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If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Aluminum Corporation of China Limited*, you should at once hand this supplemental circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

SUPPLEMENTAL CIRCULAR

2024 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



This supplemental circular should be read together with the circular and notice of the EGM dated 13 September 2024. On 24 October 2024, the Company published an announcement to postpone the EGM originally scheduled to be held at 2:00 p.m. on Tuesday, 29 October 2024 to 2:00 p.m. on Tuesday, 19 November 2024, and the venue of the EGM will remain unchanged.

A letter from the Board containing information on, among other things, the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 are set out on pages 1 to 20 of this supplemental circular.

A letter from the Independent Board Committee, containing its recommendation to the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 is set out on pages 21 to 22 of this supplemental circular.

A letter from VBG Capital, containing its independent financial advice to the Independent Board Committee and the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 is set out on pages 23 to 38 of this supplemental circular.

4 November 2024

* For identification purposes only

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DEFINITIONS

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

“30%-controlled company”	has the same meaning ascribed thereto under the Hong Kong Listing Rules. As at the Latest Practicable Date, Chinalco (1) directly holds 50% equity interests in Inner Mongolia Huayun; and (2) indirectly holds 13% equity interests in Yunnan Aluminum through its subsidiary Yunnan Metallurgical Group Co., Ltd. and indirectly holds 29.10% equity interests in Yunnan Aluminum through the Company. Therefore, each of Inner Mongolia Huayun and Yunnan Aluminum is a 30%-controlled company of Chinalco;
“A Share(s)”	the RMB denominated ordinary share(s) issued by the Company and subscribed for in RMB, which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Shares;
“associate(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Board”	the board of Directors of the Company;
“Chalco International Trading Group”	Chalco International Trading Group Co., Ltd.* (中鋁國際貿易集團有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company as at the Latest Practicable Date;
“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 Latest Practicable Date;
“Company”	Aluminum Corporation of China Limited* (中國鋁業股份有限公司), a joint stock limited company established 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;

DEFINITIONS

“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the 2024 first extraordinary general meeting to be held at the Company’s conference room, No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC at 2:00 p.m. on Tuesday, 19 November 2024;
“General Agreement on Mutual Provision of Production Supplies and Ancillary Services”	the general agreement on mutual provision of production supplies and ancillary services entered into between Chinalco and the Company on 5 November 2001, which was renewed by the Supplementary Agreement to be effective until 31 December 2025;
“Group”	the Company and its subsidiaries;
“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;
“H Shareholder(s)”	holder(s) of H Shares;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025;

DEFINITIONS

“Independent Shareholder(s)”	the Shareholder(s) (other than Chinalco and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM to approve the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025;
“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, which is a subsidiary of the Company and is owned as to 50% by Chinalco and Baotou Aluminum Co., Ltd., a wholly-owned subsidiary of the Company, respectively, as at the Latest Practicable Date;
“Latest Practicable Date”	29 October 2024, being the latest practicable date of ascertaining certain information contained in this supplemental circular prior to its publication;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s);
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supplementary Agreement”	the supplementary agreement with conditions precedent entered into between Chinalco and the Company on 21 March 2023 to renew the term of the Comprehensive Social and Logistics Services Agreement, the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, the Mineral Supply Agreement, and the Provision of Engineering, Construction and Supervisory Services Agreement until 31 December 2025;

DEFINITIONS

“VBG Capital” or “Independent Financial Adviser”	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025;
“Yunnan Aluminum”	Yunnan Aluminum Co., Ltd.* (雲南鋁業股份有限公司), a joint stock limited company incorporated in the PRC, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 000807), and a subsidiary of the Company as at the Latest Practicable Date; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Shi Zhirong
Mr. Ou Xiaowu
Mr. Jiang Tao

Non-executive Director:

Mr. Chen Pengjun

Independent Non-executive Directors:

Mr. Qiu Guanzhou
Mr. Yu Jinsong
Ms. Chan Yuen Sau Kelly

Registered office:

No. 62 North Xizhimen Street
Haidian District, Beijing
The People's Republic of China
Postal code: 100082

Principal place of business:

No. 62 North Xizhimen Street
Haidian District, Beijing
The People's Republic of China
Postal code: 100082

Principal place of business in Hong Kong:

Room 4501, Far East Finance Centre
No. 16 Harcourt Road
Admiralty
Hong Kong

4 November 2024

To the Shareholders

Dear Sirs or Madams,

SUPPLEMENTAL CIRCULAR

2024 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the circular dated 13 September 2024 of the Company, in relation to, among others, the resolutions to be proposed at the EGM for consideration and approval.

LETTER FROM THE BOARD

Reference is also made to the supplemental notice of EGM (the “**Supplemental Notice of EGM**”) dated 4 November 2024 of the Company, in relation to, among others, the new resolutions (the “**New Resolutions**”) to be proposed at the EGM for consideration and approval by Chinalco, the controlling Shareholder of the Company.

The purpose of this supplemental circular is to provide you with all reasonably necessary information in relation to, among others, the New Resolutions so as to enable you to make informed decisions on whether to vote for or against the New Resolutions to be proposed at the EGM:

Ordinary Resolutions

1. To consider and approve the resolution in relation to the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.
2. To consider and approve the resolution in relation to the proposed change of auditors of the Company.

Ordinary Resolution (Cumulative Voting)

3. To consider and approve the resolution in relation to the election of Mr. Li Xiehua as a non-executive Director of the eighth session of the Board of the Company.

II. ADJUSTMENTS TO EXISTING ANNUAL CAPS OF EXPENDITURE TRANSACTIONS CONTEMPLATED UNDER THE GENERAL AGREEMENT ON MUTUAL PROVISION OF PRODUCTION SUPPLIES AND ANCILLARY SERVICES FOR 2024 AND 2025

References are made to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, in relation to, among others, the continuing connected transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Reference is also made to the announcement dated 29 October 2024 of the Company, in relation to, among others, the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.

The Company has been closely monitoring the continuing connected transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Based on internal estimates, the Company believes that the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 will not be sufficient to meet the business needs of the Group. Therefore, the Company proposes to adjust the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 from RMB22,900 million to RMB33,600 million, and the existing annual cap for 2025 from RMB24,200 million to RMB38,900 million.

LETTER FROM THE BOARD

1. General Agreement on Mutual Provision of Production Supplies and Ancillary Services

The principal terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services disclosed in the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company remain unchanged. The summary of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services is as follows.

Date of the initial agreement: 5 November 2001

Date of the Supplementary Agreement: 21 March 2023

Parties: Chinalco, as both provider and recipient (for itself and on behalf of its subsidiaries and associates)

The Company, as both provider and recipient (for itself and on behalf of its subsidiaries)

Term: 20 June 2023 to 31 December 2025

Nature of transactions: (1) Supplies and ancillary services provided by Chinalco to the Company:

(i) Supplies: carbon products, cement, coal, oxygen, bottled water, steam, fire brick, aluminum fluoride, cryolite, lubricant, resin, clinker, aluminum profiles, copper, zinc ingot and other relevant or similar supplies and services;

(ii) Storage and transportation services: vehicle transportation, loading, railway transportation and other relevant or similar services; and

(iii) Ancillary production services: communications, testing, processing and manufacturing, engineering design, repair, environmental protection, road maintenance and other relevant or similar services.

LETTER FROM THE BOARD

(2) Supplies and ancillary services provided by the Company to Chinalco:

(i) Products: electrolytic aluminum products (aluminum ingots) and alumina products, zinc ingot, slag, coal, pitch and other relevant or similar supplies; and

(ii) Supporting services and ancillary production services: water, electricity, gas and heat supply, measurement, spare parts, repair, testing, transportation, steam and other relevant or similar services.

Price determination:

(1) Provision of products and ancillary services to the Company by Chinalco:

(a) Supplies: the price is determined with reference to the comparable local market prices, which refer to prices arrived at with reference to those charged or quoted by at least two independent third parties providing products or services with comparable scale in areas where such products or services were provided under normal trading conditions around the time, and shall not be higher than the price charged or quoted by independent third parties;

LETTER FROM THE BOARD

- (b) Storage and transportation services: the price is determined with reference to the contractual price, which refers to a mutually agreed price set by all relevant parties for the provision of services. Such price is equivalent to reasonable costs incurred in providing such services plus reasonable profit. Reasonable costs mainly comprise fuel costs, transportation facility fees, relevant labour costs and etc. The reasonable profit (which shall be not more than 5% of such costs) for the storage and transportation services provided by Chinalco to the Company is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such services provided by Chinalco to the Company, and shall not be higher than the profit margin charged to independent third parties. Such profit margin is considered reasonable by the Company as following the above principle;

LETTER FROM THE BOARD

- (c) Ancillary production services: the price is determined with reference to the contractual price, which refers to a mutually agreed price set by all relevant parties for the provision of services. Such price is equivalent to reasonable costs incurred in providing such services plus reasonable profit. Reasonable costs mainly comprise expenses for raw materials, labour costs, manufacturing fees, other indirect costs and etc. The reasonable profit (which shall be not more than 5% of such costs) for the ancillary production services provided by Chinalco to the Company is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such services provided by Chinalco to the Company, and shall not be higher than the profit margin charged to independent third parties. Such profit margin is considered reasonable by the Company as following the above principle.

LETTER FROM THE BOARD

(2) Provision of products and ancillary services to Chinalco by the Company:

(a) Products:

- (i) Alumina products: the selling price is determined according to a method where both the alumina spot market price and the weighted average price of settlement price for three-month aluminum ingot futures on the Shanghai Futures Exchange weight in proportion. The Company will consider the geographical location of the customers, the seasonality demands, the transportation costs, and other relevant factors to determine the proportion of weight to be allocated to the aforementioned alumina spot market price and the weighted average price of settlement price for three-month aluminum ingot futures on the Shanghai Futures Exchange;
- (ii) Electrolytic aluminum products (aluminum ingots): the trading price is determined according to the prices of futures in the current month, the weekly or monthly average spot market prices quoted on the Shanghai Futures Exchange;

LETTER FROM THE BOARD

- (iii) Other products: the price is determined with reference to the contractual price or the comparable local market price. The contractual price refers to a mutually agreed price set by all relevant parties for the provision of products. Such price is equivalent to reasonable costs incurred in providing such products plus reasonable profit. Reasonable costs mainly comprise expenses for raw materials, labour costs, manufacturing fees and etc. The reasonable profit (which shall be not more than 5% of such costs) for other products provided by the Company to Chinalco is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such products provided by the Company to Chinalco, and shall not be lower than the profit margin charged to independent third parties. Such profit margin is considered reasonable by the Company as following the above principle. While the comparable local market prices refer to the prices arrived at with reference to those charged or quoted by at least two independent third parties providing products with comparable scale in areas where such products were provided under normal trading conditions around that time.

LETTER FROM THE BOARD

(b) Supporting services and ancillary production services:

(i) Electricity supply: according to the provisions of relevant national laws and regulations, and based on the benchmark electricity price set up by the National Development and Reform Commission, local governments will determine their respective local electricity prices in consideration of their respective actual conditions. The price for electricity supply of the Company is determined with reference to the on-grid electricity prices and electricity sales prices proposed to be executed by enterprises set out in the notices issued by the bureau of commodity price in each province on their websites according to the above local electricity prices from time to time;

LETTER FROM THE BOARD

- (ii) Gas, heat and water supply, measurement, spare parts, repair, testing, transportation, steam: the price is determined with reference to the contractual price, which refers to a mutually agreed price set by all relevant parties for the provision of services. Such price is equivalent to reasonable costs incurred in providing such services plus reasonable profit. Reasonable costs mainly comprise expenses for raw materials, fuel costs, transportation facility fees, labour costs, manufacturing fees and etc. The reasonable profit (which shall be not more than 5% of such costs) for provision of a series of services including gas, heat, water supply and etc. by the Company to Chinalco is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such services provided by the Company to Chinalco, and shall not be lower than the profit margin charged to independent third parties. Such profit margin is considered reasonable by the Company as following the above principle;

LETTER FROM THE BOARD

- (iii) Other services: the price is determined with reference to the comparable local market prices, which refer to the prices arrived at with reference to those charged or quoted by at least two independent third parties providing services with comparable scale in areas where such services were provided under normal trading conditions, and shall not be lower than the price charged or quoted by independent third parties.

For the storage and transportation services and ancillary production services provided by Chinalco to the Company, and a series of supporting services and ancillary production services including gas, heat and water supply and etc. provided by the Company to Chinalco, the prices are determined by reasonable costs plus a profit of not more than 5% of such costs. The prices of other products provided by the Company to Chinalco are determined by comparable local market price or reasonable costs plus a profit of not more than 5% of such costs. Given the numerous products and services involved herein and the regional differences in respect of costs and prices, such pricing method is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such products and services mutually provided by Chinalco and the Company. Separate operative agreements will be entered into under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services by the relevant parties from time to time, and the prices of the products or services provided or received by the parties will be negotiated and determined on a case by case basis in accordance with the pricing policies as set out above. In view of the foregoing, the Company believes the pricing for the aforesaid products and services is fair and reasonable.

LETTER FROM THE BOARD

Payment term: Payment on delivery (payment shall generally be made (a) within a period of time after the delivery of the relevant products at the place designated by the purchasing party or the provision of the relevant services, and the completion of necessary inspections and internal approval procedures; or (b) after setting off the amounts due between the parties where there is mutual provision of products and services. The relevant payment term shall be no less favorable than those under comparable transactions between the Company and independent third parties.)

2. Historical Amounts

Set out below are the actual amounts and the annual caps of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for the three years ended 31 December 2023 and the six months ended 30 June 2024:

	For the year ended 31 December 2021		For the year ended 31 December 2022		For the year ended 31 December 2023		For the six months ended 30 June 2024	For the year ending 31 December 2024
	Actual amounts	Annual caps	Actual amounts	Annual caps	Actual amounts	Annual caps	Actual amounts	Annual caps
	<i>(RMB million)</i>		<i>(RMB million)</i>		<i>(RMB million)</i>		<i>(RMB million)</i>	
Expenditure transactions	6,578	17,500	10,954	15,400	13,814	22,400	9,155	22,900

3. Proposed Annual Caps after Adjustments

Set out below are the existing annual caps and proposed annual caps after adjustments of the expenditure transactions under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for the two years ending 31 December 2025. As at the Latest Practicable Date, the transaction amount of the expenditure transactions under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services has not exceeded existing annual cap for 2024.

	Existing annual caps		Proposed annual caps after adjustments	
	2024	2025	2024	2025
	<i>(RMB million)</i>		<i>(RMB million)</i>	
Expenditure transactions	22,900	24,200	33,600	38,900

LETTER FROM THE BOARD

When determining the annual caps for 2024 and 2025 after the proposed adjustments, the Directors have taken into account that:

- (1) In accordance with the Company's strategic development plan and product marketing and logistics plan, in order to better avoid mutual competition among internal enterprises of the Group in external markets, the Company will designate Chalco International Trading Group as the main external sales entity for the Group's aluminum ingot products in the future, and the aluminum ingot products of the Group's internal enterprises will in principle be operated by Chalco International Trading Group. In this regard, Chalco International Trading Group will procure relevant aluminum products from Yunnan Aluminum and Inner Mongolia Huayun before selling them uniformly to the external market. Given that Yunnan Aluminum and Inner Mongolia Huayun are 30%-controlled companies of Chinalco, the procurement of relevant aluminum products by Chalco International Trading Group from Yunnan Aluminum and Inner Mongolia Huayun constitutes continuing connected transactions of the Company and shall be governed by the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Although the Company has taken into account that Chalco International Trading Group will purchase an aggregate of 230,000 tons of aluminum ingot products from Yunnan Aluminum and Inner Mongolia Huayun in 2024 and 2025, respectively, in determining the existing annual caps for the expenditure transactions under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, such procurement volume will not be sufficient to meet the business needs after adjustment of the strategic development plan and product marketing and logistics plan of the Company. The Company expects that Chalco International Trading Group will make additional procurement of 510,000 tons and 670,000 tons from Yunnan Aluminum and Inner Mongolia Huayun in 2024 and 2025, respectively, which are calculated based on the following factors: (i) the aggregate production of aluminum ingots by Yunnan Aluminum and Inner Mongolia Huayun in 2023 was approximately 630,000 tons; (ii) In 2023, due to the implementation of the power restriction policy in Yunnan, Yunnan Aluminum reduced its production on a large scale, while the overall production of Yunnan Aluminum was more stable in 2024, especially after the rapid resumption of production in the second quarter, the production capacity was accelerated. Therefore, it is expected that the production of aluminum ingots of Yunnan Aluminum in 2024 will increase 110,000 tons; (iii) the Phase III 420,000-tonne electrolytic aluminum project of Inner Mongolia Huayun is expected to be fully completed and put into operation in 2024, with the production capacity further enhanced. Therefore, it is expected that the output of aluminum ingots of Inner Mongolia Huayun in 2025 will increase by 170,000 tons. Based on the calculation of the additional procurement volume and the product prices adopted by the Company in determining the existing annual caps, the proposed annual caps after adjustments for 2024 and 2025 will increase by RMB9,100 million and RMB12,000 million, respectively;

LETTER FROM THE BOARD

- (2) In the first half of 2024, as for the domestic market, the average prices of Shanghai Futures Exchange three-month aluminum and aluminum for the month surged by approximately 8.2% and 7.2% year on year, respectively. In September 2024, the Federal Reserve announced the interest rate cuts, which is expected to boost market sentiment, increase market liquidity, and stimulate investment and consumption, which will in turn increase the demand for aluminum products and further drive the price of aluminum up. Meanwhile, in order to cope with potential price fluctuations in the future and to leave room for price increase, the Company expects that the prices of aluminum ingot products to be procured by Chalco International Trading Group from Yunnan Aluminum and Inner Mongolia Huayun will increase by approximately 15% as compared to the previously estimated prices, which will result in an increase in the proposed annual caps after adjustments of RMB1,600 million and RMB2,700 million in 2024 and 2025, respectively.

After taking into account the factors mentioned above, the proposed annual caps after adjustments of the expenditure transactions under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 will increase by RMB10,700 million and RMB14,700 million, respectively.

4. Reasons for and Benefits of Adjustments to Existing Annual Caps for 2024 and 2025

As disclosed above, the Directors believe that the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 will not be sufficient to meet the business needs. In addition to the reasons for and benefits of entering into the General Agreement on Mutual Provision of Production Supplies and Ancillary Services disclosed in the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, the Directors believe that the adjustments to existing annual caps for 2024 and 2025 will enable the Group to conduct relevant transactions with Chinalco more flexibly within the annual caps, which is in line with the future business development and operating needs of the Group.

The Directors (including the independent non-executive Directors, after considering the advice of Independent Financial Adviser) are of the view that the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

5. Implications under the Hong Kong Listing Rules

As at the Latest Practicable Date, Chinalco is the controlling Shareholder of the Company and thus is a connected person of the Company under the Hong Kong Listing Rules, and the transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

According to Rule 14A.54 of the Hong Kong Listing Rules, if the Company intends to adjust the annual caps of continuing connected transactions, it shall re-comply with the relevant applicable provisions of the Hong Kong Listing Rules. As the highest applicable percentage ratios of the annual caps for 2024 and 2025 after proposed adjustments exceeds 5%, the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Shi Zhirong, the Director of the Company, concurrently holds positions in Chinalco, he has abstained from voting on the Board resolution with respect to the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025. Saved as stated above, none of the Directors has any material interest in the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 and therefore none of the other Directors has abstained from voting on such Board resolution.

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025. VBG Capital, 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 respect.

LETTER FROM THE BOARD

6. General Information

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

Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in the businesses of development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering technology.

IV. CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 29 October 2024 in relation to the proposed change of auditors.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers (collectively the “**Former Auditors**”) were the domestic and overseas auditors of the Company for year 2023. The engagement period of the Former Auditors has expired at the conclusion of the 2023 annual Shareholders’ meeting of the Company.

In view of the recent public information on the Former Auditors and after comprehensively considering the Company’s existing business situation and the future needs of audit services, the Company proposed to change the auditors. On 29 October 2024, the Resolution on the Proposed Change of Accounting Firms of the Company has been considered and approved at the 27th meeting of the eighth session of the Board of the Company, which proposed to appoint Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) and Ernst & Young (“**Ernst & Young**”) as the domestic and overseas auditors of the Company for year 2024. Among others, Ernst & Young Hua Ming is mainly the domestic auditor of the Company (including internal control audit); Ernst & Young is mainly the overseas auditor of the Company; and the overall expense of providing domestic and overseas audit services to the Company by these two accounting firms is RMB16.05 million. It is proposed that the engagement period of Ernst & Young Hua Ming and Ernst & Young would commence from the date of approval at the EGM and expire upon the conclusion of the 2024 annual Shareholders’ meeting of the Company.

LETTER FROM THE BOARD

V. ELECTION OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement dated 15 October 2024 of the Company in relation to the resignation of non-executive Director and proposed appointment of non-executive Director.

Mr. Zhang Jilong (“**Mr. Zhang**”) tendered his written resignation to the Board on 15 October 2024 due to reaching statutory retirement age. Mr. Zhang resigned as a non-executive Director, a member of the Remuneration Committee and a member of the Development and Planning Committee under the Board, with effect from the same date. As considered and approved by the 26th meeting of the eighth session of the Board of the Company, it is resolved to nominate Mr. Li Xiehua (“**Mr. Li**”) as a candidate for non-executive Director of the eighth session of the Board of the Company.

The biographical details of Mr. Li are as follows:

Mr. Li Xiehua (李謝華), aged 53, currently is a full-time director of the enterprise under Chinalco. Mr. Li graduated from Northeastern University majoring in materials processing engineering, holds a doctorate degree in engineering and is a senior engineer with extensive experience in production technology and enterprise management. Mr. Li successively served as the deputy director of rolling workshop, deputy manager and manager of the production technology department of Fujian Ruimin Aluminum Plate Limited Company* (福建瑞閩鋁板帶有限公司) (later renamed as Chinalco Ruimin Aluminum Plate Limited Company* (中鋁瑞閩鋁板帶有限公司) and now Chinalco Ruimin Co., Ltd.* (中鋁瑞閩股份有限公司) (“**Chinalco Ruimin**”)); the deputy general manager, director, general manager, deputy secretary of the Party committee, chairman and secretary of the Party committee of Chinalco Ruimin; the executive director and general manager of Chinalco Innovation Development Investment Co., Ltd.* (中鋁創新開發投資有限公司); the executive director of Chinalco Cross Industry Fund Management Co. Ltd.* (中鋁跨越產業基金管理有限公司); the director, general manager and secretary of the Party committee of Chinalco High-end Manufacturing Co., Ltd.* (中國鋁業集團高端製造股份有限公司) (“**Chinalco High-end Manufacturing**”); the chairman of Chongqing Guochuang Light Alloy Research Institute Co. Ltd.* (重慶國創輕合金研究院有限公司) and other positions. Mr. Li currently also serves as the director of Chinalco High-end Manufacturing.

Mr. Li has confirmed that, save as disclosed above, as at the Latest Practicable Date, he did not hold any directorship in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and he does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder of the Company, nor does he hold any position in the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr. Li does not have nor is deemed to have any interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any matter in respect of Mr. Li that is required to be disclosed pursuant to the requirements set out in Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders of the Company.

The term of office of Mr. Li will commence from the approval at the EGM and expire on the election of the ninth session of the Board. The Company will enter into a service contract with Mr. Li after his election as a Director is approved at the EGM. Besides, given that Mr. Li also serves at Chinalco and receives remuneration from Chinalco, he does not receive any additional remuneration from the Company due to his concurrent tenure as a Director of the Company.

VI. EGM

A notice of the EGM to be originally scheduled held at the Company's conference room, No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC at 2:00 p.m. on Tuesday, 29 October 2024 (the "Notice of EGM") is set out on the circular of the EGM dated 13 September 2024. On 24 October 2024, the Company published an announcement to postpone the EGM to 2:00 p.m. on Tuesday, 19 November 2024, and the venue of the EGM will remain unchanged. This supplemental circular is enclosed with the Supplemental Notice of the EGM dated 4 November 2024, for the purpose of informing the Shareholders of the New Resolutions to be submitted to the EGM for consideration. The resolutions, which are originally scheduled to be submitted to the EGM for approval as contained in the Notice of EGM, remain unchanged. A revised form of proxy of EGM (the "Revised Form of Proxy of EGM") has been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) on 1 November 2024.

IMPORTANT NOTICE: The Revised Form of Proxy of EGM shall supersede the form of proxy of EGM published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) on 12 September 2024 (the "Original Form of Proxy of EGM"). Shareholders who have duly completed and returned the Original Form of Proxy of EGM shall note that the Original Form of Proxy of EGM is no longer applicable to the EGM.

LETTER FROM THE BOARD

A reply slip for use at the EGM has been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) on 12 September 2024. Shareholders who intend to attend the EGM should complete and return the reply slip in accordance with the instructions printed thereon on or before Thursday, 14 November 2024. Shareholders who intend to appoint a proxy to attend the EGM and to vote on the resolutions set out in the Notice of EGM and the Supplemental Notice of EGM are requested to complete and return the Revised Form of Proxy of EGM in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the Revised Form of Proxy of EGM will not prevent you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

For particulars of other resolutions proposed at the EGM, eligibility for attending the EGM, registration procedures for attending the EGM, closure of register of members and other matters regarding the EGM, please refer to the notice and circular of the EGM dated 13 September 2024 and the announcement of the Company dated 24 October 2024.

Chinalco and its associates held an aggregate of 5,563,312,965 Shares in the Company (representing approximately 32.43% of the issued share capital of the Company) as at the Latest Practicable Date (among these Shares, Chinalco directly holds 5,139,204,916 A Shares in the Company, meanwhile, Chinalco holds 238,377,795 A Shares and 7,140,254 A Shares in the Company, respectively, through its subsidiaries, Baotou Aluminum (Group) Co., Ltd. and Chinalco Asset Operation and Management Co., Ltd., and holds 178,590,000 H Shares in the Company through its subsidiary, Aluminum Corporation of China Overseas Holdings Limited), shall abstain from voting on the resolution for approving the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025. Saved as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the proposed resolutions at the EGM.

LETTER FROM THE BOARD

VII. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 21 to 22 of this supplemental circular, which contains its recommendations to the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.

Your attention is also drawn to the letter from the Independent Financial Adviser as set out on pages 23 to 38 of this supplemental circular, which contain recommendations of VBG Capital to the Independent Board Committee and the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.

The Directors (including independent non-executive Directors) consider that the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Board considers that other resolutions contained in this supplemental circular are also in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions contained in the Supplemental Notice of EGM dated 4 November 2024.

VIII. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this supplemental circular.

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

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

4 November 2024

To the Independent Shareholders

Dear Sirs or Madams,

ADJUSTMENTS TO EXISTING ANNUAL CAPS OF EXPENDITURE TRANSACTIONS CONTEMPLATED UNDER THE GENERAL AGREEMENT ON MUTUAL PROVISION OF PRODUCTION SUPPLIES AND ANCILLARY SERVICES FOR 2024 AND 2025

We refer to the supplemental circular of the Company dated 4 November 2024 to the Shareholders of the Company (the “**Supplemental Circular**”), of which this letter forms part (terms defined in the Supplemental Circular shall have the same meanings when used in this letter, unless the context requires otherwise).

We have been appointed by the Board as the Independent Board Committee to advise you as to the fairness and reasonableness of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.

VBG Capital has been appointed by the Company as the Independent Financial Adviser to advise you and us in this regard. Details of its recommendation, together with the principal factors and reasons it has taken into consideration in arriving at its recommendation are set out in its letter set out on pages 23 to 38 of the Supplemental Circular.

Your attention is also drawn to the letter from the Board set out on pages 1 to 20 of the Supplemental Circular and the additional information set out in the appendix to the Supplemental Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the details of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 and the interests of the Independent Shareholders, as well as the advice of VBG Capital, we consider that the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 are on normal commercial terms or better and in the usual or ordinary course of business of the Group, and are fair and reasonable and in the interest of the Company and Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolution to be proposed at the EGM approving the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.

Yours faithfully,

For and on behalf of the Independent Board Committee

Aluminum Corporation of China Limited*

Mr. Qiu Guanzhou

Mr. Yu Jinsong

Ms. Chan Yuen Sau Kelly

Independent non-executive Directors

* *For identification purpose only*

LETTER FROM VBG CAPITAL

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 for the purpose of inclusion in this supplemental circular.



21/F., Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

4 November 2024

*To: The independent board committee and the independent shareholders
of Aluminum Corporation of China Limited*

Dear Sirs,

ADJUSTMENTS TO EXISTING ANNUAL CAPS OF EXPENDITURE TRANSACTIONS CONTEMPLATED UNDER THE GENERAL AGREEMENT ON MUTUAL PROVISION OF PRODUCTION SUPPLIES AND ANCILLARY SERVICES FOR 2024 AND 2025

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 (the “**Proposed Adjustments**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the supplemental circular dated 4 November 2024 issued by the Company to the Shareholders (the “**Supplemental Circular**”), of which this letter of advice forms part. Capitalized terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Supplemental Circular unless the context requires otherwise.

LETTER FROM VBG CAPITAL

References are made to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company in relation to, among other things, the continuing connected transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Reference is also made to the announcement of the Company dated 29 October 2024 in relation to, among other things, the Proposed Adjustments. The Company has been closely monitoring the continuing connected transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Based on the current internal estimates, the Company believes that the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 will not be sufficient to meet the business needs of the Group. Therefore, the Company proposes to adjust the existing annual cap of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 from RMB22,900 million to RMB33,600 million, and the existing annual cap for 2025 from RMB24,200 million to RMB38,900 million.

According to the Letter from the Board, as the highest applicable percentage ratio of the annual caps for 2024 and 2025 after the Proposed Adjustments (the “**Revised Annual Caps**”) exceeds 5%, the Proposed Adjustments are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee comprising Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the Revised Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Proposed Adjustments are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Proposed Adjustments and the Revised Annual Caps at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM VBG CAPITAL

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from (i) having acted as the independent financial adviser of the Company relating to several daily continuing connected transactions and a discloseable and continuing connected transaction of which a supplemental circular dated 23 May 2023 was issued; and (ii) the existing engagement in relation to the Proposed Adjustments, we did not have any business relationship with the Company within the past two years. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders (as defined in the Hong Kong Listing Rules) of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Proposed Adjustments.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Proposed Adjustments, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Company. We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Company were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the Supplemental Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Company in the Supplemental Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Supplemental Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Supplemental Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Supplemental Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Supplemental Circular or the Supplemental Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Supplemental Circular, save and except for this letter of advice.

LETTER FROM VBG CAPITAL

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, Chinalco or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Adjustments. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources but we did not conduct any independent investigation into the accuracy and completeness of such information.

Shareholders should note that as the Revised Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2025, they do not represent forecasts of revenues or costs to be recorded from the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Consequently, we express no opinion as to how closely the actual revenues and costs to be recorded from the General Agreement on Mutual Provision of Production Supplies and Ancillary Services will correspond with the Revised Annual Caps.

LETTER FROM VBG CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Adjustments, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND OF THE PROPOSED ADJUSTMENTS

Business and financial overview of the Group

The Company is 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. The Group principally engages in the exploration and mining of bauxite and coal and other resources, production, sales and technology research and development of alumina, primary aluminum, aluminum alloy and carbon products, international trade, logistics business, thermal and new energy power generation, etc.

As referred to in the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report**”), the Group is a leading enterprise in non-ferrous metals industry in the PRC. In terms of comprehensive strength, the Group ranks among the top enterprises in the global aluminum industry. The Group’s revenue has been at the scale of over RMB200 billion over the past five years; and its net profit surpassed RMB12 billion in 2023, representing a significant year-on-year growth of approximately 16.0% as compared to 2022. In 2023, the Company’s main products achieved stable and high-quality production. Its annual production of bauxite, metallurgical grade alumina and primary aluminum (including alloy) reached approximately 30.4 million tons, 16.7 million tons and 6.8 million tons, respectively. Its annual commercial coal production was approximately 13.1 million tons, representing a significant year-on-year increase of approximately 21.5%, which was the highest in history.

Information on Chinalco

As extracted from the Letter from the Board, Chinalco is a wholly state-owned enterprise incorporated in the PRC and a controlling shareholder (as defined in the Hong Kong Listing Rules) of the Company. Chinalco is primarily engaged in development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering and technical services, etc.

Overview of the China aluminum industry

The industrial chain of aluminum begins with bauxite mining, followed by the refining of bauxite to produce alumina. Next, by electrolytic melting of alumina, primary aluminum is produced and it can be further processed into various aluminum materials, aluminum alloys and aluminum powders.

LETTER FROM VBG CAPITAL

The aluminum industry is an important foundation industry in China, and is closely related to transportation, construction, electric power, machinery manufacturing, aerospace, electronic appliances, packaging and other industries. Aluminum is not only the main industrial metal raw material for the manufacturing industry, but an important supporting material for high-tech development and national defense construction. China's aluminum output and consumption rank among the top in the world. The China aluminum industry is expected to advance further leveraging on the country's continual effort on supply-side structural reform, as well as the possible expansion in demand given the favourable factors as presented below:

- Policies to accelerate the structural transformation of the aluminum industry

Against the backdrop of the dual carbon policy, energy conservation and carbon reduction have become a new requirement for development of the China aluminum industry. In November 2022, the Ministry of Industry and Information Technology, the National Development and Reform Commission and the Ministry of Ecology and Environment jointly issued the "Implementation Plan for Carbon Peaking in the Non-ferrous Metals Industry", proposing that the energy-utilization structure of the non-ferrous metals industry should be optimized and the proportion of recycled metal supply should reach the target of more than 24% by 2025. Accordingly, green development would become the main theme of long-term development of the China aluminum industry in the future, and green and recycled aluminum would experience a stage of rapid growth.

- Economic revitalization to drive demand for aluminum

Aluminum products are widely used in various fields of the national economy, among which aluminum required for infrastructure and real estate construction accounts for the largest proportion. It is expected that the interest rate reduction by the Federal Reserves and various monetary measures would take effect globally to pave way for economic revitalization. For this reason, demand for aluminum products for various applications is expected to rise substantially.

LETTER FROM VBG CAPITAL

- Renewable new energy as a new driving force

In recent years, development of renewable new energy such as wind power and solar power has become a worldwide focus. Emerging fields derived from new energy would thus become a new driving force for future advancement of the aluminum industry. Aluminum products used in the fields of new energy vehicles, photovoltaic power stations and components, 5G base stations and energy storage devices are already of high demand, and new applications such as automotive lightweight and photovoltaic aluminum would lead to even higher demand for primary aluminum. The traditional aluminum industry is expected to evolve to cater for such enlarging demand in new applications.

All in all, as there is still a wide gap in aluminum consumption per capita in China as compared to other developed countries, the China aluminum industry enjoys optimistic advancement potential in the future.

Reasons for the Proposed Adjustments

References are made to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company (the “**Previous Supplemental Circular**”) in relation to, among other things, the continuing connected transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the relevant annual caps for the three years ending 31 December 2025. On 5 November 2001, the Company and Chinalco entered into the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, pursuant to which Chinalco and the Company shall mutually provide various products and ancillary services to each other. As extracted from the “letter from the Board” of the Previous Supplemental Circular, given the long-term business relationship between the Group and Chinalco, the Directors consider that it is in the Company’s interest to continue with such transactions since the Group can (i) acquire prompt and stable supply of products and services from Chinalco, thus lowering the operating risks and costs and facilitating the Company’s routine management on production; and (ii) provide part of the products and services to Chinalco to avoid the risk of market fluctuations. Therefore, on 21 March 2023, the General Agreement on Mutual Provision of Production Supplies and Ancillary Services was renewed for three years until 31 December 2025.

LETTER FROM VBG CAPITAL

Based on the current internal estimations, the Company believes that the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025 will not be sufficient to meet the business needs of the Group. Taking into account the reasons for the entering into of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services as presented above, the Directors are of the view that the Proposed Adjustments would enable the Group to conduct the related transactions with Chinalco more flexibly within the annual caps, which is in line with the Group's future business development and operational needs. In light of this, we concur with the Directors that the Proposed Adjustments are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

2. PRINCIPAL TERMS OF THE EXPENDITURE TRANSACTIONS CONTEMPLATED UNDER THE GENERAL AGREEMENT ON MUTUAL PROVISION OF PRODUCTION SUPPLIES AND ANCILLARY SERVICES

Summarized below are the principal terms of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services:

Parties: (1) Chinalco as provider (for itself and on behalf of its subsidiaries and associates)

(2) The Company as recipient (for itself and on behalf of its subsidiaries)

Term: 20 June 2023 to 31 December 2025

Nature of transactions: Supplies and ancillary services provided by Chinalco to the Company:

(i) **Supplies:** carbon products, cement, coal, oxygen, bottled water, steam, fire brick, aluminum fluoride, cryolite, lubricant, resin, clinker, aluminum profiles, copper, zinc ingot and other relevant or similar supplies and services;

(ii) **Storage and transportation services:** vehicle transportation, loading, railway transportation and other relevant or similar services; and

(iii) **Ancillary production services:** communications, testing, processing and manufacturing, engineering design, repair, environmental protection, road maintenance and other relevant or similar services.

LETTER FROM VBG CAPITAL

Price determination: Provision of products and ancillary services by Chinalco to the Company:

- (i) **Supplies:** the price is determined with reference to the comparable local market price, which refers to price arrived at with reference to those charged or quoted by at least two independent third parties providing products or services with comparable scale in areas where such products or services were provided under normal trading conditions around the time, and shall not be higher than the price charged or quoted by independent third parties.

- (ii) **Storage and transportation services:** the price is determined with reference to the contractual price, which refers to a mutually agreed price set by all relevant parties for the provision of services. Such price is equivalent to reasonable costs incurred in providing such services plus reasonable profit. Reasonable costs mainly comprise fuel costs, transportation facility fees, relevant labour costs and etc. The reasonable profit (which shall be not more than 5% of such costs) is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant services) of such services provided by Chinalco to the Company, and shall not be higher than the profit margin charged to independent third parties.

- (iii) **Ancillary production services:** the price is determined with reference to the contractual price, which refers to a mutually agreed price set by all relevant parties for the provision of services. Such price is equivalent to reasonable costs incurred in providing such services plus reasonable profit. Reasonable costs mainly comprise expenses for raw materials, labour costs, manufacturing fees, other indirect costs and etc. The reasonable profit (which shall be not more than 5% of such costs) is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant services) of such services provided by Chinalco to the Company, and shall not be higher than the profit margin charged to independent third parties.

LETTER FROM VBG CAPITAL

Payment term: Payment on delivery (payment shall generally be made (i) within a period of time after the delivery of the relevant products at the place designated by the purchasing party or the provision of the relevant services, and the completion of necessary inspections and internal approval procedures; or (ii) after setting-off the amounts due between the parties where there is mutual provision of products and services. The relevant payment term shall be no less favourable than those under comparable transactions between the Company and independent third parties).

We noted that in accordance with the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, prices of products and ancillary services provided by Chinalco to the Group are either determined with reference to (i) the comparable local market price, which refers to price arrived at with reference to those charged or quoted by at least two independent third parties providing products or services with comparable scale in areas where such products or services were provided under normal trading conditions around the time; or (ii) reasonable costs incurred plus reasonable profit. In any event, prices of products and ancillary services provided by Chinalco to the Group shall not be higher than the price charged or quoted by independent third parties; or the reasonable profit shall not be higher than the profit margin charged to independent third parties. We are of the opinion that such price determination basis is fair and reasonable to ensure that the price offered to the Group by Chinalco is no less favourable than price offered by independent third parties.

Moreover, for the purpose of assessing the principal terms of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, we have randomly selected and obtained samples of (i) the invoices/contracts between the Group (as recipient) and Chinalco (as provider) for provision of products and ancillary services by Chinalco to the Group from 2022 to 2024; and (ii) the invoices/contracts between the Group (as recipient) and other independent third parties (as providers) for provision of similar products and ancillary services by those independent providers to the Group from 2022 to 2024. Upon review and comparison of the said transaction records which we consider to be fair and representative from random selection, it is noted that the principal terms such as price determination basis and payment terms offered to the Group by Chinalco were generally in line with those offered by the independent providers, and the price offered to the Group by Chinalco was no less favourable.

With the above being the case, we are of the view that the terms of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services (including but not limited to the pricing policy) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM VBG CAPITAL

3. THE REVISED ANNUAL CAPS

The below table illustrates (i) the actual historical amounts of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for the two years ended 31 December 2023 and the six months ended 30 June 2024; (ii) the relevant existing annual caps for the four years ending 31 December 2025; and (iii) the Revised Annual Caps for the two years ending 31 December 2025:

Year/Period	The actual historical amounts			The existing annual caps				The Revised Annual Caps	
	For the six months ended			2022	2023	2024	2025	2024	2025
	2022	2023	30 June 2024						
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
The expenditure transactions	10,954	13,814	9,155	15,400	22,400	22,900	24,200	33,600	38,900

As depicted by the above table, the actual historical amount of the expenditure transactions for 2023 amounted to approximately RMB13,814 million, jumping substantially by approximately 26.1% as compared to the prior year of approximately RMB10,954 million. As for 2024, the annualized amount of the expenditure transactions would amount to approximately RMB18,310 million based on the actual historical amount for the six months ended 30 June 2024 of approximately RMB9,155 million, jumping substantially by approximately 32.5% as compared to the prior year of approximately RMB13,814 million. From 2022 to 2024, the actual/annualized amounts (as the case may be) of the expenditure transactions represented at least 60% of the existing annual caps for the relevant years.

As demonstrated under the sub-section headed “Overview of the China aluminum industry” of this letter of advice, aluminum is not only the main industrial metal raw material for the manufacturing industry, but an important supporting material for high-tech development and national defense construction, and is the most widely used non-ferrous metal in the field of bulk commodities. China’s aluminum output and consumption rank among the top in the world, and the China aluminum industry is expected to advance further leveraging on the country’s continual effort on supply-side structural reform, as well as the possible expansion in demand for aluminum given a number of favourable factors. All in all, as there is still a wide gap in aluminum consumption per capita in China as compared to other developed countries, the China aluminum industry enjoys optimistic advancement potential in the future.

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With regard to the operations and prospects of the Group, we understand from our discussion with the Directors and study of the Annual Report that the Company pursues high-quality internal growth and external development, and adopts continuous deepen innovation-driven, green and low-carbon reform. The Company endeavored to strengthen resource guarantee capacity and carried out special actions to acquire bauxite resources, with 21 million tons of bauxite resources newly added in 2023. Moreover, the Company accelerated the upgrade and adjustment in its industrial structure and actively promoted various key projects such as the 2 million-tons alumina project of Guangxi Huasheng Phase II, the 420,000-ton light alloy material project in Inner Mongolia Huayun (the “**IMH Project**”), the 500,000-ton electrolytic aluminum project of Qinghai Branch and the Baotou Aluminum 1200MW source-grid-load-storage project in Darhan-Muminggan Joint County. The Company also made breakthroughs in respect of high-purity alumina and “small metal” industry, and its gallium metal production capacity has ranked first globally. As further advised by the Directors, the Company has actively accelerated implementation of overseas alumina projects together with the integrated development of electrolytic aluminum and new energy. The Group’s business strategies are in line with the future development focus of the China aluminum industry and may thereby consolidate the Company’s leading position in the non-ferrous metals industry in the PRC.

When determining the Revised Annual Caps, the Directors have taken into consideration that in accordance with the Company’s strategic development plan and product marketing and logistics plan (the “**New Proposals**”), the Company will designate Chalco International Trading Group as the main external sales entity for the Group’s aluminum ingot products in the future, and the aluminum ingot products of the Group’s internal enterprises will in principle be operated by Chalco International Trading Group. In this regard, Chalco International Trading Group will procure relevant aluminum products from Yunnan Aluminum and Inner Mongolia Huayun before selling them uniformly to the external market. Due to the fact that Yunnan Aluminum and Inner Mongolia Huayun are 30%-controlled companies of Chinalco, the procurement of relevant aluminum products by Chalco International Trading Group from Yunnan Aluminum and Inner Mongolia Huayun constitutes continuing connected transaction for the Company and shall be governed by the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. Although the Company has taken into account Chalco International Trading Group’s estimated purchase of 230,000 tons of aluminum ingot products in aggregate (the “**Original Procurement Amount**”) from Yunnan Aluminum and Inner Mongolia Huayun in 2024 and 2025, respectively, when determining the existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025, such procurement volume would not be sufficient to meet the business needs of the Group after the implementation of the New Proposals. The Company expects that Chalco International Trading Group will make additional procurement of 510,000 tons and 670,000 tons (the “**Additional Procurement Amounts**”) from Yunnan Aluminum and Inner Mongolia Huayun in 2024 and 2025, respectively, which are estimated with reference to the following factors: (i) the aggregate production of aluminum ingot products by Yunnan Aluminum and Inner Mongolia Huayun in 2023

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was approximately 630,000 tons (the “**2023 Production**”); (ii) in 2023, under the power restriction policy promulgated in Yunnan Province, Yunnan Aluminum reduced its production on a large scale, while the overall production of Yunnan Aluminum has been more stable in 2024, especially after the rapid resumption of production in the second quarter. Hence, it is expected that the production of aluminum ingot products by Yunnan Aluminum in 2024 will expand by 110,000 tons (the “**YA Additional Procurement**”); and (iii) phase 3 of the IMH Project is expected to be fully completed and put into operation in 2024, thereby further enhancing the production capacity of Inner Mongolia Huayun in 2025 with an additional output of 170,000 tons of aluminum ingot products (the “**IMH Additional Procurement**”). Based on the aforesaid additional procurement volume and the procurement prices previously estimated by the Company in determining the existing annual caps, the Revised Annual Caps for 2024 and 2025 will increase by RMB9,100 million and RMB12,000 million, respectively.

At the same time, it is expected that prices of aluminum products may be further pushed up amid the overall increase in their market prices in the first half of 2024 and the Federal Reserve’s interest rate cuts. Also, in order to cope with the possible price fluctuations in the future and to allow room for further price increase, the Company expected that the procurement prices of aluminum products from Chinalco will increase by around 15% as compared to the previously estimated prices, leading to an increase in the Revised Annual Caps by RMB1,600 million and RMB2,700 million in 2024 and 2025, respectively. After taking into consideration of the two factors as just mentioned, the Revised Annual Caps will increase by RMB10,700 million and RMB14,700 million for 2024 and 2025, respectively.

We are aware of that the increase in the Revised Annual Caps is primarily based on the two factors as mentioned in the above paragraphs. As such, we have enquired into the Directors for further information and supporting document(s) in those two respects. As regards factor (i), we understand from the Directors that the purpose of the New Proposals is to better avoid mutual competition among internal enterprises of the Group in external markets, and the full implementation of the New Proposals was stated in the 《中國鋁業股份有限公司2024年氧化鋁、電解鋁企業產品營銷物流方案》 issued by the Company to its group companies in January 2024. For our due diligence purpose, we have requested and obtained a copy of the said internal notice from the Company. Furthermore, it is noted from our independent research that certain power restriction policy was promulgated in Yunnan Province in 2023 to mitigate the possible energy shortage, hence affecting the production of the aluminum industry, with Yunnan Aluminum as no exception. Nevertheless, we understand from the Directors that the production of Yunnan Aluminum has been accelerated since 2024. On the other hand, from our independent research, we noted that the IMH Project is a green, low-carbon, low-cost, digital and intelligent aluminum project which adopts the world’s leading 600kA large-scale prebaked electrolyzer technology. Phase 3 of the IMH Project is expected to be fully completed and put into operation in 2024, thereby further enhancing the production capacity of Inner Mongolia Huayun in 2025. Based on the relevant calculations provided by the Company, we noted that the difference between the 2023 Production and the Original Procurement Amount is

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400,000 tons (i.e. 630,000 tons minus 230,000 tons). Taking into account also the YA Additional Procurement of 110,000 tons in 2024 as well as the IMH Additional Procurement of 170,000 tons in 2025, we are of the view that the Additional Procurement Amounts of 510,000 tons and 670,000 tons in 2024 and 2025, respectively, after implementation of the New Proposals are fair and reasonable.

Whereas for factor (ii), based on our independent research and information regarding historical procurement prices from Chinalco that we have requested from the Company, we noted that in the first half of 2024, the average prices of three-month aluminum futures and current month aluminum at Shanghai Futures Exchange surged by approximately 8.2% and 7.2% year-on-year, respectively, in the domestic market. Concurrently, the three-month aluminum futures and the spot prices at the London Metal Exchange also surged by approximately 1.6% and 1.2% year-on-year, respectively, in the international market. Such surge in market prices of aluminum products have triggered a corresponding increase in the procurement prices of aluminum products from Chinalco. Furthermore, we found from a research report and an article published by Haitong International and Bloomberg in September 2024 and March 2024, respectively, that the Federal Reserve's interest rate cuts would likely to boost market sentiment and stimulate investment and consumption, which would in turn raise the demand for aluminum products and drive up their market prices. Besides, we consider that it is fair and reasonable for the Company to incorporate certain buffer when estimating the future prices of aluminum products in order to cope with and allow room for the possible price fluctuations. Given the combined effect of the above, we are of the opinion that the 15% price increment estimated by the Company is fair and reasonable.

In conclusion, in view of that:

- (i) the historical amounts of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services have shown a persistent rising trend in recent years;
- (ii) the China aluminum industry enjoys positive advancement potential in the future;
- (iii) the scale of the Group's operations is expanding and its future prospects is positive; and
- (iv) as detailed above, the New Proposals and the expected increase in prices of aluminum products would specifically lead to the increase in the Revised Annual Caps,

we are of the opinion that the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

4. COMPLIANCE WITH THE HONG KONG LISTING RULES AND INTERNAL REVIEW

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 and 14A.55 of the Hong Kong Listing Rules pursuant to which (i) the total amounts of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services must be restricted by the Revised Annual Caps for the two years ending 31 December 2025; (ii) the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services (together with the Revised Annual Caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services (together with the Revised Annual Caps) must be included in the Company's subsequent published annual reports and financial accounts. As also stipulated under Rule 14A.56 of the Hong Kong Listing Rules, auditors of the Company must provide annually a letter to the Board confirming, among other things, that the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are carried out in accordance with the terms under relevant agreements and the pricing policies of the Company in all material respects, and the Revised Annual Caps are not being exceeded. In the event that the total amounts of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services exceed the Revised Annual Caps, or that there is any material amendment to the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

In addition, we have requested and obtained: (i) the annual work report of the audit committee of the Company; (ii) the annual work report of the Company's board of supervisors; (iii) the annual review opinion from the independent non-executive Directors; and (iv) the annual confirmation letter from the auditors of the Company, for the year ended 31 December 2023. Based on the aforesaid reports/confirmation letter, we noted that the Company's continuing connected transactions have been subject to regular supervision by its supervisors and independent non-executive Directors, as well as its external auditors.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the Revised Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Proposed Adjustments are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Adjustments and the Revised Annual Caps and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Managing Director

Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 19 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This supplemental circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this supplemental circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

Name	Position in the Company	Nature of interests	Number of A Shares held in the Company	Percentage in total issued A Shares of the Company
Ou Xiaowu	Executive Director	Beneficial owner	250,000	0.0019%
Jiang Tao	Executive Director and Deputy General Manager	Beneficial owner	230,000	0.0017%
		Spouse's interests ^{Note}	4,000	0.00003%
Xu Shuxiang	Supervisor	Beneficial owner	4,400	0.00003%
Total	/	/	488,400	0.0037%

Note: Ms. Shi Biqiong, the spouse of Mr. Jiang Tao, directly holds 4,000 A Shares of the Company. Pursuant to the SFO, Mr. Jiang Tao is deemed to be interested in 4,000 A Shares of the Company held by Ms. Shi Biqiong.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors, the Supervisors or the chief executive of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (a) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (c) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Mr. Shi Zhirong, being the Director of the Company, and Mr. Li Xiehua, being the proposed Director of the Company as well as Ms. Lin Ni and Mr. Zhang Wenjun, being the Supervisors of the Company, and Mr. Ding Chao, being the proposed Supervisor of the Company, concurrently hold positions in Chinalco. Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors, the proposed Directors, the proposed Supervisors or the chief executive of the Company or their respective associates concurrently served as a director or an employee of other company which had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, as far as the Directors are aware, there is no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

4. EXPERT AND CONSENT

VBG Capital has given and has not withdrawn its written consent to the issue of this supplemental circular with the inclusion herein of its letter and references to its name in the form and context in which it is included in this supplemental circular.

The following is the qualification of the expert who has provided its opinion or advice, which is contained in this supplemental circular:

Name	Qualification	Date of conclusion or opinion
VBG Capital	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO	4 November 2024

As at the Latest Practicable Date, VBG Capital was not beneficially interested in the equity interest of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, VBG Capital did not have any direct or indirect interest in any assets which have been, since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company or any other member of the Group, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors, the proposed Directors, Supervisors or the proposed Supervisors had any interest in any assets which have been since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Hong Kong Listing Rules) had any interest in any businesses, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules if each of them was a controlling Shareholder).

8. MISCELLANEOUS

- (1) The registered office of the Company is situated at No. 62 North Xizhimen Street, Haidian District, Beijing, the People's Republic of China.
- (2) The Hong Kong H Share registrar of the Company is Hong Kong Registrars Limited situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The English text of this supplemental circular shall prevail over the Chinese text in the case of inconsistency unless otherwise specified.

9. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) from the date of this supplemental circular up to and including 17 November 2024:

- (1) the letter from the Independent Board Committee, the text of which is set out in this supplemental circular;
- (2) letter from VBG Capital, the text of which is set out in this supplemental circular;
- (3) the written consent of VBG Capital as referred to in this Appendix; and
- (4) the initial agreement and supplementary agreement to the General Agreement on Mutual Provision of Production Supplies and Ancillary Services.

SUPPLEMENTAL NOTICE OF EGM



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)

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

References are made to the notice (the “**Notice**”) and the circular (the “**Circular**”) of 2024 First Extraordinary General Meeting of Aluminum Corporation of China Limited* (the “**Company**”) dated 13 September 2024, which set out the time and venue of the 2024 First Extraordinary General Meeting of the Company (the “**EGM**”) and contain the details of the resolutions to be proposed at the EGM for the consideration and approval of the shareholders of the Company (the “**Shareholders**”).

Reference is also made to the announcement of the Company dated 24 October 2024 that the EGM originally scheduled to be held at 2:00 p.m. on Tuesday, 29 October 2024 will be postponed to 2:00 p.m. on Tuesday, 19 November 2024, and the venue of the EGM will remain unchanged.

Pursuant to the provisions of the Articles of Association of the Company, when a general meeting is held, the Shareholders who individually or together hold more than 1% of the Shares of the Company are entitled to put forward extraordinary proposals to the Company, pursuant to which, Aluminum Corporation of China* (中國鋁業集團有限公司), the controlling Shareholder of the Company, who directly and indirectly holds approximately 32.43% of the Shares of the Company as at the date of this supplemental notice, put forward three extraordinary proposals and submitted it in writing to the convener of the EGM. According to the relevant provisions of relevant laws and regulations and the Articles of Association of the Company, the above-mentioned extraordinary proposals will be submitted at the EGM of the Company for consideration.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM, which will be convened at the Company’s conference room, No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC at 2:00 p.m. on Tuesday, 19 November 2024, will consider, and if thought fit, pass the resolutions set out in the Notice as well as the following newly-added resolutions proposed by Aluminum Corporation of China* (中國鋁業集團有限公司), the controlling Shareholder of the Company (unless the context requires otherwise, terms used in this supplemental notice have the same meanings as defined in the Circular):

SUPPLEMENTAL NOTICE OF EGM

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the adjustments to existing annual caps of expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services for 2024 and 2025.
2. To consider and approve the resolution in relation to the proposed change of auditors of the Company.

ORDINARY RESOLUTION (CUMULATIVE VOTING)

3. To consider and approve the resolution in relation to the election of Mr. Li Xiehua as a non-executive Director of the eighth session of the Board of the Company.

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

Beijing, the PRC
4 November 2024

Notes:

- (a) Details of the above-mentioned resolutions are set out in the supplemental circular of the Company dated 4 November 2024.
- (b) The revised form of proxy of EGM (the “**Revised Form of Proxy of EGM**”) has been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) on 1 November 2024.

IMPORTANT NOTICE: The Revised Form of Proxy of EGM shall supersede the form of proxy of EGM published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chalco.com.cn) on 12 September 2024 (the “Original Form of Proxy of EGM”). Shareholders who have duly completed and returned the Original Form of Proxy of EGM shall note that the Original Form of Proxy of EGM is no longer applicable to the EGM.

Shareholders who intend to appoint a proxy to attend the EGM and vote on the resolutions set out in the Notice and this supplemental notice are requested to complete and return the Revised Form of Proxy of EGM in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the Revised Form of Proxy of EGM will not prevent you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

- (c) For particulars of other resolutions proposed at the EGM, eligibility for attending the EGM, registration procedures for attending the EGM, closure of register of members and other matters regarding the EGM, please refer to the Notice and Circular of the EGM dated 13 September 2024 and the announcement of the Company dated 24 October 2024 of the Company.

* *For identification purposes only*