



建泉融資有限公司
VBG Capital Limited

Members of Hatcher Group Limited

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4 December 2025

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

Dear Sirs,

DAILY CONTINUING CONNECTED TRANSACTIONS WITH CHINALCO

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 continuing connected transactions as listed below, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the supplemental circular dated 4 December 2025 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.

The following continuing connected transactions (altogether, the “**Continuing Connected Transactions**”):

- (i) the expenditure transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services between the Company and Chinalco;
- (ii) the revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services between the Company and Chinalco; and
- (iii) the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement between the Company and Chinalco.

According to the Letter from the Board, the aforesaid Continuing Connected Transactions constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Hong Kong Listing Rules. The 2025 Third EGM will be convened by the Company to, amongst others, seek approval from the Independent Shareholders in respect of these Continuing Connected Transactions.

The Independent Board Committee comprising Mr. Yu Jinsong, Ms. Chan Yuen Sau Kelly and Mr. Li Xiaobin (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the Provision of Engineering, Construction and Supervisory Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Continuing Connected Transactions 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 respective resolutions to approve the Continuing Connected Transactions at the 2025 Third 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.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from (i) having acted as the independent financial adviser of the Company relating to (a) a discloseable and connected transaction for the Company which a supplemental circular dated 7 April 2025 was issued and (b) the revision of annual caps regarding certain continuing connected transactions for the Company which a supplemental circular dated 4 November 2024 was issued; and (ii) the existing engagement in relation to the Continuing Connected Transactions with Chinalco together with the deposit services under the New Financial Services Agreement with Chinalco Finance Company, 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 (as defined in the Hong Kong Listing Rules). We consider there is no relationship or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence and hence we consider ourselves independent to form our opinion in respect of the Continuing Connected Transactions in compliance with Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Continuing Connected Transactions, 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.

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 Continuing Connected Transactions. 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 proposed 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 2028, they do not represent forecasts of revenues or costs to be recorded from the Continuing Connected Transactions. Consequently, we express no opinion as to how closely the actual revenues and costs to be recorded from the Continuing Connected Transactions will correspond with the proposed annual caps.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

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, 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.

Set out below is a summary of the key audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"):

	For the year ended 31 December 2024 <i>RMB'000</i>	For the year ended 31 December 2023 <i>RMB'000</i> (Restated)
Revenue	237,065,629	225,319,044
Net profit for the year	19,381,819	12,555,903

As depicted by the table above, the Group's total revenue for the year ended 31 December 2024 was approximately RMB237.1 billion, increasing by approximately 5.2% as compared to the prior year. During the same year under review, the Group's net profit also increased significantly by approximately 54.4% from approximately RMB12.6 billion for the year ended 31 December 2023 to approximately RMB19.4 billion.

As represented by the Directors, the Group is a leading enterprise in aluminum industry in China, ranking among the top in the global aluminum industry in terms of overall strengths. The Group's alumina, fine alumina, electrolytic aluminum, high purity aluminum and gallium metal production capacity all rank first in the world, and is a large manufacturer and operator with integration of exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum, aluminum alloy and carbon; international trade; logistics business; thermal and new energy power generation. To maintain ongoing business advancement and adapt to industry changes and challenges, the Company has been committed to optimizing the industrial layout, innovation-driven progress, green and low-carbon development.

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 China's aluminum industry

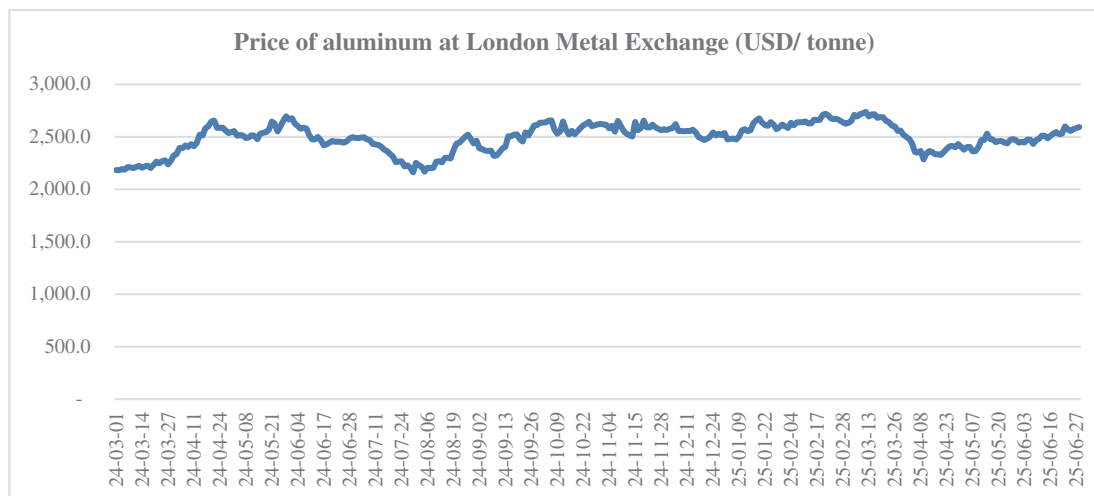
We have independently conducted market research regarding the latest operation and development of China's aluminum industry. Based on a research report named "2024 Panorama Observation of China's Aluminum Industry" published by China Nonferrous Metals Industry Association at <https://www.cnmn.com.cn/> in January 2025 (the "**Report**"), in 2024, China's aluminum industry grew in a complex environment under the dual influence of the global economic model and domestic policy guidance. On the whole, its market size continued to expand, and both aluminum production and consumption maintained growth, but the growth rate fluctuated.

The operation and development of China's aluminum industry has shown the following five distinctive features in 2024:

- (1) The layout of the whole industrial chain has been perfected: With the "ceiling" of electrolytic aluminum production capacity as the core, the upstream and downstream linkage development, not only the development of the whole industrial chain of bauxite, alumina, electrolytic aluminum, recycled aluminum, and aluminum alloy was more coordinated, but also the industrial structure was more reasonable.

- (2) The industry output was among the highest in the world: In 2024, output of the four core segments of China's aluminum industry ranked among the top in the world. China's bauxite output was approximately 64.2 million tonnes, accounting for around 16% of the world's total bauxite production. The output of alumina was approximately 85.9 million tonnes, accounting for nearly 60% of the world's total alumina output. The output of electrolytic aluminum was approximately 43.7 million tonnes, accounting for nearly 60% of the world's total electrolytic aluminum output. The output of aluminum processing materials was approximately 64.6 million tonnes, accounting for over 60% of the world's total output of aluminum processing materials. Driven by the supply-side structural reform, a new round of restructuring around the "ceiling" of 45 million tonnes of electrolytic aluminum production capacity has further improved the industrial concentration of China's aluminum industry and promoted the continuous optimization of resource allocation, thereby enhancing the overall operation efficiency of the industry.
- (3) The results of green development are beginning to appear: In 2024, the proportion of electrolytic aluminum green energy, the largest electricity consumption segment in the aluminum industry, exceeded 25%, and the proportion of thermal power continued to decline. A number of wind power and solar power generation projects were put into operation. The continuous increase in the proportion of green energy in China's aluminum industry has effectively reduced the dependence on traditional energy and accelerated the progress of the aluminum industry's low-carbon transformation. The output of recycled aluminum exceeded 10 million tonnes, and the ratio of recycled aluminum to primary aluminum reached 1:4. With the integrated development of recycled aluminum, primary aluminum, and aluminum processing, the carbon footprint of aluminum processing material production has been greatly reduced.
- (4) Remarkable achievements in scientific and technological innovation: A number of key technologies have made breakthroughs, such as the project "Key technologies and applications for efficient removal of organic matter from alumina and synergistic vanadium extraction in bauxite production in Guinea", which has solved the utilization problem of bauxite resources in China and improved the production efficiency of alumina; "Synchronous desulfurization and decarburization of ultra-high sulfur bauxite flotation in Zunyi area" has overcome the technical bottleneck of carbon and sulfur control of aluminum concentrate and improved the utilization rate of bauxite resources. A number of intelligent production has been rapidly promoted, while other new product research and development has also been successful.
- (5) Significant fluctuations in alumina prices: Since the beginning of 2024, the price of alumina has begun to rise all the way, and its spot market price approached RMB5,000 per tonne in October, the highest level in the recent ten years. The soaring price of alumina has led to a sharp increase in the production cost of electrolytic aluminum.

Separately, we have also independently researched for prices of aluminum in recent years. The graph below demonstrates the historical movement of the price of aluminum from March 2024 to June 2025:



Source: www.cnal.com

The graph above demonstrates that the price of aluminum had stayed at a high level of above USD2,200 per tonne from March 2024 to June 2025. During such period, the aluminum price was the lowest at around USD2,200 per tonne and peaked at around USD2,700 per tonne, and fluctuated within this price range. For instance, according to market data since 2022, the highest aluminum price exceeded USD3,500 per tonne.

2. THE GENERAL AGREEMENT ON MUTUAL PROVISION OF PRODUCTION SUPPLIES AND ANCILLARY SERVICES

Reasons for and possible benefits of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services

As advised by the Directors, given the long-term business relationship between the Group and Chinalco, the Directors consider that that it is in the Company's interest to renew and continue with the existing continuing connected 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 which inure to avoid the risk of market fluctuations and increase the Group's operating revenue.

Since it is in the Company's interest to renew and continue with the existing continuing connected transactions with Chinalco such that the Group can be offered the flexibility to (i) acquire prompt and stable supply of products and services from Chinalco on normal commercial terms; and (ii) provide part of its products and services to Chinalco on normal commercial terms, we concur with the Directors that the entering into of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

Principal terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services

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

Date of the initial agreement:	5 November 2001
Date of the supplemental agreement:	27 October 2025
Parties:	(1) Chinalco as both provider and recipient (for itself and on behalf of its subsidiaries and associates) (2) The Company as both provider and recipient (for itself and on behalf of its subsidiaries)
Term:	Three years commencing from 1 January 2026 and ending on 31 December 2028
Nature of transactions:	(a) Supplies and ancillary services provided by Chinalco to the Company: (i) <i>Supplies:</i> 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; (ii) <i>Storage and transportation services:</i> vehicle transportation, loading, railway transportation and other relevant or similar services; and

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

- (a) Supplies and ancillary services provided by Chinalco to the Company:
 - (i) *Supplies:* the price is determined with reference to the comparable local market prices, 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 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 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.

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

(i) *Products:*

- 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 are weighted 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.
- 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.

- 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 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) of such products provided by the Company to Chinalco, and shall not be lower than the profit margin charged to independent third parties. 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.

(ii) *Supporting services and ancillary production services:*

- 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 development and reform commission in each province and city on their websites from time to time.

- 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 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 services) of such services provided by the Company to Chinalco, and shall not be lower than the profit margin charged to independent third parties.
- 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.

Separate operative agreements will be entered into under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services by the parties from time to time, and the prices of the products or services provided or received by parties will be negotiated and determined on a case by case basis in accordance with the pricing policies as set out above.

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).

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 around 15 samples each of (i) the historical invoices/contracts between the Group (as recipient) and other independent third parties (as provider); and (ii) the invoices/contracts between the Group (as recipient) and Chinalco (as provider) under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, for transactions conducted from 2023 to 2025 which were similar in nature to the extent where possible. We consider the said transaction records to be sufficient, fair and representative as they covered a reasonable range of products and services and were selected by us randomly. Upon review and comparison of the same, we 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 third party providers, and the price offered to the Group by Chinalco was no less favourable.

For the purpose of assessing the principal terms of the revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, we have randomly selected and obtained around 15 samples each of (i) the historical invoices/contracts between the Group (as provider) and other independent third parties (as recipient); and (ii) the invoices/contracts between the Group (as provider) and Chinalco (as recipient) under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, for transactions conducted from 2023 to 2025 which were similar in nature to the extent where possible. We consider the said transaction records to be sufficient, fair and representative as they covered a reasonable range of products and services and were selected by us randomly. Upon review and comparison of the same, we noted that the principal terms such as price determination basis and payment terms offered by the Group to Chinalco were generally in line with those offered to the independent third party recipients, and the price offered by the Group to Chinalco was no more favourable.

Moreover, it is noted that prices of the products and services pursuant to the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are mainly determined with reference to the relevant market prices. For certain non-core products and ancillary services, prices are determined by the cost-plus approach, under which a profit margin is added on to the costs. To assess the fairness and reasonableness of the cost-plus approach, we have taken into account: (i) the products and services that the cost-plus approach is applicable are mainly the non-core products and ancillary services which represent only a small portion of the transactions; (ii) the Company will compare suppliers through bidding (with not less than three bidders) in accordance with the related party transaction management measures and bidding management measures to ensure that the profit margin is fair and reasonable; and (iii) according to the Directors, such profit margin (usually being not more than 15%) is comparable to the market profit margin of relevant services or products. Hence, the cost-plus approach is considered to be acceptable and the relevant profit margin is considered to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

With the above being the case, we are of the view that the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The proposed annual caps

The table below illustrates (i) the actual historical amounts of the expenditure transactions and revenue transactions; and (ii) the proposed annual caps for the expenditure transactions and revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services:

	Actual historical amounts				The proposed annual caps		
				Six months ended			
	2022	2023	2024	30/6/2025	2026	2027	2028
	<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>
Total expenditure transactions	10,954	13,814	21,389	12,002	38,900	38,900	38,900
Total revenue transactions	36,120	38,860	53,234	29,722	86,800	94,400	97,300

As we noted from the table above, both actual amount of the expenditure transactions and revenue transactions jumped in a row from 2022 to 2024. In particular, robust year-on-year jumps of approximately 54.8% and 37.0%, respectively, were recorded in 2024. During the first half of 2025, the amount of expenditure transactions and revenue transactions on an annualized basis further exceeded their respective actual amounts in 2024, indicating a persistent strong demand for the expenditure transactions and revenue transactions.

As illustrated under the sub-section headed “Overview of China’s aluminum industry” of this letter of advice, in 2024, China’s aluminum industry grew in a complex environment under the dual influence of the global economic model and domestic policy guidance and the price of aluminum has stayed at a high level. The industry output was among the highest in the world, and China’s aluminum industry is expected to further advance in the midst of government support and various technological breakthrough.

With regard to the operations and prospects of the Group, we understand from our discussion with the Directors and study of the 2024 Annual Report that committed to the development objective of building a world class aluminum company with global competitiveness, the Company pursues both internal high-quality growth of substance and external development, takes deepening reform, innovation-driven, green and low-carbon as its key source of momentum. The Company focuses on promoting the exploration and development of bauxite resources, increasing reserves and production, and added approximately 73.6 million tonnes of new resources throughout 2024. Several key projects, such as the Guangxi Huasheng Phase II alumina project and the Inner Mongolia Huayun Phase III electrolytic aluminum project, have been fully completed and put into operation, the supporting Damaoqi 1200MW new energy project has been connected to the grid for power generation, and a new green and low-carbon development model for the electrolytic aluminum industry has been initially formed; the capacity replacement and upgrading project of Qinghai Branch was constructed and put into operation. The Company also implemented ten fine alumina projects in 2024; started the construction of six high-purity aluminum and aluminum alloy projects, and 18 new energy projects; completed the Guizhou Huajin and Yunlv Wenshan metal gallium projects. The Company will make greater efforts to promote resource acquisition, increase domestic exploration and search for mineral rights, actively participate in the competition and transfer of mineral rights in bauxite resource provinces, and strive to obtain more domestically added resources. In addition, the Company will accelerate mining construction with higher standards, start the construction of Shanxi Huaxing Sujiaji bauxite mine, Shanxi New Materials Qinyuan No.1 mine, Guizhou Branch Maochang mine continuation project.

In light of:

- (i) the massive scale and positive outlook of China’s aluminum industry as revealed by our independent research;
- (ii) the dominant position of the Group within the aluminum industry and its competitive advantage of possessing a complete industrial chain with the integration of bauxite, energy, alumina, primary aluminum and aluminum alloy products production, technology research and development and logistics industries;

- (iii) the Group's successful advancement and reform in recent years which shall further enhance its production efficiency and competitiveness in the market;
- (iv) to cope with certain specific new business needs, the revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are expected to increase. For example, the revenue transactions would increase by approximately RMB5 billion due to the Company potentially providing transportation services for Chinalco's overseas projects in the future. Additionally, Chinalco (Yunnan) Green Advanced Aluminum Base Material Co., Ltd. (a subsidiary of the Company) plans to commence slab ingots production in 2026 for sale to Chinalco High-end Manufacturing Co., Ltd. (a subsidiary of Chinalco), resulting in an expected increase of approximately RMB8 billion for the revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services;
- (v) as disclosed in the Company's announcement dated 28 February 2025 and its supplemental circular dated 7 April 2025, Baotou Aluminum, after absorbing and merging with Inner Mongolia Huayun New Materials Co., Ltd., will become a 30%-controlled company of Chinalco, thereby becoming a connected person of the Company under the Hong Kong Listing Rules. The transactions in relation to the provision/receipt of products and services between Baotou Aluminum and the Company constitute continuing connected transactions for the Company and shall be governed by the General Agreement on Mutual Provision of Production Supplies and Ancillary Services. As a result, the proposed annual caps for the expenditure transactions and revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are expected to increase by approximately RMB9.4 billion and RMB5.6 billion, respectively;
- (vi) market prices of various aluminum products may rise in the future. Such price forecast is reasonable as according to our independent research as presented under the sub-section headed "Overview of China's aluminum industry" of this letter of advice, from March 2024 to June 2025, the aluminum price had stayed at above USD2,200 per tonne and peaked at around USD2,700 per tonne, and fluctuated within this price range. For instance, according to market data since 2022, the highest aluminum price exceeded USD3,500 per tonne. Based on a 15% increase from the highest electrolytic aluminum price in the past five years, the expenditure transactions and revenue transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are expected to increase by approximately RMB4 billion and RMB6 billion, respectively;

- (vii) the actual amount of expenditure transactions jumped in a row from 2022 to 2024. In particular, robust year-on-year jump of approximately 54.8% was recorded in 2024. During the first half of 2025, the amount of expenditure transactions on an annualized basis further exceeded its actual amount in 2024, indicating a persistent strong demand for the expenditure transactions, and the proposed annual cap of RMB38.9 billion for the expenditure transactions accounts for an acceptable level of approximately 19.3% of the Group's total operating cost of approximately RMB201.5 billion for the year ended 31 December 2024; and
- (viii) the actual amount of revenue transactions jumped in a row from 2022 to 2024. In particular, robust year-on-year jump of approximately 37.0% was recorded in 2024. During the first half of 2025, the amount of revenue transactions on an annualized basis further exceeded its actual amount in 2024, indicating a persistent strong demand for the revenue transactions, and such revenue transactions would provide the Group with a relatively stable source of revenue under terms which are fair and reasonable,

we consider that the proposed annual caps for the transactions contemplated under the General Agreement on Mutual Provision of Production Supplies and Ancillary Services are fair and reasonable so far as the Independent Shareholders are concerned.

3. THE PROVISION OF ENGINEERING, CONSTRUCTION AND SUPERVISORY SERVICES AGREEMENT

Reasons for and possible benefits of the Provision of Engineering, Construction and Supervisory Services Agreement

As advised by the Directors, given the long-term business relationship between the Group and Chinalco, the Directors consider that it is in the Company's interest to renew and continue with the existing continuing connected transactions as the Group can acquire engineering design, construction and supervisory services from Chinalco based on normal commercial terms, which is beneficial for project development and construction and business development of the Group.

Since it is in the Company's interest to renew and continue with the existing continuing connected transactions with Chinalco such that the Group can acquire engineering design, construction and supervisory services from Chinalco based on normal commercial terms, we concur with the Directors that the entering into of the Provision of Engineering, Construction and Supervisory Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

Principal terms of the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement

Summarized below are the principal terms of the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement:

Date of the initial agreement:	5 November 2001
Date of the supplemental agreement:	27 October 2025
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:	Three years commencing from 1 January 2026 and ending on 31 December 2028
Nature of transactions:	Engineering design, construction and supervisory services as well as relevant research and development operations provided by Chinalco to the Company.
Price determination:	<i>Engineering design:</i> the price is determined by comparable local market prices or through public bidding on a case by case basis. 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 services with comparable scale in areas where such services were provided under normal trading conditions. Price determination through public bidding refers to the prices determined in accordance with the public bidding and tender procedure required by the relevant regulatory authorities in the areas where the projects are located. The bidding price shall be controlled within the reasonable range which is close to the base price.

Construction and supervisory services: the price is determined through public bidding. In such case, the prices will be determined in accordance with the public bidding and tender procedure required by the relevant regulatory authorities in the areas where the projects are located. The bidding price shall be controlled within the reasonable range which is close to the base price.

Other relevant 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 around that time.

The base price referenced in pricing for engineering design, construction and supervisory services is generally determined by the professionals or agencies as organized or entrusted by the bidding unit. The base price is arrived at by adding other fees incurred directly or indirectly, on-the-spot expenditures, estimated profits (with reference to the workload of the project and the profit of projects with similar size) and taxes under prescribed procedures to the sum of costs for labour, materials and machinery utilization based on the engineering quantity (or workload of design and supervisory services) of the construction project. Separate operative agreements will be entered into under the Provision of Engineering, Construction and Supervisory Services Agreement by the relevant parties from time to time, and the price of the services provided or received by parties will be negotiated and determined on a case by case basis in accordance with the pricing policies as set out above.

Payment term:

Payment shall generally be made (i) as to 10% to 20% of the contract price before the provision of the relevant services, up to a maximum of 70% of the contract price during the provision of the relevant services and as to the remaining 10% to 20% of the contract price upon successful provision of the relevant services; (ii) in accordance with the prevailing market practice; or (iii) in accordance with the arrangement to be agreed by the parties. The relevant payment term shall be no less favourable than those under the comparable transactions between the Company and independent third parties.

For our due diligence purpose, we have randomly requested and obtained around 15 samples each of (i) the historical invoices/contracts between the Group (as recipient) and independent third parties (as provider); and (ii) the invoices/contracts between the Group (as recipient) and Chinalco (as provider) under the Provision of Engineering, Construction and Supervisory Services Agreement, for transactions conducted from 2023 to 2025 which were similar in nature to the extent where possible. We consider the said transaction records to be sufficient, fair and representative as they covered a reasonable range of services and were selected by us randomly. Upon review and comparison of the same, we noted that the principal terms such as price determination basis and payment terms offered to the Group by Chinalco are generally in line with those offered by the independent third party providers. Furthermore, as the prices of the engineering design and construction and supervisory services are mainly set with reference to the relevant market prices or by bidding in accordance with the public bidding and tender procedure required by the relevant regulatory authorities in the areas where the projects are located, we have further requested the Company to provide us with documents in relation to such public bidding and tender procedure. Upon review of the same, we noted that in accordance with the public bidding and tender procedure, different bidders shall compete on equal ground based on several key selection criteria, for example, qualification and experience and the bidding price.

With the above being the case, we are of the view that the terms of the Provision of Engineering, Construction and Supervisory Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The proposed annual caps

The table below illustrates (i) the actual historical amounts of the expenditure transactions; and (ii) the proposed annual caps for the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement:

	Actual historical amounts				The proposed annual caps		
				Six months ended			
	2022	2023	2024	30/6/2025	2026	2027	2028
	<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>
Total expenditure transactions	544	776	2,917	1,177	8,000	8,800	9,600

As we noted from the table above, the actual amount of expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement witnessed astonishing soar of approximately 275.9% from 2023 to 2024. Upon our enquiry with the Directors, we understand that such soar was mainly due to the Company's focus on structural adjustment and optimization, accelerating industrial iteration and upgrading, and has further increased investment in recent years.

With reference to the past annual reports of the Company, we noted that the Group completed project investment expenditure (excluding equity investment), which mainly consisted of investments in construction of transformation and upgrading projects, energy saving and consumption reduction, environmental governance, resources acquisition and technological research and development, of approximately RMB4.8 billion, RMB6.6 billion and RMB13.5 billion in 2022, 2023 and 2024, respectively, suggesting a clear ascending trend of the Group's project investment expenditures in the past two years.

To assess the fairness and reasonableness of the proposed annual caps, we have further requested the Company to provide us with information regarding the future development of the Group's major mine, alumina and alloy projects together with its other upgrading, transformation and regular projects as of 2025 (the "**Major Projects**") which do not include projects that are in the planning stage or maybe unanticipated. From the information provided by the Group, we noted that the Major Projects include resource acquisition, transformation and upgrading, green and low-carbon initiatives, and digital and intelligent transformation. At present, the total budgeted investment amounts of the said Major Projects are estimated to be nearly RMB20 billion. Based on the current development progress of the Major Projects, the proposed annual cap for the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement is expected to be RMB8 billion for 2026, including certain new alumina projects of approximately RMB4.3 billion, a dedicated hydrogen aluminum project of approximately RMB1 billion, a red mud iron ore beneficiation project of approximately RMB600 million, a recycled aluminum project of approximately RMB300 million, and the construction of digital systems of approximately RMB200 million etc. As advised by the Directors, under the 15th Five-year Plan, it is expected that there will be a distinctive expansion in the Group's fixed asset investment in the coming future. As a result, it is expected that the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement will further increase by approximately 10% year-on-year in 2027 and 2028.

In view of:

- (i) the massive scale and positive outlook of China's aluminum industry as revealed by our independent research;
- (ii) the dominant position of the Group within the aluminum industry and its competitive advantage of possessing a complete industrial chain with the integration of bauxite, energy, alumina, primary aluminum and aluminum alloy products production, technology research and development and logistics industries;

- (iii) from the information provided by the Group, we noted that the Major Projects include resource acquisition, transformation and upgrading, green and low-carbon initiatives, and digital and intelligent transformation. At present, the total budgeted investment amounts of the said Major Projects are estimated to be nearly RMB20 billion. Based on the current development progress of the Major Projects, the proposed annual cap for the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement is expected to be RMB8 billion for 2026, including certain new alumina projects of approximately RMB4.3 billion, a dedicated hydrogen aluminum project of approximately RMB1 billion, a red mud iron ore beneficiation project of approximately RMB600 million, a recycled aluminum project of approximately RMB300 million, and the construction of digital systems of approximately RMB200 million etc. As advised by the Directors, under the 15th Five-year Plan, it is expected that there will be a distinctive expansion in the Group's fixed asset investment in the coming future. As a result, it is expected that the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement will further increase by approximately 10% year-on-year in 2027 and 2028; and
- (iv) as represented by the Directors, the relatively low actual amount of the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement in 2022 and 2023 was exceptional given the Group's then business requirement and strategy. According to the Group's development strategy, its completed project investment expenditure ascended from approximately RMB6.6 billion in 2023 to approximately RMB13.5 billion in 2024, the actual amount of expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement also soared astonishingly by approximately 275.9% from 2023 to 2024. Hence, the actual amount of the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement in 2022 and 2023 shall not be valid reference for the proposed annual caps,

we consider that the proposed annual caps for the expenditure transactions contemplated under the Provision of Engineering, Construction and Supervisory Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

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

As referred to in the Letter from the Board, the Group has adopted a series of internal control measures to supervise the Continuing Connected Transactions. In particular, the authorized departments of the Company will collect and record information on prices and profit margins charged by independent third parties and enquire relevant industry specialist websites, industry specialist reports or published information on prices and profit margins to trace market condition at least semi-annually. Prior to entering into specific agreements, the authorized departments of the Company will also review and assess the specific terms and conditions of the transactions. In relation to the above, as disclosed in the previous sections of this letter of advice, we have conducted sample check and noted that the principal terms of transactions between the Group and Chinalco were generally in line with those with the independent third parties.

In addition, 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 Continuing Connected Transactions must be restricted by the respective proposed annual caps for the three years ending 31 December 2028; (ii) the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the Provision of Engineering, Construction and Supervisory Services Agreement (together with the respective proposed 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 and the Provision of Engineering, Construction and Supervisory Services Agreement (together with the respective proposed 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 Continuing Connected Transactions are carried out in accordance with the terms under relevant agreements and the pricing policies of the Company in all material respects, and the proposed annual caps are not being exceeded. In the event that the total amounts of the Continuing Connected Transactions exceed the respective proposed 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 and the Provision of Engineering, Construction and Supervisory Services Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

For our due diligence purpose, we have requested and obtained the following documents relating to, amongst others, the Continuing Connected Transactions: (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. Based on the aforesaid reports/confirmation letter that we obtained and reviewed, we are not aware of any material deficiencies and we noted that the Continuing Connected Transactions have been subject to regular supervision by the Company's supervisors and the independent non-executive Directors, as well as the external auditors of the Company.

With (i) the effective internal control measures of the Group covering comprehensive spectrum from execution, management to high-level supervision as well as (ii) the stipulated requirements for continuing connected transaction of the Hong Kong Listing Rules in place, the Continuing Connected Transactions will be monitored and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the General Agreement on Mutual Provision of Production Supplies and Ancillary Services and the Provision of Engineering, Construction and Supervisory Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Continuing Connected Transactions 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 respective resolutions to be proposed at the 2025 Third EGM to approve the Continuing Connected Transactions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited

A handwritten signature in black ink, appearing to read "SingRL", written in a cursive, stylized font.

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 20 years of experience in corporate finance.



建泉融資有限公司
VBG Capital Limited

Members of Hatcher Group Limited

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4 December 2025

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

Dear Sirs,

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTION UNDER THE NEW FINANCIAL SERVICES AGREEMENT

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 deposit services under the New Financial Services Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the supplemental circular dated 4 December 2025 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.

The Company entered into the Existing Financial Services Agreement to regulate the provision of financial services by Chinalco Finance Company to the Group on 21 March 2023. As the Existing Financial Services Agreement will expire on 31 December 2025, the Company entered into the New Financial Services Agreement with Chinalco Finance Company on 27 October 2025 to replace the Existing Financial Services Agreement.

According to the Letter from the Board, the deposit services under the New Financial Services Agreement constitutes discloseable transaction for the Company under Chapter 14 of the Hong Kong Listing Rules and non-exempt continuing connected transaction for the Company under Chapter 14A of the Hong Kong Listing Rules, and is subject to the reporting, announcement and independent shareholders' approval requirements.

The Independent Board Committee comprising Mr. Yu Jinsong, Ms. Chan Yuen Sau Kelly and Mr. Li Xiaobin (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the deposit services under the New Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the New Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is 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 New Financial Services Agreement at the 2025 Third 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.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from (i) having acted as the independent financial adviser of the Company relating to (a) a discloseable and connected transaction for the Company which a supplemental circular dated 7 April 2025 was issued and (b) the revision of annual caps regarding certain continuing connected transactions for the Company which a supplemental circular dated 4 November 2024 was issued; and (ii) the existing engagement in relation to the deposit services under the New Financial Services Agreement with Chinalco Finance Company together with certain Daily Continuing Connected Transactions with Chinalco, 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 (as defined in the Hong Kong Listing Rules). We consider there is no relationship or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence and hence we consider ourselves independent to form our opinion in respect of the deposit services under the New Financial Services Agreement in compliance with Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion with regard to the deposit services under the New Financial Services Agreement, 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 material 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.

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, Chinalco Finance Company 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 deposit services under the New Financial Services Agreement. 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.

Shareholders should note that as the proposed cap for the deposit services under the New Financial Services Agreement is relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, it does not represent forecasts of revenues or costs to be recorded from the deposit services under the New Financial Services Agreement. Consequently, we express no opinion as to how closely the actual revenues and costs to be recorded under the deposit services under the New Financial Services Agreement will correspond with the proposed cap.

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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the deposit services under the New Financial Services Agreement, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND OF AND REASONS FOR THE NEW FINANCIAL SERVICES AGREEMENT

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, 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.

Set out below is a summary of the key audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Revenue	237,065,629	225,319,044
Net profit for the year	19,381,819	12,555,903

As depicted by the table above, the Group's total revenue for the year ended 31 December 2024 was approximately RMB237.1 billion, increasing by approximately 5.2% as compared to the prior year. During the same year under review, the Group's net profit also increased significantly by approximately 54.4% from approximately RMB12.6 billion for the year ended 31 December 2023 to approximately RMB19.4 billion.

As represented by the Directors, the Group is a leading enterprise in aluminum industry in China, ranking among the top in the global aluminum industry in terms of overall strengths. The Group's alumina, fine alumina, electrolytic aluminum, high purity aluminum and gallium metal production capacity all rank first in the world, and is a large manufacturer and operator with integration of exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum, aluminum alloy and carbon; international trade; logistics business; thermal and new energy power generation. To maintain ongoing business advancement and adapt to industry changes and challenges, the Company has been committed to optimizing the industrial layout, innovation-driven progress, green and low-carbon development.

Information on Chinalco Finance Company

With reference to the Letter from the Board, Chinalco Finance Company is a limited liability company incorporated in the PRC and a subsidiary of Chinalco. Its main businesses include accepting deposits from members, handling fund settlements for members, providing loans, bill discounting, bill acceptance, provision of buyers' credit for products of members, provision of entrusted loans, bond underwriting, non-financing letters of guarantee, financial consultation services, credit appraisal and consultation and agency services to members, as well as provision of inter-bank lending and investments in fixed-income and marketable securities.

Financial information of Chinalco Finance Company

Set out below is a summary of the key audited financial information of Chinalco Finance Company for the two years ended 31 December 2024 based on its 2024 audited financial statements:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	586,572	529,415
Net profit for the year	349,448	357,061
	As at	As at
	31 December 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net asset value	6,250,818	6,035,592

As depicted by the table above, Chinalco Finance Company recorded revenue and net profit of approximately RMB586.6 million and RMB349.4 million, respectively, for the year ended 31 December 2024. As at 31 December 2024, the net asset value of Chinalco Finance Company jumped from approximately RMB6,035.6 million as at 31 December 2023 to approximately RMB6,250.8 million.

Regulatory environment of Chinalco Finance Company

Based on our independent research, we noted that as a non-bank financial institution in the PRC, Chinalco Finance Company is subject to stringent regulations and is regulated by the National Financial Regulatory Administration. In accordance with the relevant provisions of the Measures for the Administration of Finance Companies of Enterprise Groups issued by the National Financial Regulatory Administration, Chinalco Finance Company is required to establish a sound corporate governance structure, improve internal controls, standardize business activities, conduct operations compliantly, and comply with multiple regulatory requirements to ensure fund safety, including but not limited to capital adequacy ratio, liquidity ratio, loan balance limits, total investment limits, net fixed asset limits, etc. Simultaneously, it must also deposit a certain proportion of statutory reserves with PBOC as stipulated by relevant regulations.

As confirmed by the Directors, to their best knowledge, up to the Latest Practicable Date, there had been no record of non-compliance with relevant laws, rules and regulations of the PRC in relation to Chinalco Finance Company.

Risk profile of Chinalco Finance Company

In assessing the possible credit risk involved in placing deposits with Chinalco Finance Company, we have taken into consideration that:

- (a) as presented above, the operation of Chinalco Finance Company is subject to stringent supervision of the National Financial Regulatory Administration, and is regulated by the relevant PRC financial regulations and rules;
- (b) as presented under the paragraph headed “Financial information of Chinalco Finance Company” of this letter of advice, Chinalco Finance Company has a sound financial position with total revenue and net profit of approximately RMB586.6 million and RMB349.4 million, respectively, for the year ended 31 December 2024, and net asset value of approximately RMB6,250.8 million as at 31 December 2024;
- (c) as detailed in the Letter from the Board, Chinalco Finance Company has established internal control and risk management system in accordance with the relevant PRC financial regulations and rules;

- (d) as confirmed by the Directors, to their best knowledge, up to the Latest Practicable Date, there had been no record of non-compliance with relevant laws, rules and regulations of the PRC in relation to Chinalco Finance Company; and
- (e) pursuant to the New Financial Services Agreement, if Chinalco Finance Company fails to pay the deposits to the Group on time and in full upon request, the Group shall be entitled to terminate the New Financial Services Agreement and offset the loans due to Chinalco Finance Company by the Group with such deposits payable by Chinalco Finance Company in accordance with the PRC laws and regulations.

Taking into consideration the above, we concur with the Directors that the possible credit risk involved in placing deposits with Chinalco Finance Company is manageable.

Reasons for and possible benefits of the New Financial Services Agreement

As advised by the Directors, the reasons for the Company to enter into the New Financial Services Agreement with Chinalco Finance Company are as follows:

1. The settlement services through Chinalco Finance Company will strengthen the Company's centralized management of its subsidiaries' funds and reduce the capital transmission time, and the Company may take full advantage of the favourable policy of free settlement services provided by Chinalco Finance Company to duly increase the amount of settlement services to be provided by Chinalco Finance Company and reduce the banking commission charges payable by the Company, which is beneficial to reducing the amount of funds kept by the Group, thereby releasing more funds for turnover.
2. The Company will deposit part of its funds with Chinalco Finance Company, which will provide financing support to the Company's subsidiaries through operating loans of Chinalco Finance Company in compliance with the limits for such loans. Such arrangements will resolve the capital requirements of certain subsidiaries of the Company and enable the Company to centralize its management of the Group's credit limits and loan targets through Chinalco Finance Company.
3. The interest rate for the deposits of the Group with Chinalco Finance Company is generally superior to the interest rate for the same type of deposit announced by PBOC for the same period and the interest rate for the same type of deposit offered by the major commercial banks in the PRC for the same period, which is beneficial to improving the level of the Company's capital gains.

4. Chinalco Finance Company has strong anti-risk capability with background support from Chinalco. The funds deposited with Chinalco Finance Company by the Company can effectively avoid the complex and volatile environment of the financial market, which can guarantee capital safety.
5. In accordance with the New Financial Services Agreement, Chinalco Finance Company will provide comprehensive credit services, loan services, bill acceptance services, bills discounting services, guarantee services and other financing services, whose interest rate shall be equivalent to or lower than the interest rate for the same type of loans provided by the major commercial banks in the PRC for the same period, and no security is to be granted by the Company over its assets, enabling the lending procedures to be easier and more efficient than those provided by the commercial banks.
6. Chinalco Finance Company can serve as the Company's funds centralized management platform to balance funds. The arrangement of entrusted loans for the Company's subsidiaries through Chinalco Finance Company may replace the high-rate loans of the Company's subsidiaries from external financial institutions, reducing the Group's overall financial expenses.
7. Chinalco Finance Company is regulated by the National Financial Regulatory Administration, and provides its services in accordance with and in satisfaction of the rules and operational requirements of such regulatory authority. Furthermore, Chinalco Finance Company has established a sound internal control system, business management measures, and operational procedures to ensure the effective operation of its internal control framework. Additionally, the Company regularly assesses the operational qualifications, business activities, and risk profile of Chinalco Finance Company, enabling effective risk control with and in satisfaction of the rules and operational requirements of such regulatory authority.

In light of that the transactions contemplated under the New Financial Services Agreement will facilitate the Group to optimize its financial management, increase the efficiency of fund utilization, and reduce the cost and risk of financing, we concur with the Directors that the entering into of the New Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

2. PRINCIPAL TERMS OF THE NEW FINANCIAL SERVICES AGREEMENT

Summarized below are the principal terms of the New Financial Services Agreement dated 27 October 2025:

- Parties:**
- (1) The Company as recipient (for itself and on behalf of its subsidiaries); and
 - (2) Chinalco Finance Company as provider
- Term:**
- The term of the agreement shall be three years, commencing on 1 January 2026, and ending on 31 December 2028
- Nature of the deposit services:**
- (a) The interest rate for the deposits of the Group with Chinalco Finance Company shall be within the upper limit of the interest rate for the same type of deposit announced by PBOC for the same period, and in principle, not lower than the interest rate for the same type of deposit offered by major commercial banks in the PRC for the same period. The Company will obtain at least four quotations from the independent commercial banks, including but not limited to Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China, China Construction Bank and Bank of Communications.
 - (b) In respect of deposit services, Chinalco Finance Company shall ensure the security of the Group's funds and promptly and fully satisfy any withdrawal request raised by the Group at any time. If Chinalco Finance Company fails to pay the deposits to the Group on time and in full upon request, the Group shall be entitled to terminate the New Financial Services Agreement and offset the loans due to Chinalco Finance Company by the Group with such deposits payable by Chinalco Finance Company in accordance with the PRC laws and regulations.

As aforementioned, the interest rate for the deposits of the Group with Chinalco Finance Company shall be (i) within the upper limit of the interest rate for the same type of deposit announced by PBOC for the same period; and (ii) not lower than the interest rate for the same type of deposit offered by the major commercial banks in the PRC for the same period. In this relation, we have compared the deposit rates offered by other major commercial banks in the PRC (such as the Bank of Communications, the Industrial and Commercial Bank of China and the China Merchants Bank) and Chinalco Finance Company, and noted that the deposit rates offered by Chinalco Finance Company were, for the same type of deposit for the same period, in general 50 basis points higher than those offered by other major commercial banks in the PRC.

In respect of deposit services, Chinalco Finance Company shall ensure the security of the Group's funds and promptly and fully satisfy any withdrawal request raised by the Group at any time. If Chinalco Finance Company fails to pay the deposits to the Group on time and in full upon request, the Group shall be entitled to terminate the New Financial Services Agreement and offset the loans due to Chinalco Finance Company by the Group with such deposits payable by Chinalco Finance Company in accordance with the PRC laws and regulations. We consider that such provision could provide additional protection to the Group by reducing the possible credit risk involved in placing deposits with Chinalco Finance Company.

In addition, we noted that pursuant to the New Financial Services Agreement, the Group and Chinalco Finance Company shall cooperate on a non-exclusive basis. Such provision could also provide flexibility for the Group to select other financial institutions for financial services at its discretion judging from its own circumstances.

In view of the above, we are of the view that the terms of the deposit services under the New Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. THE PROPOSED CAP

The Company proposes to set the maximum daily balance of deposits (including accrued interest) placed by the Group with Chinalco Finance Company as RMB22 billion (the “**Maximum Deposit Balance**”) during the term of the New Financial Services Agreement.

Regarding the aforesaid proposed cap, we have considered the following factors:

- (a) during the two years ended 31 December 2024 and the six months ended 30 June 2025, the maximum daily balance of deposits (including accrued interest) placed by the Group with Chinalco Finance Company was approximately RMB14.2 billion and RMB17.0 billion and RMB17.0 billion, respectively, indicating that the Group has constant considerable demand for the deposit services provided by Chinalco Finance Company;

- (b) the highest historical utilization rate for the cap of maximum daily balance of deposits (including accrued interest) under the Existing Financial Services Agreement has reached nearly 100%;
- (c) we noted from the published financial information of the Company that alongside the sturdy advancement in business performance of the Group, the cash and cash equivalents of the Group have been surging persistently from approximately RMB19.0 billion as at 31 December 2023 to approximately RMB20.7 billion as at 31 December 2024, and further to approximately RMB25.4 billion as at 30 June 2025. The Directors expected that the Group's operating cash flow would continue to surge, and its cash and cash equivalents would also surge accordingly. The maximum daily balance of deposits under the Existing Financial Services Agreement can no longer meet the Group's needs;
- (d) pursuant to the New Financial Services Agreement, the Group can select other financial institutions for financial services at its discretion. In addition, the interest rate for the deposits of the Group with Chinalco Finance Company shall be (i) within the upper limit of the interest rate for the same type of deposit announced by PBOC for the same period; and (ii) not lower than the interest rate for the same type of deposit offered by the major commercial banks in the PRC for the same period. The aforesaid arrangement can on one hand provides the Group with flexibility in selecting financial institutions for deposit services, and on the other hand allowing the Group to capture higher interest earnings from its idle cash; and
- (e) as represented by the Directors, the funds deposited with Chinalco Finance Company by the Group are conducive in strengthening funds centralized management and accelerating the turnover of funds, so as to increase the efficiency of funds utilization.

Based on the foregoing factors, we are of the opinion that the proposed cap for the deposit services under the New Financial Services Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

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

As detailed in the Letter from the Board, the Group has adopted various internal control measures to supervise its continuing connected transactions. In particular, prior to entering into any deposit arrangement with Chinalco Finance Company, the Company will communicate with Chinalco Finance Company and other independent commercial banks in the PRC to ensure that the interest rate for the deposits of the Group with Chinalco Finance Company is not lower than the interest rate for the same type of deposit offered by those commercial banks in the PRC for the same period. The Company has also formulated a “Risk Disposal Plan for Connected Transactions between Aluminum Corporation of China Limited and Chinalco Finance Co., Ltd.” and conducts risk assessment on Chinalco Finance Company every six months. As disclosed under the section headed “Principal terms of the New Financial Services Agreement” of this letter of advice, from our independent review and comparison, we noted that the deposit rates offered by Chinalco Finance Company were, for the same type of deposit for the same period, in general 50 basis points higher than those offered by other major commercial banks in the PRC. At the same time, from our independent study of the said “Risk Disposal Plan for Connected Transactions between Aluminum Corporation of China Limited and Chinalco Finance Co., Ltd.”, we noted that this plan aims to guarantee the capital safety of the Company, and puts forward solutions to transaction-related risk and capital preservation plan. We further noted from the published annual and interim reports of the Company that the Company conducts regular risk assessment and management to minimize possible risks.

Furthermore, 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 maximum daily balance of deposits (including accrued interest) placed by the Group with Chinalco Finance Company must be restricted by the Maximum Deposit Balance during the term of the New Financial Services Agreement; (ii) the terms of the New Financial Services Agreement (together with the proposed cap) 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 New Financial Services Agreement (together with the proposed cap) 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 deposit services under the New Financial Services Agreement are carried out in accordance with the terms under relevant agreements and the pricing policies of the Company in all material respects, and the Maximum Deposit Balance is not being exceeded. In the event that the maximum daily balance of deposits (including accrued interest) placed by the Group with Chinalco Finance Company exceed the Maximum Deposit Balance, or that there is any material amendment to the terms of the New Financial Services Agreement (together with the proposed cap), the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

For our due diligence purpose, we have requested and obtained the following documents relating to, amongst others, continuing connected transactions: (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. Based on the aforesaid reports/confirmation letter that we have obtained and reviewed, we are not aware of any material deficiencies and we noted that the continuing connected transactions of the Group have been subject to regular supervision by the Company's board of supervisors and independent non-executive Directors, as well as the external auditors of the Company.

With (i) the effective internal control measures of the Group covering comprehensive spectrum from execution, risk assessment and management to high-level supervision as well as (ii) the stipulated requirements for continuing connected transaction of the Hong Kong Listing Rules in place, the deposit services under the New Financial Services Agreement will be monitored and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the deposit services under the New Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the New Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is 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 2025 Third EGM to approve the deposit services under the New Financial Services Agreement 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

A handwritten signature in black ink, appearing to read "SingRL", written in a cursive, stylized font.

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 20 years of experience in corporate finance.