>6,187</u>	<u>–</u>	<u>–</u>	<u>71,284</u>
At 31 December 2023 . . .	262,640	12,958	21,900	2,182	299,680
Provided for the year	<u>65,096</u>	<u>6,187</u>	<u>–</u>	<u>304</u>	<u>71,587</u>
At 31 December 2024 . . .	327,736	19,145	21,900	2,486	371,267
Provided for the year	<u>27,123</u>	<u>2,578</u>	<u>–</u>	<u>125</u>	<u>29,826</u>
At 31 May 2025	<u>354,859</u>	<u>21,723</u>	<u>21,900</u>	<u>2,611</u>	<u>401,093</u>
CARRYING VALUES					
At 31 December 2022 . . .	<u>3,057,240</u>	<u>302,568</u>	<u>–</u>	<u>–</u>	<u>3,359,808</u>
At 31 December 2023 . . .	<u>2,992,143</u>	<u>296,381</u>	<u>–</u>	<u>–</u>	<u>3,288,524</u>
At 31 December 2024 . . .	<u>2,927,047</u>	<u>290,194</u>	<u>–</u>	<u>444</u>	<u>3,217,685</u>
At 31 May 2025	<u>2,899,924</u>	<u>287,616</u>	<u>–</u>	<u>319</u>	<u>3,187,859</u>

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

	<u>Useful lives</u>
Aluminum production quota	50 years
Power generation capacity indicators	50 years
Sewage charges license.	5 years
Computer software	5 years

Aluminum production quota of the Group had been pledged as securities for bank borrowings as at 31 December 2022, 2023 and 2024 and 31 May 2025 as summarised in note 40.

Notes:

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

18. DEFERRED TAXATION

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

	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 May 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	7,104	5,608	83,126	–
Deferred tax liabilities	(20,465)	(17,281)	–	(60,262)
	<u>(13,361)</u>	<u>(11,673)</u>	<u>83,126</u>	<u>(60,262)</u>

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Impairment of assets	Deferred income	Accrued expense	Unrealised profit on intra-group sales	Right-of-use assets	Lease liabilities	Accelerated tax depreciation	Amortisation of intangible assets	Tax losses	ECL	Share of results of a joint venture	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January												
2022	1,926	1,284	94,914	(9,117)	(34,252)	34,397	(108,368)	19,867	-	-	-	651
Credit (charge) to profit or loss	3,657	2,907	6,016	(2,101)	22,835	(22,768)	(51,663)	9,764	16,979	362	-	(14,012)
At 31 December 2022.	5,583	4,191	100,930	(11,218)	(11,417)	11,629	(160,031)	29,631	16,979	362	-	(13,361)
Credit (charge) to profit or loss	1,503	(469)	14,165	7,640	(8,301)	8,201	(25,064)	9,764	(5,802)	51	-	1,688
At 31 December 2023.	7,086	3,722	115,095	(3,578)	(19,718)	19,830	(185,095)	39,395	11,177	413	-	(11,673)
Credit (charge) to profit or loss	1,687	15,897	19,853	59,610	2,817	(2,601)	(1,176)	9,764	(11,177)	(3)	128	94,799
At 31 December 2024.	8,773	19,619	134,948	56,032	(16,901)	17,229	(186,271)	49,159	-	410	128	83,126
(Charge) credit to profit or loss	(1,687)	(11,665)	7,591	(55,334)	(40,426)	32,606	(70,443)	(3,678)	-	(224)	(128)	(143,388)
At 31 May 2025. . . .	7,086	7,954	142,539	698	(57,327)	49,835	(256,714)	45,481	-	186	-	(60,262)

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had unused tax losses approximately RMB78,585,000, RMB53,642,000, RMB3,182,000 and RMB9,266,000, respectively, available for offset against future profits. A deferred tax asset has been recognised in respect of the approximately RMB67,916,000, RMB44,709,000, nil and nil of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB10,669,000, RMB8,933,000, RMB3,182,000 and RMB9,266,000 due to the unpredictability of future profit streams with expiry dates as disclosed in the following table.

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
2026	8,254	5,953	-	-
2027	2,415	2,391	2	2
2028	NA	589	231	231
2029	NA	NA	2,949	2,949
2030	NA	NA	NA	6,084
	<u>10,669</u>	<u>8,933</u>	<u>3,182</u>	<u>9,266</u>

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had no other unrecognised deductible temporary differences.

19. INVENTORIES

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	852,321	627,835	798,099	1,457,353
Work-in-progress	580,439	556,186	666,720	713,876
Finished goods	248,439	6,138	48,761	24,904
Spare parts and others	79,838	64,979	64,124	57,153
Total	<u>1,761,037</u>	<u>1,255,138</u>	<u>1,577,704</u>	<u>2,253,286</u>

As at 31 December 2022, 2023 and 2024 and 31 May 2025, certain raw materials amounting to RMB163,385,000, RMB65,095,000, nil and nil, although ownership belonged to the Group, had been restricted to take out from the bonded warehouses until the related payables to a finance provider had been settled by the Group according to the relevant terms of agreement with the finance provider. The Group had settled all the outstanding payables in respect of these raw materials subsequently in 2023 and 2024, and the restrictions of these raw materials had no longer been imposed to the Group, accordingly.

Certain inventories of the Group had been pledged as securities for bank borrowings as at 31 May 2025 as summarised in note 40.

All inventories are expected to be recovered within 12 months.

20. TRADE RECEIVABLES

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables				
– related parties	8,031	77,086	17,159	32,000
– third parties	<u>32,757</u>	<u>19,441</u>	<u>22,507</u>	<u>53,630</u>
	40,788	96,527	39,666	85,630
Less: allowance for credit losses .	<u>(556)</u>	<u>(396)</u>	<u>(526)</u>	<u>(875)</u>
Total	<u>40,232</u>	<u>96,131</u>	<u>39,140</u>	<u>84,755</u>

As at 1 January 2022, trade receivables amounted to RMB128,840,000 (net of impairment loss allowance of nil).

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

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	38,053	80,243	33,132	73,410
1 to 12 months	2,179	15,410	5,191	8,765
1 to 2 years	<u>–</u>	<u>478</u>	<u>817</u>	<u>2,580</u>
Total	<u>40,232</u>	<u>96,131</u>	<u>39,140</u>	<u>84,755</u>

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

Details of impairment assessment of receivables are set out in note 36(b).

As of 31 December 2022, 2023 and 2024 and 31 May 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,179,000, RMB15,888,000, RMB6,008,000 and RMB11,345,000, respectively, which are past due but not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

21. RECEIVABLES AT FVTOCI

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bills receivables	<u>29,102</u>	<u>62,678</u>	<u>485,699</u>	<u>90,972</u>

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

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0-180 days	29,102	62,678	485,499	90,972
181-365 days	<u>—</u>	<u>—</u>	<u>200</u>	<u>—</u>
	<u>29,102</u>	<u>62,678</u>	<u>485,699</u>	<u>90,972</u>

RMB430,000,000 of receivables at FVTOCI are pledged as securities for bank borrowings as at 31 December 2024 as summarised in note 40.

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

Details of impairment assessment and fair value measurement are set out in note 36(b).

21A. Transfers of Financial Assets

21A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at 31 December 2022, 2023 and 2024 and 31 May 2025, that were transferred to suppliers for settlement of trade payables by endorsing or banks to obtain bank loans by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount. These financial assets are carried at amortised cost in the consolidated statements of financial position.

At 31 December 2022

	Bills endorsed to suppliers with full recourse
	<i>RMB'000</i>
Carrying amount of transferred assets	26,687
Carrying amount of associated liabilities	<u>(26,687)</u>
Net position	<u>—</u>

At 31 December 2023

	Bills endorsed to suppliers with full recourse
	<i>RMB'000</i>
Carrying amount of transferred assets	52,495
Carrying amount of associated liabilities	<u>(52,495)</u>
Net position	<u>—</u>

At 31 December 2024

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

At 31 May 2025

	Bills endorsed to suppliers with full recourse
	RMB'000
Carrying amount of transferred assets	20,487
Carrying amount of associated liabilities	(20,487)
Net position	<u>—</u>

21A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 31 December 2022, 2023 and 2024 and 31 May 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB4,507,966,000, RMB2,631,551,000, RMB2,066,782,000 and RMB2,182,254,000, respectively. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued the involvement in them, but the amount arising from continuing involvement is insignificant.

22. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments to suppliers	194,704	95,284	644,578	226,297
Prepaid expense	3,656	10,182	18,305	27,274
Value-added tax recoverable	51,514	8,686	94,191	291,265
Amount due from an independent third party (note i)	50,000	30,740	—	—
Deposits (note ii)	23,018	36,908	56,274	23,356
Refundable cultivated land occupation tax	—	—	—	34,230
Consideration receivable for disposal of land use right	—	—	—	11,892
Refundable customs deposits	—	—	—	8,528
Deferred issue costs	—	—	5,260	6,778
Refundable prepayments on acquisition of long-lived assets (note iii)	—	—	—	358,358
Others	21,459	13,372	19,247	14,238
	<u>344,351</u>	<u>195,172</u>	<u>837,855</u>	<u>1,002,216</u>

	31 December	31 December	31 December	31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Less: allowance for impairment losses	(13,175)	(13,506)	(14,042)	(12,900)
	<u>331,176</u>	<u>181,666</u>	<u>823,813</u>	<u>989,316</u>
Non-current				
Refundable rental deposits	—	—	2,303	2,292
	<u>331,176</u>	<u>181,666</u>	<u>826,116</u>	<u>991,608</u>

Notes:

- (i) The amount of RMB50,000,000 represented a short-term advance to an independent third party, with maturity date on 20 June 2023 and carried at a fixed interest rate of 6% per annum. Upon the maturity date, as agreed with the counterparty, the amount of RMB30,000,000 was further extended to 31 December 2024. The amount was subsequently settled in full in September 2024.
- (ii) The amounts mainly represent the deposits paid to suppliers for the procurement of bauxite. These deposits are to be offset against with trade payables from purchase orders upon delivery.
- (iii) On 31 May 2025, Shandong Chuangyuan terminated the contract for the purchase of power plant equipment with an independent third-party supplier. Prepayment on acquisition of long-lived assets of RMB358,358,000 will be refunded within one year.

The Company

	31 December	31 December	31 May
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Deferred issue costs	—	5,260	6,778
Prepaid expense	—	529	4,746
	—	<u>5,789</u>	<u>11,524</u>
Non-current			
Refundable rental deposit	—	2,303	2,292
	—	<u>8,092</u>	<u>13,816</u>

23. FINANCIAL ASSETS AT FVTPL

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products . . .	<u>30,044</u>	—	—	<u>699,900</u>

During the year ended 31 December 2022 and 31 May 2025, the Group entered into several contracts of wealth management products with reputable banks in the PRC, of which will be matured within 12 months.

Details of its fair value measurement is set out in note 36(b).

24. AMOUNTS DUE FROM RELATED PARTIES

Amounts due from related parties arose from non-trade transactions, and are interest free, unsecured and repayable on demand. Details are set out in note 41(b)(i).

25. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Restricted bank deposits

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits for bills payable and letter of credit (<i>note i</i>)	2,764,575	1,309,070	666,924	591,309
Deposits for bank borrowing (<i>note ii</i>)	–	–	14,516	5
Others (<i>note iii</i>)	34,105	–	–	–
Total	<u>2,798,680</u>	<u>1,309,070</u>	<u>681,440</u>	<u>591,314</u>

Notes:

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

As at 31 December 2022, 2023 and 2024 and 31 May 2025, restrict bank deposits for the issue of bills payables and letters of credit carried interest at market rates ranging from 1.71% to 3.91%, 1.71% to 2.80%, 0.05% to 1.60% and 0.05% to 1.60% per annum, respectively.

- (ii) The use of deposits needs to be reviewed and approved by the bank. The deposits carried interest at market rates ranging from 0.00% to 1.60%.
- (iii) The deposits were restricted by banks pertaining to certain construction contract disputes. Such restricted deposits were released in 2023.

Details of impairment assessment of restrict bank deposits are set out in the note 36(b).

Cash and cash equivalents

As at 31 December 2022, 2023 and 2024 and 31 May 2025, bank balances carried interest at market rates ranging from 0.05% to 0.35%, 0.05% to 0.35%, 0.00% to 0.35% and 0.00% to 0.35% per annum, respectively.

Details of impairment assessment of cash and cash equivalents are set out in the note 36(b).

26. TRADE, BILLS AND OTHER PAYABLES

The Group

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	1,360,244	980,926	1,246,574	1,179,519
Bills payables	204,279	407,623	72,250	150,000
Bills payables under note financing arrangements (<i>note i</i>)	<u>3,871,030</u>	<u>2,087,060</u>	<u>110,000</u>	<u>500,000</u>
	<u>5,435,553</u>	<u>3,475,609</u>	<u>1,428,824</u>	<u>1,829,519</u>

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other payables – current				
Payables for acquisition of property, plant and equipment	701,870	721,485	596,102	1,183,798
Other taxes payables	178,362	170,990	196,738	206,375
Payables to a finance provider (note ii)	163,385	65,095	–	–
Amount due to independent third parties (note iii)	96,199	59,999	482,781	212,920
Payroll and welfare payables	69,464	65,718	85,167	48,881
Payables for acquisition of carbon emissions rights	23,874	22,358	24,991	23,272
Deposits (note iv)	33,695	14,466	52,367	46,692
Outsourced service payable	7,858	11,123	6,050	5,638
Advance receipt of value-added tax from customers	3,424	907	48,408	44,656
Investment deposit received from an independent third party (note v)	–	80,000	–	–
Accrued listing expenses	–	–	10,003	6,568
Accrued issue costs	–	–	3,269	2,007
Advanced receipt for disposal of property, plant and equipment (note 15)	–	–	–	132,743
Others	22,445	10,903	10,751	12,809
	<u>1,300,576</u>	<u>1,223,044</u>	<u>1,516,627</u>	<u>1,926,359</u>
	<u>6,736,129</u>	<u>4,698,653</u>	<u>2,945,451</u>	<u>3,755,878</u>
Other payables – non-current				
Payable to an independent third party under bankruptcy reorganisation (note vi)	68,071	68,071	68,071	–
Payable for acquisition of aluminum production quota (note vii)	587,919	632,911	681,485	702,595
	<u>655,990</u>	<u>700,982</u>	<u>749,556</u>	<u>702,595</u>

Notes:

- i. Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB3,871,030,000, RMB2,087,060,000, RMB1,260,000,000 and RMB500,000,000, respectively, which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.
- ii. The Group has entered into supplier financing arrangements. Under these arrangements, the finance provider settles the prepayments to the sellers on behalf of the Group. The Group then settles with the finance provider within 90 days after settlement by the finance provider with fixed interest ranges from 4.8% to 5.4% per annum. These arrangements have extended the payment terms beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangements is set out in note 34b.

- iii. RMB96,199,000, RMB59,999,000, RMB289,499,000 and nil at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively, represent short term advances from an independent third party, the related party of the independent third party under a reorganisation project disclosed in note vi, which was unsecured, interest free and repayable on demand. The amount was subsequently settled in full in January and March 2025.

RMB100,000,000 at 31 December 2024 represent short term advances from two independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year, and was subsequently settled in full in February and March 2025. RMB200,706,000 at 31 May 2025 represent short term advances from the same independent third party. The amount is unsecured, carried at interest rate of 2.85% and repayable within one year.

RMB88,250,000 at 31 December 2024 represent short term advances from an independent third party. The amount is unsecured, carried at interest rate of 5.7% and repayable within one year. Amount of RMB88,250,000 was subsequently settled in full in April 2025.

RMB5,032,000, RMB12,214,000 at 31 December 2024 and 31 May 2025, respectively, represent short term advances from Carnaby Management. The amount is unsecured, carried at interest rate of 5% and repayable within one year.

- iv. Amounts represented earnest deposits received by the Group in relation to framework agreements entered into with suppliers. These earnest deposits received would either be offset with the Group's future purchase orders or released to the suppliers upon maturity or termination of the framework arrangements.
- v. In December 2023, the Group entered into a share sale agreement with an independent third party, pursuant to which Inner Mongolia Chuangyuan conditionally agreed to dispose of and the third party conditionally agreed to purchase 49% equity interests in Chuangyuan Alloy. RMB80,000,000 had been received as the investment deposit.

Such transaction has been subsequently terminated in August 2024 since the management of the Group decided to develop the projects on its own and the amount was repaid in full in June 2024.

- vi. Amount represented the payable for acquisition of property, plant and equipment to an independent third party under a reorganisation project. The amount was fully settled in March 2025.
- vii. Amount represented the consideration payables to an independent third party, which was a related party of the independent third party under a reorganisation project as disclosed in note vi, for purchase of the annual aluminum production quota in the quantity of 140,000 tons for cash consideration of RMB792,453,000, which was payable in four instalments after July 2026. Payable for acquisition of aluminum production quota was measured at amortised cost using the effective interest rate method and 7.375% per annum. In June 2025, a supplementary agreement was entered between Inner Mongolia Chuangyuan and the independent third party, pursuant to which Inner Mongolia Chuangyuan agreed to change the repayment terms. RMB594,340,000 has been paid in June 2025 and the remaining amount will be paid after 1 January 2027. The adjustment to the carrying amount of payable for acquisition of aluminum production quota is recognised in other loss of RMB65 million at the date of the payment term modification subsequent to 31 May 2025.

The suppliers generally allow the credit period ranged from 0 to 180 days to the Group over the Track Record Period.

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

	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 May 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	879,557	567,806	633,473	691,850
31 to 90 days	294,715	215,555	292,816	247,069
91 days to 180 days	51,103	66,936	105,205	25,720
Over 181 days	134,869	130,629	215,080	214,880
	<u>1,360,244</u>	<u>980,926</u>	<u>1,246,574</u>	<u>1,179,519</u>

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

	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 May 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0-180 days	3,121,249	2,494,683	182,250	650,000
181-365 days	954,060	—	—	—
	<u>4,075,309</u>	<u>2,494,683</u>	<u>182,250</u>	<u>650,000</u>

The Company

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 May 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accrued listing expenses	—	10,003	6,568
Accrued issue costs	—	3,269	2,007
Amount due to an independent third party	—	5,032	5,029
Others	—	323	91
	—	<u>18,627</u>	<u>13,695</u>
	—	—	—

27. CONTRACT LIABILITIES

	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 May 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Alumina and other related types of products	14,649	5,748	107,086	67,607
Electrolytic aluminum – aluminum ingots	11,537	—	264,389	276,192
Scrap and other materials	150	1,231	1,332	256
	<u>26,336</u>	<u>6,979</u>	<u>372,807</u>	<u>344,055</u>

As at 1 January 2022, contract liabilities amounted to RMB59,071,000.

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

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

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

	Year ended 2022	Year ended 2023	Year ended 2024	Five months ended 31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Electrolytic aluminum – aluminum ingots	57,012	11,537	–	264,389
Alumina and other related types of products	373	14,649	5,748	107,086
Scrap and other materials	1,686	150	1,231	1,332
	<u>59,071</u>	<u>26,336</u>	<u>6,979</u>	<u>372,807</u>

28. LEASE LIABILITIES

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	280,630	346,554	10,698	46,539
Within a period of more than one year but not exceeding two years	336,152	41,481	11,002	42,847
Within a period of more than two years but not exceeding five years	337,815	394,095	394,618	122,783
Within a period of more than five years	–	24,266	12,304	7,219
	<u>954,597</u>	<u>806,396</u>	<u>428,622</u>	<u>219,388</u>
Less: Amount due for settlement within one year shown under current liabilities	<u>(280,630)</u>	<u>(346,554)</u>	<u>(10,698)</u>	<u>(46,539)</u>
Amount due for settlement after 12 months shown under non- current liabilities	<u>673,967</u>	<u>459,842</u>	<u>417,924</u>	<u>172,849</u>

As at 31 December 2022, 2023 and 2024 and 31 May 2025, the incremental borrowing rates applied to lease liabilities ranged from 2.55% to 10.36%, 2.80% to 10.36%, 2.55% to 2.80% and 2.55% to 5.00% per annum, respectively.

As at 31 May 2025, lease liabilities of RMB134,845,000 were guaranteed by Innovation Group. These guarantee will be released prior to the Listing as represented by management of the Group.

The Company

	31 May 2025
	RMB'000
Lease liabilities payable:	
Within one year	5,465
Within a period of more than one year but not exceeding two years	5,744
Within a period of more than two years but not exceeding five years	3,634
	<u>14,843</u>
Less: Amount due for settlement within one year shown under current liabilities	<u>(5,465)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>9,378</u>

As at 31 May 2025, the incremental borrowing rates applied to lease liabilities was 5.00% per annum.

29. BANK AND OTHER BORROWINGS

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	10,807,661	9,124,307	9,454,926	11,105,395
Bank loans under supplier finance arrangements (<i>note</i>)	–	77,500	86,960	100,892
Other loans	22,615	80,000	1,406,357	1,315,104
	<u>10,830,276</u>	<u>9,281,807</u>	<u>10,948,243</u>	<u>12,521,391</u>
Fixed-rate borrowings	10,830,276	9,281,807	9,330,886	10,345,271
Variable-rate borrowings	–	–	1,617,357	2,176,120
	<u>10,830,276</u>	<u>9,281,807</u>	<u>10,948,243</u>	<u>12,521,391</u>
Secured and guaranteed	10,830,276	9,201,133	9,503,894	9,907,165
Secured and unguaranteed	–	–	400,000	–
Unsecured and guaranteed	–	3,174	957,389	2,513,334
Unsecured and unguaranteed	–	77,500	86,960	100,892
	<u>10,830,276</u>	<u>9,281,807</u>	<u>10,948,243</u>	<u>12,521,391</u>
Carrying amount repayable (based on scheduled repayment terms)				
Within one year	8,342,273	4,250,981	4,941,606	6,676,496
More than one year but not exceeding two years	2,021,003	1,958,826	4,663,342	4,166,382
More than two years but not exceeding five years	467,000	3,072,000	700,650	883,858
Within a period of more than five years	–	–	642,645	794,655
	<u>10,830,276</u>	<u>9,281,807</u>	<u>10,948,243</u>	<u>12,521,391</u>
Less: Amount due for settlement within one year and shown under current liabilities	(8,342,273)	(4,250,981)	(4,941,606)	(6,676,496)
Amounts shown under non-current liabilities	<u>2,488,003</u>	<u>5,030,826</u>	<u>6,006,637</u>	<u>5,844,895</u>

Note: bank loans under supplier finance arrangements

The Group has entered into certain supplier finance arrangements with Bank of Jinzhou in 2023, 2024 and 2025, and Bank of Qingdao in 2025. Under these arrangements, Bank of Jinzhou and Bank of Qingdao settle the prepayments to the sellers on behalf of the Group. The Group's obligations to suppliers are legally extinguished on settlement by Bank of Jinzhou and Bank of Qingdao. The Group then settles with Bank of Jinzhou within 1 year after settlement by Bank of Jinzhou with fixed interest ranges from 3.10%-3.80% per annum and settles with Bank of Qingdao within 1 year after settlement by Bank of Qingdao with fixed interest ranges from 3.95%-4.50% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. Information of the Group's supplier finance arrangements is set out in note 34b.

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

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
Effective interest rate				
– fixed-rate borrowings	4.46% to 7.50%	3.65% to 8.64%	3.10% to 9.00%	3.10% to 8.64%
– variable-rate borrowings	N/A	N/A	2.90% to 4.95%	2.90% to 5.64%

Types of borrowings are as follows:

Counter party	Types of borrowings	Guaranteed/secured by	31 December 2022	31 December 2023	31 December 2024	31 May 2025	Notes
			RMB'000	RMB'000	RMB'000	RMB'000	
Bank of Jinzhou* (錦州銀行) . . .	Secured and guaranteed bank loans	Guaranteed by Mr. Cui** and Ms. Wang Xiaomei ("Ms. Wang")**, spouse of Mr. Cui, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of use assets and intangible assets of the Group	3,864,802	9,044,196	7,524,560	6,889,467	
		Guaranteed by the legal representative at the time of signing the borrowing agreement, Mr. Cui** and Ms. Wang**, and certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of use assets and intangible assets of the Group	6,942,859	–	–	–	
		The Group pledged 100% equity of Inner Mongolia Chuangyuan as securities for all of the above borrowings					
	Unsecured and unguaranteed bank loans under supplier finance arrangements	N/A	–	77,500	86,960	36,970	
			<u>10,807,661</u>	<u>9,121,696</u>	<u>7,611,520</u>	<u>6,926,437</u>	<i>a</i>

Counter party	Types of borrowings	Guaranteed/secured by	31 December 2022	31 December 2023	31 December 2024	31 May 2025	Notes
			RMB'000	RMB'000	RMB'000	RMB'000	
Bank of Weifang* (濰坊銀行)	Secured and guaranteed bank loans	Guaranteed by Innovation Group**. Secured by certain right-of use assets of the Group	–	76,937	80,120	–	
	Guaranteed bank loans	Guaranteed by Innovation Group**	–	3,174	–	–	
		Guaranteed by Mr. Cui**, Innovation Group**, and certain subsidiaries of the Group.	–	–	–	69,135	
			–	80,111	80,120	69,135	<i>b</i>
Shandong Wudi Rural Commercial Bank* (山東無棣 農村商業銀行)	Secured and guaranteed bank loans	Guaranteed by Mr. Wang Chao**, former management of Shandong Chuangyuan. Secured by certain right- of-use assets of the Group	–	–	29,029	–	
		Guaranteed by Mr. Guo Wei**, management of Shandong Chuangyuan. Secured by certain right- of-use assets of the Group	–	–	–	71,064	
			–	–	29,029	71,064	<i>c</i>
Huaxia Bank* (華 夏銀行)	Secured and guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain right- of-use assets and bank deposits of the Group	–	–	400,383	–	<i>d</i>
Industrial and Commercial Bank of China* (工商銀行)	Secured and guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang**, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, plant, right-of-use assets of the Group, the right to collect electricity charges and 100% equity of Chuangyuan Alloy	–	–	600,242	804,576	<i>e</i>
Far East Horizon Financial Leasing (Guangdong) Ltd.* (遠東宏信 融資租賃(廣東) 有限公司)	Secured and guaranteed other loans	Guaranteed by Mr. Cui**, Innovation Group** and certain subsidiaries of the Group. Secured by certain property, and equipment of the Group under sale and leaseback arrangement	–	80,000	42,005	31,905	<i>m</i>
			–	–	–	–	

Counter party	Types of borrowings	Guaranteed/secured by	31 December 2022	31 December 2023	31 December 2024	31 May 2025	Notes
			RMB'000	RMB'000	RMB'000	RMB'000	
Far East International Financial Leasing Co., Ltd.* (遠東國際融資租賃有限公司)	Secured and guaranteed other loans	Guaranteed by Mr. Cui** and certain subsidiaries of the Group. Secured by certain property, plant and equipment of the Group under sale and leaseback arrangement	22,615	–	–	–	
JD International Financial Leasing Co., Ltd.* (京東國際融資租賃有限公司)	Secured and guaranteed other loans	Guaranteed by Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement	–	–	38,351	30,282	i
Bank of Beijing* (北京銀行)	Secured and guaranteed bank loans	Guaranteed by Innovation Group**. Secured by certain right-of-use assets of the Group	–	–	92,410	–	f
China's Industrial Bank* (興業銀行)	Secured and guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain right-of-use assets, property, plant and equipment of the Group	–	–	616,732	621,747	
	Guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang**, Innovation Group** and certain subsidiaries of the Group.	–	–	111,389	222,209	
			–	–	728,121	843,956	g
China Merchants Bank* (招商銀行)	Secured bank loans	Secured by certain receivables at FVTOCI.	–	–	400,000	–	
	Secured and guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**. Secured by certain receivables at FVTOCI	–	–	30,000	–	
	Guaranteed bank loans	Guaranteed by Mr. Cui**, Ms. Wang** and Innovation Group**.	–	–	–	29,927	
			–	–	430,000	29,927	h
Chongqing Weiqiao Financial Factoring Co., Ltd.* (重慶魏橋金融保理有限公司)	Guaranteed other loans	Guaranteed by Innovation Group**	–	–	746,000	516,000	k

Counter party	Types of borrowings	Guaranteed/secured by	31 December 2022	31 December 2023	31 December 2024	31 May 2025	Notes
			RMB'000	RMB'000	RMB'000	RMB'000	
Hongqiao Commercial Factoring (Shenzhen) Co., Ltd.* (宏橋商業保理(深圳)有限公司)	Guaranteed other loans	Guaranteed by Innovation Group**	–	–	100,000	–	<i>l</i>
SPDB Financial Leasing Co., Ltd.* (浦銀金融租賃股份有限公司)	Secured and guaranteed other loans	Guaranteed by Mr. Cui** and Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement	–	–	50,062	323,385	<i>j</i>
Bank of Inner Mongolia* (內蒙古銀行)	Secured and guaranteed bank loans	Guaranteed by certain subsidiaries of the Group. Secured by certain property, plant and equipment, right-of-use assets of the Group and the right to collect electricity charges	–	–	–	318,483	<i>n</i>
	Secured and guaranteed bank loans	Guaranteed by Mr. Cui**, Innovation Group and certain subsidiaries of the Group. Secured by inventories of the Group.	–	–	–	400,500 718,983	<i>n</i>
Qilu Bank Co., Ltd.* (齊魯銀行)	Guaranteed bank loans	Guaranteed by Innovation Group**.	–	–	–	600,750	<i>o</i>
China CITIC Bank* (中信銀行)	Guaranteed bank loans	Guaranteed by Innovation Group**.	–	–	–	374,982	<i>p</i>
CITIC Trust Co., Ltd.* (中信信託有限責任公司)	Guaranteed other loans	Guaranteed by Mr. Cui** and Innovation Group**	–	–	–	100,472	<i>q</i>
China Everbright Bank* (光大銀行)	Guaranteed bank loans	Guaranteed by Innovation Group**.	–	–	–	100,825	<i>r</i>
Dongying Bank (東營銀行)	Secured and guaranteed bank loans	Guaranteed by Innovation Group**. Secured by certain right-of-use assets.	–	–	–	120,096	<i>s</i>
CPI Ronghe International Financial Leasing Co., Ltd. (中電投融和融資租賃有限公司)	Secured and guaranteed other loans	Guaranteed by Innovation Group**. Secured by certain right-of-use assets and property, and equipment of the Group under sale and leaseback arrangement	–	–	–	93,354	<i>t</i>

Counter party	Types of borrowings	Guaranteed/secured by	31 December 2022	31 December 2023	31 December 2024	31 May 2025	Notes
			RMB'000	RMB'000	RMB'000	RMB'000	
AVIC International Leasing Co., Ltd.* (中航國際融資租賃有限公司)	Secured and guaranteed other loans	Guaranteed by Innovation Group**. Secured by certain property, and equipment of the Group under sale and leaseback arrangement	–	–	–	202,306	u
BQD Financial Leasing Co., Ltd. (青島青銀金融租賃有限公司)	Guaranteed other loans	Guaranteed by Mr. Cui** and Innovation Group**.	–	–	–	17,400	v
Bank of Qingdao (青島銀行)	Guaranteed bank loans	Guaranteed by Mr. Cui** and Innovation Group**	–	–	–	221,598	
	Guaranteed bank loans	Guaranteed by Mr. Cui**, Innovation Group** and certain subsidiaries of the Group.	–	–	–	260,036	
	Unsecured and unguaranteed bank loans under supplier finance arrangements	N/A	–	–	–	63,922	
						545,556	w

* English name is for identification purpose only.

** These guarantee will be released prior to the Listing as represented by management of the Group.

Details of the securities pledged in respect of the Group's bank and other borrowings are set out in note 40.

Notes:

(a) Bank of Jinzhou

As at 31 December 2022, 2023 and 2024 and 31 May 2025, borrowings from Bank of Jinzhou were with the following maturity and effective interest rates:

Maturity date	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Within one year	8,319,658	6.00%-7.50% per annum	4,132,696	3.65%-7.50% per annum	3,209,520	3.10%-6.55% per annum	3,449,437	3.10%-6.55% per annum
More than one year but not exceeding two years	2,021,003	7.38%-7.50% per annum	1,917,000	7.50% per annum	4,402,000	6.55% per annum	3,477,000	6.55% per annum
More than two years but not exceeding five years	467,000	7.50% per annum	3,072,000	7.50% per annum	–	–	–	–
	<u>10,807,661</u>		<u>9,121,696</u>		<u>7,611,520</u>		<u>6,926,437</u>	

In June 2025, the Group and the Bank of Jinzhou had agreed to adjust the interest rate on all borrowings which were originally at 6.55% to 5.50%.

(b) Bank of Weifang

As at 31 December 2023 and 2024 and 31 May 2025, borrowings from Bank of Weifang were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2023		As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year . . .	<u>80,111</u>	5.00% per annum	<u>80,120</u>	5.00% per annum	<u>69,135</u>	4.50% per annum

(c) Shandong Wudi Rural Commercial Bank

As at 31 December 2024 and 31 May 2025, borrowings from Shandong Wudi Rural Commercial Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	<u>29,029</u>	3.65% per annum	<u>64</u>	3.25% per annum
More than two years but not exceeding five years	<u>—</u>	—	<u>71,000</u>	3.25% per annum
	<u>29,029</u>		<u>71,064</u>	

(d) Huaxia Bank

As at 31 December 2024, borrowings from Huaxia Bank were with the following maturity and effective interest rate:

Maturity date	RMB'000	Effective Interest rate
Within one year	67,049	4.30% per annum
More than one year but not exceeding two years	66,667	4.30% per annum
More than two years but not exceeding five years	200,000	4.30% per annum
More than five years	<u>66,667</u>	4.30% per annum
	<u>400,383</u>	

(e) Industrial and Commercial Bank of China

As at 31 December 2024 and 31 May 2025, borrowings from Industrial and Commercial Bank of China were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	242	2.90% per annum	4,576	2.90% per annum
More than one year but not exceeding two years	28,575	2.90% per annum	76,200	2.90% per annum
More than two years but not exceeding five years	171,450	2.90% per annum	228,600	2.90% per annum
More than five years	<u>399,975</u>	2.90% per annum	<u>495,200</u>	2.90% per annum
	<u>600,242</u>		<u>804,576</u>	

(f) Bank of Beijing

As at 31 December 2024, borrowings from Bank of Beijing were with the following maturity and effective interest rate:

Maturity date	RMB'000	Effective Interest rate
Within one year	92,410	4.50% per annum

(g) China's Industrial Bank

As at 31 December 2024 and 31 May 2025, borrowings from China's Industrial Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	112,111	4.70%-4.95% per annum	293,947	4.50%-4.70% per annum
More than one year but not exceeding two years	132,002	4.70%-4.95% per annum	132,002	4.70% per annum
More than two years but not exceeding five years	308,005	4.70%-4.95% per annum	286,005	4.70% per annum
More than five years	176,003	4.70%-4.95% per annum	132,002	4.70% per annum
	<u>728,121</u>		<u>843,956</u>	

(h) China Merchants Bank

As at 31 December 2024 and 31 May 2025, borrowings from China Merchants Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	430,000	3.30%-3.50% per annum	29,927	3.10% per annum
	<u>430,000</u>		<u>29,927</u>	

(i) JD International Financial Leasing Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from JD International Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	16,391	6.20% per annum	16,903	6.20% per annum
More than one year but not exceeding two years	17,432	6.20% per annum	13,379	6.20% per annum
More than two years but not exceeding five years	4,528	6.20% per annum	—	6.20% per annum
	<u>38,351</u>		<u>30,282</u>	

(j) SPDB Financial Leasing Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from SPDB Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	16,729	5.60% per annum	120,475	5.60% per annum
More than one year but not exceeding two years	16,666	5.60% per annum	115,949	5.60% per annum
More than two years but not exceeding five years	16,667	5.60% per annum	86,961	5.60% per annum
	<u>50,062</u>		<u>323,385</u>	

(k) Chongqing Weiqiao Financial Factoring Co., Ltd.

As at 31 December 2024 and 31 May 2025, borrowings from Chongqing Weiqiao Financial Factoring Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	746,000	6.50%-8.00% per annum	516,000	6.50%-7.00% per annum
	<u>746,000</u>		<u>516,000</u>	

(l) Hongqiao Commercial Factoring (Shenzhen) Co., Ltd.

As at 31 December 2024, borrowings from Hongqiao Commercial Factoring (Shenzhen) Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	RMB'000	Effective Interest rate
Within one year	<u>100,000</u>	9.00% per annum

(m) Far East Horizon Financial Leasing (Guangdong) Ltd.

As at 31 December 2023, 2024 and 31 May 2025, borrowings from Far East Horizon Financial Leasing (Guangdong) Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 December 2023		As at 31 December 2024		As at 31 May 2025	
	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate	RMB'000	Effective Interest rate
Within one year	38,174	8.64% per annum	42,005	8.64% per annum	31,905	8.64% per annum
More than one year but not exceeding two years	41,826	8.64% per annum	—	—	—	—
	<u>80,000</u>		<u>42,005</u>		<u>31,905</u>	

(n) Bank of Inner Mongolia

As at 31 May 2025, borrowings from Bank of Inner Mongolia were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
		3.70%-4.50%
Within one year	417,568	per annum
More than one year but not exceeding two years	33,490	3.70% per annum
More than two years but not exceeding five years	100,472	3.70% per annum
More than five years	167,453	3.70% per annum
	<u>718,983</u>	

(o) Qilu Bank Co., Ltd.

As at 31 May 2025, borrowings from Qilu Bank Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	<u>600,750</u>	4.50% per annum

(p) China CITIC Bank

As at 31 May 2025, borrowings from China CITIC Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	<u>374,982</u>	4.20%-4.50% per annum

(q) CITIC Trust Co., Ltd.

As at 31 May 2025, borrowings from CITIC Trust Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	<u>100,472</u>	5.00% per annum

(r) China Everbright Bank

As at 31 May 2025, borrowings from China Everbright Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	4,825	4.50% per annum
More than one year but not exceeding two years	96,000	4.50% per annum
	<u>100,825</u>	

(s) Dongying Bank

As at 31 May 2025, borrowings from Dongying Bank were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	2,096	4.80% per annum
More than one year but not exceeding two years	118,000	4.80% per annum
	<u>120,096</u>	

(t) CPI Ronghe International Financial Leasing Co., Ltd.

As at 31 May 2025, borrowings from CPI Ronghe International Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	31,160	5.64% per annum
More than one year but not exceeding two years	31,097	5.64% per annum
More than two years but not exceeding five years	31,097	5.64% per annum
	<u>93,354</u>	

(u) AVIC International Leasing Co., Ltd.

As at 31 May 2025, borrowings from AVIC International Leasing Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	66,718	4.70% per annum
More than one year but not exceeding two years	67,794	4.70% per annum
More than two years but not exceeding five years	67,794	4.70% per annum
	<u>202,306</u>	

(v) BQD Financial Leasing Co., Ltd.

As at 31 May 2025, borrowings from BQD Financial Leasing Co., Ltd. were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
More than one year but not exceeding two years	5,471	5.50% per annum
More than two years but not exceeding five years	11,929	5.50% per annum
	<u>17,400</u>	

(w) Bank of Qingdao

As at 31 May 2025, borrowings from Bank of Qingdao were with the following maturity and effective interest rate:

Maturity date	As at 31 May 2025	
	RMB'000	Effective Interest rate
Within one year	<u>545,556</u>	3.95%-4.50% per annum

New facilities obtained and new borrowing raised subsequent to end of the reporting period

During June 2025, July 2025, August 2025, September 2025 and October 2025, the Group obtained new borrowings of RMB23,798,000, RMB14,680,000, RMB10,761,000, RMB2,236,000, and RMB365,000 with Bank of Inner Mongolia, which is part of the total loan facility of RMB370,000,000, of which RMB370,000,000 has been drawn down.

During June 2025, July 2025 and September 2025, the Group obtained new borrowings of RMB223,000,000, RMB7,340,000 and RMB22,785,000 with China's Industrial Bank, which is part of the total loan facility of RMB449,280,000, of which RMB253,125,000 has been drawn down.

On 13 June 2025, the Group obtained new borrowings of RMB9,392,000 with China CITIC Bank, which is part of the total loan facility of RMB800,000,000, of which RMB209,392,000 has been drawn down.

During June 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB182,238,000.

On 16 June 2025, the Group obtained new borrowings with Xiamen Xiangyu Commercial Factoring Co., Ltd.* (廈門象嶼商業保理有限責任公司) amounting to RMB300,000,000.

On 9 July 2025, the Group obtained new borrowings with Mengshang Bank* (蒙商銀行股份有限公司) amounting to RMB400,000,000.

On 30 June 2025, 21 August 2025 and 29 September 2025, the Group obtained new borrowings of RMB17,400,000, RMB85,000,000 and RMB17,400,000 with BQD Financial Leasing Co., Ltd..

During July 2025, the Group obtained new borrowings with China's Industrial Bank amounting to RMB129,000,000.

During July 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB91,780,000.

On 14 August 2025, the Group obtained new bank facility with China Everbright Bank amounting to RMB80,000,000, of which RMB50,000,000 has been drawn down.

During September 2025, the Group obtained new borrowings with Bank of Qingdao amounting to RMB157,900,000.

On 31 October 2025, the Group obtained new borrowings with Shanghai Banghui Commercial Factoring Co., Ltd.* (上海邦匯商業保理有限公司) amounting to RMB30,000,000.

Loan covenant

(i) Shandong Wudi Rural Commercial Bank

In respect of bank borrowing from Shandong Wudi Rural Commercial Bank with carrying amount of RMB29,029,000 as at 31 December 2024 and RMB71,064,000 as at 31 May 2025, Shandong Chuangyuan is required to comply with the following financial covenant which is tested on a yearly basis:

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

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

30. AMOUNTS DUE TO RELATED PARTIES

Amounts due to related parties are all non-trade in nature. Details are set out in note 41(b)(ii).

31. PAID-IN SHARE CAPITAL

The Group

The Reorganisation has been completed on 23 October 2024. As mentioned in note 2, the Historical Financial Information has been prepared as if the Group structure after the Reorganisation had been in existence throughout the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2025.

For the purposes of presentation of the consolidated statements of financial position, the balance of paid-in capital as at 1 January 2022 and 31 December 2022 represented the paid-in capital of Inner Mongolia Chuangyuan and 58.5% of paid-in capital of Shandong Chuangyuan, and the balance of paid-in/share capital as at 31 December 2023 represented the share capital of the Company, paid-in capital of Inner Mongolia Chuangyuan and 58.5% of paid-in capital of Shandong Chuangyuan prior to the completion of the Reorganisation. As at 31 December 2024 and 31 May 2025, the balance of share capital represented the share capital of the Company.

Name of the entity	As at 1 January	As at 31 December			As at 31 May
	2022	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Company	N/A	N/A	—*	—*	54
Inner Mongolia Chuangyuan	2,000,000	2,000,000	2,000,000	N/A	N/A
Shandong Chuangyuan . .	17,901	17,901	70,551	N/A	N/A
	<u>2,017,901</u>	<u>2,017,901</u>	<u>2,070,551</u>	<u>—*</u>	<u>54</u>

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

The Company

	Par value per share	Number of ordinary shares	Share capital	Share capital presented in RMB
	US\$		US\$000	RMB'000
Authorised				
On 4 July 2023 (date of incorporation), 31 December 2023 and 2024	0.0001	500,000,000	50	360
Share Subdivision	N/A	9,500,000,000	—	—
On 31 May 2025	0.000005	<u>10,000,000,000</u>	<u>50</u>	<u>360</u>

	Par value per share	Number of ordinary shares	Share capital	Share capital presented in RMB
	US\$		US\$'000	RMB'000
Issued				
On 4 July 2023 (date of incorporation), 31 December				
2023 and 2024	0.0001	1	—*	—*
Share Subdivision	N/A	19	—*	—*
Issue of ordinary shares	0.000005	1,499,999,980	7	54
On 31 May 2025	0.000005	1,500,000,000	7	54
			=	=

On 6 January 2025, a written resolution of the shareholders of the Company was passed to approve each share in the issued and unissued share capital was subdivided into 20 shares with a nominal value of USD0.000005 each (“Share Subdivision”). After the subdivision, the total issued share capital of the Company consisted of 20 shares with a nominal value of USD0.000005 each. Immediately following the Share Subdivision taking effect, the Company issued 1,499,999,980 ordinary shares to Bloomsbury Holding, the sole shareholder of the Company at a consideration of USD7,500.

* Less than RMB1,000.

32. RESERVES

Statutory surplus reserve

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

Safety fund reserve

Pursuant to regulation in the PRC, the Group’s subsidiaries, including Inner Mongolia Chuangyuan and Chuangyuan Alloy, carrying on Electrolytic Aluminum Business, are required to transfer an amount to safety fund ranging from 0.05%-3% of annual revenue from electrolytic aluminum for the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025. Shandong Chuangyuan, another subsidiary of the Group carrying on Alumina Business, is required to transfer an amount to safety fund ranging from 0.2%-3% of annual revenue from alumina and other related types of products, ranging from 1.5%-3.0% of annual revenue from electricity, and at RMB1.5 to RMB4 per ton of red mud, which is generated from the production process, for the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025.

Pursuant to the requirement of PRC government, a portion of retained earning is apportioned to safety fund reserve which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be reclassified out from safety fund reserve to retained earnings. At the same time, the safety facilities costs or expenditures are recognised as assets or in profit or loss respectively. This safety fund is not available for distribution to shareholders. During the Track Record Period, safety fund provided, amounted to RMB51,214,000 and RMB45,794,000, RMB55,072,000, RMB22,525,000 (unaudited) and RMB21,278,000, utilised amounted to RMB21,771,000, RMB29,041,000, RMB27,363,000, RMB7,829,000 (unaudited) and RMB18,924,000 during the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, respectively.

The movement of the Company's reserves has been set forth below:

	<u>Accumulated losses</u>
	<u>RMB'000</u>
At 4 July 2023 (date of incorporation) and 31 December 2023	–
Loss and total comprehensive expense for the year	(17,768)
At 31 December 2024	(17,768)
Loss and total comprehensive expense for the year	(6,838)
At 31 May 2025	(24,606)

33. NON-CONTROLLING INTERESTS

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

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

34a. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank and other borrowings	Bills payables under note financing arrangements	Payables to a finance provider	Lease liabilities	Amounts due to related parties	Amounts due to independent third parties	Prepaid/ Accrued issue costs	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
At 1 January 2022	11,722,236	2,504,000	53,048	1,299,094	199,626	38,199	–	15,816,203
Net financing cash flows	(1,731,027)	1,261,131	(722,787)	(414,395)	115,033	58,000	–	(1,434,045)
<i>Non-cash changes</i>								
Payments to a finance provider under supplier finance arrangement entered	–	–	833,124	–	–	–	–	833,124
Interest expenses	839,067	105,899	–	69,898	2,532	–	–	1,017,396
At 31 December 2022	10,830,276	3,871,030	163,385	954,597	317,191	96,199	–	16,232,678
Net financing cash flows	(2,395,326)	(1,829,591)	(1,298,975)	(276,857)	75,858	(36,200)	–	(5,761,091)
<i>Non-cash changes</i>								
Interest expenses	769,357	45,621	–	45,087	23,082	–	–	883,147
New lease entered	–	–	–	83,569	–	–	–	83,569
Advance under a finance provider	–	–	1,200,685	–	–	–	–	1,200,685
New bank borrowings under supplier finance arrangement entered	77,500	–	–	–	–	–	–	77,500
At 31 December 2023	9,281,807	2,087,060	65,095	806,396	416,131	59,999	–	12,716,488
Net financing cash flows	1,203,670	(2,016,743)	(230,691)	(395,272)	(423,986)	422,782	(1,991)	(1,442,231)

	Bank and other borrowings	Bills payables under note financing arrangements	Payables to a finance provider	Lease liabilities	Amounts due to related parties	Amounts due to independent third parties	Prepaid/ Accrued issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-cash changes</i>								
Expire of bills discounted to banks that are not derecognised in their entirety	(300,000)	–	–	–	–	–	–	(300,000)
Issue costs incurred . .	–	–	–	–	–	–	5,260	5,260
Interest expenses . . .	650,276	39,683	–	17,498	7,855	–	–	715,312
Advance under a finance provider . .	–	–	165,596	–	–	–	–	165,596
New bank borrowings under supplier finance arrangement entered	112,490	–	–	–	–	–	–	112,490
At 31 December 2024 .	10,948,243	110,000	–	428,622	–	482,781	3,269	11,972,915
Net financing cash flows	1,651,026	387,343	–	(359,832)	–	(271,450)	(2,780)	1,404,307
<i>Non-cash changes</i>								
Issue costs incurred . .	–	–	–	–	–	–	1,518	1,518
Expire of bills discounted to banks that are not derecognised in their entirety	(430,000)	–	–	–	–	–	–	(430,000)
New bank borrowings under supplier finance arrangement entered	61,749	–	–	–	–	–	–	61,749
New lease entered . . .	–	–	–	148,944	–	–	–	148,944
Interest expenses . . .	290,373	2,657	–	1,654	–	1,589	–	296,273
At 31 May 2025. . . .	12,521,391	500,000	–	219,388	–	212,920	2,007	13,455,706
At 31 December 2023 .	9,281,807	2,087,060	65,095	806,396	416,131	59,999	–	12,716,488
Net financing cash flows	(463,460)	(1,182,620)	(139,293)	(395,272)	(385,807)	163,309	–	(2,403,143)
<i>Non-cash changes</i>								
Expire of bills discounted to banks that are not derecognised in their entirety	30,000	–	–	–	–	–	–	30,000
Interest expenses . . .	282,752	25,560	–	16,315	7,855	–	–	332,482
Advance under a finance provider . .	–	–	106,024	–	–	–	–	106,024
New bank borrowings under supplier finance arrangement entered	75,520	–	–	–	–	–	–	75,520
At 31 May 2024 (unaudited)	9,206,619	930,000	31,826	427,439	38,179	223,308	–	10,857,371

34b. Information of Supplier Finance Arrangements

	01/01/2022	31/12/2022	31/12/2023	31/12/2024	31/05/2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements					
Presented as part of “Trade, bills and other payables”	N/A	163,385	65,095	–	–
– Of which suppliers have already received payment from the finance provider (note 26)	N/A	163,385	65,095	–	–
Presented as part of “Bank and other borrowings” (note 29)	N/A	N/A	77,500	86,960	100,892
– Of which suppliers have already received payment from the finance provider	N/A	N/A	77,500	86,960	100,892
	01/01/2022	31/12/2022	31/12/2023	31/12/2024	31/05/2025
	Days	Days	Days	Days	Days
Range of payment due dates					
For liabilities presented as part of “Trade, bills and other payables” (note 26)					
– Liabilities that are part of supplier finance arrangements	N/A	90	90	N/A	N/A
– Comparable trade payables that are not part of supplier finance arrangements	N/A	–	–	N/A	N/A
For liabilities presented as part of “Bank and other borrowings” (note 29)					
– Liabilities that are part of supplier finance arrangements	N/A	N/A	365	365	318-365
– Comparable trade payables that are not part of supplier finance arrangements	N/A	N/A	–	–	–

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and subsequent cash settlements. During the years ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider of RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent suppliers have already received payments from the finance provider which is the finance provider directly. During the years ended 31 December 2023 and 2024 and the five months ended 31 May 2024, borrowings under supplier finance arrangement of RMB77,500,000, RMB112,490,000 and RMB75,520,000 (unaudited), respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly. There were no other material non-cash changes in these liabilities.

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities now comprising the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes bank and other borrowings and lease liabilities disclosed in notes 29 and 28, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising paid-in capital/share capital (accumulated losses) retained earnings, other reserves and non-controlling interests.

Management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and raise of new borrowings or the redemption of existing debt.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at FVTPL	30,044	—	—	699,900
Receivables at FVTOCI	29,102	62,678	485,699	90,972
Financial assets at amortised cost (including cash and cash equivalents)	7,316,241	5,772,348	904,489	1,529,334
	<u>7,375,387</u>	<u>5,835,026</u>	<u>1,390,188</u>	<u>2,320,206</u>
Financial liabilities				
Amortised cost	<u>18,291,760</u>	<u>14,860,865</u>	<u>14,299,665</u>	<u>16,538,634</u>

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, receivables at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, amounts due from related parties, trade, bills and other payables, bank and other borrowings, amounts due to related parties and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose it primarily to the financial risks of currency risk and interest rates.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk during the reporting period.

Currency risk

As at 31 December 2024 and 31 May 2025, the Group has bank balances, restricted deposits, trade and other receivables and trade and other payables denominated in the USD and HKD, which expose the Group to foreign currency risk.

For the year ended 31 December 2024 and five months ended 31 May 2025, the impact of HKD is not presented, since the outstanding monetary items denominated in HKD are not significant and their impact is immaterial.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	At 31 December 2024	
	Assets	Liabilities
	RMB'000	RMB'000
USD	283,300	1,129
	At 31 May 2025	
	Assets	Liabilities
	RMB'000	RMB'000
USD	990	192,747

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in USD against RMB, 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where a USD strengthen 10% against RMB. For a 10% weakening of USD against RMB, there would be an equal and opposite impact on the post-tax profit and the balances below would be negative.

	Profit for the year ended 31 December 2024	Profit for the Five months ended 31 May 2025
	RMB'000	RMB'000
USD	21,248	(14,382)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (see note 25 for details), fixed-rate bank and other borrowings (see note 29 for details), lease liabilities (see note 28 for details) and amounts due to related parties (see note 41(b)(ii) for details). The Group is also exposed to cash flow interest rate in relation to variable-rate bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances and bank borrowings. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

No sensitivity analysis is presented since the management of the Group considers the exposure of cash flow interest rate risk arising from variable-rate bank balances and variable-rate bank borrowings is insignificant.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents and amounts due from related parties. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 17.93%, 79.04%, 40.60% and 36.25% of the total trade receivables was due from the Group's largest customer and five largest customers at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively.

The Group provided an ECL impairment loss of RMB556,000 during the year ended 31 December 2022 while provided an ECL impairment loss of RMB189,000 and reversed an ECL impairment loss of RMB349,000 during the year ended 31 December 2023, provided an ECL impairment loss of RMB278,000 and reversed an ECL impairment loss of RMB148,000 during the year ended 31 December 2024 and provided an ECL impairment loss of RMB375,000 and reversed an ECL impairment loss of RMB26,000 during the five months ended 31 May 2025, based on the individual analysis. Details of the quantitative disclosures are set out below in this note.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, the Group provided an ECL impairment loss of RMB335,000, RMB592,000, RMB1,201,000 and RMB55,000 and reversed nil, RMB261,000, RMB665,000 and RMB1,197,000 for other receivables, respectively.

Amounts due from related parties

The management estimates the estimated loss rate of amounts due from related parties based on financial background and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, the Group provided an ECL impairment loss of RMB1,235,000, nil, nil and nil and reversed an ECL impairment loss of nil, RMB157,000, RMB1,078,000 and nil for amounts due from related parties, respectively.

Restricted bank deposits, cash and cash equivalents

The restricted bank deposits, cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, cash and cash equivalents is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

Receivables at FVTOCI

Bank acceptance bills receivables are determined to have low credit risk at the end of each reporting period. The credit risk on bank acceptance bills receivables is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low. Commercial acceptance bills receivables are issued by customers and assessed individually. For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2025, no loss allowance was recognised in other comprehensive income as the amount of impairment loss for receivables at FVTOCI was insignificant.

Financial guarantee contracts

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to related parties as set out in note 41(c) that the Group could be required to pay amounted to RMB920,000,000, RMB100,000,000, nil and nil as at 31 December 2022, 2023 and 2024 and 31 May 2025, respectively. All of the outstanding financial guarantees has been utilised by the related parties. The fair value of these financial guarantees, as at dates of initial recognition, were considered insignificant. At the end of each reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit impaired	Lifetime ECL – not credit-impaired
Loss.	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

31 December 2022	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Average loss rate
<i>RMB'000</i>					
Financial assets at amortised cost					
Trade receivables	20	Low risk	Lifetime ECL (not credit impaired)	40,788	1.36%
Other receivables	22	Low risk	12m ECL	71,459	0.47%
Cash and cash equivalents	25	Low risk	12m ECL	158,909	–
Restricted bank deposits	25	Low risk	12m ECL	2,798,680	–
Amounts due from related parties	24	Low risk	12m ECL	4,261,371	0.03%
				<u>7,331,207</u>	
Receivables at FVTOCI	21	Low risk	12m ECL	29,102	–

31 December 2023	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Average loss rate
				RMB'000	
Financial assets at amortised cost					
Trade receivables	20	Low risk	Lifetime ECL (not credit impaired)	96,527	0.41%
Other receivables	22	Low risk	12m ECL	44,112	1.51%
Cash and cash equivalents	25	Low risk	12m ECL	584,126	—
Restricted bank deposits	25	Low risk	12m ECL	1,309,070	—
Amounts due from related parties	24	Low risk	12m ECL	3,753,493	0.03%
				<u>5,787,328</u>	
Receivables at FVTOCI	21	Low risk	12m ECL	62,678	—
31 December 2024	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Average loss rate
				RMB'000	
Financial assets at amortised cost					
Trade receivables	20	Low risk	Lifetime ECL (not credit impaired)	39,666	1.33%
Other receivables	22	Low risk	12m ECL	19,247	6.25%
Cash and cash equivalents	25	Low risk	12m ECL	176,401	—
Restricted bank deposits	25	Low risk	12m ECL	681,440	—
				<u>916,754</u>	
Receivables at FVTOCI	21	Low risk	12m ECL	485,699	—
31 May 2025	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	Average loss rate
				RMB'000	
Financial assets at amortised cost					
Trade receivables	20	Low risk	Lifetime ECL (not credit impaired)	85,630	1.02%
Other receivables	22	Low risk	12m ECL	395,308	0.02%
Cash and cash equivalents	25	Low risk	12m ECL	470,857	—
Restricted bank deposits	25	Low risk	12m ECL	591,314	—
				<u>1,543,109</u>	
Receivables at FVTOCI	21	Low risk	12m ECL	90,972	—

The following table shows the movements in lifetime ECL that have been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit impaired)
	<i>RMB'000</i>
As at 1 January 2022	–
Impairment losses recognised	556
As at 31 December 2022	556
Impairment losses recognised	189
Impairment losses reversed	(349)
As at 31 December 2023	396
Impairment losses recognised	278
Impairment losses reversed	(148)
As at 31 December 2024	526
Impairment losses recognised	375
Impairment losses reversed	(26)
As at 31 May 2025	875

The following table shows the movement in ECL that has been recognised for other receivables.

	12m ECL
	<i>RMB'000</i>
As at 1 January 2022	–
Impairment losses recognised	335
As at 31 December 2022	335
Impairment losses recognised	592
Impairment losses reversed	(261)
As at 31 December 2023	666
Impairment losses recognised	1,201
Impairment losses reversed	(665)
As at 31 December 2024	1,202
Impairment losses recognised	55
Impairment losses reversed	(1,197)
As at 31 May 2025	60

The following table shows the movements in ECL that have been recognised for amounts due from related parties.

	12m ECL
	<i>RMB'000</i>
As at 1 January 2022	–
Impairment losses recognised	1,235
As at 31 December 2022	1,235
Impairment losses reversed	(157)
As at 31 December 2023	1,078
Impairment losses reversed	(1,078)
As at 31 December 2024	–

Liquidity risk

The directors of the Company have adopted an appropriate liquidity risk management framework for the management of the Group's short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group's consolidated financial position. The directors of the Company monitor the sufficiency of cash flows with availability of unutilised banking facilities, internally generated funds and alternative refinancing and extension of due date of bank and other borrowings. The directors of the Company also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's borrowings is subject to supplier finance arrangements. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in note 29.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted cash flows	Total carrying amounts
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022							
Bank and other borrowings							
– fixed rates	7.42	8,995,865	2,128,904	473,421	–	11,598,190	10,830,276
Trade payables	–	1,360,244	–	–	–	1,360,244	1,360,244
Other payables	–	1,052,771	–	860,524	–	1,913,295	1,708,740
Bills payables (including those under note financing arrangement)	–	4,075,309	–	–	–	4,075,309	4,075,309
Amounts due to related parties	7.00	326,059	–	–	–	326,059	317,191
Lease liabilities	6.89	319,546	354,438	341,487	–	1,015,471	954,597
Financial guarantee contracts	–	920,000	–	–	–	920,000	–
		<u>17,049,794</u>	<u>2,483,342</u>	<u>1,675,432</u>	<u>–</u>	<u>21,208,568</u>	<u>19,246,357</u>
As at 31 December 2023							
Bank and other borrowings							
– fixed rates	7.46	4,606,052	2,290,764	3,439,110	–	10,335,926	9,281,807
Trade payables	–	980,926	–	–	–	980,926	980,926
Other payables	–	986,336	–	860,524	–	1,846,860	1,687,318
Bills payables (including those under note financing arrangement)	–	2,494,683	–	–	–	2,494,683	2,494,683
Amounts due to related parties	7.00	424,723	–	–	–	424,723	416,131
Lease liabilities	6.73	714,334	46,321	51,026	24,983	836,664	806,396
Financial guarantee contracts	–	100,000	–	–	–	100,000	–
		<u>10,307,054</u>	<u>2,337,085</u>	<u>4,350,660</u>	<u>24,983</u>	<u>17,019,782</u>	<u>15,667,261</u>

	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted cash flows	Total carrying amounts
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024							
Bank and other borrowings							
– fixed rates	6.55	4,938,697	4,947,179	91,459	–	9,977,335	9,330,886
– variable rates	3.67	132,222	284,664	791,694	695,698	1,904,278	1,617,357
Trade payables	–	1,246,574	–	–	–	1,246,574	1,246,574
Other payables							
– interest bearing	0.97	102,645	383,250	–	–	485,895	482,781
– non-interest bearing	–	690,261	475,472	385,052	–	1,550,785	1,439,817
Bills payables (including those under note financing arrangement)	–	182,250	–	–	–	182,250	182,250
Lease liabilities	2.80	372,196	12,491	37,474	24,983	447,144	428,622
		<u>7,664,845</u>	<u>6,103,056</u>	<u>1,305,679</u>	<u>720,681</u>	<u>15,794,261</u>	<u>14,728,287</u>
As at 31 May 2025							
Bank and other borrowings							
– fixed rates	5.32	6,715,474	3,747,552	127,759	376,759	10,967,544	10,345,271
– variable rates	3.77	201,799	390,979	1,243,433	682,786	2,518,997	2,176,120
Trade payables		1,179,519	–	–	–	1,179,519	1,179,519
Other payables							
– interest bearing	3.36	1,591	215,129	–	–	216,720	212,920
– non-interest bearing	–	1,272,209	713,208	79,245	–	2,064,662	1,974,804
Bills payables (including those under note financing arrangement)		650,000	–	–	–	650,000	650,000
Lease liabilities	3.36	50,880	49,864	138,128	7,406	246,278	219,388
		<u>10,071,472</u>	<u>5,116,732</u>	<u>1,588,565</u>	<u>1,066,951</u>	<u>17,843,720</u>	<u>16,758,022</u>

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at				Fair value hierarchy	Valuation technique and key input
	31 December			31 May		
	2022	2023	2024	2025		
	RMB'000	RMB'000	RMB'000	RMB'000		
Financial assets:						
Wealth management products classified as financial assets at FVTPL	30,044	—	—	699,900	Level 2	Discounted cash flow method using the expected return based on observable market inputs.

	Fair value as at				Fair value hierarchy	Valuation technique and key input
	31 December			31 May		
	2022	2023	2024	2025		
	RMB'000	RMB'000	RMB'000	RMB'000		
Receivables at FVTOCI	29,102	62,678	485,699	90,972	Level 2	Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable.

There were no transfers between Level 1 and 2 during the both years.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

37. ACQUISITION OF A SUBSIDIARY

In September 2024, Inner Mongolia Chuangyuan acquired a 100% equity interest in Inner Mongolia Kanghong New Materials Co., Ltd.* (内蒙古康鸿新材料有限公司) (“Kanghong New Materials”) for RMB14,000,000. Following completion of the acquisition, Kanghong New Materials become a wholly owned subsidiary of Inner Mongolia Chuangyuan.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of purchase.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Right-of-use assets	12,045
Property, plant and equipment	1,164
Prepayments and other receivables	1,045
Cash and cash equivalents	443
Other payables	(697)
Net assets	14,000

Net cash outflows arising on acquisition of Kanghong New Materials

	RMB'000
Consideration paid in cash.	14,000
Less: cash and cash equivalents acquired.	(443)
	13,557

* English name is for identification purpose only

38. DISPOSAL OF A SUBSIDIARY

(i) **Inner Mongolia Chuangyuan Logistics Co., Ltd.* (內蒙古創源物流有限公司) (“Inner Mongolia Chuangyuan Logistics”)**

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics, to its related party, Zouping Chuangyuan Logistics Co., Ltd.* (鄒平創源物流有限公司) (“Zouping Chuangyuan Logistics”), for RMB3,820,000. The net assets of Inner Mongolia Chuangyuan Logistics at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

	30 November 2024
	<i>RMB'000</i>
Trade receivables	18,020
Prepayments and other receivables	1,850
Cash and cash equivalents	3,977
Trade and other payables	(19,299)
Net assets disposed of	<u>4,548</u>

Consideration received:

	<i>RMB'000</i>
Cash received	<u>3,820</u>

Gain on disposal of a subsidiary:

Consideration received	3,820
Net assets disposed of	<u>(4,548)</u>
Loss on disposal	<u>(728)</u>

Net cash outflow arising on disposal:

Cash consideration	3,820
Less: cash and cash equivalents disposed of	<u>(3,977)</u>
	<u>(157)</u>

(ii) **Harrington Management Limited**

On 30 May 2025, Inner Mongolia Chuangyuan disposed of its 100% interest in Harrington Management Limited to a third party at a consideration of HKD10,000 (equivalent to RMB9,000). This transaction has resulted in the recognition of a disposal gain of RMB5,174,000. The consideration has not been received yet.

39. CAPITAL COMMITMENTS

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the Historical Financial Information	<u>277,012</u>	<u>251,967</u>	<u>2,243,511</u>	<u>1,269,805</u>

* English name is for identification purpose only

40. PLEDGE OF ASSETS

The following assets have been pledged to various banks for securing of the Group's banking facilities, and the issue of bills payables or letter of credit at the end of each reporting period were summarised below:

	31 December 2022	31 December 2023	31 December 2024	31 May 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	5,158,400	4,934,408	7,290,813	8,838,852
Receivables at FVTOCI	—	—	430,000	—
Right-of-use assets	415,535	483,108	591,425	686,143
Intangible assets	3,057,240	2,992,143	2,927,047	2,899,924
Restricted bank deposits	2,764,575	1,309,070	681,440	591,314
Inventories	—	—	—	400,000
	<u>11,395,750</u>	<u>9,718,729</u>	<u>11,920,725</u>	<u>13,416,233</u>

During the Track Record Period, Innovation Group pledged 100% of equity interests in Inner Mongolia Chuangyuan in favour of Bank of Jinzhou as security for bank loans, and pledged 100% of equity interests in Chuangyuan Alloy in favour of Industrial and Commercial Bank of China as security for bank loans. Details of which are set out in note 29.

41. RELATED PARTY TRANSACTIONS

During the Track Record Period, the directors of the Company are of the view that the following are related parties of the Group and the Company:

Name of party	Relationship
Innovation Group	Controlled by Mr. Cui
Innovation New Material Technology Co., Ltd.* (創新新材料科技股份 有限公司) (“Innovation New Material”) and its subsidiaries	Controlled by Mr. Cui
Shandong Luyu Valve Co., Ltd.* (山東魯豫閥門有限公司) (“Shandong Luyu”)	Controlled by family of Mr. Cui
Hainan Fujuan Yong and its subsidiaries	Controlled by family of Mr. Cui
Shandong Suotong Innovation Materials Co., Ltd.* (山東索通創新炭材 料有限公司) (formerly known as Shandong Innovation Carbon Materials Co., Ltd.* (山東創新炭材料有限公司)) (“Shandong Suotong”)	Associate of Innovation Group
Zouping Minsheng Metal Material Co., Ltd.* (鄒平縣民生金屬材料有 限公司) (“Zouping Minsheng”)	Controlled by family of Mr. Cui
Zouping Chuangyuan Logistics	Controlled by Mr. Cui
Zouping Innovation Property Co., Ltd.* (鄒平創新物業有限公司) (“Zouping Innovation Property”)	Controlled by family of Mr. Cui
Ms. Cui Jiao	Family of Mr. Cui
Mr. Cui Dong	Family of Mr. Cui
Shandong Innovation Metal Technology Co., Ltd.* (山東創新金屬科技 有限公司) (“Shandong Innovation Metal Technology”)	Controlled by Mr. Cui
Suzhou Chuangtai Alloy Material Co., Ltd.* (蘇州創泰合金材料有限公 司) (“Suzhou Chuangtai”)	Controlled by Mr. Cui
Huolingol Qiyuan Aluminum Industry Co., Ltd.* (霍林郭勒市齊源鋁業 有限公司) (“Huolingol Qiyuan”)	Controlled by Mr. Cui
Tongliao Smart Mining Co., Ltd.* (通遼市智慧礦業有限公司) (“Tongliao Smart Mining”)	Controlled by Mr. Cui
Shandong Lide New Energy Technology Co., Ltd.* (山東禮德新能源科 技有限公司) (“Shandong Lide”)	Associate of Innovation New Material
Shandong Chuangfeng new material Technology Co., Ltd.* (山東創豐 新材料科技有限公司)	Controlled by Mr. Cui
Shandong Chuanghui new material Technology Co., Ltd.* (山東創輝新 材料科技有限公司)	Controlled by Mr. Cui

Name of party	Relationship
Shandong Innovation Precision Technology Co., Ltd.* (山東創新精密科技有限公司)	Controlled by Mr. Cui
Shandong Yuanwang Electrical Technology Co., Ltd.* (山東元旺電工科技有限公司)	Controlled by Mr. Cui
Shandong Innovation Plate Co., Ltd.* (山東創新板材有限公司)	Controlled by Mr. Cui
Shandong Innovation Beihai Co., Ltd.* (山東創新北海有限公司)	Controlled by Mr. Cui
Binzhou Chuangtai Trading Co., Ltd.* (濱州創泰貿易有限公司) ("Binzhou Chuangtai") (note)	Controlled by Mr. Cui
Shandong Kangtai Ecological Agriculture Park Co., Ltd.* (山東康泰生態農業園區有限公司) ("Shandong Kangtai")	Controlled by family of Mr. Cui
Shandong Chuangtai New Materials Technology Co., Ltd.* (山東創泰新材料科技有限公司) ("Chuangtai New Materials") (note)	Controlled by Mr. Cui
Inner Mongolia innovation lightweight New Material Co., Ltd.* (內蒙古創新輕量化新材料有限公司) ("Innovation Lightweight")	Controlled by Mr. Cui
Inner Mongolia Yuanwang Metal Technology Co., Ltd.* (內蒙古元旺金屬科技有限公司) ("Yuanwang Metal")	Controlled by Mr. Cui
Inner Mongolia Chuangxin New Material Co., Ltd.* (內蒙古創新新材料有限公司) ("Inner Mongolia Chuangxin New Material")	Controlled by Mr. Cui

Note: On 6 February 2025, Innovation Group disposed Binzhou Chuangtai and Chuangtai New Materials to an independent third party. Thus, transactions between the Group and Binzhou Chuangtai as well as Chuangtai New Materials after date of disposal are no longer regarded as related party transactions.

The Group

(a) Related party transactions

During the Track Record Period, save as disclosed elsewhere in the historical financial information, the Group had the following related party transactions:

(i) Revenue from related parties

Nature of transactions		Year ended			Five Months ended 31 May	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(unaudited)</i>						
Innovation New Material and its subsidiaries	Electrolytic aluminum, electricity, steam supply, and scrap and other materials	195	10,891,848	11,608,881	5,289,226	4,315,938
Shandong Luyu	Scrap and other materials	2,474	245	2,119	848	–
Chuangtai New Materials	Electricity, natural gas and Lime	–	–	–	–	98
Hainan Fujuan Yong and its subsidiaries	Electrolytic aluminum and scrap and other materials	74,132	50,664	–	–	1,654
Total.		<u>76,801</u>	<u>10,942,757</u>	<u>11,611,000</u>	<u>5,290,074</u>	<u>4,317,690</u>

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(ii) *Purchases of goods*

Nature of transactions		Year ended			Five Months ended 31 May	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)
Shandong Suotong . .	Carbon anodes	1,093,033	914,032	623,265	196,526	253,816
Zouping Minsheng . .	Spare parts and others	88	949	758	331	169
Shandong Luyu . . .	Spare parts and others	277	434	2,430	153	119
Innovation New	Spare parts and others	–	43	890	4	1
Material and its subsidiaries						
Hainan Fujuanrong and its subsidiaries	Spare parts and others	–	–	498	–	–
Total		<u>1,093,398</u>	<u>915,458</u>	<u>627,841</u>	<u>197,014</u>	<u>254,105</u>

(iii) *Purchases of services*

Nature of transactions		Year ended			Five Months ended 31 May	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)
Zouping Chuangyuan Logistics	Transportation service	27,466	17,348	23,991	9,947	17,298
Zouping Innovation Property	Property management fee	1,409	222	–	–	234
Innovation Group . .	Labor cost	–	1,923	650	–	–
Innovation New	Testing fee	–	913	–	–	–
Material and its subsidiaries						
Shandong Luyu . . .	Repair fee	–	106	–	–	–
Total		<u>28,875</u>	<u>20,512</u>	<u>24,641</u>	<u>9,947</u>	<u>17,532</u>

(iv) *Purchases of equipment*

		Year ended			Five Months ended 31 May	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)
Zouping Minsheng . .		1,881	14,228	22,226	1,138	8,015
Shandong Luyu . . .		129	6,929	–	–	–
Innovation New						
Material and its subsidiaries (Note)		–	–	134,408	489	465
Hainan Fujuanrong and its subsidiaries		–	–	51,079	17,378	42,536
Shandong Kangtai . .		–	–	265	–	–
Total		<u>2,010</u>	<u>21,157</u>	<u>207,978</u>	<u>19,005</u>	<u>51,016</u>

Note: On 28 April 2024, Chuangyuan Metal acquired a plant and an office building under construction from Innovation Lightweight, a subsidiary of Innovation New Material, at a consideration of RMB130,625,000 which was determined with reference to an independent valuation report.

(v) *Interest expense*

	Year ended			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Ms. Cui Jiao	1,497	3,287	—	—	—
Innovation Group . .	828	18,940	7,855	7,855	—
Mr. Cui Dong	207	855	—	—	—
Total	<u>2,532</u>	<u>23,082</u>	<u>7,855</u>	<u>7,855</u>	<u>—</u>

(vi) *Gain on disposal of property, plant and equipment*

On 31 October 2022, Chuangyuan Alloy sold machinery equipment to Innovation Lightweight, subsidiaries of Innovation New Material at a consideration of RMB 2,180,000 respectively, which was determined with reference to carrying amount of equipment, resulting in a gain on disposal of nil.

On 4 April 2023, Chuangyuan Alloy sold machinery equipment to Shandong Innovation Metal Technology and Suzhou Chuangtai, subsidiaries of Innovation New Material at a consideration of RMB11,159,000 and RMB3,729,000 respectively, which was determined with reference to carrying amount of equipment, resulting in a gain on disposal of nil.

On 1 January 2024, Chuangyuan Alloy sold machinery equipment to Yuanwang Metal and Inner Mongolia Chuangxin New Material, the subsidiaries of Innovation New Materials, with respective sale prices of RMB17,848,000 and RMB77,756,000, resulting in gain on disposal of property, plant and equipment of RMB4,393,000 and RMB4,190,000 respectively.

On 31 March 2025, Inner Mongolia Chuangyuan sold machinery equipment to Inner Mongolia Chuangxin New Material, the subsidiary of Innovation New Materials, with sale price of RMB80,000, resulting in loss on disposal of property, plant and equipment of RMB66,000.

(vii) *Acquisition of a subsidiary*

In November 2024, Inner Mongolia Chuangyuan acquired from Innovation Group a 100% equity interest of Harrington Management Limited, which in turn holding 55% equity interest of PT Kayong Aluminum Nusantara at nil consideration.

Harrington Management Limited and PT Kayong Aluminum Nusantara have no material operation since its establishment in June 2024 and July 2024, respectively, and up to the acquisition date.

(viii) *Disposal of a subsidiary*

On 30 November 2024, the Group disposed of its subsidiary, Inner Mongolia Chuangyuan Logistics to its related party, Zouping Chuangyuan Logistics for RMB3,820,000. Details of which are set out in note 38.

(ix) *Other income*

(i) Rental income

	Year ended			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Huolingol Qiyuan . .	—	6	—	—	—
Tongliao Smart Mining	—	6	—	—	—
Innovation New Material and its subsidiaries . .	—	37,158	25,652	8,420	12,557
Total	—	37,170	25,652	8,420	12,557

(ii) Others

	Year ended			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Innovation New Material and its subsidiaries . .	86	7,410	5,856	2,850	1,359
Shandong Lide	2,782	—	—	—	—
Total	2,868	7,410	5,856	2,850	1,359

(b) *Outstanding balances with related parties:*

Non-trade in nature

As disclosed in the consolidated statements of financial position, the Group had outstanding balances due from (to) related parties at 31 December 2022 and 2023.

(i) Amounts due from related parties:

	As at 31 December			As at 31 May 2025	Maximum amount outstanding during			
	2022	2023	2024		Year ended 31 December			Five Months ended 31 May
	RMB'000	RMB'000	RMB'000		2022	2023	2024	2025
Innovation Group (note).	4,261,296	3,753,412	—	—	4,385,832	4,285,815	3,753,412	—
Huolingol Qiyuan . . .	75	78	—	—	81	78	78	—
Chuangtai New Materials	—	—	—	—	—	—	11,825	—
Innovation New Material and its subsidiaries . .	—	3	—	—	—	3	3	—
Total	4,261,371	3,753,493	—	—				
Less: allowance for impairment losses . .	(1,235)	(1,078)	—	—				
	4,260,136	3,752,415	—	—				

Note: The amount due from Innovation Group was unsecured, interest-free and has no fixed repayment terms. As part of the Reorganisation as detailed in note 2, the amount of RMB751,372,000 has been settled through offsetting the consideration of an equivalent amount for the Group's acquisition of 58.5% equity interests, in aggregate, in Shandong Chuangyuan from Innovation Group in stages on 29 January 2024 and 29 March 2024. And the amount of RMB3,000,000,000 has been settled through offsetting the consideration of an equivalent amount for the Group's acquisition of 99% equity interest in Inner Mongolia Chuangyuan from Innovation Group on 9 October 2024.

(ii) Amounts due to related parties:

	As at 31 December			As at 31 May	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Innovation Group	215,187	416,131	–	–	
Mr. Cui Dong	14,617	–	–	–	
Ms. Cui Jiao	87,087	–	–	–	
Tongliao Smart Mining	300	–	–	–	
Total	<u>317,191</u>	<u>416,131</u>	<u>–</u>	<u>–</u>	

Note: The amounts due to Innovation Group, Mr. Cui Dong and Ms. Cui Jiao are unsecured, carried at interest rate of 7.00% per annum and payable on demand.

Trade in nature

(i) Trade receivables

	31 December			As at 31 May	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Shandong Luyu	988	1,112	1,266	1,266	
Hainan Fujuanrong and its subsidiaries	7,043	–	–	–	
Innovation New Material and its subsidiaries	–	75,974	15,893	30,734	
	8,031	77,086	17,159	32,000	
Less: allowance for credit losses	(2)	(22)	(5)	(9)	
	<u>8,029</u>	<u>77,064</u>	<u>17,154</u>	<u>31,991</u>	

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

	As at 31 December			As at 31 May	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Within 1 month	7,041	73,175	16,861	30,726	
1 to 12 months	988	3,016	293	1,265	
1 to 2 years	–	873	–	–	
Total	<u>8,029</u>	<u>77,064</u>	<u>17,154</u>	<u>31,991</u>	

(ii) Trade payables

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Shandong Suotong	334,901	250,301	288,100	195,827
Zouping Chuangyuan				
Logistics	9,005	6,513	10,363	–
Shandong Luyu	600	–	1,047	974
Innovation New Material and its subsidiaries	11	232	–	–
Total	<u>344,517</u>	<u>257,046</u>	<u>299,510</u>	<u>196,801</u>

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

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0 to 30 days	200,743	252,930	126,601	152,500
31 to 90 days	139,013	–	116,754	43,373
91 days to 180 days	4,761	4,116	56,155	928
	<u>344,517</u>	<u>257,046</u>	<u>299,510</u>	<u>196,801</u>

(iii) Prepayments and other receivables

		As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Shandong Luyu . . .	Spare parts and others	4,384	–	–	150
Innovation Group . .	Labor cost	1,098	–	–	–
Zouping Minsheng .	Spare parts and others	8	3,158	416	918
Binzhou Chuangtai .	Alumina and other related types of products	–	–	1,259	N/A
Innovation New Material and its subsidiaries	Spare parts and others	–	–	412	–
Hainan Fujuan Yong and its subsidiaries	Spare parts and others	–	–	–	740
Zouping Chuangyuan Logistics	Transportation service	–	–	–	74
Total		<u>5,490</u>	<u>3,158</u>	<u>2,087</u>	<u>1,882</u>

(iv) Contract liabilities

		As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Binzhou Chuangtai	Alumina and other related types of products	–	–	26,431	N/A
Innovation New Material and its subsidiaries	Primary aluminum	–	–	–	646
		–	–	–	–
		–	–	26,431	646
		–	–	–	–

(v) Other payables

		As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Hainan Fujuanrong and its subsidiaries		–	–	–	39,759

(c) *Details of guarantees*

During the two years ended 31 December 2022 and 2023, Inner Mongolia Chuangyuan provided financial guarantees in favor of several banks enabling Shandong Chuangfeng New Material Technology Co., Ltd., Shandong Chuanghui New Material Technology Co., Ltd., Shandong Innovation Precision Technology Co., Ltd., Shandong Yuanwang Electrical Technology Co., Ltd., Shandong Innovation Metal Technology, Shandong Innovation Plate Co., Ltd. and Shandong Innovation Beihai Co., Ltd., subsidiaries of Innovation New Material, to obtain bank borrowings for a period of 1 year. The aggregate amount of outstanding financial guarantees granted to related parties that the Group could be required to pay amounted to RMB920,000,000 and RMB100,000,000 as at 31 December 2022 and 2023, respectively. All of the outstanding financial guarantees has been utilised by the related parties. The financial guarantees were provided at nil consideration. The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant.

The above financial guarantee contracts have all expired by the end of March 2024.

(d) *Compensation of key management personnel*

The remuneration of directors and other members of key management during the Track Record Period was as follows:

	Year ended			Five Months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries, allowances and benefits in kind	796	830	1,070	355	472
Bonus	5,191	9,570	17,419	6,624	6,847
Retirement benefit scheme contributions	28	28	42	18	26
Total	6,015	10,428	18,531	6,997	7,345

The Company

(a) Outstanding balances

Non-trade in nature

(i) Amount due from a related party

	As at 31 December		As at 31 May
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bloomsbury Holding	—*	—*	—
	=	=	=

(ii) Amount due to subsidiaries

	As at 31 December		As at 31 May
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Inner Mongolia Chuangyuan	—	8,098	22,915
Phineas Management	—	—	3,954
Total	—	8,098	26,869
	=	=	=

* Less than RMB1,000.

42. MAJOR NON-CASH TRANSACTIONS

The Group has carried out the following major non-cash transactions during the Track Record Period.

- i. During the year ended 31 December 2023 and 2024 and the five months ended 31 May 2024, bank loans under supplier finance arrangements amounted to RMB77,500,000, RMB112,490,000 and RMB75,520,000 (unaudited), respectively, represent the payments to the suppliers by Bank of Jinzhou directly. During the five months ended 31 May 2025, borrowings under supplier finance arrangement of RMB61,749,000 represent the payments to the suppliers by Bank of Qingdao directly.
- ii. During the year ended 31 December 2022, 2023 and 2024 and the five months ended 31 May 2024 and 2025, payments to a finance provider amounted to RMB833,124,000, RMB1,200,685,000, RMB165,596,000, RMB106,024,000 (unaudited) and nil, respectively, represent the payments to suppliers by the finance provider directly.
- iii. During the year ended 31 December 2023, a non-controlling interest made capital injection into Shandong Chuangyuan in form of property, plant and equipment and leasehold lands, and amounting to RMB439,012,000. Details of which are set out in notes 15 and 16.
- iv. The Group entered into new lease agreements for the use of leased plant and machinery for eight years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB83,569,000 and RMB83,569,000, respectively, during the year ended 31 December 2023. During the five months ended 31 May 2025, additional lease liabilities amounted to RMB148,944,000 recognised with related right-of-use assets amounted to RMB184,728,000, represents the new lease entered of aircraft and offices.
- v. On 29 January 2024 and 29 March 2024, Inner Mongolia Chuangyuan acquired 58.5% equity interests in aggregate of Shandong Chuangyuan from Innovation Group in stages at a total consideration of RMB751,372,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Inner Mongolia Chuangyuan to Innovation Group.
- vi. On 9 October 2024, Beijing Chuangyuan entered into a share transfer agreement with Innovation Group and Inner Mongolia Chuangyuan, pursuant to which Innovation Group agreed to transfer 99% equity interest in Inner Mongolia Chuangyuan to Beijing Chuangyuan at a consideration of RMB3,000,000,000. Such consideration has been settled in full through offsetting the receivables of an equivalent amount owed by Innovation Group to Beijing Chuangyuan. Upon completion of the capital increase, Inner Mongolia Chuangyuan was held by Beijing Chuangyuan and Carnaby Management as to 99% and 1%, respectively.

43. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

43.1 General information of subsidiaries

As at 31 December 2022, 2023 and 2024, 31 May 2025 and the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiary/consolidated affiliated entity	Place of incorporation/ registration/ operations	Date of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of ownership interest and voting power held by the Company				Date of this report	Principal activities	Notes
				31 December		31 May				
				2022	2023	2024	2025			
RMB'000										
Directly held:										
Phineas Management	Hong Kong	15 September 2023	—**	N/A	100%	100%	100%	100%	Investment holding	(note c)
Brentford Management Pte. Ltd.	Singapore	10 September 2024	—	N/A	N/A	N/A	N/A	100%	Investment holding	
Innovation Global Oasis FZ-LLC	United Arab Emirates	5 April 2025	—	N/A	N/A	N/A	N/A	100%	Investment holding	
Innovation Global Industries UK Ltd.	The United Kingdom of Great Britain and Northern Ireland	21 January 2025	—	N/A	N/A	N/A	N/A	100%	Commodity trading platform	
Cedarway Management Limited	Hong Kong	14 March 2025	—	N/A	N/A	N/A	N/A	100%	Commodity trading platform	
Camden Management Limited	Hong Kong	14 March 2025	—	N/A	N/A	N/A	N/A	100%	Commodity trading platform	
Indirectly held:										
Inner Mongolia Chuangyuan.	PRC	10 May 2012	2,032,320	100%	100%	100%	100%	100%	Smelting and selling electrolytic aluminum	(note a and j)
Chuangyuan Alloy	PRC	28 January 2019	400,000	100%	100%	100%	100%	100%	Providing electricity transmission services	(note a)

Name of subsidiary/consolidated affiliated entity	Place of incorporation/ registration/ operations	Date of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of ownership interest and voting power held by the Company				Principal activities	Notes
				31 December		31 May			
				2022	2023	2024	2025		
			RMB '000						
Inner Mongolia Chuangyuan Industry and Trade Co., Ltd.* (內蒙古創源工貿有限公司)	PRC	19 April 2017	–	100%	100%	N/A	N/A	Import and export trading of metals	(note c, g and j)
Inner Mongolia Chuangyuan Wind Power Co., Ltd.* (內蒙古創源風電有限公司).	PRC	20 July 2018	100,000	100%	100%	100%	100%	Developing wind power generation	(note c)
Inner Mongolia Chuangyuan Keyou Energy Co., Ltd.* (內蒙古創源科右新能源有限公司)	PRC	11 November 2022	–	100%	100%	100%	100%	Providing electricity transmission services	(note c)
Inner Mongolia Hongchuanxin Energy Co., Ltd.* (內蒙古宏創新能源有限公司)	PRC	7 June 2023	–	–	100%	N/A	N/A	Providing electricity transmission services	(note c and h)
Inner Mongolia Hongshi New Energy Co., Ltd.* (內蒙古宏實新能源有限公司)	PRC	8 August 2023	–	–	100%	N/A	N/A	Providing electricity transmission services	(note c and i)
Inner Mongolia Chuangyuan Material Recycling Co., Ltd.* (內蒙古創源物資再生利用有限公司)	PRC	26 July 2018	–	100%	100%	100%	100%	Recycling and processing metals	(note c)
Inner Mongolia Chuangyuan New Material Co., Ltd.* (內蒙古創源新材料有限公司)	PRC	13 January 2022	20,000	100%	100%	100%	100%	Manufacturing and selling eco-environmental materials	(note c)

Name of subsidiary/consolidated affiliated entity	Place of incorporation/registration/operations	Date of incorporation/registration	Issued and fully paid share/registered capital	Proportion of ownership interest and voting power held by the Company				Date of this report	Principal activities	Notes
				31 December		31 May				
				2022	2023	2024	2025			
Chuangyuan Smart Energy	PRC	4 June 2018	20,000	100%	100%	100%	100%	100%	Providing electricity transmission services	(note c)
Huolingol Chuangjin Aluminum Industry Co., Ltd.* (霍林郭勒市創金鋁業有限公司).	PRC	12 April 2018	–	100%	N/A	N/A	N/A	N/A	Smelting non-ferrous metals	(notes c and d)
Huolingol Chuangyuan Faxiang Aluminum Industry Co., Ltd.* (霍林郭勒市創源發祥鋁業有限公司).	PRC	13 March 2018	–	100%	N/A	N/A	N/A	N/A	Smelting non-ferrous metals	(notes c and d)
Inner Mongolia Huomei Chuangyuan Mining Co., Ltd.* (內蒙古霍煤創源礦業有限公司).	PRC	30 May 2014	–	100%	100%	N/A	N/A	N/A	Selling coal and non-ferrous metals	(note c and g)
Inner Mongolia Zhenyuan Aluminum Industry Co., Ltd.* (內蒙古振源鋁業有限公司).	PRC	25 May 2018	–	100%	N/A	N/A	N/A	N/A	Smelting non-ferrous metals	(notes c and d)
Shandong Chuangyuan	PRC	12 November 2018	450,000	–	–	58.5%	58.5%	58.5%	Producing and selling alumina and other related types of products	(note b)
Inner Mongolia Chuangyuan New Energy Co., Ltd.* (內蒙古創源新能源有限公司).	PRC	24 May 2021	–	100%	N/A	N/A	N/A	N/A	Providing electricity transmission services	(notes c and e)

Name of subsidiary/consolidated affiliated entity	Place of incorporation/ registration/ operations	Date of incorporation/ registration	Issued and fully paid share/ registered capital	Proportion of ownership interest and voting power held by the Company				Principal activities	Notes
				31 December		31 May			
				2022	2023	2024	2025		
Inner Mongolia Chuangyuan Supply Chain Management Co., Ltd.* (內蒙古創源供應鏈管理有限公司) (formerly known as Inner Mongolia Tengxin Industry and Trade Co., Ltd.* (內蒙古騰信工貿有限公司))	PRC	27 June 2023	–	N/A	100%	100%	100%	Selling coal and non-ferrous metals	(note c and j)
Beijing Chuangyuan	PRC	9 May 2024	–	N/A	N/A	100%	100%	Investment holding	(note c and f)
Kanghong New Materials	PRC	25 May 2023	–	N/A	–	100%	100%	Investment holding	(note c)
Harrington Management Limited	Hong Kong	20 June 2024	–	N/A	N/A	100%	–	Investment holding	(note k)
Kingston Management Pte. Ltd.	Singapore	26 September 2024	–	N/A	N/A	100%	100%	Investment holding	
Beijing Chuangyuan Xinchuang Metal Materials Design & Research Co., Ltd.* (北京創源新創金屬材料設計研究有限公司).	PRC	23 October 2025	–	N/A	N/A	N/A	N/A	Designing and researching of metal materials	

* English name is for identification purpose only.

** Less than RMB1,000.

All entities now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

Notes:

- (a) The statutory financial statements of the entities for the years ended 31 December 2022 and 2023 prepared under PRC GAAP were audited by Shandong Aizhinuo Accountants (General Partnership)* (山東艾智諾會計師事務所(普通合夥)), certified public accountants registered in the PRC. No statutory financial statements have been prepared for the year ended 31 December 2024.
- (b) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 prepared under PRC GAAP were audited by Shandong Huasheng Certified Public Accountants Co., Ltd* (山東華盛會計師事務所有限公司), certified public accountants registered in the PRC.
- (c) No statutory financial statements have been prepared for other subsidiaries of the Company for each of the three years ended 31 December 2022, 2023 and 2024, as there were no statutory audit requirements for these subsidiaries.
- (d) The subsidiaries were deregistered on 24 August 2023.
- (e) The subsidiary was deregistered on 8 June 2023.
- (f) The subsidiary was established on 5 May 2024, and is a foreign owned enterprise established in the PRC.
- (g) The subsidiaries were deregistered on 15 March 2024.
- (h) The subsidiary was deregistered on 18 March 2024.
- (i) The subsidiary was deregistered on 30 April 2024.
- (j) The subsidiaries had entered into the non-compliant bill discounting in 2023 and ceased all non-compliant bill discounting since 21 November 2023. Details are set out in the section headed “Business — Legal Proceedings and Compliance Matters — Non-compliant Bill Discounting.” in the Document.
- (k) As disclosed in note 38, the subsidiary was disposed to a third party on 30 May 2025.

None of the subsidiaries had issued any debt securities at the end of each reporting period.

* *English name is for identification purpose only.*

44. INVESTMENT IN JOINT VENTURES

(i) PT Kayong Aluminum Nusantara

In November 2024, Inner Mongolia Chuangyuan entered into a joint venture agreement with PT Cipta Langgeng Kemakmuran to jointly control PT Kayong Aluminum Nusantara.

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

PT Kayong Aluminum Nusantara was located in Indonesia, and will construct an aluminum smelting project in Indonesia.

As disclosed in note 38, on 30 May 2025, the Group disposed of its entire 100% equity interest in Harrington Management to an independent third party, while, in turn, the Group’s 45% equity interest in PT Kayong Aluminum Nusantara was also disposed of, accordingly.

(ii) Red Sea Aluminium Holdings Pte. Ltd. (“Red Sea JV”)

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

On date of incorporation and up to 31 May 2025, Red Sea JV is owned by Kingston Management Pte. Ltd. (“Kingston Management”), a wholly owned subsidiary of the Group, Innovation Group, and other 2 independent third parties as to 33%, 32% and 35%, respectively. As at 31 May 2025, Kingston Management has not yet injected capital into Red Sea JV.

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

Red Sea Aluminium Industrial had not carried out any substantive business operation.

45. RETIREMENT BENEFITS PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

For the years ended 31 December 2022, 2023 and 2024 and five months ended 31 May 2024 and 2025, the total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB24,555,000, RMB24,948,000, RMB29,916,000, RMB12,942,000 (unaudited) and RMB14,788,000, respectively.

46. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in notes 26 and 29, there were no other significant events taken place subsequent to the end of the five months ended 31 May 2025.

47. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 May 2025 and up to the date of this report.