Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Financial Statements
Year ended December 31, 2020
(expressed in Euros)

CHARTERED ACCOUNTANTS

Aleris Asia Pacific International (Barbados) Ltd.
Index to Non-Consolidated Financial Statements
Year ended December 31, 2020

	Page
Independent Auditors' Report	1 & 2
Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Changes in Equity	4
Non-Consolidated Statement of Comprehensive Loss	5
Non-Consolidated Statement of Cash Flows	6
Notes to Non-Consolidated Financial Statements	7 - 11

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Independent Auditors' Report

To the Shareholder of
Aleris Asia Pacific International (Barbados) Ltd.

Opinion
We have audited the non-consolidated financial statements of **Aleris Asia Pacific International (Barbados) Ltd.** ("the Company"), which comprise the non-consolidated statement of financial position as of December 31, 2020, and the non-consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as of December 31, 2020 and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Barbados, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

To the Shareholder of
Aleris Asia Pacific International (Barbados) Ltd.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

A further description of the auditors' responsibilities for the audit of the non-consolidated financial statements is located at the Institute of Chartered Accountants of Barbados' website at: http://www.icab.bb/about-icab/auditing/. This description forms part of our auditors' report.

Other Matter
This report is made solely to the Company's shareholder, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinion we have formed.

Skeete, Best & Co
Chartered Accountants

Barbados, W.I.
June 23, 2021

Aleris Asia Pacific International (Barbados) Ltd.
Non-Consolidated Statement of Financial Position
As of December 31, 2020
(expressed in Euros)

	2020 €	2019 €
Assets		
Non-current assets		
Investment in subsidary (Note 3)	**2,584,119**	5,003,104
Total assets	**2,584,119**	5,003,104
Liabilities and shareholder's equity		
Current liabilities		
Accounts payable	**7,879**	4,821
Due to penultimate parent (Note 4)	**25,347**	24,351
Due to related company (Note 4)	**32,512**	35,466
Total liabilities	**65,738**	64,638
Shareholder's equity	**2,518,381**	4,938,466
Total liabilities and shareholder's equity	**2,584,119**	5,003,104

The accompanying notes form an integral part of these financial statements.

Approved by the Director on June 23, 2021

Director

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Changes in Equity

Year ended December 31, 2020

(expressed in Euros)

	Share Capital €	Accumulated Deficit €	Total €
Balance at December 31, 2018	5,029,576	(84,847)	4,944,729
Net loss for the year	-	(6,263)	(6,263)
Balance at December 31, 2019	5,029,576	(91,110)	4,938,466
Net loss for the year	-	(2,420,085)	(2,420,085)
Balance at December 31, 2020	5,029,576	(2,511,195)	2,518,381

The accompanying notes form an integral part of these financial statements.

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Comprehensive Loss

Year ended December 31, 2020

(expressed in Euros)

	2020	**2019**
	€	**€**
Income		
Unrealized foreign exchange gain	**5,113**	**-**
Expenses		
Professional fees	**6,213**	4,821
Unrealized foreign exchange loss	**-**	1,442
Impairment loss on investment in subsidiary	**2,418,985**	**-**
	2,425,198	6,263
Net loss and total comprehensive loss for the year	**(2,420,085)**	(6,263)

The accompanying notes form an integral part of these financial statements.

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2020

(expressed in Euros)

	2020	**2019**
	€	**€**
Cash flows from operating activities		
Net loss for the year	**(2,420,085)**	(6,263)
Adjustment for:		
Impairment loss on investment in subsidiary	**2,418,985**	-
Operating loss before working capital changes	**(1,100)**	(6,263)
Increase in accounts payable	**3,058**	348
Increase in due to penultimate parent	**996**	5,206
(Decrease) increase in due to related company	**(2,954)**	709
Cash - end of year	**-**	-

The accompanying notes form an integral part of these financial statements.

1. Incorporation and principal activity

The Company was incorporated under the Companies Act of Barbados on January 31, 2006, and is licensed under the International Business Companies Act, whereby its taxable income is subject to taxation at a maximum rate of 2.5%.

Effective January 1, 2019, the International Business Companies Act was repealed. All Non-Intellectual Property companies registered before October 17, 2017, had the option to be grandfathered under the existing regime until June 30, 2021.

The company exercised the option to be grandfathered under the existing regime until June 30, 2021.

It is wholly owned by Aleris Switzerland GmbH, a corporation duly established under the laws of Switzerland. The ultimate parent is Hindalco Industries Limited.

The Company's principal activity is the holding of real estate and other investments in the Asia Pacific Region and its registered office is located at Alpha & Omega Law Chambers, 2nd Floor Trident House, Lower Broad Street, Bridgetown, St. Michael.

2. Significant accounting policies

Basis of preparation

These non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board. They have been prepared under the historical cost convention for management and to facilitate filing with regulatory authorities in Barbados. Under these requirements, the Company's investment in its subsidiary, Aleris (Shanghai) Trading Co. Ltd., is accounted for in these accompanying non-consolidated financial statements by the cost method. Under this method, the investment is carried at cost, less a provision for impairment, and the net earnings of the subsidiary, are reflected in the determination of the net earnings of the Company only to the extent of dividends received from the subsidiary.

Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect amounts reported in the non-consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Management does not believe that there are estimates and assumptions that have a significant risk of causing material adjustment to carrying amounts of assets and liabilities within the next financial year.

2. Significant accounting policies...*continued*

Consolidation

The Company owns 100% of Aleris (Shanghai) Trading Co. Ltd. Under International Accounting Standard #27, the Company is not required to present consolidated financial statements since its equity instruments are not traded on a domestic or foreign stock exchange or over-the-counter market, including local and regional markets, and its parent prepares consolidated financial statements.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Euros at the rate of exchange ruling at the non-consolidated statement of financial position date. Transactions arising during the year involving foreign currencies are converted at the rates of exchange prevailing on the dates the transactions occurred. Differences arising from fluctuations in exchange rates are included in the non-consolidated statement of comprehensive loss.

Investment in subsidiary

The investment in subsidiary is accounted for at cost less impairment.

Impairment

The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the assets will not be recoverable. At that time, the carrying amount is written down to fair market value and the impairment loss reflected in the non-consolidated statement of comprehensive loss. Impairment losses are recognised when the carrying amount of an investment exceeds its recoverable amount.

Taxation

The Company follows the liability method of accounting for deferred tax, whereby the future tax liability resulting from timing differences is provided for at the current corporation tax rate. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the assets may be utilised.

3. Investment in subsidiary – at cost

	% owned	2020 €	2019 €
Aleris (Shanghai) Trading Co. Ltd.	100	5,003,104	5,003,104
Less: provision for impairment		2,418,985	-
		2,584,119	5,003,104

4. Due to related companies

	2020 €	2019 €
Due to penultimate parent		
Aleris International Inc.	25,347	24,351
Due to related company		
Aleris Ohio Management	32,512	35,466

The amounts due to related companies are unsecured, interest free and have no stated terms of repayment.

5. Share capital

Authorised

The Company is authorised to issue an unlimited number of common shares without nominal or par value.

Issued

	2020 €	2019 €
100 common shares	5,029,576	5,029,576

6. Taxation

	2020 €	2019 €
Net loss for the year	(2,420,085)	(6,263)
Tax charge at 2.5%	(60,502)	(157)
Tax effect of income not allowed for tax	(128)	-
Tax effect of expenses not allowed for tax	60,475	36
Tax effect of losses expired	128	62
Increase in deferred tax asset not recorded	27	59
	-	-

The Company has a potential deferred tax asset amounting to €1,976 (2019 - €1,949). This has not been recorded in these financial statements as it is recognized when it is probable that the carrying amount can be recovered based on current or future taxable profits.

The following tax losses are available for set off against future taxable profits. The tax losses are as computed by the Company in its corporation tax returns and have, as yet, neither been confirmed nor disputed by the Revenue Commissioner.

Year	Amount (€)	Expiry Date
2012	36,299	2021
2013	3,575	2022
2014	7,842	2023
2015	6,532	2022
2016	4,184	2023
2017	4,044	2024
2018	5,509	2025
2019	4,821	2026
2020	6,213	2027
	79,019	

7. Financial risk management

Fair value

The Company's financial liabilities include accounts payable, due to its penultimate parent and due to a related company. The carrying value of the Company's financial liabilities are disclosed in the non-consolidated statement of financial position at their approximate fair value.

Interest rate risk

The Company has no interest rate risk exposure.

Credit risk

The Company is not exposed to any credit risk.

Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient financial resources available to meet its obligations and commitments as they fall due. Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of its shareholder. Liquidity management focuses on ensuring that the Company has sufficient funds to meet all of its obligations.