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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)

FURTHER ANNOUNCEMENT
CONNECTED TRANSACTIONS
ACQUISITION OF GALLIUM ASSETS

Reference is made to the announcement of Aluminum Corporation of China Limited* (the “**Company**”) dated 24 August 2021 in relation to, among other things, that Certain Branch and Subsidiaries of the Company agreed to acquire and Certain Branches of China Rare Earth agreed to sell the Gallium Assets (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context otherwise specified.

COMPLIANCE WITH THE HONG KONG LISTING RULES

As disclosed in the Announcement, the total transfer consideration under the Assets Transfer Agreements amounted to RMB392,411,600, which consists of the transfer consideration of RMB160,010,200 under the Assets Transfer Agreement I, the transfer consideration of RMB66,760,300 under the Assets Transfer Agreement II and the transfer consideration of RMB165,641,100 under the Assets Transfer Agreement III. The afore-mentioned transfer consideration has been determined by the parties through arm’s length negotiation with reference to the appraised value of the Gallium Assets set out in the valuation reports prepared by China United Assets Appraisal using the income approach with 31 December 2020 as the valuation benchmark date (subject to the amount set out in the filed valuation reports).

According to the filed valuation reports, the appraised value of the Gallium Assets held by Guangxi Gallium Branch of China Rare Earth (i.e., the transfer consideration under the Assets Transfer Agreement I) amounted to RMB161,546,000; the appraised value of the Gallium Assets held by Henan Gallium Branch of China Rare Earth (i.e., the transfer consideration under the Assets Transfer Agreement II) amounted to RMB68,828,100; the appraised value of the Gallium Assets held by Zunyi Gallium Branch of China Rare Earth (i.e., the transfer consideration under the Assets Transfer Agreement III) amounted to RMB165,062,800. As disclosed in the Announcement, the transfer consideration under the Assets Transfer Agreements shall be paid by the transferee to the transferor in two instalments (each instalment representing 50% of the transfer consideration).

The Company confirms that the adjustment of transfer consideration will not result in a re-classification of the transactions contemplated under the Assets Transfer Agreements under Chapter 14A of the Hong Kong Listing Rules.

Since the income approach is adopted by China United Assets Appraisal for preparing the valuation reports mentioned above in respect of the valuation of the Gallium Assets, such valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. Accordingly, the Company discloses the following valuation details in compliance with Rule 14.62 of the Hong Kong Listing Rules.

PROFIT FORECAST IN RELATION TO THE VALUATION

Pursuant to the valuation reports prepared by China United Assets Appraisal, details of the principal assumptions, including commercial assumptions upon which the profit forecast for Gallium Assets is based, are set out as follows:

(I) General Assumptions

1. Transaction assumption

Transaction assumption assumes that all the assets to be valued are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be valued. Transaction assumption is one of the most fundamental assumptions for the further implementation of the valuation of assets.

2. Open market assumption

Open market assumption assumes that both parties of the assets transaction or the proposed assets transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the assets. The open market assumption is based on the fact that the assets can be traded openly in the market.

3. *Assets going-concern assumption*

Assets going-concern assumption means that the valuation method, parameters and basis shall be determined in accordance with the condition that the valued assets will be continuously used in consistence with their current functions and methods, scale, frequency and environment of application, or used on the basis of certain changes thereof.

(II) Special Assumptions

1. There will be no material change in the prevailing macro-economic situation, financial and industrial policies in China.
2. There will be no significant change in the social and economic environment where the appraised entity operates in the future forecast period and the applicable policies on tax and tax rate, etc.
3. The management of the appraised entity will diligently fulfil its responsibilities in the future forecast period, and will maintain the existing management models on a going concern.
4. The production and operation mode of the appraised entity in the future forecast period shall remain in the same condition as they are in the benchmark date without major changes, and its size and composition of the assets, and the composition of revenue and cost of the main business, as well as the sales strategy and cost control in the future forecast period will remain in the same condition as they are in recent years without major changes.
5. During the future forecast period, all expenses incurred by the appraised entity, based on the current level, will follow the change trends over recent years and move in accordance with changes in operation scale.
6. As the amount of monetary funds or bank deposits of the enterprise varies frequently during the course of production and operation, and idle funds are taken into account as surplus assets, neither the interest income from deposits nor other uncertain gain and loss other than interest-bearing liabilities will be taken into account in the process of valuation.
7. In this valuation, it is assumed that the basic information and financial information provided by the principal and the appraised entity are true, accurate and complete;
8. The scope of the valuation is subject to the application form for valuation provided by the principal and the appraised entity, without taking into account any possible contingent assets and contingent liabilities not included in the list provided by the principal and the appraised entity;
9. The valuation does not take into consideration of the inflation.

PricewaterhouseCoopers, the reporting accountant of the Company, has reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows of each of the Gallium Assets upon which the valuation reports were based (the “**Discounted Cash Flows**”). The Discounted Cash Flows do not involve the adoption of any accounting policies. The Board has confirmed that the profit forecast of Gallium Assets in the valuation reports has been made after due and careful enquiry by the Board. Report from PricewaterhouseCoopers on the Discounted Cash Flows and letter from the Board are set out respectively in Appendix I and Appendix II to this announcement.

The followings are the qualifications of each expert who has provided its conclusion or advice, which is contained in this announcement:

Name	Qualification	Date of conclusion or advice
PricewaterhouseCoopers	Certified Public Accountants, Hong Kong	14 September 2021
China United Assets Appraisal	Qualified PRC valuer	24 August 2021

As at the date of this announcement, as far as the Directors are aware, each of the experts was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

Each of the experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter and/or references to its name in the form and context in which they respectively appear.

Save as disclosed above, all other contents of the Announcement remain unchanged.

By order of the Board
Aluminum Corporation of China Limited*
Wang Jun
Company Secretary

Beijing, the PRC
14 September 2021

As at the date of this announcement, the members of the board of directors comprise Mr. Liu Jianping, Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao (Executive Directors); Mr. Zhang Jilong and Mr. Wang Jun (Non-executive Directors); Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (Independent Non-executive Directors).

* *For identification purposes only*

APPENDIX I – REPORT FROM PRICEWATERHOUSECOOPERS ON THE DISCOUNTED CASH FLOWS

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



羅兵咸永道

Independent Reporting Accountant’s Assurance Report on The Calculations of Discounted Future Estimated Cash Flows in Connection with The Valuation of Gallium Assets to be Acquired by Aluminum Corporation of China Limited 中國鋁業股份有限公司

To the Board of Directors of Aluminum Corporation of China Limited

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows on which the filed valuation reports (the “**Valuation**”) dated 24 August 2021 issued by China United Assets Appraisal Group Co., Ltd. 中聯資產評估集團有限公司 in respect of the appraisal of the fair value of the assets and liabilities related to the gallium production lines respectively held by Guangxi Gallium Branch 廣西鎳業分公司, Henan Gallium Branch 河南鎳業分公司 and Zunyi Gallium Branch 遵義鎳業分公司 of China Rare Earth Holdings Limited 中國稀有稀土股份有限公司 (collectively, the “**Gallium Assets**”) on 31 December 2020 are based. The Valuation is set out in the further announcement of Aluminum Corporation of China Limited 中國鋁業股份有限公司 (the “**Company**”) dated 14 September 2021 (the “**Further Announcement**”) in connection with the acquisition of the Gallium Assets. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors of the Company as set out under the heading “Profit Forecast in Relation to the Valuation” on pages 2 to 3 of the Further Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

It is our responsibility to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Gallium Assets.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions as set out under the heading “Profit Forecast in Relation to the Valuation” on pages 2 to 3 of the Further Announcement. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted cash flows do not involve the adoption of accounting policies. The discounted cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out under the heading “Profit Forecast in Relation to the Valuation” on pages 2 to 3 of the Further Announcement.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 September 2021

APPENDIX II – LETTER FROM THE BOARD

The following is the text of the letter dated 14 September 2021 from the Board which was prepared for inclusion in this announcement.

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

Dear Sir/Madam,

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

Re: Profit forecast – confirmation letter under the requirements of Rule 14.62(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

References are made to the announcements of the Company dated 24 August 2021 and 14 September 2021 in relation to the valuation reports (the “**Valuation Reports**”) dated 24 August 2021 in respect of the assets and liabilities relating to the gallium production lines held by Certain Branches of China Rare Earth Holdings Limited* (中國稀有稀土股份有限公司) prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) (the “**Valuer**”) using the income approach.

The board of directors of the Company has reviewed the basis and assumptions of the aforesaid valuation and discussed the same with the Valuer. The board of directors of the Company has also considered the report from PricewaterhouseCoopers, the reporting accountant of the Company, on 14 September 2021 in relation to the arithmetical calculations and the compilation of the discounted cash flows upon which the Valuation Reports were based.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the board of directors of the Company confirmed that the profit forecast used in the aforesaid Valuation Reports has been made after due and careful enquiry.

The Board of Directors
Aluminum Corporation of China Limited*

14 September 2021