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中国铝业股份有限公司
ALUMINUM CORPORATION OF CHINA LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2600)

**ANNOUNCEMENT
DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION
ABSORPTION AND MERGER OF INNER MONGOLIA HUAYUN
BY BAOTOU ALUMINUM**

The Board hereby announces that on 28 February 2025, Baotou Aluminum and Inner Mongolia Huayun entered into the Absorption and Merger Agreement, pursuant to which, Baotou Aluminum will conduct absorption and merger of Inner Mongolia Huayun. Upon the completion of the Absorption and Merger, Baotou Aluminum will continue to subsist and Inner Mongolia Huayun will be cancelled according to law, and Baotou Aluminum will be held as to 65.5759% and 34.4241% by the Company and Chinalco, respectively (the final shareholding percentage shall be determined based on the filed appraised value).

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Absorption and Merger exceeds 5% but is less than 25%, the transaction constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Baotou Aluminum is a wholly-owned subsidiary of the Company, and Inner Mongolia Huayun is a non-wholly owned subsidiary of the Company, which is owned as to 50% by Baotou Aluminum and 50% by Chinalco, respectively. Chinalco is the controlling shareholder of the Company. Accordingly, Inner Mongolia Huayun is a connected person of the Company under the Hong Kong Listing Rules. The Absorption and Merger constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Absorption and Merger exceeds 5% but is less than 25%, the transaction is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

An EGM will be convened by the Company to seek the Independent Shareholders' approval regarding the transaction contemplated under the Absorption and Merger Agreement. A circular containing, among others, the resolution in relation to the transaction contemplated under the Absorption and Merger Agreement will be published and/or despatched to the shareholders on or before 7 March 2025. A supplemental circular containing, among others, (i) details of the transaction contemplated under the Absorption and Merger Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, will be published and/or despatched to the shareholders on or before 7 April 2025 as the Company requires additional time to prepare and finalize certain information to be contained in the supplemental circular to enable the shareholders to make their informed decisions at the extraordinary general meeting.

1. INTRODUCTION

The Board hereby announces that on 28 February 2025, Baotou Aluminum and Inner Mongolia Huayun entered into the Absorption and Merger Agreement, pursuant to which, Baotou Aluminum will conduct absorption and merger of Inner Mongolia Huayun. Upon the completion of the Absorption and Merger, Baotou Aluminum will continue to subsist and Inner Mongolia Huayun will be cancelled according to law, and Baotou Aluminum will be held as to 65.5759% and 34.4241% by the Company and Chinalco, respectively (the final shareholding percentage shall be determined based on the filed appraised value).

2. ABSORPTION AND MERGER AGREEMENT

(1) Date

28 February 2025

(2) Parties

- (i) Baotou Aluminum; and
- (ii) Inner Mongolia Huayun.

(3) Absorption and Merger

The Absorption and Merger will be conducted by Baotou Aluminum by way of absorbing and merging Inner Mongolia Huayun. As the surviving company after the merger, Baotou Aluminum will undertake all the assets, debts and liabilities, businesses and personnel of Inner Mongolia Huayun and the legal entity qualification of Inner Mongolia Huayun will be canceled.

As at the date of this announcement and immediately prior to the completion of the Absorption and Merger, Baotou Aluminum is a wholly-owned subsidiary of the Company and Inner Mongolia Huayun is a non-wholly owned subsidiary of the Company, which is owned as to 50% by Baotou Aluminum and 50% by Chinalco, respectively.

According to the Valuation Report prepared by GZL under the income approach with 31 December 2024 as the Valuation Benchmark Date, the appraised value of the entire shareholders' equity of Baotou Aluminum was RMB22,370.5002 million (subject to the final filed Valuation Report). According to the Valuation Report prepared by GZL under the income approach with 31 December 2024 as the Valuation Benchmark Date, the appraised value of the entire shareholders' equity of Inner Mongolia Huayun was RMB23,486.7595 million (subject to the final filed Valuation Report).

The shareholding structure of Baotou Aluminum after the Absorption and Merger was discounted based on the shareholding structure of Baotou Aluminum and Inner Mongolia Huayun prior to the Absorption and Merger, and the appraised value of the entire shareholders' equity of Baotou Aluminum and Inner Mongolia Huayun, the specific calculation methods are as follows:

- 1) Shareholding ratio of Baotou Aluminum held by Chinalco after the Absorption and Merger = appraised value of the entire shareholders' equity of Inner Mongolia Huayun * shareholding ratio held by

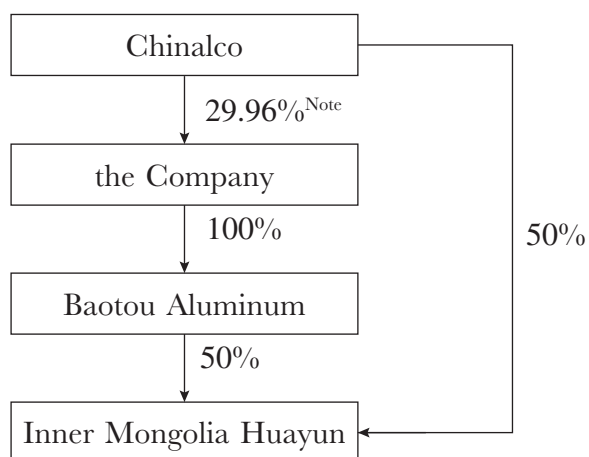
Chinalco/(appraised value of the entire shareholders' equity of Baotou Aluminum + appraised value of the entire shareholders' equity of Inner Mongolia Huayun* shareholding ratio held by Chinalco);

- 2) Shareholding ratio of Baotou Aluminum held by the Company after the Absorption and Merger = appraised value of the entire shareholders' equity of Baotou Aluminum/(appraised value of the entire shareholders' equity of Baotou Aluminum + appraised value of the entire shareholders' equity of Inner Mongolia Huayun * shareholding ratio held by Chinalco).

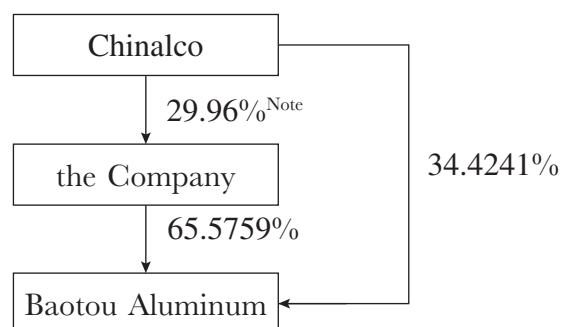
Immediately after the completion of the Absorption and Merger, Baotou Aluminum will continue to subsist and Inner Mongolia Huayun will be cancelled according to law, and Baotou Aluminum will be held as to 65.5759% and 34.4241% by the Company and Chinalco, respectively (the final shareholding percentage shall be determined based on the filed appraised value).

Set out below is the shareholding structure (i) as at the date of this announcement and immediately prior to the completion of the Absorption and Merger; and (ii) immediately after the completion of the Absorption and Merger.

**Shareholding structure
as at the date of this announcement and
immediately prior to the completion
of the Absorption and Merger**



**Shareholding structure
immediately after the completion
of the Absorption and Merger**



Note: As at the date of this announcement, Chinalco directly holds approximately 29.96% of the total issued share capital of the Company and, through its subsidiaries, holds in aggregate approximately 32.43% of the total issued share capital of the Company.

(4) Effectiveness of the Agreement

The Absorption and Merger Agreement was established on the date when it was entered into between Baotou Aluminum and Inner Mongolia Huayun and shall take effect on the date on which all of the following conditions are fulfilled:

- 1) the valuation results of entire shareholders' equity of Baotou Aluminum and Inner Mongolia Huayun have been filed in accordance with the requirements of the State-owned Assets Supervision and Administration;
- 2) the Absorption and Merger has been approved by the shareholder of Baotou Aluminum; and
- 3) the Absorption and Merger has been approved by the shareholders' meeting of Inner Mongolia Huayun.

(5) Employee Resettlement Programme

For the Absorption and Merger, the labour contracts of all employees of Baotou Aluminum will remain unchanged; the labour relationship of all employees of Inner Mongolia Huayun will be taken over by Baotou Aluminum, with the seniority calculated on a continuous basis, and their wages and other labour conditions will remain unchanged.

(6) Succession Arrangements for Debts and Liabilities

With effect from the Effective Date, all assets, debts and liabilities, businesses, qualifications, contracts and all other rights and obligations of Baotou Aluminum will continue to be held and performed; and all assets, debts and liabilities, businesses, qualifications, contracts and all other rights and obligations of Inner Mongolia Huayun will be inherited and performed by Baotou Aluminum, which will bear the consequences of the operation.

The notification obligations to creditors and debtors in relation to the Absorption and Merger will be implemented in accordance with Article 220 of the Company Law of the People's Republic of China. After the announcement of the matters relating to the Absorption and Merger, Inner Mongolia Huayun shall notify its important customers, agents and suppliers in an appropriate manner of the matters relating to the transfer of the business involved in the Absorption and Merger Agreement, so as to ensure Baotou Aluminum's smooth undertaking of the transferred business.

Within 30 days after the Effective Date, Inner Mongolia Huayun shall hand over all the assets and all the relevant documents, including but not limited to property rights certificates, all kinds of accounts, books of accounts, equipment and technical information, etc., to Baotou Aluminum in a complete manner. At the same time, Inner Mongolia Huayun shall hand over any and all documents that have a significant impact on its subsequent operation, including but not limited to documents of the shareholders' meeting, the board of directors and the supervisory committee of Inner Mongolia Huayun since its incorporation, all the organisational and business registration documents, all governmental approvals obtained, correspondence with governmental departments (including but not limited to notices, decisions and resolutions), tax payment documents, etc., to Baotou Aluminum.

On the Effective Date, Inner Mongolia Huayun shall hand over all the information of the bank accounts that have been opened, the reserved seals and all seals of Inner Mongolia Huayun to Baotou Aluminum.

(7) Arrangement for Transitional Period

The period between the Valuation Benchmark Date and Effective Date is the transitional period. During the transitional period, the profits and losses of both Baotou Aluminum and Inner Mongolia Huayun shall be borne or enjoyed by their respective original shareholders.

(8) Completion

Within 30 days after the Effective Date, Baotou Aluminum and Inner Mongolia Huayun shall process the formalities for the transfer of assets in relation to the Absorption and Merger, including but not limited to filing, registration or transfer procedures for the transfer of assets. The date on which Baotou Aluminum completes corresponding procedures for changes of registration in relation to the Absorption and Merger and Inner Mongolia Huayun completes deregistration procedures shall be the completion date of the Absorption and Merger.

3. FURTHER INFORMATION ON THE VALUATION

(1) Selection of Valuation Approach

According to the Valuation Reports prepared by GZL with 31 December 2024 as the Valuation Benchmark Date, two valuation approaches, namely the asset-based approach and the income approach, were adopted in the Valuation Reports. The value of the entire shareholders' equity of Baotou Aluminium using the asset-based approach was RMB21,344.8313 million, and the value of the entire shareholders' equity of Baotou Aluminium using the income approach was RMB22,370.5002 million; the value of the entire shareholders' equity of Inner Mongolia Huayun using the asset-based approach was RMB9,778.6700 million, and the value of the entire shareholders' equity of Inner Mongolia Huayun using the income approach was RMB23,486.7595 million (the foregoing appraisal data shall be based on the final filed Valuation Reports). The conclusion of the valuation is based on the income approach.

Reasons for adopting the income approach as the conclusion of the valuation

The asset-based approach indirectly assesses the fair market value of assets from the perspective of asset replacement, and the application of asset-based approach in overall asset evaluation cannot reasonably reflect the comprehensive profitability of each asset and the actual operating status of the enterprise; and the income approach assesses the value of an asset from the perspective of its expected profitability, which conforms to the concept of value under market economy conditions. Theoretically, the valuation conclusion of the income approach can better reflect the value of entire shareholders' equity. Meanwhile, for an electrolytic aluminum production enterprise in normal operation, the future revenue, costs and operating risks can be reasonably predicted after entering a period of stable operation. Baotou Aluminum and Inner Mongolia Huayun are currently in a stable operational stage. The value of their shareholders' equity should not only include the value of tangible assets such as fixed assets and working capital but also encompass the contributions of important intangible assets such as management experience, business networks and service capabilities. Additionally, it should include the synergistic effects generated by factors such as the enterprise's industry competitiveness, the company's management level, marketing channels and customer base. The conclusion by using the income approach can better reflect the actual value of the enterprise.

Considering from the perspective of the valuation purpose, the Absorption and Merger places more emphasis on the future profitability of the assets. The valuation by asset-based approach is based on the balance sheet of the enterprise, which reflects the market value of the assets owned by the enterprise on the benchmark date, but cannot reflect the profitability of the assets. Therefore, the income approach is more able to objectively and fairly reflect the actual value of Baotou Aluminium and Inner Mongolia Huayun at the time of valuation, and therefore the valuation conclusion of the income approach has been adopted as the final valuation conclusion in the Valuation Reports.

A summary of the Valuation Reports (including key parameter values, etc.) will be included in the circular to be issued by the Company in due course.

(2) Profit Forecast under the Valuation Reports

Given that the income approach is adopted by GZL for preparing the Valuation Reports mentioned above in respect of the valuation of the entire equity value of shareholders of Baotou Aluminum and Inner Mongolia Huayun, such valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. Accordingly, the Company discloses the following details of the valuation in compliance with Rule 14.60A of the Hong Kong Listing Rules.

Based on the Valuation Reports prepared by GZL, details of the principal assumptions, including commercial assumptions on which the profit forecast of the value of the entire shareholders' equity of Baotou Aluminum and Inner Mongolia Huayun is based, are set out below:

Basic Assumptions

- Open market assumption: A hypothetical description or qualification of the conditions of the market where the assets are intended to be entered and the impact on the assets in such market conditions. The open market refers to well-developed and comprehensive market conditions and a competitive market with voluntary buyers and sellers where each of the buyer and the seller is offered with equal status, enough opportunity and time to have access to sufficient market information, and where the transactions between both the buyer and the seller are all conducted under voluntary, rational, non-compulsory and unrestricted conditions;

- **Continuous use assumption:** Firstly, it is assumed that the appraised assets are in use (including assets in use and reserved assets); secondly, based on relevant information and data, it is assumed that the assets in use will continue to be used. The continuous use assumption explains what market conditions or market environment for the appraised asset while emphasizing on the survival status of assets. Specifically, it includes continuing to be used as existing usage; continuing to be used with a change of usage; continuing to be used at a different location or space. Continuing to be used as existing usage refers to the case when the appraised assets in use will continue to be used in accordance with the existing usage and form after the ownership is changed or asset business occurs. Continuing to be used with a change of usage refers to the case when the appraised asset will continue to be used with a change of usage where the existing usage is replaced by a new usage after the ownership is changed or asset business occurs. Continuing to be used at a different location or space refers to the case when the appraised asset will continue to be used with a change of location or space and continue to be used at another location or space after the ownership is changed or asset business occurs. It is assumed that the appraised assets continues to be used as existing usage for this valuation;
- **Going-concern assumption:** The appraised entity is assumed to legally continue as a going concern based on its existing assets and resource conditions in the foreseeable future, and its operation will not suspend due to various reasons;
- **Transactional assumption:** The transactional assumption assumes that all assets to be appraised are in the trading process, and the valuer conducts valuation based on a simulated market including trading conditions of the assets to be appraised. The transactional assumption is the most fundamental prerequisite of the appraisal of assets.

General Assumptions and Confining Conditions

- There will not be significant changes in the accounting policies and auditing methods of the appraised entity after the benchmark date;
- There are no significant changes in the political, economic, social and other macro environment of the appraised entity and the region where it operates which would affect its operation after the Valuation Benchmark Date;

- Except for those laws and regulations already enacted or enacted but not yet enforced by the government as at the Valuation Benchmark Date which affect the operations of the appraised entity, it is assumed that there are no significant changes in the laws and regulations related to the operations of the appraised entity during the income period;
- Ever since the Valuation Benchmark Date, there are no changes to the currency exchange rate, interest rate, tax bearing and inflation involved in the operations of the appraised entity that will cause material effects on the business condition of the appraised entity during the income period;
- The appraised entity will continue to operate and its assets will continue to be used in the future income period;
- The operator of the appraised entity is a responsible party and the management is capable of undertaking its duties, that there are no significant changes in the future income period to the key management and technical personnel of the appraised entity affecting its operations with reference to the conditions as at the Valuation Benchmark Date, and that the management team will be under stable development without any material change to the management system that would affect its operations;
- There are no significant adverse effects of other force majeure and unpredictable factors.

Special Assumptions

- Except for the fixed assets investments for which there is definite evidence as of the Valuation Benchmark Date showing that the production capacity will change subsequently, it is assumed that the appraised entity will not make significant investment activities on fixed assets that will affect its operations in the future income period, and its production capacity will be estimated based on the status as of the Valuation Benchmark Date;
- The impact on its value of the external equity investments made by the appraised entity following the Valuation Benchmark Date is not considered;
- The appraised entity will have steady cash inflows and cash outflows in the future forecast period;
- The appraised entity will have a sustainable operation in the future forecast period;

- There are new energy power plants within the scope of the valuation. According to the economic durability of the equipment, the operating cycle of a wind power plant is generally 20 years and that of a photovoltaic power plant is 25 years, and the valuation has taken into account the capital expenditure on renewal of certain assets of the new energy power plants, i.e. it has been assumed that the new energy power plants will be able to operate on a sustainable basis;
- It is assumed that the basic information and financial information provided by the entrusting party and the appraised entity are true, accurate and complete, and that the appraised entity is able to complete the corresponding production and operation activities according to the plan and realize corresponding revenues, costs and expenses.

Ernst & Young, the reporting auditor of the Company, has issued a report on the calculation of discounted future estimated cash flows (the “**Discounted Cash Flows**”) in respect of the fair value assessment of the entire shareholders’ equity of Baotou Aluminum and Inner Mongolia Huayun, the full text of which is set out in Appendix I to this announcement. The Board confirms that the profit forecast of the value of the entire shareholders’ equity of Baotou Aluminum and Inner Mongolia Huayun as set out in the Valuation Reports was made after due and careful enquiry by the Board. A letter from the Board is set out in Appendix II to this announcement.

The qualifications of the experts who have provided conclusions or opinions in this announcement are as follows:

Name	Qualification	Date of conclusions or opinions
Ernst & Young	Certified Public Accountants, Hong Kong	28 February 2025
GZL	Qualified PRC Valuer	28 February 2025

As at the date of this announcement, to the best knowledge of the Directors, none of the experts had any beneficial interests in the share capital of any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

Each of the experts has provided and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its circular and/or references to its name in the context.

4. INFORMATION ON BAOTOU ALUMINUM AND INNER MONGOLIA HUAYUN

(1) Information on Baotou Aluminum

Baotou Aluminum is a company incorporated in the PRC with limited liability. As at the date of this announcement, Baotou Aluminum is a wholly-owned subsidiary of the Company, and is principally engaged in the production and sale of primary aluminum, aluminum alloys and their processed products, carbon products, power generation business and power transmission business, etc.

According to the Valuation Report prepared by GZL using the income approach, the appraised value of the entire shareholders' equity of Baotou Aluminum as of the Valuation Benchmark Date was RMB22,370.5002 million (subject to the final filed Valuation Report). According to the audited consolidated financial statements of Baotou Aluminum prepared in accordance with the China Accounting Standards for Business Enterprises, the carrying amounts of the total assets and net assets of Baotou Aluminum as at 31 December 2024 are RMB23,713.9593 million and RMB15,083.6050 million, respectively. According to the audited consolidated financial statements of Baotou Aluminum prepared in accordance with the China Accounting Standards for Business Enterprises, the net profit (before and after taxation and extraordinary items) of Baotou Aluminum for the financial years ended 31 December 2023 and 31 December 2024 are set out as follows:

	For the year ended 31 December 2023 (RMB0'000) (Audited)	For the year ended 31 December 2024 (RMB0'000) (Audited)
Net profit before taxation and extraordinary items	252,223.85	202,253.86
Net profit after taxation and extraordinary items	213,242.09	164,623.99

(2) Information on Inner Mongolia Huayun

Inner Mongolia Huayun is a company incorporated in the PRC with limited liability. It is principally engaged in the production and sale of primary aluminum, aluminum alloy and their processed products, carbon products, etc. As at the date of this announcement, Inner Mongolia Huayun is a non-wholly owned subsidiary of the Company, which is owned as to 50% by Baotou Aluminum and 50% by Chinalco, respectively.

According to the Valuation Report prepared by GZL using the income approach, the appraised value of the entire shareholders' equity of Inner Mongolia Huayun as of the Valuation Benchmark Date was RMB23,486.7595 million (subject to the final filed Valuation Report). According to the audited financial statements of Inner Mongolia Huayun prepared in accordance with the China Accounting Standards for Business Enterprises, the carrying amounts of the total assets and net assets of Inner Mongolia Huayun as at 31 December 2024 are RMB12,531.2314 million and RMB7,758.7262 million, respectively. According to the audited financial statements of Inner Mongolia Huayun prepared in accordance with the China Accounting Standards for Business Enterprises, the net profit (before and after taxation and extraordinary items) of Inner Mongolia Huayun for the financial years ended 31 December 2023 and 31 December 2024 are set out as follows:

	For the year ended 31 December 2023 (RMB0'000) (Audited)	For the year ended 31 December 2024 (RMB0'000) (Audited)
Net profit before taxation and extraordinary items	157,039.89	157,207.22
Net profit after taxation and extraordinary items	133,379.74	132,229.53

5. FINANCIAL IMPACT OF THE TRANSACTION

As at the date of this announcement, Baotou Aluminum is a wholly-owned subsidiary of the Company, and Inner Mongolia Huayun is a non-wholly owned subsidiary of the Company, which is owned as to 50% by Baotou Aluminum and 50% by Chinalco, respectively. Upon the completion of the Absorption and Merger, Baotou Aluminum will continue to subsist, Inner Mongolia Huayun will be cancelled according to law, and Baotou Aluminum will be held as to 65.5759% and 34.4241% by the Company and Chinalco, respectively (the final shareholding percentage shall be determined based on the filed appraised value), and therefore Baotou Aluminum will remain as a subsidiary of the Company and its financial conditions and results will still be consolidated into the Company's financial statements. The original cost invested by Chinalco for its 50% equity interest in Inner Mongolia Huayun shall be the consideration paid by Chinalco for the acquisition of 50% equity interest in Inner Mongolia Huayun from Baotou Transportation Investment Group Co., Ltd., which amounted to RMB700 million. As the transaction contemplated under the Absorption and Merger Agreement will not result in the loss of control over Baotou Aluminum by the Company, the deemed disposal contemplated under the transaction will be accounted for as an equity transaction that will not result in the recognition of any profit or loss.

6. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Absorption and Merger will effectively address the imbalance in the electrolytic aluminum production capacity and the electricity and energy production capacity structure between Baotou Aluminum and Inner Mongolia Huayun, eliminate the policy barriers related to enterprise power transfer, release the value of the production capacity in a compliant manner, and at the same time reduce the internal transactions of the enterprise, streamline the level of internal management, lower the cost of management, and enhance the management efficiency. This will further improve the enterprise's profitability and comprehensive competitiveness.

The Directors (excluding independent non-executive Directors who will give their opinion after taking into account the advice from the independent financial adviser) are of the view that the transaction contemplated under the Absorption and Merger Agreement is on normal commercial terms, and the terms under the Absorption and Merger Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole. However, such transaction is not conducted in the ordinary or usual course of business of the Group due to its nature.

7. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Absorption and Merger exceeds 5% but is less than 25%, the transaction constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Baotou Aluminum is a wholly-owned subsidiary of the Company, and Inner Mongolia Huayun is a non-wholly owned subsidiary of the Company, which is owned as to 50% by Baotou Aluminum and 50% by Chinalco, respectively. Chinalco is the controlling shareholder of the Company. Accordingly, Inner Mongolia Huayun is a connected person of the Company under the Hong Kong Listing Rules. The Absorption and Merger constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Absorption and Merger exceeds 5% but is less than 25%, the transaction is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Mao Shiqing and Mr. Li Xiehua, Directors of the Company, concurrently hold positions in Chinalco, they have abstained from voting on the Board resolution with respect to the transaction. Saved as disclosed above, none of the Directors has any material interest in the Absorption and Merger and therefore none of the other Directors has abstained from voting on such Board resolution.

The Independent Board Committee will be established by the Company to provide advice to the Independent Shareholders in respect of the transaction contemplated under the Absorption and Merger Agreement. VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened by the Company to seek the Independent Shareholders' approval regarding the transaction contemplated under the Absorption and Merger Agreement. A circular containing, among others, the resolution in relation to the transaction contemplated under the Absorption and Merger Agreement will be published and/or despatched to the shareholders on or before 7 March 2025. A supplemental circular containing, among others, (i) details of the transaction contemplated under the Absorption and Merger Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, will be published and/or despatched to the shareholders on or before 7 April 2025 as the Company requires additional time to prepare and finalize certain information to be contained in the supplemental circular to enable the shareholders to make their informed decisions at the extraordinary general meeting.

8. GENERAL INFORMATION

Information on Baotou Aluminum

For information on Baotou Aluminum, please refer to “4. Information on Baotou Aluminum and Inner Mongolia Huayun” of this announcement.

Information on Inner Mongolia Huayun

For information on Inner Mongolia Huayun, please refer to “4. Information on Baotou Aluminum and Inner Mongolia Huayun” of this announcement.

Information on the Company

The Company is a joint stock limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. The Group principally engages in the exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum, aluminum alloy and carbon products; international trade; logistics business; thermal and new energy power generation, etc.

Information on Chinalco

As at the date of this announcement, the Company is a subsidiary of Chinalco. Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering technology, etc.

9. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	the ordinary shares denominated in RMB issued by the Company which are subscribed for in RMB and listed on the Shanghai Stock Exchange;
“Absorption and Merger”	the absorption and merger of Inner Mongolia Huayun by Baotou Aluminum pursuant to the terms and conditions of the Absorption and Merger Agreement;
“Absorption and Merger Agreement”	the absorption and merger agreement entered into between Baotou Aluminum and Inner Mongolia Huayun on 28 February 2025, pursuant to which, Baotou Aluminum will conduct absorption and merger of Inner Mongolia Huayun;
“Baotou Aluminum”	Baotou Aluminum Co., Ltd.* (包頭鋁業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement;
“Baotou Aluminum Asset Valuation Report”	asset valuation report numbered as Guo Zhong Lian Ping Bao Zi (2025) No. 3-0011 issued by GZL on 28 February 2025;
“Board”	the board of Directors of the Company;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise incorporated in the PRC and the controlling shareholder of the Company, holding directly and indirectly approximately 32.43% of the total issued share capital of the Company as at the date of this announcement;
“Company”	Aluminum Corporation of China Limited* (中國鋁業股份有限公司), a joint stock limited company incorporated in the PRC, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively;

“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date on which the Absorption and Merger Agreement becomes effective;
“EGM”	the 2025 second extraordinary general meeting proposed to be held by the Company to consider and approve, among other things, the transaction contemplated under the Absorption and Merger Agreement;
“Group”	the Company and its subsidiaries;
“GZL”	Guozhonglian Asset Valuation and Land and Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), a qualified Chinese appraisal company;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and subscribed for in Hong Kong dollars;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	the independent board committee comprising independent non-executive Directors formed by the Company to advise the Independent Shareholders in respect of the transaction contemplated under the Absorption and Merger Agreement;
“Independent Shareholder(s)”	the shareholder(s) (other than Chinalco and its associates) of the Company who are not required to abstain from voting on the resolution to be proposed at the EGM to approve the transaction contemplated under the Absorption and Merger Agreement;

“Inner Mongolia Huayun”	Inner Mongolia Huayun New Materials Co., Ltd.* (內蒙古華雲新材料有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company as at the date of this announcement;
“Inner Mongolia Huayun Asset Valuation Report”	asset valuation report numbered as Guo Zhong Lian Ping Bao Zi (2025) No. 3-0010 issued by GZL on 28 February 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Valuation Benchmark Date”	31 December 2024;
“Valuation Reports(s)”	Baotou Aluminum Asset Valuation Report and Inner Mongolia Huayun Asset Valuation Report, or either one of them; and
“%”	per cent.

By order of the Board
Aluminum Corporation of China Limited*
Ge Xiaolei
Joint Company Secretary

Beijing, the PRC
28 February 2025

As at the date of this announcement, the members of the Board comprise Mr. He Wenjian, Mr. Mao Shiqing and Mr. Jiang Tao (Executive Directors); Mr. Li Xiehua and Mr. Chen Pengjun (Non-executive Directors); Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (Independent Non-executive Directors).

* *For identification purpose only*

APPENDIX I – REPORT FROM ERNST & YOUNG ON THE DISCOUNTED CASH FLOWS

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this announcement.



28 February 2025

The Directors

Aluminum Corporation of China Limited

No. 62 North Xizhimen Street, Haidian District, Beijing

The People's Republic of China

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE EQUITY VALUATION OF BAOTOU ALUMINIUM CO., LTD. AND INNER MONGOLIA HUAYUN NEW MATERIAL CO., LTD

Dear Sirs,

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 28 February 2025 prepared by Guozhonglian Asset Appraisal Land and Real Estate Appraisal Co., Ltd. in respect of Baotou Aluminium Co., Ltd. and Inner Mongolia Huayun New Material Co., Ltd. as at 31 December 2024 is based. The valuation is set out in the announcement of Aluminum Corporation of China Limited (the “**Company**”) dated 28 February 2025 (the “**Announcement**”) in connection with the proposed absorption and merger of Inner Mongolia Huayun New Material Co., Ltd., an indirect non-wholly-owned subsidiary of the Company, by Baotou Aluminium Co., Ltd., a direct wholly-owned subsidiary of the Company. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors' responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed “Valuation Assumptions” of the valuation reports.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of *the Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of Baotou Aluminium Co., Ltd. and Inner Mongolia Huayun New Material Co., Ltd. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

APPENDIX II – LETTER FROM THE BOARD

The following is the text of the letter dated 28 February 2025 from the Board which was prepared for inclusion in this announcement.

To: The Stock Exchange of Hong Kong Limited
Listing Division
12/F, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Dear Sir/Madam,

Company: Aluminum Corporation of China Limited* (the “**Company**”)

Re: Profit forecast – confirmation letter under the requirements of Rule 14.60A(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)

Reference is made to the announcement of the Company dated 28 February 2025 in relation to the valuation reports (the “**Valuation Reports**”) dated 28 February 2025 in respect of the valuation of the value of the entire shareholders’ equity of Baotou Aluminum Co., Ltd.* (包頭鋁業有限公司) and Inner Mongolia Huayun New Materials Co., Ltd.* (內蒙古華雲新材料有限公司) prepared by Guozhonglian Asset Valuation and Land and Real Estate Appraisal Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司) (the “**Valuer**”) using the income approach.

The Board of the Company has reviewed the basis and assumptions of the aforesaid valuation and discussed the same with the Valuer. The Board of the Company has also considered the report from Ernst & Young, the reporting accountant of the Company, on 28 February 2025 in relation to the arithmetical calculations and the compilation of the discounted future estimated cash flows upon which the Valuation Reports were based.

Pursuant to the requirements of Rule 14.60A(3) of the Hong Kong Listing Rules, the Board of the Company confirmed that the profit forecast used in the aforesaid Valuation Reports has been made after due and careful enquiry.

The Board of Directors
Aluminum Corporation of China Limited*

28 February 2025