Contents

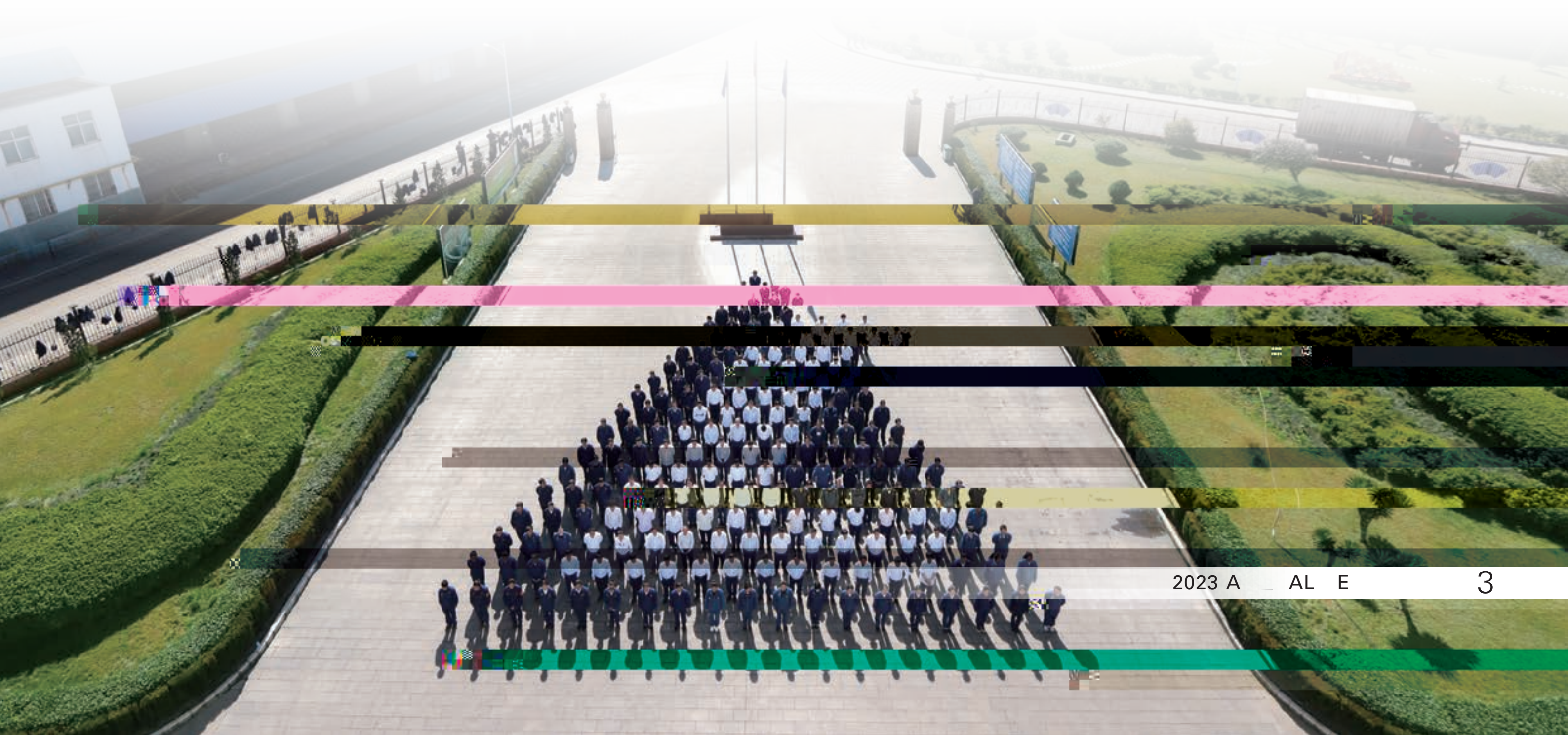
Carbon production capacity

- its experienced professional technician team to ensure a continuous improvement in the productivity of labour of the Company;
- its excellent management team to achieve the Company's efficient operation;
- its sustainable scientific innovation capacity to achieve effective transformation of technological achievements into economic benefits;
- its combination of party building and operating management to lead and ensure the high-quality development of the Company.

As at the end of the reporting period, the Group is principally comprised of the following branches, subsidiaries, joint ventures and associates:

Major Branches:

- Guangxi branch (mainly engaged in producing alumina products);
- Qinghai branch (mainly engaged in producing primary aluminum and alloy products);
- Guizhou branch (mainly engaged in mining bauxite and producing alloy products);



Corporate Profile (Continued)

Major Subsidiaries:

- Chalco Shanxi New Material Co., Ltd.* (中鋁山西新材料有限公司) ("**Shanxi New Material**") (mainly engaged in the mining of bauxite, and production and sales of alumina, primary aluminum and alloy products);
- Zunyi Aluminum Co., Ltd. ("**Zunyi Aluminum**") (mainly engaged in production and sales of alumina and primary aluminum products);
- Baotou Aluminum Co., Ltd. ("**Baotou Aluminum**") (mainly engaged in production and sales of primary aluminum, aluminum alloys and their processed products, carbon products, etc.);
- Chalco Mining Co., Ltd. ("**Chalco Mining**") (mainly engaged in the mining of bauxite, and production and sales of alumina products);
- China Aluminum International Trading Co., Ltd. ("**Chalco Trading**") (mainly engaged in the import and export of various self-operating and agent commodities and technologies);
- Chalco Hong Kong Ltd. ("**Chalco Hong Kong**") (mainly engaged in overseas bauxite mining and bauxite trading);
- Chalco Zhengzhou Research Institute of Non-ferrous Metal* (中鋁鄭州有色金屬研究院有限公司) ("**Zhengzhou Institute**") (mainly engaged in research and development services);
- Chalco Energy Co., Ltd. ("**Chalco Energy**") (mainly engaged in energy development);
- Chalco (Shanghai) Carbon Co., Ltd. ("**Chalco (Shanghai) Carbon**") (mainly engaged in production and sales of graphite and carbon products);
- Chalco New Materials Company Limited ("**Chalco New Materials**") (mainly engaged in production and sales of fine alumina);
- Chalco Ningxia Energy Group Co., Ltd. ("**Ningxia Energy**") (mainly engaged in power generation, machinery manufacturing, investment, construction, operation and management of railways and its related industries, and investment in coal and its related industries);
- Guizhou Huajin Aluminum Co., Ltd. ("**Guizhou Huajin**") (mainly engaged in production and sales of alumina);
- China Aluminum Logistics Group Corporation Co., Ltd ("**Chalco Logistics**") (mainly engaged in logistics and transportation services);

- Chalco Shanghai Company Limited* (中鋁(上海)有限公司) ("**Chalco Shanghai**") (mainly engaged in trading and engineering project management);

- Guangxi Huasheng New Material Co., Ltd. ("**Guangxi Huasheng**") (mainly engaged in production and sales of alumina products);

- Chalco Materials Co., Ltd. ("**Chalco Materials**") (mainly engaged in sales and operation of non-ferrous metals, coal and other products, the import and export of self-operating and agent commodities and technologies, warehousing agency, etc.);

- Shanxi Huaxing Alumina Co., Ltd. ("**Shanxi Huaxing**") (mainly engaged in production and sales of alumina products);

- Chalco International Trading Group Co., Ltd. ("**Chalco International Trading Group**") (mainly engaged in sales of non-ferrous metal products and others, import and export of commodities and technologies, economic information consulting services, etc.);

- Shanxi Chinalco Resources Co., Ltd. ("**Shanxi Zhongrun**") (mainly engaged in production and sales of primary aluminum products);

- Guizhou Huaren New Material Co., Ltd. ("**Guizhou Huaren**") (mainly engaged in production and sales of primary aluminum products);

- Lanzhou Aluminum Co., Ltd. ("**Lanzhou Aluminum**") (mainly engaged in production and sales of primary aluminum products);

- Chinalco Shanxi Jiaokou Xinghua Technology Co., Ltd.* (中鋁集團山西交口興華科技股份有限公司) ("**Xinghua Technology**") (mainly engaged in production and sales of alumina products);

- Gansu Hualu Aluminum Co., Ltd. ("**Gansu Hualu**") (mainly engaged in production and sales of carbon products);

- Yunnan Aluminum Co., Ltd. ("**Yunnan Aluminum**") (mainly engaged in production of alumina, production, processing and sales of primary aluminum and aluminum products, and production of carbon);

- Pingguo Aluminum Co., Ltd.* (平果鋁業有限公司) ("**Pingguo Aluminum**") (mainly engaged in land use rights leasing and logistics services);

Corporate Profile (Continued)

Major Joint Ventures and Associates:

- Guangxi Huayin Aluminum Company Limited ("**Guangxi Huayin**") (mainly engaged in production and sales of alumina products);
- Guangxi Hualei New Materials Co., Ltd. ("**Guangxi Hualei**") (mainly engaged in primary aluminum production, thermal power generation and aluminum processing);
- Heqing Yixin Aluminum Industry Co., Ltd. ("**Yixin Aluminum**") (mainly engaged in production and sales of primary aluminum, aluminum alloy and processed products).

1. FINANCIAL SUMMARY PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The revenue of the Group for the year ended 31 December 2023 amounted to RMB225,071 million, representing a decrease of 22.65% as compared with the same period of last year. Profit attributable to the owners of the parent for the year amounted to RMB6,717 million, and profit per share attributable to the owners of the parent for the year amounted to RMB0.391.

The following is the summary of the consolidated statements of profit or loss and other comprehensive income for the year 2023 and year 2019 to year 2022:

	For the year ended 31 December				
	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)			
Revenue	**225,070,880**	290,987,942	298,885,350	203,993,079	206,190,673
Cost of sales	**-197,500,586**	-259,704,084	-264,168,773	-188,520,176	-192,518,584
Gross profit	**27,570,294**	31,283,858	34,716,577	15,472,903	13,672,089
Selling and distribution expenses	**-432,384**	-418,909	-383,233	-372,361	-558,615
Administrative expenses	**-5,899,077**	-6,008,207	-6,325,461	-5,061,001	-5,058,013
Research and development expenses	**-3,729,423**	-4,805,174	-2,417,448	-1,465,313	-951,110
Impairment losses on property, plant and equipment	**-597,638**	-3,795,420	-4,064,673	-681,257	-564,305
Other income	**678,708**	235,785	173,156	304,399	297,836
Impairment gains/(losses) on financial assets	**145,751**	-414,139	-1,390,765	-967,942	-163,188
Impairment losses on investments in associates	**–**	-75,997	–	–	–
Other (losses)/gains, net	**-92,952**	315,359	-1,641,015	373,092	-103,963
Finance costs, net	**-2,943,610**	-3,417,730	-4,221,563	-4,803,492	-5,522,050

	For the year ended 31 December				
	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)			
Share of profits and losses of joint ventures	**189,894**	178,910	164,100	180,502	270,115
Share of profits and losses of associates	**200,965**	130,632	-423,247	-93,518	73,725
Profit before income tax	**15,090,528**	13,208,968	14,186,428	2,886,012	1,392,521
Income tax expense	**-2,506,747**	-2,365,498	-2,869,551	-641,329	-565,444
Net profit for the year	**12,583,781**	10,843,470	11,316,877	2,244,683	827,077
Net profit/(loss) for the year attributable to					
Owners of the Company	**6,716,945**	4,192,068	5,759,422	862,055	118,523
Non-controlling interests	**5,866,836**	6,651,402	5,557,455	1,382,630	708,554
Proposed final dividend for the year (RMB/share, tax inclusive)	**0.08**[Note]	0.036	0.0318	–	–

Note: The Board of Directors of the Company proposed to distribute the final dividend for 2023 at RMB0.08 (tax inclusive) per share to all shareholders. The aforesaid distribution of dividend plan is pending to submit at the general meeting of the Company for approval.

The following is the summary of the consolidated total assets and total liabilities of the Group:

	For the year ended 31 December				
	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)			
Total assets	**211,755,809**	212,347,896	224,862,823	232,234,838	239,858,123
Total liabilities	**112,866,670**	124,593,412	135,165,255	150,244,146	158,913,440
Net assets	**98,889,139**	87,754,484	89,697,568	81,990,692	80,944,683

2. FINANCIAL SUMMARY PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Item	**For the year ended 31 December 2023** ***RMB'000***
Operating profit	**15,295,551**
Profit for the year	**12,583,781**
Profit attributable to owners of the parent	**6,716,945**
Profit attributable to owners of the parent after excluding gains or losses from non-recurring items	**6,614,183**
Net cash flows generated from the operating activities	**27,040,981**

Financial Summary (Continued)

Gains or losses from non-recurring items	**For the year ended 31 December 2023** *RMB'000*
Gains on disposal of non-current assets	**15,483**
Government subsidies included in the gains or losses for the reporting period (other than government subsidies which are closely related to the ordinary business of the Company and enjoyed on an ongoing basis under the state's policies according to certain standard amount or quantity)	**163,482**
Gain or loss on debt restructuring	**–**
Corporate restructuring fees such as staff resettlement expenses, consolidation charges, etc.	**–**
Profit or loss of subsidiaries from the beginning of the year to the consolidation date arising from business combination under common control	**–**
Profit or loss from fair value changes of financial assets held for trading, derivative financial assets, financial liabilities held for trading or derivative financial liabilities, and investment income arising from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading or derivative financial liabilities and other debt investments, excluding those from the effective hedging activities in relation to ordinary business of the Company	**121,243**
Reversal of the allowance for impairment of receivables that is individually tested for impairment	**193,616**
Gain or loss from external entrusted loans	**–**
Other non-operating income and expenses, net (other than above items)	**-2,634**
Other information of profit or loss falling within the definition of non-recurring gains and losses	**-234,891**
Non-controlling interests effect	**-33,358**
Income tax effect	**-120,179**
Total	**102,762**

Principal accounting information and financial indicators for 2023 and 2022 of the Group:

	2023 **RMB'000**	2022 *RMB'000* (Restated)	Increase/ (decrease) for the year 2023 over 2022 *(%)*
Revenue	**225,070,880**	290,987,942	-22.65
Profit before income tax	**15,090,528**	13,208,968	14.24
Profit attributable to owners of the parent	**6,716,945**	4,192,068	60.23
Profit attributable to owners of the parent after excluding gains from non-recurring items	**6,614,183**	3,130,693	111.27
Basic earnings per share *(RMB)*	**0.391**	0.239	63.60
Diluted earnings per share *(RMB)*	**0.390**	0.239	63.18
Basic earnings per share after excluding gains from non-recurring items *(RMB)*	**0.385**	0.177	117.68
Weighted average rate of return on net assets *(%)*	**12.02**	6.90	Increased by 5.12 percentage points
Weighted average rate of return on net assets after excluding gains from non–recurring items *(%)*	**11.83**	5.40	Increased by 6.43 percentage points
Net cash flows generated from operating activities	**27,040,981**	27,806,188	-2.76
Net cash flows generated from operating activities per share *(RMB)*	**1.59**	1.62	-1.85
Total assets	**211,755,809**	212,347,896	-0.28
Equity attributable to owners of the parent	**60,457,735**	54,401,529	11.13
Equity attributable to owners of the parent per share *(RMB)*	**3.55**	3.17	11.99

3. COMPARISON BETWEEN THE FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

	Profit attributable to owners of the parent for the year ended 31 December		**Equity attributable to owners of the parent as of 31 December**	
	2023	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)

1. PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AT PRESENT AND DURING THE REPORTING PERIOD

Name	Position	Gender	Age	Start date of his/her tenure	End date of his/her tenure	Total remuneration before tax received from the Company during the reporting period *(RMB'0000)*	Whether receiving emolument from related parties of the Company
Liu Jianping (resigned)	Chairman and Executive Director	M	56	2022.06.21	2023.07.19	0	Yes
Dong Jianxiong	Chairman and Executive Director	M	56	2023.09.19	2025.06.30	0	Yes
Zhu Runzhou	Executive Director President	M	59	2022.06.21 2020.10.21	2025.06.30	127.78	No
Ou Xiaowu	Executive Director Secretary of the Discipline Inspection Committee	M	59	2022.06.21 2020.10.22	2025.06.30	97.53	No
Jiang Tao	Executive Director Vice President	M	49	2022.06.21 2021.08.24	2025.06.30	82.05	No
Zhang Jilong	Non-executive Director	M	60	2022.06.21	2025.06.30	0	Yes
Chen Pengjun	Non-executive Director	M	53	2022.06.21	2025.06.30	0	No
Qiu Guanzhou	Independent Non-executive Director	M	75	2022.06.21	2025.06.30	21.46	No
Yu Jinsong	Independent Non-executive Director	M	70	2022.06.21	2025.06.30	21.46	No
Chan Yuen Sau Kelly	Independent Non-executive Director	F	53	2022.06.21	2025.06.30	21.46	No
Ye Guohua	Chairman of the Supervisory Committee	M	55	2022.06.21	2025.06.30	0	Yes
Shan Shulan (resigned)	Supervisor	F	52	2022.06.21	2024.02.06	0	Yes
Lin Ni	Supervisor	F	50	2022.06.21	2025.06.30	0	Yes
Yue Xuguang (resigned)	Supervisor	M	60	2022.06.21	2023.08.10	44.86	No

Name	Position	Gender	Age	Start date of his/her tenure	End date of his/her tenure	Total remuneration before tax received from the Company during the reporting period *(RMB'0000)*	Whether receiving emolument from related parties of the Company
Xu Shuxiang	Supervisor	F	46	2022.06.21	2025.06.30	53.55	No
Wang Jinlin	Supervisor	F	37	2023.08.10	2025.06.30	39.62	No
Wu Maosen (resigned)	Vice President	M	60	2019.03.21	2023.10.25	81.31	No
Ge Xiaolei	Chief Financial Officer and Secretary to the Board	M	58	2022.03.22		102.83	No
	Joint Company Secretary			2022.07.24			
Xu Feng	Vice President	M	51	2023.03.21		92.57	No
Liang Minghong	General Legal Counsel and Chief Compliance Officer	M	54	2023.08.22		76.05	No
Total	/	/	/	/	/	862.53	/

Explanations:

1. "Total remuneration before tax received from the Company during the reporting period" in the above table includes total remuneration, endowment insurance and housing provident fund (except for non-executive directors and independent non-executive directors).

2. On 19 July 2023, Mr. Liu Jianping resigned from all positions as the chairman and executive director of the Company and in each special committee under the Board.

3. Due to the statement of voluntary waiver of emolument for director issued from Mr. Chen Pengjun, a non-executive director of the Company, since his appointment as a non-executive director of the Company, Mr. Chen Pengjun has voluntarily waived his emolument for his position as a director of the Company. Accordingly, Mr. Chen Pengjun did not receive remuneration from the Company during his tenure as a non-executive director of the Company in 2023.

4. On 25 October 2023, Mr. Wu Maosen ceased to serve as a vice president of the Company,

6. Mr. Liang Minghong has served as the general legal counsel and chief compliance officer of the Company since 22 August 2023, before which he was already an employee of the Company; accordingly, the total remuneration listed in the above table is the remuneration before tax he received from the Company in the whole year of 2023.

7. On 6 February 2024, Ms. Shan Shulan resigned as a shareholder representative supervisor of the Company.

8. Mr. Yue Xuguang reached the national statutory retirement age in June 2023 and resigned as an employee representative supervisor of the Company on 10 August 2023; therefore, the total remuneration listed in the above table is the remuneration before tax he received from the Company from January to June 2023.

9. Ms. Wang Jinlin has served as an employee representative supervisor of the Company since 10 August 2023, before which she was already an employee of the Company; accordingly, the total remuneration listed in the above table is the remuneration before tax she received from the Company in the whole year of 2023.

2. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AS AT THE DATE OF THIS ANNUAL REPORT

Major Working Experience of Directors ("**Directors**"), Supervisors ("**Supervisors**") and Senior Management of the Company as at the Date of this Annual Report:

Executive Directors

Mr. Dong Jianxiong, aged 56, is the chairman and an executive Director of the Company. Mr. Dong also serves as a deputy general manager and a member of the Party Committee of Aluminum Corporation of China (中國鋁業集團有限公司) ("**Chinalco**"). Mr. Dong graduated from Xi'an University of Architecture and Technology (西安冶金建築學院), majoring in non-ferrous metallurgy, and is a senior engineer with extensive experience in non-ferrous metal metallurgy and corporate management, etc. Mr. Dong successively served as the deputy chief engineer, assistant general manager, deputy general manager and secretary of the Party Committee of Baotou Aluminum (Group) Co., Ltd.* (包頭鋁業(集團)有限責任公司) ("**Baotou Aluminum Group**"); the secretary of the Party Committee and an executive director of China Great Wall Aluminum Corporation Limited* (中國長城鋁業公司); the general manager of Henan Branch of the Company; the chairman of Chalco Mining; and the chairman and secretary of the Party Committee of Guangxi Huasheng. Currently, Mr. Dong also serves as the vice president of the sixth session of the board of supervisors of China Mining Association (中國礦業聯合會), the vice chairman of the third session of the Council of All-China Environment Federation (中華環保聯合會), and the vice chairman of Chinese Alliance of Mineral Resources and Material Application Innovation (中國礦產資源與材料應用創新聯盟).

Mr. Zhu Runzhou, aged 59, is an executive Director and president of the Company. Mr. Zhu graduated from Wuhan University, majoring in software engineering, with a doctor's degree in management. He is a professor-level senior engineer. Mr. Zhu has extensive experience in power generation, electrolytic aluminum and corporate operation and management, and has successively served as the head of the inspection department, the deputy chief engineer and the chairman of the labour union of Gansu Jingyuan Power Plant* (甘肅靖遠發電廠). He has served as the deputy general manager of Jingyuan First Power Co., Ltd.* (靖遠第一發電公司), the chairman of Baiyin Huadian Water Supply Co., Ltd.* (白銀華電供水有限公司), the head of Guodian Guizhou Kaili Power Plant* (國電貴州凱裡發電廠), the director of the preparatory office of the technical transformation program of Guodian in Duyun City, the deputy general manager of Guodian Guizhou Branch, the deputy general manager of Guodian Yunnan Branch and the general manager of Guodian Power Xuanwei Power Generation Co., Ltd.* (國電電力宣威發電有限責任公司), the general manager of Guodian Guangxi Branch, the deputy general manager of the energy management department of the Company and the deputy general manager (department manager level) of Chalco Energy, a director, general manager and chairman of Ningxia Energy, the general manager of Chalco Xinjiang Aluminum Power Co., Ltd.* (中鋁新疆鋁電有限公司), an executive Director, vice president and safety director of the Company, and a director and president of Chinalco High-end Manufacturing Co., Ltd.* (中國鋁業集團高端製造股份有限公司) ("**Chinalco High-end Manufacturing**").

Mr. Ou Xiaowu, aged 59, is an executive Director and secretary of the Discipline Inspection Committee of the Company. Mr. Ou graduated from Xiamen University (廈門大學) with a bachelor's degree in economics majoring in planning and statistics and is a senior auditor. Mr. Ou has extensive experience in auditing and financial management. He successively served as the deputy head and head of 2nd division and head of 1st division of the audit department in China Nonferrous Metals Industry Corporation (中國有色金屬工業總公司), the deputy head of the finance department and audit department of China Copper Lead Zinc Group Corporation (中國銅鉛鋅集團公司), the deputy general manager of Guizhou Branch of the Company, the deputy head and head of the finance department (audit department) and chief financial officer of the copper business department (銅事業部) of Aluminum Corporation of China (中國鋁業公司), a director and chief financial officer of China Copper Co., Ltd. (中國銅業有限公司) ("**China Copper**"), the general manager of the finance department and audit department of the Company, and a deputy chief auditor and general manager of the audit department of Chinalco. Mr. Ou also served as a supervisor of China Copper, Chinalco High-end Manufacturing, Chalco Energy, China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) and the Company. Currently, Mr. Ou serves as the chairman of the supervisory committee of Qinghai Yellow River Hydropower Renewable Aluminum Co., Ltd. (青海黃河水電再生鋁有限公司).

Mr. Jiang Tao, aged 49, is an executive Director and the vice president of the Company. Mr. Jiang graduated from Northeastern University (東北大學) with a doctor's degree in engineering majoring in non-ferrous metals metallurgy, and is an excellent senior engineer. Mr. Jiang has extensive experience in corporate management and production skills. He successively served as the deputy manager of the department of production and operation, deputy head of Second Alumina Plant (第二氧化鋁廠), the deputy head and head of Alumina Plant (氧化鋁廠), the assistant to the general manager and head of Second Alumina Plant (第二氧化鋁廠) of Chalco Shandong Co., Ltd. ("**Chalco Shandong**"), the standing member of the Party Committee of Shandong Aluminum Co., Ltd.* (山東鋁業有限公司) and deputy general manager of Chalco Shandong, the deputy secretary of the Party Committee of Shandong Aluminum Co., Ltd.* (山東鋁業有限公司) and a director and general manager of Chalco Shandong, the secretary of the Party Committee and executive director of Chalco Zhongzhou Aluminum Co., Ltd. ("**Zhongzhou Aluminum**"), and the executive director of Henan Zhongzhou Aluminum Plant Co., Ltd.* (河南中州鋁廠有限公司).

Non-executive Directors

Mr. Zhang Jilong, aged 60, is a non-executive Director of the Company. Mr. Zhang graduated from Central South University (中南大學) with a doctor's degree in engineering majoring in mining engineering, and is an excellent senior engineer. Mr. Zhang has extensive experience in scientific and technological research and development, and corporate management, etc. He successively served as the deputy head of breakthrough and development division of the science and technology development of China Nonferrous Metals Industry Corporation (中國有色金屬工業總公司), the deputy head and head of science and technology division of department of planning and development of the State Bureau of Nonferrous Metal Industry (國家有色金屬工業局), the head of science and technology division of the department of production skills of Aluminum Corporation of China (中國鋁業公司), the deputy general manager of science and technology research and product development center and the manager of comprehensive department of the Company, the deputy head and head of science and technology department of Aluminum Corporation of China (中國鋁業公司) and the deputy manager of science and technology research center and product development center of the Company, the head of the department of science and technology management of Aluminum Corporation of China (中國鋁業公司) and the deputy dean of Chinalco Research Institute of Science and Technology (中鋁科學技術研究院), the general manager of science and technology management division of the Company, the general manager, secretary of the Party Committee and chairman of Xinan Aluminum (Group) Co., Ltd. (西南鋁業(集團)有限責任公司), the general manager of aluminum processing department of Aluminum Corporation of China (中國鋁業公司), the director of Chinalco Ruimin Co., Ltd. (中鋁瑞閩股份有限公司) and the general manager of aluminum processing division of Chinalco.

Mr. Chen Pengjun, aged 53, is a non-executive Director of the Company. Mr. Chen holds a Master of Business Administration (MBA) from Tsinghua University and is a senior economist with extensive experience in equity management and investment financing. Mr. Chen successively served as the senior deputy manager of the debt management department and senior deputy manager of the first asset management department of China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) ("**China Huarong**"), the senior manager of the first marketing department of China Huarong Beijing Branch, the senior manager of the first restructuring office of China Huarong, the member of the Party Committee and assistant to the general manager of China Huarong Xinjiang Branch, the deputy general manager of business development department and deputy general manager of international business department of China Huarong, the deputy secretary of the Party Committee and general manager of Huarong International Trust Co., Ltd. (華融國際信託有限責任公司), the deputy secretary of the Party Committee and general manager of China Huarong Financial Leasing Co., Ltd. (華融金融租賃股份有限公司), the director of the listing office, general manager of the international business department and general manager of the general management department of China Huarong, and deputy secretary of the Party Committee and general manager of Huarong Securities Co., Ltd. (華融證券股份有限公司), the secretary of the Party Committee and chairman of Huarong Ruitong Equity Investment Management Co., Ltd.* (華融瑞通股權投資管理有限公司) ("**Huarong Ruitong**") and the general manager of the equity business department of China Huarong. Mr. Chen currently serves as the general manager of the first asset operation department of China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司) ("**China CITIC Financial Asset**", formerly known as China Huarong).

Independent Non-executive Directors

Mr. Qiu Guanzhou, aged 75, is an independent non-executive Director of the Company. Mr. Qiu is an academician of Chinese Academy of Engineering, currently serving as a professor and tutor of doctoral students in Central South University. Mr. Qiu graduated from Central South University of Technology majoring in mineral processing engineering with a doctoral degree and is a famous mineral engineer. Mr. Qiu previously served as the vice-principal of Central South University of Technology (Central South University). Mr. Qiu has dedicated himself to the research of processing and utilizing low-grade, complex and refractory metallic mineral resources in China for a long time, and has obtained significant achievements in flotation separation of fine and sulphide minerals and direct reduction of iron ore, especially the outstanding contributions made in the aspect of biohydrometallurgy in low-grade sulphide ore. He was awarded as a national science and technology expert with outstanding contributions. Mr. Qiu has published many science papers and treatises, and obtained several national technological inventions and scientific and technological advancement awards. He served as the academic leader of the innovative research group under National Natural Science Foundation of China in 2003. In 2004 and 2009, he consecutively served as the chief scientist for biometallurgy project of the National 973 Project twice. He was the president of the 19th International Biohydrometallurgy Symposium in 2011 and was elected as the vice president of International Biohydrometallurgy Society. Currently, Mr. Qiu also serves as the independent director of LB Group Co., Ltd. (龍佰集團股份有限公司), and the independent director of Guangdong Hongda Holding Group Co., Ltd. (廣東宏大控股集團股份有限公司).

Mr. Yu Jinsong, aged 70, is an independent non-executive Director of the Company. Mr. Yu is a doctor of law, a professor and tutor of doctoral students of Renmin University of China, and the head of the Institute of International Law (academic part-time job). Mr. Yu focuses on research in international economic law, particularly international investment law and transnational corporation law. He has published dozens of academic papers in multiple major academic journals and several academic works, and obtained multiple national and provincial awards for achievements in teaching and research. Mr. Yu had successively served as an arbitrator of China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會), a mediator and arbitrator (2004–2016) of the International Centre for Settlement of Investment Disputes of the World Bank (世界銀行解決投資爭端國際中心), a vice chairman of the Chinese Society of International Law (中國國際法學會), a counselor of the International Law Advisory Committee of Ministry of Foreign Affairs (外交部國際法諮詢委員會).

Ms. Chan Yuen Sau Kelly, aged 53, JP, is an independent non-executive Director of the Company. Ms. Chan is currently the managing director of Peony Consulting Services Limited, a company which is principally engaged in provision of business advisory services. Ms. Chan is also an independent non-executive director of China Merchants Port Holdings Company Limited, the H shares of which are listed on the Hong Kong Stock Exchange, an independent non-executive director of Morimatsu International Holdings Company Limited, the shares of which are listed on the Hong Kong Stock Exchange and an independent non-executive director of Best Mart 360 Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange. In October 2020, Ms. Chan was appointed as a Justice of the Peace by the government of the Hong Kong Special Administrative Region in recognition of her remarkable public services and contribution to the community. In March 2022, Ms. Chan was awarded with Advocacy Award for the China region by the Association of Chartered Certified Accountants ("**ACCA**") in recognition of her relentless support for the accountancy profession. Ms. Chan was the president of ACCA Hong Kong from 2008 to 2009 and was the president of the Association of Women Accountants (Hong Kong) from 2020 to 2021. She is currently the council member of the Association of Women Accountants (Hong Kong) and the Vice Chairman of Shenzhen Hong Kong Macau Women Directors Alliance. Ms. Chan obtained a Bachelor's Degree in accountancy from the City Polytechnic of Hong Kong (currently known as City University of Hong Kong) in 1992. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and ACCA and the Hong Kong Institute of Directors. She has over 30 years of experience in financial and business management. Ms. Chan was previously responsible for management at various multinational corporations. At LVMH Moet Hennessy

Louis Vuitton and Heineken Group, she served as the chief financial officer. Ms. Chan has also served at branches of Deloitte Touche Tohmatsu in Hong Kong and the United States. Ms. Chan is currently the Chairperson of the Employees' Compensation Insurance Levies Management Board. She also serves on the boards of the Air Transport Licensing Authority, Hong Kong Repertory Theatre and United College Trustees of the Chinese University of Hong Kong. Ms. Chan was previously a member of the Council of the Chinese University of Hong Kong, Education Commission, Quality Education Fund Steering Committee, Harbourfront Commission, Advisory Committee on Arts Development of Hong Kong, the board of the Inland Revenue Department, the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of Hong Kong, Hospital Governing Committee of the Buddhist Hospital, Hospital Governing Committee of the Rehabaid Centre, the Kowloon Regional Advisory Committee of the Hospital Authority, Occupational Safety and Health Council and the board of directors of Ocean Park Hong Kong.

Supervisors

Mr. Ye Guohua, aged 55, is the chairman of the Supervisory Committee of the Company and also serves as the chief accountant and a member of the Party Committee of Chinalco. Mr. Ye graduated from Shanghai University of Finance and Economics, majoring in accounting, with a bachelor degree in economics and is a senior accountant. Mr. Ye has extensive experience in financial management and accounting. He has successively served as the director of accounting department of the refinery of Shanghai Gaoqiao Petrochemical Company* (上海高橋石油化工公司), the deputy chief accountant and head of accounting department of Sinopec Shanghai Gaoqiao Branch* (中國石化股份公司上海高橋分公司), the chief financial officer, executive director, a member of the Party Committee and the deputy general manager of Sinopec Shanghai Petrochemical Company Limited* (上海石油化工股份有限公司), the director of accounting department of China Petroleum & Chemical Group Corporation* (中國石油化工集團公司), the chairman of Century Bright International Investment Company* (盛駿國際投資有限公司), the chairman of Sinopec Insurance Limited* (中石化保險有限公司), the vice chairman of Taiping & Sinopec Financial Leasing Co., Ltd.* (太平石化金融租賃有限責任公司), a director of Sinopec Finance Co., Ltd.* (中石化財務有限責任公司), and a director of Sinopec Oilfield Service Corporation* (中石化石油工程技術服務股份有限公司).

Ms. Lin Ni, aged 50, is a Supervisor of the Company and also serves as the general manager of the audit department of Chinalco. Ms. Lin graduated from Shandong Economics University with a bachelor degree in economics majoring in international accounting. She is a senior auditor. Ms. Lin has extensive experience in the fields of auditing and accounting. She has successively served as the Fina 11 serdi is (Co)0. ser as thest di is (Co)0. vice %ƒƒ... Þ " ®

of Chinalco. Ms. Lin currently also serves as the chairman of the Supervisory Committee of China Aluminum International Engineering Corporation Limited, and a supervisor of Chinalco Materials Application Research Institute Co., Ltd. and Chinalco Asset Operation and Management Co., Ltd* (中鋁資產經營管理有限公司) ("**Chinalco Asset**").

Ms. Xu Shuxiang, aged 46, is a Supervisor of the Company and a senior business manager of the operation optimization division of the production quality management department of the Company. Ms. Xu graduated from Northeastern University with a master's degree in engineering majoring in non-ferrous metallurgy and has extensive experience in non-ferrous metal smelting, energy conservation management, safety and environmental protection management, etc. Ms. Xu has successively served as the business head of the assets operation department of Aluminum Corporation of China* (中國鋁業公司), the business head of the general division of the enterprise management department (safety and environmental protection department) of Aluminum Corporation of China*, the business head of the general division of the safety, environmental protection and health department of Aluminum Corporation of China*, the business manager of the general division of the safety, environmental protection and health department of the Company, the senior business manager of the energy conservation management division of the safety, environmental protection and health department of Aluminum Corporation of China*, the deputy manager of the safety, environmental protection and health division of the enterprise management department of the Company and the senior business manager of the general division of the enterprise management department of the Company.

Ms. Wang Jinlin, aged 37, is a Supervisor of the Company and also serves as the business manager of the management audit division of the audit department (Office of the Supervisory Committee) of the Company. Ms. Wang graduated from Xi'an University of Finance and Economics, majoring in statistics with a bachelor's degree in economics. She has successively served as the business supervisor of the Party and mass work department, the business supervisor of the discipline inspection and supervision (audit) department, the assistant supervisor (deputy section level) of the Party and mass work department (discipline inspection and supervision department) and the assistant supervisor (deputy section level) of the Party and mass administration department of Gansu Hualu, and the business manager of the risk management division of the internal audit department of the Company.

Other Senior Management

Mr. Ge Xiaolei, aged 58, has served as the chief financial officer and secretary to the Board of the Company (joint company secretary). Mr. Ge graduated from Nanjing University majoring in economic management, and subsequently obtained a master's degree in business administration from the University of Texas in the United States. He is a senior economist. Mr. Ge has extensive experience in financial management and corporate management. He has successively served as the deputy head of the planning division and deputy head of the finance division of Zhongzhou Aluminum Plant, the deputy chief accountant and manager of the finance department of the Company's Zhongzhou Branch, the chief financial officer of Qinghai Yellow River Hydropower Renewable Aluminum Co., Ltd.* (青海黃河水電再生鋁有限公司), the deputy general manager of Chinalco Finance Co., Ltd.* (中鋁財務有限責任公司) ("**Chinalco Finance**") and the director and general manager of Chinalco Finance Lease Co., Ltd.* (中鋁融資租賃有限公司) ("**Chinalco Lease**"), the general manager of Chinalco Finance and a director of Chinalco Lease, a director of Agricultural Bank Huili Fund Management Co., Ltd.* (農銀匯理基金管理有限公司), the secretary of the Party Committee and chairman of Chinalco Capital Holdings Co., Ltd.* (中鋁資本控股有限公司) ("**Chinalco Capital**"), the chairman of Chinalco Finance, and a director of Agricultural Bank Huili Fund Management Co., Ltd.* (農銀匯理基金管理有限公司). Mr. Ge currently also serves as a director of Chalco (Xiong'an) Mining Co., Ltd.* (中鋁(雄安)礦業有限責任公司) ("**Chalco (Xiong'an) Mining**").

Mr. Xu Feng, aged 51, is a vice president of the Company. Mr. Xu graduated from Xi'an Jiaotong University holding a master of engineering degree in project management and is a senior engineer. Mr. Xu has extensive experience in the aluminum and the energy industries. He has successively served as the director and deputy chief engineer of the engineering and technical department of Maliantai Power Plant of Ningxia Power Group Co., Ltd. (寧夏發電集團有限責任公司馬蓮台電廠), the executive director, general manager and deputy secretary of the Party Committee of Ningxia Yingyi Power Equipment Inspection and Installation Co., Ltd. (寧夏銀儀電力設備檢修安裝有限公司), the vice general manager of Ningxia Energy and chairman of Ningxia Yinxing Energy Co., Ltd. (寧夏銀星能源股份有限公司), the general manager and deputy secretary of the Party Committee of Shanxi Zhongrun, the executive director and secretary of the Party Committee of Chinalco (Yunnan) Huajiang Aluminum Co., Ltd. (中鋁(雲南)華江鋁業有限公司), a vice chairman and deputy secretary of the Party Committee of Yunnan Aluminum and the chairman and secretary of the Party Committee of Yunnan Wenshan Aluminum Co., Ltd. (雲南文山鋁業有限公司) ("**Wenshan Aluminum**"), as well as an assistant to the president of the Company. Currently, Mr. Xu also serves as the chairman of Chalco Steering Intelligence Technology Co., Ltd. (中鋁視拓智能科技有限公司) and a director of Chalco (Xiong'an) Mining.

Mr. Liang Minghong, aged 54, is the general legal counsel and chief compliance officer of the Company and also serves as the general manager of legal compliance department of the Company. Mr. Liang graduated from the law department of Sichuan University and obtained a master's degree in laws from Southwest University of Political Science and Law, and is a senior economist. Mr. Liang has over 30 years of extensive experience in legal affairs and has successively served as a first-level legal adviser in the legal office, the director of the second division of the legal department and the director of the first division of the domestic business department of Aluminum Corporation of China (中國鋁業公司), and the deputy director of the legal department of Chinalco. Mr. Liang is currently also the director and supervisor in a number of subsidiaries of the Company, including Chalco Materials and Yunnan Aluminum.

3. POSITIONS HELD IN SHAREHOLDER ENTITIES OF THE COMPANY OR OTHER ENTITIES BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AT PRESENT AND DURING THE YEAR

Positions in the Shareholder Entities of the Company

Name	Name of shareholder	Position(s) in shareholder entity	Date of appointment	Date of termination
Liu Jianping (resigned)	Chinalco	Director, Deputy Secretary of the Party Committee	2022.02.22	–
Dong Jianxiong	Chinalco	Vice General Manager, Member of the Party Committee	2020.07.25	
Ye Guohua	Chinalco	Chief n		

Positions in Other Entities

Name	Name of other entities	Position(s)	Date of appointment	Date of termination
Ye Guohua	Chinalco Innovative Development Investment Company Limited* (Note 1)	Chairman (resigned)	2021.12.13	2023.02.02
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Name	Name of other entities	Position(s)	Date of appointment	Date of termination
Shan Shulan (Note 8)	Chinalco Capital Holdings Co., Ltd.*	Director (resigned)	2021.12.13	2024.02.06
	Chinalco Finance Co., Ltd.*	Director (resigned)	2021.12.13	2024.02.06
	Chinalco Research Institute of Science and Technology Co., Ltd.*	Supervisor (resigned)	2018.11.19	2024.02.06
Lin Ni	Chinalco Asset	Supervisor	2017.11.03	–
	China Aluminum International Engineering Corporation Limited (Note 9)	Chairman of the Supervisory Committee	2024.01.29	–
	Chinalco Materials Application Research Institute Co., Ltd.	Supervisor	2017.01.24	–

Changes in the year of 2023:

Note 1: Mr. Ye Guohua has ceased to serve as the chairman of Chinalco Innovative Development Investment Company Limited* since 2 February 2023.

Note 2: Mr. Qiu Guanzhou has ceased to serve as the executive director and manager of Hunan Bio Lab Technology Co., Ltd. since 16 May 2023.

Note 3: Ms. Chan Yuen Sau Kelly was appointed as an independent non-executive director of China Merchants Port Holdings Company Limited (a company listed on the Hong Kong Stock Exchange (stock code: 00144)) on 21 March 2023; and an independent non-executive director of Best Mart 360 Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 02360)) on 11 August 2023.

Note 4: Mr. Wu Maosen has ceased to serve as the chairman of Chalco (Shanghai) Carbon since 12 October 2023.

Note 5: Mr. Ge Xiaolei was appointed as a director of Chalco (Xiong'an) Mining on 26 December 2023.

Note 6: Mr. Xu Feng was appointed as a director of Chalco (Xiong'an) Mining on 26 December 2023.

Note 7: Mr. Liang Minghong was appointed as the director of Chinalco Overseas Development Co., Ltd. on 25 July 2023, and was appointed as the chairman of the supervisory committee of Yunnan Aluminum on 22 February 2024, before which Mr. Liang Minghong served as a supervisor of Yunnan Aluminum.

Note 8: Ms. Shan Shulan has ceased to serve as a director of Chinalco Capital and Chinalco Finance and a supervisor of Chinalco Research Institute of Science and Technology Co., Ltd.* ("**Chinalco Research Institute**") since 6 February 2024.

Note 9: Ms. Lin Ni was appointed as the chairman of the supervisory committee of China Aluminum International Engineering Corporation Limited on 29 January 2024, before which Ms. Lin Ni served as a supervisor of China Aluminum International Engineering Corporation Limited.

4. DECISION MAKING PROCESS AND BASIS OF DETERMINATION OF REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND REMUNERATION

Based on the prevailing market standards and the remuneration strategy of the Company, the human resources department of the Company would formulate proposals for the remuneration of the Company's Directors, Supervisors and senior management and submit the proposals to the Board for consideration upon approval by the Remuneration Committee of the Board of the Company. Particularly, remuneration of the senior management will be considered and approved by the Board of the Company whereas those of the Directors and the Supervisors will be submitted to the shareholders' general meeting for consideration and approval upon being approved by the Board of the Company.

The Company determined its remuneration for the Directors, Supervisors and senior management based on its development strategy, corporate culture and remuneration strategy, taking into account the remuneration standards of corresponding positions in comparable enterprises in the market (in terms of scale, industry and nature etc.), the Company's annual operating results, fulfilment of duties by the Directors and Supervisors as well as the appraisal results for performance of senior management.

In 2023, the total pre-tax remunerations of the Directors, Supervisors and senior management received from the Company amounted to approximately RMB8.63 million (including the remuneration of the independent non-executive Directors).

5. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE YEAR AND AS OF THE DATE OF THIS ANNUAL REPORT

Name	Position(s)	Status	Reason for the change
Liu Jianping	Chairman and Executive Director	Resigned	On 19 July 2023, Mr. Liu Jianping resigned from all positions as the chairman and executive Director of the Company and in each special committee under the Board due to work adjustment with immediate effect. In view of Mr. Liu Jianping's resignation, the Company convened the 13th meeting of the eighth session of the Board on 19 July 2023, approving to nominate Mr. Dong Jianxiong as a candidate for the executive Director of the eighth session of the Board of the Company and submitted it to the general meeting of the Company for the purpose of fulfilling the election procedures. The Company elected Mr. Dong Jianxiong as an executive Director of the eighth session of the Board of the Company at 2023 first extraordinary general meeting convened on 19 September 2023. On the same day, the Company convened the 15th meeting of the eighth session of the Board of the Company, at which Mr. Dong Jianxiong was elected as the chairman of the eighth session of the Board of the Company.
Dong Jianxiong	Chairman and Executive Director	Elected	
Shan Shulan	Supervisor	Resigned	Due to work adjustment, Ms. Shan Shulan submitted a written resignation to the Supervisory Committee of the Company on 6 February 2024, resigning from her position as the shareholder representative Supervisor of the Company with immediate effect.

Name	Position(s)	Status	Reason for the change
Yue Xuguang	Supervisor	Resigned	Due to reaching the national statutory retirement age, Mr. Yue Xuguang resigned from his position as the employee representative Supervisor of the Company on 10 August 2023 with immediate effect. At the employees' representatives meeting of the Company, Ms. Wang Jinlin was elected as the employee representative Supervisor of the eighth session of the Supervisory Committee of the Company on 10 August 2023.
Wang Jinlin	Supervisor	Elected	
Wu Maosen	Vice President	Dismissed	Due to work

6. EMPLOYEES OF THE COMPANY

As at 31 December 2023, the Group had 64,504 employees. The structure of employees is as follows:

Composition by Function

Category	Headcounts
Production personnel	52,816
Sales personnel	827
Technology personnel	3,609
Finance personnel	660
Administration personnel	6,592
Total	64,504

By Education Background

Category	Headcounts
Post-graduates and above	1,014
Undergraduates	13,526
Technical institute graduates	16,764
Secondary/technical school graduates or below	33,200
Total	64,504

By gender

Category	Headcounts
Male	54,346
Female	10,158
Total	64,504

The Company has been committed to the principle of employment equality between men and women and prohibited gender-based discrimination. However, as the Company is mainly engaged in non-ferrous metal manufacturing, many production posts in the Company are labour intensive and are not suitable for female employees due to objective factors such as physical fitness and working environment. In order to protect women’s employment rights, the Company arranges as many jobs as possible for female employees and ensures that the proportion of female employees is not less than 15%. As of the end of the reporting period, the proportion of female employees in the total staff of the Company was 15.75%.

As of the end of the reporting period, there was one female member of the Board and all of the senior management were male. The Company will adhere to the principle of gender diversity at all employee levels and will appropriately consider increasing the proportion of female members in future elections, hirings and promotions.

Particulars and Changes of Shareholding Structure, and Details of Substantial Shareholders

1. SHARE CAPITAL STRUCTURE

Chinalco is the single largest shareholder of the Company, which directly held 29.82% equity interest of the Company and together with its subsidiaries held an aggregate of 32.29% equity interest of the Company as of 31 December 2023. As of 31 December 2023, Chinalco was the controlling shareholder of the Company.

On 19 October 2023, the Company received a written notice from its controlling shareholder, Chinalco, that based on its confidence in the future development prospects of the Company and recognition of the Company's long-term investment value, Chinalco planned to increase its shareholding of the Company's A shares via the trading system of the SSE within the next six months, with an amount of no less than RMB250 million and no more than RMB500 million. On the same day, the Company released the Announcement of Aluminum Corporation of China Limited* on the Controlling Shareholder's Plan to Increase Its Shareholding in the Company. As of 31 December 2023, Chinalco increased its shareholding of the Company's A shares by 67,118,391 shares in total, representing approximately 0.39% of the then total share capital of the Company and approximately 0.51% of the then A shares. On 29 January 2024, the Company released the Announcement of Aluminum Corporation of China Limited* on the Implementation Results of Controlling Shareholder's Plan to Increase Its Shareholding in the Company. As of 26 January 2024, Chinalco increased its shareholding of the Company's A shares by a total of 88,827,946 shares, accounting for approximately 0.52% of the Company's existing total share capital and approximately 0.67% of the Company's existing A shares, and the cumulative amount of such increase in shareholding was approximately RMB499.8 million, and as a result of which the implementation of Chinalco's plan on increase in shareholding was completed. Upon completion of the plan on increase in shareholding, Chinalco directly held 5,139,204,916 A shares of the Company, representing approximately 29.95% of the Company's total existing issued share capital, and together with its subsidiaries, held an aggregate of 5,563,312,965 shares of the Company (comprising 5,384,722,965 A shares and 178,590,000 H shares), representing approximately 32.42% of the total existing issued share capital of the Company.

On 26 January 2024, the Company completed the cancellation procedures of 3,210,323 A shares repurchased and cancelled under the 2021 Restricted Share Incentive Scheme of the Company at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited ("**CSDC Shanghai Branch**"), as a result of which, the total share capital of the Company was changed from 17,161,591,551 shares to 17,158,381,228 shares.

As at 31 December 2023, the share capital structure of the Company was as follows:

	Number of shares *(In million)*	Percentage to total issued share capital *(%)*
Holders of A shares	**13,217.63**	**77.02**
Including: Shares subject to trading moratorium	**138.92**	**0.81**
Tradable shares not subject to trading moratorium	**13,078.71**	**76.21**
Holders of H shares	**3,943.97**	**22.98**
Total	**17,161.59**	**100.00**

As at the date of this annual report, the share capital structure of the Company was as follows:

	Number of shares *(In million)*	Percentage to total issued share capital *(%)*
Holders of A shares	**13,214.42**	**77.01**
Including: Shares subject to trading moratorium	**135.71**	**0.79**
Tradable shares not subject to trading moratorium	**13,078.71**	**76.22**
Holders of H shares	**3,943.97**	**22.99**
Total	**17,158.38**	**100.00**

According to the publicly available information and to the best knowledge of the Company's Directors, as of the date of this annual report, the share capital structure of the Company can maintain a sufficient public float and is in compliance with the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

2. CHANGES IN SHAREHOLDING AND SHAREHOLDERS

(1) Approval of Changes in Shares

Pursuant to the authorization of the 2022 first extraordinary general meeting, the 2022 first class meeting for A shareholders and the 2022 first class meeting for H shareholders of the Company held on 26 April 2022, on 24 October and 25 October 2023, the eighth meeting of the eighth session of the Supervisory Committee and the sixteenth meeting of the eighth session of the Board of the Company were held, respectively, at which the Resolution on Adjustment to the Repurchase Price of Restricted Shares under the 2021 Restricted Share Incentive Scheme of the Company and the Resolution on the Repurchase and Cancellation of Partial Restricted Shares Granted but Not Yet Unlocked to Participants were considered and passed to approve the adjustment to the repurchase price of the Restricted Shares. After the adjustment, the repurchase price of the Restricted Shares under the First Grant was RMB3.01 per share and the repurchase price of Restricted Shares under the reserved grant was RMB2.17 per share, and to approve the repurchase and cancellation of all or part of the 3,210,323 Restricted Shares of 43 participants that have been granted but not yet unlocked.

On 29 January 2024, the Company received the Securities Transfer Registration Certificate issued by CSDC Shanghai Branch indicating that the cancellation procedures for 3,210,323 Restricted Shares repurchased and cancelled under the Incentive Scheme were completed on 26 January 2024, as a result of which, the total share capital of the Company was changed from 17,161,591,551 shares to 17,158,381,228 shares.

Please refer to the Company's announcements dated 25 October 2023 and 23 January 2024 for details of the above matter.

(2) Transfer of Changes in Shareholding

The cancellation procedures for 3,210,323 Restricted Shares repurchased and cancelled under the 2021 Restricted Share Incentive Scheme were completed on 26 January 2024, and CSDC Shanghai Branch issued the Securities Transfer Registration Certificate to the Company on 29 January 2024.

3. SHARE ISSUANCE AND LISTING

(1) Securities Issuance in the Past Three Years

In 2022, the Company implemented the Restricted Share Incentive Scheme, which granted Restricted Shares to the Participants at RMB3.08 per share and RMB2.21 per share on 25 May 2022 and 24 November 2022 respectively as the first grant date and reserved grant date, and issued 138,918,600 A shares to 1,206 Participants.

According to the relevant provisions of the Administrative Measures on Share Incentives of Listed Companies, the Participants of the Company's Restricted Share Incentive Scheme include the Company's Directors, senior management personnel, middle management personnel and core technical (business) backbones. The grant price of the Restricted Shares shall not be lower than the nominal value of such shares and shall not be lower than 50% of the higher of: (1) the average trading price of the Company's A shares on the trading day preceding the date of the announcement of the Board resolution regarding the grant of Restricted Shares; (2) any one of the average trading prices of the Company's A shares in the last 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution regarding the grant of Restricted Shares. The determination of Participants and grant prices of the first grant and reserved grant of Restricted Shares were in compliance with the aforementioned regulations.

The aforesaid Restricted Shares of the first grant and the reserved grant under the Restricted Share Incentive Scheme shall be unlocked in three tranches on the first trading day following the end of 24-month period, 36-month period and 48-month period from the grant registration date, and the proportion of unlocking in each tranche shall be 40%, 30% and 30%, respectively. The actual number of Restricted Shares that can be unlocked shall be linked to the performance evaluation results of the corresponding year.

Save the additional issuance of A shares above, the Company had no new share issuance in the past three years.

(2) Changes in Total Number of Shares and the Shareholding Structure of the Company

During the reporting period, the total number of shares and the shareholding structure of the Company remained unchanged. On 26 January 2024, the Company completed the repurchase and cancellation of 3,210,323 Restricted Shares, after which the total number of shares and changes in the shareholding structure of the Company are as follows:

	Before repurchase and cancellation			**After repurchase and cancellation**	
	Number *(shares)*	Shareholding ratio *(%)*	Number of shares repurchased and cancelled *(shares)*	**Number** *(shares)*	**Shareholding ratio** *(%)*
A Shares	13,217,625,583	77.02	3,210,323	**13,214,415,260**	**77.01**
1. Shares subject to trading restrictions	138,918,600	0.81	3,210,323	**135,708,277**	**0.79**
2. Tradable shares not subject to trading moratorium	13,078,706,983	76.21	–	**13,078,706,983**	**76.22**
H Shares	3,943,965,968	22.98	–	**3,943,965,968**	**22.99**
Total	17,161,591,551	100.00	3,210,323	**17,158,381,228**	**100.00**

4. SUBSTANTIAL SHAREHOLDERS WITH SHAREHOLDING OF 5% OR MORE

So far as the Directors are aware, as of 31 December 2023, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

Name of substantial shareholder (full name)	Class of shares	Number of shares held *(shares)*	Capacity	Percentage in the relevant class of issued share capital as of 31 December 2023	Percentage in total issued share capital as of 31 December 2023
Aluminum Corporation of China	A shares	5,363,013,410(L) *Note 1*	Beneficial owner and interests of controlled corporation	40.57%(L)	31.25%(L)
	H shares	178,590,000(L) *Note 1*	Interests of controlled corporation	4.53%(L)	1.04%(L)
Citigroup Inc.	H shares	197,461,504(L) *Note 2*	Interests of controlled corporation/approved lending agent	5.00%(L)	1.15%(L)
		9,308,555(S) *Note 2*	Interests of controlled corporation	0.23%(S)	0.05%(S)
		188,644,960(P) *Note 2*	Approved lending agent	4.78%(P)	1.10%(P)

The letter (L) denotes a long position, the letter (S) denotes a short position and the letter (P) denotes a lending pool. The information of H shareholders is based on the disclosure of interests system of the Hong Kong Stock Exchange.

Note 1: These interests included 5,117,495,361 A shares directly held by Chinalco, and an aggregate interest of 245,518,049 A shares and 178,590,000 H shares held by various controlled subsidiaries of Chinalco, comprising 238,377,795 A shares held by Baotou Aluminum Group, 7,140,254 A shares held by Chinalco Asset and 178,590,000 H shares held by Aluminum Corporation of China Overseas Holdings Limited* (中鋁海外控股有限公司) ("**Chinalco Overseas Holdings**").

Note 2: These interests were held directly by various corporations controlled by Citigroup, Inc. Among the aggregate interests in the long position in H shares, 5,764,000 H shares were held as derivatives. Among the aggregate interests in the short position in H shares, 3,380,699 H shares were held as derivatives.

Save as disclosed above and so far as the Directors are aware, as of 31 December 2023, no other person (other than the Directors, Supervisors and chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong and as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance of Hong Kong, or was otherwise a substantial shareholder of the Company.

5. NUMBER OF SHAREHOLDERS

Unit: Number of shareholders

Total number of shareholders as of 31 December 2023	392,145

6. PARTICULARS OF SHAREHOLDINGS HELD BY TOP TEN SHAREHOLDERS

As of 31 December 2023, particulars of shareholdings held by top ten shareholders of the Company are set out as follows:

Name of shareholder (full name)	**Number of shares held as at the end of the reporting period** *(shares)*	**Class of shares**	**Percentage of shareholding** *(%)*
Aluminum Corporation of China *Note 1*	5,117,495,361	A shares	29.82
Hong Kong Securities Clearing Company Limited (H shares) *Note 2*	3,934,734,859	H shares	22.93
China Life Insurance Company Limited (中國人壽保險股份有限公司)	546,623,985	A shares	3.16
China Securities Finance Corporation Limited	448,284,993	A shares	2.61
CITIC Securities – Huarong Ruitong Equity Investment Management Co., Ltd. – CITIC Securities – Changfeng Single Asset Management Plan* (中信證券－華融瑞通股權投資管理有限公司－中信證券－ 長風單一資產管理計劃)	447,096,800	A shares	2.61

Particulars and Changes of Shareholding Structure, and Details of Substantial Shareholders (Continued)

Name of shareholder (full name)	Number of shares held as at the end of the reporting period *(shares)*	Class of shares	Percentage of shareholding *(%)*
Hong Kong Securities Clearing Company Limited (A shares)	444,413,773	A shares	2.59
Baotou Aluminum (Group) Co., Ltd.	238,377,795	A shares	1.39
China Foreign Economy and Trade Trust Co., Ltd. – Foreign Trade Trust – Gaoyi Xiaofeng Hongyuan Pooled Fund Trust Scheme* (中國對外經濟貿易信託有限公司－外貿信託－高毅曉峰鴻遠集合資金信託計劃)	155,801,503	A shares	0.91
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) – Gaoyixiaofeng No. 2 Zhixin Fund (上海高毅資產管理合夥企業(有限合夥)－高毅曉峰2號致信基金)	147,732,292	A shares	0.86
National Social Security 118* (全國社保一一八組合)	117,812,500	A shares	0.69

Note 1: The number of shares held by Chinalco doesn't include the A shares of the Company indirectly held by it through its subsidiaries Baotou Aluminum Group and Chinalco Asset and the H shares of the Company indirectly held by it through its subsidiary Chinalco Overseas Holdings. As of 31 December 2023, Chinalco together with its subsidiaries held an aggregate of 5,541,603,410 shares, among which 5,363,013,410 shares were A shares and 178,590,000 shares were H shares, accounting for approximately 32.29% of the total issued share capital of the Company as at 31 December 2023.

Note 2: The 3,934,734,859 H shares of the Company held by Hong Kong Securities Clearing Company Limited include 178,590,000 H shares it holds on behalf of Chinalco Overseas Holdings, a subsidiary of Chinalco.

7. PARTICULARS OF THE CONTROLLING SHAREHOLDER

(1) Particulars of the Controlling Shareholder

Name of the controlling shareholder:	Aluminum Corporation of China
Legal representative:	Duan Xiangdong
Registered capital:	RMB25.2 billion
Date of incorporation:	21 February 2001
Scope of business:	Permitted items: mineral resources exploration; geological exploration for metallic and non-metallic mineral resources; import and export of goods under national trading management; export supervision of warehouse operations; construction engineering survey; construction engineering design; construction engineering carry out; electrical installation services. General items: common non-ferrous metal smelting; corporate headquarters management; holding company services; investment activities with its own funds; asset management services for investment with its own funds; geological exploration and technical services; mineral processing; mineral washing and processing; sales of metal ore; non-ferrous metal casting; non-ferrous metal rolling processing; forgings and powder metallurgy products manufacturing; non-ferrous metal alloy manufacturing; metal surface treatment and heat treatment processing; sales of non-ferrous metal alloys; sales of high-quality non-ferrous metals and alloy materials; sales of new metal functional materials; technical services, development, consultation, exchange, transfer and promotion; research and development of new material technologies; import and export agency; trade brokerage; domestic trade agency; offshore trade operations; project management services; earthwork construction; specialized equipment manufacturing for geotechnical survey; machinery manufacturing for construction; specialized equipment manufacturing for metallurgy; engineering and technology research and experimental development; general equipment manufacturing (excluding special equipment manufacturing); special equipment manufacturing for environmental protection; mining machinery manufacturing; metal processing machinery manufacturing; special equipment manufacturing (excluding licensed professional equipment manufacturing); metal structure manufacturing; general machinery and equipment installation services; engineering and technical services (except for planning and management, survey, design and supervision);technology import and export; new material technology promotion services; engineering cost consulting business; external contracting; industrial design services; graphite and carbon products manufacturing; sales of graphite and carbon products.

Dear shareholders,

I hereby present the annual report of the Group for the financial year ended 31 December 2023 for shareholders' review. On behalf of the Board and all employees of the Company, I would like to express our sincere gratitude to all shareholders for your care and support for the Company.

PRODUCT MARKET REVIEW

In 2023, commodities were under pressure due to the slowdown in global economic growth expectations and the stance of major central banks adopting longer and more restrictive monetary policies. Meanwhile, the crisis in the banking sector in the United States and Europe, along with the resulting financial market turbulence, intensified market concerns about the trend of commodities. Global aluminum prices exhibited a wide range of fluctuations in 2023, with reduced macro-level impacts on pricing and a dominant role played by fundamental factors. The global aluminum industry has experienced fluctuations in mining supply, demand, price, inventory, etc.

Bauxite Market

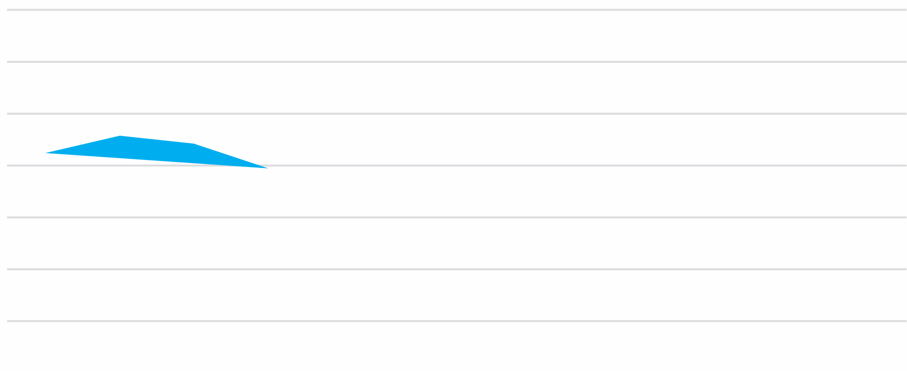
In 2023, China's bauxite output was approximately 85 million tons, and due to the decrease in the supply of bauxite resulting from the factors including mine site rehabilitation, safety inspection and open bit mine rectification, as well as the rise in the mining cost, the domestic bauxite price was generally on the rise in 2023 compared with that in 2022.

In terms of imported ores, as driven by the demand, the amount of bauxite imported by China continued to grow strongly, with the total imported bauxite amounting to 141.65 million tons in 2023, representing an increase of 12.7% year on year, another record high. Our nation's reliance on foreign countries in terms of bauxite further increased, mainly Guinea and Australia, among which, the import from Guinea accounted for 70.1% of the total import, representing an increase of 40.9% year on year.

Alumina Market

In the international market, in the first quarter of 2023, the global alumina price rose and reached a high level for the year as driven by the reduction in output of alumina in Australia. However, from the second quarter, the price of alumina gradually declined and remained low until the fourth quarter due to insufficient liquidity in the spot market in the Pacific region and weak confidence in the downstream market, etc. In 2023, the international spot market price of alumina (Australian FOB spot price) was USD371 per tonne at the highest, USD325 per tonne at the lowest, and USD343 per tonne at average, representing a decrease of 5.2% year on year.

In the domestic market, the price of domestic alumina showed an overall trend in a "V" shape. In the first quarter, the implementation of power restrictions in Yunnan and the expected supply ease resulting from the pre-release of newly added production capacity in North China resulted in a lack of enthusiasm from aluminum smelters to purchase spot alumina, leading to a slight downward trend in prices. In the second quarter, as the domestic alumina market shifted from a shortage to an oversupply gradually, prices showed a slow downward trend, reaching their lowest point of the year in June. Starting from July, with the resumption of electrolytic aluminum in Yunnan combined with the listing of alumina futures, the domestic alumina prices began to bottom out, and in the fourth quarter, influenced by factors such as production constraints of alumina enterprises in some regions, winter environmental policies in the Beijing-Tianjin-Hebei region, and restrictions on bauxite exports from Guinea, the price of alumina continued with the upward trend and reached the highest point of the year in December. In 2023, the highest spot price of alumina in China was RMB3,122 per tonne, the lowest price was RMB2,807 per tonne, and the annual average price was RMB2,919 per tonne, representing a decrease of 0.9% year on year.

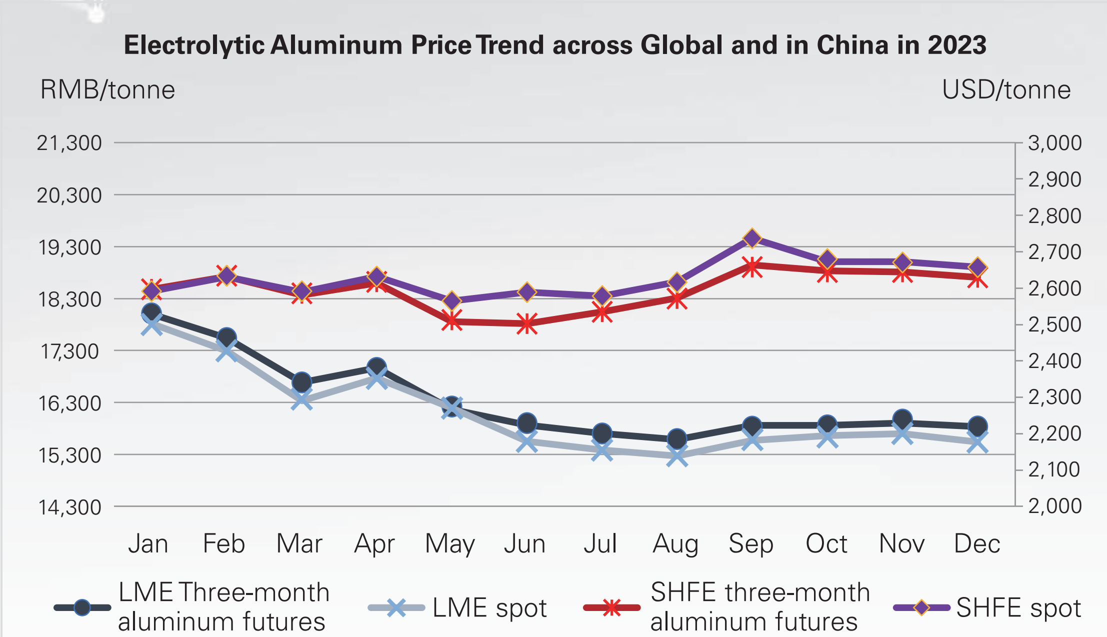


According to the statistics, the global output and consumption of alumina for 2023 were approximately 139.09 million tonnes and approximately 139.47 million tonnes, respectively, representing a year-on-year increase of 1.8% and 2.0%, respectively; the domestic output and consumption of alumina were approximately 82.27 million tonnes and approximately 83.17 million tonnes, respectively, representing a year-on-year increase of 3.1% and 2.8%, respectively, accounting for 59.1% and 59.6% of global output and consumption, respectively. As of the end of December 2023, the alumina capacity utilization rate in the world was 75.8%, while that of the PRC was approximately 79.6%.

Primary Aluminum Market

In the international market, with the full relaxation of control measures in China and market expectations of a slowdown in interest rate hikes by the Federal Reserve, the price of three-month aluminum futures at LME rose was pulled up, reaching a high for the year in January. Since the beginning of February, influenced by multiple factors such as upward movement of the US dollar index, banking sector turmoil and weak global demand, the price of the international aluminum fluctuated with downward trend and dropped to the year's low in August, and have been maintained at a low level since then. In 2023, the average price of three-month aluminum futures and spot aluminum at LME were USD2,288 per tonne and USD2,254 per tonne, respectively, representing a decrease of 15.7% and 16.6% over that of 2022, respectively.

In the domestic market, the price of electrolytic aluminum remained generally stable but with a significant downward shift of average price in 2023. In the first quarter, the price of electrolytic aluminum continued to rise as driven by the expected improving economic recovery and production restrictions in certain regions. In the second quarter, with another wave of pessimistic mood in the market caused by the weak recovery of domestic and global economy, together with weak domestic aluminum consumption, the price of electrolytic aluminum experienced a downturn and reached the bottom in the year. In the third quarter, the domestic aluminum prices began to experience upward fluctuations due to policy factors in industries such as real estate and new energy vehicles. However, due to the lackluster performance of aluminum consumption, the increase in aluminum prices was limited, with an overall range-bound trend. In the fourth quarter, aluminum prices fluctuated and weakened due to an increase in supply and weakening consumption at the macro level until the end of the year when the aluminum prices rebound and surged resulting from another massive reduction in output in Yunnan and the impact of supply from foreign countries. In 2023, the average prices of three-month aluminum futures and current month aluminum at SHFE were RMB18,473 per tonne and RMB18,698 per tonne, representing a decrease of 6.9% and 6.3% over that of 2022, respectively.



Sources: SHFE (Shanghai Futures Exchange), LME (London Metal Exchange)

According to the statistics, the global output and consumption of primary aluminum for 2023 were approximately 70.68 million tonnes and approximately 70.27 million tonnes, respectively, representing a year-on-year increase of 2.2% and 1.0%, respectively; the domestic output and consumption of primary aluminum were approximately 41.66 million tonnes and approximately 42.80 million tonnes, respectively, representing a year-on-year increase of 3.0% and 4.1%, respectively, accounting for approximately 58.9% and 60.9% of global output and consumption, respectively. As at the end of December 2023, the capacity utilization rate of primary aluminum enterprises in the world was approximately 90.3%, while that of primary aluminum enterprises in the PRC was approximately 94.6%, representing a year-on-year increase of 3.2%.

BUSINESS REVIEW

In 2023, commodities were under severe pressure due to the expected decline in global economic growth and tightening of monetary policies by major central banks. The impact on pricing at the macro level was weakened, and the fundamentals took the lead. Aluminum prices overall showed a wide range of fluctuations, with the aluminum industry experiencing disturbances in the areas of mine supply, demand, prices and inventories. In the face of the challenges of the industry's weak cycle, the Company formulated various objective strategies and quickly entered into a "war-like state" and made extreme efforts to implement the response plan, and the production and operation continued to improve.

1. Strengthening value creation and achieving steadily-improved operating results

In 2023, the Company's main products achieved stable and high-quality production, with a total annual production of 30.42 million tons of bauxite, 16.67 million tons of metallurgical-grade alumina, and 6.79 million tons of primary aluminum (including alloy). The annual commercial coal production was 13.05 million tons, representing a year-on-year increase of 21.51%, the highest in history. The Company's profitability grew steadily, with annual operating revenue of RMB225,071 million, net profit of RMB12,584 million and operating net cash flow of RMB26,859 million; as of the end of 2023, the Company's gearing ratio was 53.30%, representing a decrease of 5.37 percentage points as compared with the beginning of the year. The Company has solidly carried out actions to improve the quality of listed company and established a good image in the capital market. It has maintained the highest rating of Fitch's non-ferrous industry for five consecutive years, has obtained level-A information disclosure rating from the SSE for five consecutive years, and has been listed in the "ESG • Pioneer 50 Index for Central Enterprises" for three consecutive years. The Company won the first "Guoxin Cup – ESG Golden Bull Award for Top 50 Central Enterprise".

2. The effectiveness of cost reduction through benchmarking was evident and the contribution by efficiency creation through management was remarkable

In 2023, the Company focused on strengthening production planning and process control, and made every effort to enhance effective capacity utilization, achieving budget targets in all respects; the Company continued to deepen total factor benchmarking, improve the level of profession benchmarking and process benchmarking, with its total energy consumption of alumina, comprehensive AC power consumption of liquid aluminum and coal consumption of power generating units for electricity supply all achieving the best level in its history, achieving an obvious effect in consumption and cost reduction. The Company deepened its quality improvement actions, with the quality of its various products remaining as industry-leading, and Yunnan Aluminum, Baotou Aluminum, Chalco Shandong won the ministerial and provincial-level quality awards, the 660MW unit of Yinxing Power Plant and 350MW unit of Guangxi Hualei was awarded the AAA grade in a power industry competition; the Company adhered to the concept of creating efficiency through management, proactively responded to the significant fluctuations in the market, and sticked to scientific inventory reduction, quick-in, quick-out and high-frequency procurement. Bulk material procurement price consistently outperformed the market and the centralized procurement rate reached more than 90%, achieving a significant effect in reduction of procurement cost.

3. Resources guarantee was enhanced and the upgrading of industry development was accelerated

The Company endeavored to strengthen resource guarantee capacity and carried out special actions to acquire bauxite resources, with 21 million tons of bauxite resources newly added in 2023; meanwhile, the Company expanded its bauxite supply channels, with a year-on-year increase in its international trade; in addition, Ningxia Energy newly acquired 271 million tons of coal resources. The Company accelerated the upgrading and adjustment in its industrial structure and actively promoted a number of key projects such as the 2 million-tons alumina project of Guangxi Huasheng Phase II, the 420,000-ton light alloy material project in Inner Mongolia Huayun, the 500,000-ton electrolytic aluminum project of Qinghai Branch and the Baotou Aluminum 1,200MW source-grid-load-storage project in Darhan-Muminggan Joint County. The Ningdong 250MW photovoltaic system was fully connected to the grid, and the new distributed photovoltaic system of the Company's affiliated enterprises amounted to 303MW. The Company made breakthroughs in respect of high-purity alumina and "small metal" industry, and its gallium metal production capacity has ranked first in the world.

4. The green industry was consolidated gradually, with remarkable results achieved in green development

In 2023, the Company spared no effort to improve red mud recycle management and actively broadened the application of red mud, with the comprehensive utilization volume exceeding 4 million tons and the utilization rate maintaining the leading level in the industry. Shanxi New Material, Wenshan Aluminum and Yunlv Runxin built three demonstration lines for the disposal of "three wastes" (industrial wastewater, waste gases and residues) from electrolysis, with annual disposal capacity ranking among the top in the industry. The Company increased the recycling of waste aluminium, and its consumption of waste aluminium for the year increased by 49% year on year; it implemented energy saving and emission reduction new technology transformation projects, its chemical oxygen demand and ammonia and nitrogen emissions decreased by 50% and 57% year on year respectively. The Company promoted mine reclamation and re-greening in a high-quality manner, and completed mine reclamation of 7,990 mu in 2023, with a mine reclamation rate of 100%. It created green benchmarks, three provincial-level green mines including Guangxi Jiaomei, Guohua and Yinxing Coal in Guangxi were newly built, and seven of the Company's affiliated enterprises including Shanxi New Material and Guangxi Hualei were rated as national-level "green factories"; six products of Chalco Shandong and Zhongzhou Aluminum were appraised as "green design products", and Qinghai Branch, Yunnan Aluminum and Zunyi Aluminum were certified as "clean energy-aluminium (綠電鋁)", thus accelerating the realization of the value of clean energy-aluminium. Baotou Aluminum became the first thermal power aluminum enterprise in the world to obtain the Aluminum Stewardship Initiative (ASI) certification, and the Company's carbon emissions for the year decreased by 1.25 million tons year on year.

5. The innovation system was reconstructed in all respects, with technology's empowerment being effective

In 2023, the Company set up four technological innovation platforms and established 21 scientific and technological innovation teams, to promote the healthy development of the industry chain in all respects while strengthening its own technological R&D capabilities. Meanwhile, the Company actively integrated itself into national innovation system, three new national-level R&D platforms including the "Green and Low Carbon Public Service Platform for Non-ferrous Metals Industry" and five provincial and ministerial-level R&D platforms including the "Yunnan Green Aluminum-based New Materials Innovation Consortium" were added. In 2023, the Company carried out more than 60 key technological researches in cutting-edge technologies for green aluminium production, energy-saving and carbon reduction technologies used in the aluminium smelting production process, and technologies for the recycling of three wastes in aluminium electrolysis. The Company had 10 technologies which were rated as international leading, and 12 technologies which were rated as international advanced. In 2023, the Company obtained 485 patent granting, representing a year-on-year increase of 36%, a number of its subsidiaries were awarded the title of National Intellectual Property Demonstration Enterprise and Advantageous Enterprise, and won 1 China Patent Award of Excellence, and 5 provincial and ministerial-level scientific and technological achievement awards. Meanwhile, the implementation of digital intelligence factory was accelerated, Guangxi Huasheng and Wenshan Aluminum have been selected into the list of 2023 intelligent manufacturing demonstration factories by the Ministry of Industry and Information Technology, being the two companies only in the industry on the list. Baotou Aluminum realized fully automatic intelligent management of its coal mining and processing. The Company's first automatic electrolyte sampling equipment was put into use in Zunyi Aluminum, and Chalco Materials completed the construction of the Group's industrial Internet platform "Green Star Chain (綠星鏈通)", to promote the digitalization transformation of supplier platform and realize intelligent procurement.

6. The management reforms were deepening, and the governance capabilities continued to improve

The Company deepened its reform and optimization, consolidated the results of the three-year action to deepen the reform of state-owned enterprises, laid emphasis on strengthening its core functions and improving its core competitive strength, and fully launched the implementation of the action to deepen and enhance reforms. A number of reform programs and specific measures were implemented at different levels. The Company comprehensively implemented the re-optimization of reform, repositioned and enhanced the core functions of the operating platform, optimized the logistics business, launched sales reform, and its synergistic ability of "collection and procurement, unified sales and transportation" further enhanced. At the same time, the Company continued to improve its internal governance capacity, optimized the rights and responsibilities boundary of the governing entity, revised and perfected various decision-making systems and working rules, and comprehensively pushed forward the "establishment, modification and abolition" of the system, to establish an institutional system with clear responsibilities, standard hierarchy and clear logic. It optimized the organization structuring of the headquarter, strengthened the scientific and technological innovation, advanced manufacturing and management innovation, and further improved the management functions. The Company continued to deepen the reform of the three systems, and achieved full coverage of contractual management of the tenure system for the management. It expanded the application of market-oriented talent selection and employment, optimized human resource allocation, and the productivity of all employees increased by 6.3% year on year. It continued to optimize the emolument distribution system and the per capita income of employees increased by 5% year on year. The Company also established a special total wage reward mechanism to support itself to introduce highly-competent talents.

7. Safety and environmental protection management were strengthened, with strong and effective risk prevention

The Company continuously strengthened the safety foundation, reinforced the implementation of the "safety + business" responsibility, and carried out special investigation and remediation of major accidents and hidden dangers. It strengthened the construction of production safety standardization, complete the preparation of standard operating procedures for common fixed operations; vigorously promoted the practice of guaranteeing safety through technological means, with the level of intrinsic safety being further improved, Inner Mongolia Huayun, Shanxi Zhongrun, Shanxi Huaxing and Guangxi Branch were built into national Level 1 standardized safety production enterprises. The Company continuously increased its effort in environmental protection governance, totally completed the remediation of environmental protection problems spotted out by the central government through inspections and spot checks. It took strong measures to rectify the ecological problems of mines, investigate and resolve a number of long-standing hidden problems. The Company further strengthened risk prevention and control, formulated specific prevention and control measures for possible operational risks, and promoted the implementation of measures to ensure that the risks are controllable and under control. It increased its supervision over key areas including the supply of ore, comprehensively investigated and sorted out the problems on mine operation, and carried out special inspection of waste materials, etc., so as to comprehensively find and handle management loopholes. It strengthened the construction of the compliance management system, and completed the preparation of the "one manual and four lists" systematic compliance guidance documents. The Company hired the general counsel and chief compliance officer for the Company, and included the compliance management duties in the Audit Committee under the Board of the Company, further promoted the construction of the rule of law for the Company and improved the compliance management system.

8. The two-way integration was advanced in all respects, to lead and ensure high-quality development by virtue of high-quality Party building

In 2023, the Company thoroughly implemented and learnt the spirit of the 20th National Congress of the CPC, carried out the theme education on learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and effectively transformed the results of learning and rectification of problems into the actual results and effectiveness of the Company's high-quality development. The Party committee of the Company fully played its role in "setting the direction, managing the overall situation and promoting the implementation" by strengthening the tracking of major issues of production and operation as well as reform and development in the whole process. At the same time, the Company actively fulfilled its social responsibility, and rushed to Gansu, Qinghai, Yunnan and other places right the first time to help do rescue and relief, and through the rural revitalisation, targeted poverty alleviation, public welfare donations, and other ways to show the responsibility of the central enterprises to bear.

DIVIDENDS

The Company considered and approved the Resolution in relation to the Profit Distribution Proposal for 2023 of the Company at the 20th meeting of the eighth session of the Board of the Company held on 27 March 2024, and the Board of the Company proposed to distribute the final dividend for 2023 at RMB0.08 (tax inclusive) per share to all shareholders. Based on the Company's current total issued share capital of 17,158,381,228 shares, the total dividend of the Company for 2023 amounts to approximately RMB1,373 million (tax inclusive).

The aforesaid distribution of dividend plan is subject to the approval of the 2023 annual general meeting of the Company. If approved, the Company will issue a separate announcement on the implementation of the dividend distribution and determine the record date for the dividend distribution. If there is any change in the total share capital of the Company before the record date for the implementation of the profit distribution, the Company will maintain the total amount of dividend distribution unchanged and adjust the distribution amount per share accordingly, and will announce the details of the adjustment separately.

RESULTS

For the year ended 31 December 2023, the Group recorded an operating revenue of RMB225.071 billion, representing a year-on-year decrease of RMB65.917 billion or 22.65% as compared to that in 2022. Profit attributable to the owners of the parent company was RMB6.717 billion. Earnings per share attributable to the owners of the parent company was RMB0.391.

BUSINESS OUTLOOK AND PROSPECTS

In 2024, against the backdrop of the sluggish global economic growth which is expected to continue and the further expanding geopolitical risks, the trend of commodity prices is of relatively great uncertainty, and the domestic market still faces problems such as insufficient effective demand and weak expectations. At present, the Company is in the breakthrough stage to achieve high-quality development. In the face of risks and challenges, the Company will enhance its bottom-line thinking and awareness of unexpected development, take high-quality development as its top priority in the new era, deepen reform and innovation, accelerate the foundation consolidation and transformation, continuously enhance its core functions, and improve its core competitiveness, striving to create a new situation of high-quality development with stronger commitment, greater ambitiousness and better results.

1. Adhere to ultimate operation and cope with challenges of weak industry cycle

The Company will strengthen budget management and deepen cost reduction and efficiency improvement. It will adhere to stable, full and high-quality production, and continue to improve the capacity utilization rate; strengthen production management, promote professional benchmarking and process benchmarking, and complete the three-year cost reduction 2.0 target; comprehensively promote the "Three Transformations and One Improvement" management model, and enhance production and operational control. The Company will adhere to focusing on the main business, strengthening the business and refining the specialty to enhance the core function of serving the enterprise in cost

3. Adhere to the transformation of strong foundation and enhance the level of industrial development

By focusing on green, low-carbon and low-cost, the Company will accelerate the transformation of strong foundation of its main businesses, enhance the level of advanced industrial foundation and modernization of industrial chain, and use incremental development to drive the reform, revitalization, transformation and upgrading of its inventories. The Company will accelerate the transformation and upgrading of traditional industries, consolidate and expand the "coastal and overseas" strategy, and actively speed up the implementation of overseas alumina projects; accelerate the integrated development of electrolytic aluminum and new energy, further increasing the proportion of aluminum produced from new energy. The Company will vigorously cultivate new industries and new tracks, make breakthroughs in the four areas of high purity materials, small metals, fine alumina and alloying. It will expand the scale of the green industry, improve the utilization level of solid waste resources, and enhance the capacity for aluminum scrap recycling. The Company will strengthen the digital intelligence empowerment of production and operation, promote the construction of a new batch of intelligent factories, enhance the digital intelligence of management practices, and accelerate the construction of the "Green Star Chain (綠星鏈通)" network procurement and trading platform to enhance the modernization of supply chain management. The Company will prioritize the project construction management with detailed control standards and mechanisms in place, and fully implement the owner's responsibility system to ensure high-quality completion of projects and timely achievement of production, standards, and efficiency targets.

4. Adhere to the technology leadership and enhance the effectiveness of the innovation system

With scientific and technological innovation as the primary task, the Company will create a curator of original technologies for the aluminum industry, and continuously enhance its ability to lead and support science and technology. The Company will focus on enhancing the overall effectiveness of the innovation system, establish an integrated and mutually-supporting innovation planning system that encompasses technology, products and specialized projects; continue to optimize the entire process management of technological innovation to ensure the achievement of major breakthroughs; transform the "four platforms" into the core engine of new productive forces by expanding and strengthening professional research institutes, establishing and improving specialized technical centers, and actively building collaborative innovation platforms and application technology platforms. The Company will accelerate the tackling of key technologies, continuously enhance the capacity for sustained technological innovation, and improve the competitiveness of core industries. The Company will continue to improve the mechanism of scientific and technological innovation, increase the intensity of R&D investment, intensify incentives for scientific and technological talents, and strengthen the team construction of scientific and technological talents.

5. Adhere to deepening reform and release the vitality of development momentum

The Company will adhere to efficiently promoting the reform and deepening and upgrading actions to help transform the Company's quality, efficiency and motivation. The Company will further standardize corporate governance, strengthen the construction of boards of directors of subsidiaries, improve the market-oriented operation mechanism. Based on value creation, the Company will optimize and improve the multi-dimensional evaluation system of performance, adjust and optimize the employment structure, and continue to enhance labor efficiency. The Company will fulfill its primary responsibility and continuously enhance the level of intensive and coordinated management to improve management efficiency. The Company will intensify the governance of loss-making enterprises, carry forward the spirit of "poverty alleviation", insist on "one enterprise one policy" and targeted assistance, aiming to enhance the survival and development capabilities of struggling enterprises, and further optimize asset quality.

6. Adhere to the bottom-line thinking and strive to prevent and resolve risks

Focusing on key areas and prominent problems, the Company will strengthen risk warning, prevention and control mechanisms and capacity building to achieve high-quality development and a high-level, safe, and benign interaction. Through implementing a three-year action plan for "fundamental improvement" of safety production, conducting special rectification in high-risk areas of safety production, and continuously deepening the promotion of "Technology Promotes Security", the Company will further build up a firm defense for safety production, and strive to enhance safety management capabilities. The Company will continue to strengthen the ecological and environmental protection, make solid progress in addressing ecological and environmental issues, and conduct thorough inspections to identify and address environmental hazards, and promote upgrades in environmental performance, aiming to achieve the goals of "clearing existing cases, curbing additional cases, and seeking dynamic change (清存量、遏增量、求變量)". The Company will prevent risks in operation and management, give full play to the role of the "large-scale supervision" system, coordinate various supervision resources, and improve the quality and efficiency of supervision in key areas. The Company will further improve the compliance management system and the system of rules and regulations, and continuously strengthen the construction of overseas legal and compliance risk prevention mechanisms.

7. Adhere to the guidance of Party building and build a strong synergy for development

The Company will continuously strengthen the political development and establish a long-term mechanism for theme education; continuously deepen the Party building benchmarking and improvement in all aspects, as well as the establishment of Party branches that meet the requirements of the "three types and six transformations (三型六化)", carry out "two guidances and two makings (兩帶兩創)" and "Party building+" activities in an innovative manner, to fully leverage the driving role of Party organizations and Party members; focus on the central tasks of production and operation, strengthen the Party building to empower the industry chain and innovation chain, explore "value-based" Party building, and promote two-way integration, deep integration, and comprehensive integration of Party building and business operations, so as to guarantee the Company's high-quality development with the guidance of high-quality Party building.

Dong Jianxiong
Chairman

Beijing, the PRC
27 March 2024

Management's Discussion and Analysis of Financial Position and Results of Operations

DEVELOPMENT STRATEGY AND MODEL

Committed to the development objective of creating "four extra strong (四個特强)" and building a world class aluminum company with global competitiveness, the Company pursues both internal high-quality growth of substance and extensional development, and takes deepening reform, innovation-driven, green and low-carbon as its key source of momentum, focusing on prioritizing acquisition of bauxite resources, vigorously upgrading the green level of aluminum smelting, accelerating the development of high-purity aluminum-based new materials, and focusing on corporate governance, value creation, scientific and technological research and development, industrial upgrading, overseas development, capital operation and collaborative operation all guided by Party building, committing to strengthen the "chain length (鏈長)" of the modern aluminum industry chain.

The following discussions should be read together with the financial information of the Group and its notes included in other sections of this annual report.

BUSINESS SEGMENTS

The Group principally engages in the exploration and mining of bauxite, coal and other resources; the production, sales and technical development of alumina, primary aluminum, aluminum alloy and carbon products; international trading, logistics services, as well as electricity generation from coal and new energy. Business segments comprise:

Alumina segment consists of mining and purchasing bauxite and other raw materials, refining bauxite into alumina, and selling alumina both internally to the Group's electrolytic aluminum enterprises and trading enterprises and externally to customers outside the Group. This segment also includes the production and sales of refined alumina and gallium.

Primary aluminum segment consists of procuring alumina, raw and auxiliary materials and electricity power, smelting alumina to produce primary aluminum, and selling them internally to the Group's trading enterprises and externally to customers outside the Group. This segment also includes the production and sales of carbon products, aluminum alloy products and other electrolytic aluminum products.

Trading segment is mainly engaged in the trading and logistics of alumina, primary aluminum, other nonferrous metal products, and crude fuels such as coal products, as well as raw and auxiliary materials to internal manufacturing enterprises and external customers.

Energy segment consists of coal, electricity generation from coal, wind power and photovoltaic power and new energy equipment production, etc. Among its major products, coals are sold to internal manufacturing enterprises of the Group and external customers outside the Group; and electricity power generated by public power plants, wind power and photovoltaic power stations of the Group is sold to local grid companies.

Corporate and other operating segments include research and development and other activities of other aluminum-related business of the headquarter and the Group.

OPERATING RESULT

The Group achieved net profit attributable to owners of the Company of RMB6,717 million in 2023, representing an increase of RMB2,525 million as compared with last year's profit of RMB4,192 million, mainly due to the fact that with stable and improving production and operation of the Company, the benefits of industrial structure optimization have been gradually realized in recent years.

OPERATING REVENUE

In 2023, the Group achieved operating revenue of RMB225,071 million, representing a decrease of RMB65,917 million as compared with RMB290,988 million of the same period of last year, which was mainly due to the fact that the Company focused on its core business this year and reduced the trading business with low gross profit margin.

OPERATING COST

EXPENSE DURING THE REPORTING PERIOD

Operating expense: The Group's operating expense was RMB432 million in 2023, which was basically flat as compared with RMB419 million of the same period of last year.

Administrative expenses: The Group's administrative expenses were RMB5,899 million in 2023, which was basically flat as compared with RMB6,008 million of the same period of last year.

Financial expense: The Group's financial expense was RMB2,944 million in 2023, representing a decrease of RMB474 million as compared with RMB3,418 million of the same period of last year, which was mainly due to the Company's year-on-year decrease in expense by reducing the scale of interest-bearing debt and optimizing financing costs.

R&D EXPENSE

The Group's R&D expense in 2023 was RMB3,729 million, representing a decrease of RMB1,076 million as compared with RMB4,805 million of the same period last year, which was mainly due to the fact that the Company was in a phase of promotion of new technology applications during the year, resulting in the decrease in newly established R&D projects.

OTHER LOSSES/GAINS, NET

ALUMINA SEGMENT

Operating Revenue

In 2023, the Group's alumina segment achieved operating revenue of RMB53,526 million, representing a decrease of RMB2,236 million as compared with RMB55,762 million of the same period of last year, which was mainly due to the year-on-year decrease in sales price and sales volume of alumina.

Segment Result

In 2023, the Group's alumina segment achieved pre-tax profit of RMB985 million, representing an increase of RMB773 million as compared with RMB212 million of the same period of last year, which was mainly due to the impact of the year-on-year decrease in asset impairment matters.

PRIMARY ALUMINUM SEGMENT

Operating Revenue

In 2023, the Group's primary aluminum segment achieved operating revenue of RMB125,312 million, representing a decrease of RMB13,154 million as compared with RMB138,466 million of the same period of last year, which was mainly due to the year-on-year decrease in sales price of primary aluminum.

Segment Result

In 2023, the Group's primary alumina segment achieved pre-tax profit of RMB11,243 million, representing an increase of RMB1,518 million as compared with RMB9,725 million of the same period of last year, which was mainly due to the impact of the year-on-year increase in product profit as a result of the decrease in raw material prices.

TRADING SEGMENT

Operating Revenue

In 2023, the Group's trading segment achieved operating revenue of RMB185,481 million, representing a decrease of RMB73,373 million as compared with RMB258,854 million of the same period of last year, which was mainly due to the decrease in the volume of the Company's trading business with low gross profit margin during the year.

Segment Result

In 2023, the Group's trading segment achieved pre-tax profit of RMB1,857 million, representing an increase of RMB163 million as compared with RMB1,694 million of the same period of last year, which was mainly due to the recovery of historical provision for bad debt during the year and the year-on-year increase in profitability of the domestic logistics business.

ENERGY SEGMENT

Operating Revenue

In 2023, the Group's energy segment achieved operating revenue of RMB9,256 million, representing a decrease of RMB67 million as compared with RMB9,323 million of the same period of last year, which was mainly due to the year-on-year decrease in the revenue of new energy power generation business.

Segment Result

In 2023, the Group's energy segment achieved pre-tax profit of RMB2,098 million, representing a decrease in profit of RMB103 million as compared with RMB2,201 million of the same period of last year, which was mainly due to the impact of the year-on-year decrease in the profit of new energy power generation business.

CORPORATE AND OTHER OPERATING SEGMENTS

Operating Revenue

In 2023, the Group's corporate and other operating segments achieved operating revenue of RMB2,354 million, representing an increase of RMB410 million as compared with RMB1,944 million of the same period of last year, which was mainly due to the year-on-year increase in repair service revenue.

Segment Result

In 2023, the Group's corporate and other operating segments achieved a loss of pre-tax profit of RMB1,196 million, representing an increase in loss of RMB353 million as compared with the loss of RMB843 million of the same period of last year, which was mainly due to the year-on-year decrease in profit of futures business and the year-on-year decrease in interest income as a result of the decrease of national deposit interest rates.

CURRENT ASSETS AND LIABILITIES

As at 31 December 2023, the Group's current assets amounted to RMB58,441 million, representing an increase of RMB3,905 million as compared with RMB54,536 million at the end of the previous year, which was mainly due to the impact of the increase in purchase of structured deposits and holding of currency funds of the Company during the year.

As at 31 December 2023, the Group's current liabilities amounted to RMB58,706 million, representing a decrease of RMB3,661 million as compared with RMB62,367 million at the end of the previous year, which was mainly due to the impact of the payment of the Company's various purchases and construction payables during the year.

NON-CURRENT ASSETS AND LIABILITIES

As at 31 December 2023, the Group's non-current assets amounted to RMB153,315 million, representing a decrease of RMB4,497 million as compared with RMB157,812 million at the end of the previous year, which was mainly due to depreciation and amortisation of long-term assets.

As at 31 December 2023, the Group's non-current liabilities amounted to RMB54,161 million, representing a decrease of RMB8,066 million as compared with RMB62,227 million at the end of the previous year, which was mainly due to the impact of reclassification of the Company's bonds due within one year to current liabilities during the year.

As at 31 December 2023, the Group's gearing ratio amounted to 53.30% (the ratio is derived by dividing the Group's total liabilities by its total assets as at 31 December 2023), representing a decrease of 5.37 percentage points from 58.67% at the end of 2022, which was mainly due to the reduction in the scale of interest-bearing liabilities of the Company.

FAIR VALUE MEASUREMENTS

The Group has established procedures for fair value recognition, measurement and disclosure in strict accordance with the requirements of accounting standards for fair value determination, and assumes responsibility for the truthfulness of fair value measurement and disclosure. Currently, the Company is measured by the historical cost method except for transactional financial assets, transactional financial liabilities, investments in other equity instruments and receivables financing measured at fair value.

As at 31 December 2023, the Group's financial assets held for trading increased by RMB5,013 million compared with the end of the previous year, which was mainly due to the impact of the purchase of structural deposits in this year; financial liabilities held for trading increased by RMB16

CASH AND CASH EQUIVALENTS

As at 31 December 2023, the Group's cash and cash equivalents amounted to RMB18,440 million.

CASH FLOWS FROM OPERATING ACTIVITIES

In 2023, cash flow from operating activities was a net inflow of RMB26,859 million, representing a decrease of RMB886 million compared with the net inflow of RMB27,745 million for the same period of the previous year, mainly due to the impact of the year-on-year decrease in cash profit during the year.

CASH FLOWS FROM INVESTING ACTIVITIES

In 2023, cash flow from investing activities was a net outflow of RMB10,999 million, representing an increase of RMB7,581 million in outflow compared with the net outflow of RMB3,418 million for the same period of the previous year, mainly due to the impact of the year-on-year decrease in the maturity and recovery of structured deposits purchased by the Company during the year.

CASH FLOWS FROM FINANCING ACTIVITIES

In 2023, cash flow from financing activities was a net outflow of RMB14,143 million, representing a decrease of RMB12,895 million in outflow compared with the net outflow of RMB27,038 million for the same period of the previous year, mainly due to the impact of the consideration paid by the Company for the implementation of the business combination under common control of Yunnan Aluminum in 2022 and the decrease in net debt repayment during the year.

OVERALL ANALYSIS OF EXTERNAL EQUITY INVESTMENTS

As of 31 December 2023, the Group's long-term equity investments amounted to RMB10,040 million, representing an increase of RMB297 million from RMB9,743 million for the same period of the previous year, mainly due to the increase in the recognized investment income of the Company as a result of profits from joint ventures and associated companies.

EXCHANGE RATE FLUCTUATION RISK AND HEDGING

In order to reasonably avoid the exchange rate risk exposure of the Company's subsidiaries in import and export business, and reduce the impact of exchange rate fluctuations on the profits of enterprises, the Company considered and approved the Resolution in relation to the 2023 Monetary Financial Derivatives Business Annual Plan of the Company at the tenth meeting of the eighth session of the Board held on 21 March 2023, agreeing to implement the monetary financial derivatives business by Chalco International Trading Group and its subsidiaries and Chalco Materials, wholly-owned subsidiaries of the Company, in 2023. The quota shall not exceed USD1,797 million, and the business types shall include forward purchase and sale of US dollars, with a term from 1 January 2023 to 31 December 2023. By the end of 2023, Chinalco International Trade Hong Kong Co., Ltd., a wholly-owned subsidiary of Chalco International Trading Group, had carried out forward settlement of US dollars of USD821,500, achieving better results and effectively avoiding the risk of exchange rate fluctuation.

Report of the Board

The Board hereby submits the Report of the Board together with the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Group is a leading enterprise in aluminum industry in China, and ranks among the top enterprises in global aluminum industry in terms of comprehensive strength. The Group's alumina, electrolytic aluminum, fine alumina, high-purity aluminum, aluminum anodes and gallium metal production capacity all rank first in the world. The Group's main business includes exploration and mining of resources such as bauxite and coal, production, sales, technology research and development of alumina, primary aluminum, aluminum alloys, and carbon products, international trade, logistics industry, thermal and new energy power generation, etc.

OPERATION MODEL

Based on the domestic circulation and international circulation, the Company takes value creation as its guiding principle to optimize three core main businesses, i.e. bauxite, alumina and electrolytic aluminum, specialize in three core sub-industries, i.e. high-purity aluminum, aluminum alloy and fine alumina, refine three supporting industries, i.e. carbon, coal and electricity, strengthen three synergistic industries, i.e. trade, logistics and materials, implement three green industries, i.e. red mud utilization, recycled aluminum and electrolysis hazardous waste disposal, and build a "3×5" industrial development pattern to become an outstanding main force in technological innovation, a ballast stone in mineral resources, a pillar in high-end advanced materials, and a leader in green, low-carbon, and low-cost digital intelligence with the goal of building a world-class aluminum company with global competitiveness. Pursuing openness and cooperation, the Company actively adapts to and create market demands, and builds an integrated supply chain service platform based on three major platforms to integrate production, trading, finance, storage, transportation, information and information, etc. The Company is constantly fostering and improving a business model that focuses on product value creation and is closely integrated with value added financial

trade. Through the optimal allocation of the value chain, enterprise chain, supply and demand chain and spatial chain, the Company has created a win-win situation in which the Company and its affiliated enterprises will be able to improve efficiency and reduce costs between the upper-, middle- and lower- streams of the industrial chain.

INDUSTRY CONDITIONS

Aluminum industry is an important fundamental industry in China. As key fundamental raw materials, alumina and primary aluminum are closely associated with electromechanical, power, aerospace, shipbuilding, automobile manufacturing, packaging, construction, transportation, daily necessities, property and other industries. The products prices experience periodic fluctuations with the domestic and overseas macro-economic fluctuations.

China is a great power in aluminum industry and has been the No. 1 in aluminum output and consumption for 22 consecutive years. Since 2017, the Chinese government has been encouraging and leading less competitive capacities to exit the market through advancing the supply-side structural reform in the aluminum industry. China strictly controlled new electrolytic aluminum capacities, strengthened supervision on environmental protection, initiated environment remediation campaigns and controlled total emission, which effectively improved the market supply and demand and facilitated the orderly and healthy development of the aluminum industry. Since the introduction of China's carbon peaking and carbon neutrality strategy, the aluminum industry, as a "high pollution" and "high environmental risk" industry, becoming the key link and focus area for the China's carbon emission governance. Since the introduction of a series of industrial policies and adjustments in 2021, in particular, the abolition of preferential electricity prices for electrolytic aluminum, the abolition of catalogue electricity prices and floating ratio restrictions, the implementation of tiered electricity prices for electrolytic aluminum and the ban on the construction of coal-fired power projects abroad, the industry will be forced to accelerate the implementation of more profound industrial restructuring, transformation and upgrading, which will have significant impact on the development trend and competition pattern of the entire industry.

With the development of China's economy shifting from high growth rate to high quality, in addition to the expansion of product categories and the improvement of product quality in transportation, construction projects and other traditional industries, the application of aluminum has also been expanded in such high-end consumer fields as packaging, electronics and power and mechanical equipment. Replacement of steel with aluminum for main structural products in automobile, high-speed rails, airplanes, bridges and other industries has been gradually prompted due to the lightness, durability and metal stability of aluminum; the application of aluminum products has been expanded step by step in furniture, packages and other consumables sectors by means of the recyclability of aluminum; and the application of aluminum in wires and cables for electricity transmission and distribution and in 3C industry has also been continuously facilitated based on the conductivity and economic value of aluminum. In addition, the development of the aviation industry has led to the growth of medium thick aluminum plates and aluminum automotive body sheets, and the rapid development of renewable energy has driven the growth of aluminum materials used for photovoltaic modules, lightweight new energy vehicles, freight vehicles and charging pile equipment. The emerging industries, personalized demand, and the industrialization of aluminum products such as aluminum-air batteries and nanoceramic aluminum will also become new consumption drivers for aluminum.

INDUSTRY LANDSCAPE AND TRENDS

China is the biggest producer and consumer of alumina and electrolytic aluminum in the world. In 2023, the domestic output of alumina and electrolytic aluminum were 82.27 million tonnes and 41.66 million tonnes, accounting for 59.1% and 58.9% of the global output of alumina and electrolytic aluminum, respectively. The domestic consumption of alumina and electrolytic aluminum were 83.17 million tonnes and 42.80 million tonnes, respectively, representing 59.6% and 60.9% of the global consumption of alumina and electrolytic aluminum, respectively. The domestic output and consumption of alumina and electrolytic aluminum were over half of the global output and consumption.

Currently, the world is in the acceleration period of profound changes of a kind unseen in a century, the international environment is becoming complex, and the global industrial, supply and value chains have experienced significant changes, and the intensification of internal conflicts among countries has led to an increase in the number of trade and investment barriers, which is likely to aggravate. The slowdown in global economic growth expectations and the stance of major central banks adopting longer and more restrictive monetary policies, along with the crisis in the banking sector in the United States and Europe and the resulting financial market turbulence, intensified market concerns about the trend of commodities. The transformation of the industrial structure and energy mix has brought new development opportunities for the transformation of industrial chain and supply chain to green and low-carbon for various countries including China. The traditional demand for aluminum in construction is continuously decreasing, while the demand for aluminum in transportation, electronics, durable consumer goods, photovoltaic and other fields is continuously increasing. With the continued strict control over new capacity of electrolytic aluminum by the PRC government, the supply and demand is basically in equilibrium. As the PRC government is deepening the supply-side structural reform and implementing the targets of carbon dioxide peaking and carbon neutrality, the aluminum industry has entered a new stage of high-quality development. It will be the key direction for the transformation and upgrading of the industry to leverage innovations to optimize the industrial layout and the energy consumption mix, reduce energy consumption, and develop deep-processing products with high added values. It has become a new development trend in the industry to rely on technology to reduce carbon, develop and utilize green waste-free metallurgical technology, vigorously develop recycled aluminum, accelerate the transfer to overseas and clean energy-rich regions, and extend to high-end downstream industries. In terms of the competition landscape in the aluminum industry, the enterprises with complete industrial chain covering bauxite, energy, alumina, primary aluminum and aluminum alloy products production, technology research and development, logistics industry, and clean energy are more competitive.

For the alumina industry, in 2023, the overall alumina market in China showed a tight balance pattern. From the demand side, in 2023, there were both increase and reduction in production of electrolytic aluminum industry in China. At the beginning of the year, electrolytic aluminum enterprises reduced and stopped production on a large scale due to the power restriction policy implemented in Guizhou and Yunnan, but later on, driven by high profits, the stopped and newly-installed capacity accelerated the pace of resuming production and starting production, making the production volume grow at a faster-than-expected rate. The scale of new and resumed production exceeded the reduced capacity, which boosted the demand for alumina; in addition, with the listing of the alumina futures, some new traders who dealt with both futures and spot trading entered the market, which also alleviated the pressure on the supply side to a certain extent. From the supply side, new projects in Guangxi, Hebei and Chongqing maintained stable production in the past two years. However, affected by environmental protection inspections and tight ore supply in Shanxi and Henan regions, local enterprises reduced and suppressed production almost throughout the year, and the overall increase in production was greater than the decrease in production. Shandong, Shanxi and Guangxi are still the major alumina production regions, with the production accounting for more than 70% of the country's total production capacity. As at the end of December 2023, the alumina production capacity in China reached 103.35 million tonnes per year, representing an increase of 3.8 million tonnes per year compared with that at the end of 2022. In 2024, it is expected that alumina market in China will remain a tight balance. Given that China's electrolytic aluminum production capacity has basically touched the ceiling and the future addition of new production capacity will be controllable, the demand for alumina will mainly be determined by the operating rate of the electrolytic aluminum production; on the other hand; alumina enterprises in the northern region will continue to face pressure in environmental protection, etc., and it is expected that operating rate will be maintained at relatively low in 2024. However, with the continuous addition of new production capacity, it is expected that alumina output will continue to increase in 2024, at a downward growth rate.

For the electrolytic aluminum industry, in 2023, the production capacity of China's electrolytic aluminum increased slightly. On one hand, due to power shortage and other factors, Yunnan and Guizhou implemented load shedding and capacity reduction measures, and the scale of production reduction reached 2.79 million tonnes per year; on the other hand, 3.12 million tonnes per year of production capacity was resumed in the year, mostly the restarting of the suspended capacity in Yunnan, Guizhou, Sichuan and Guangxi, and the newly-invested capacity of 0.81 million tonnes per year was mainly concentrated in Yunnan, Inner Mongolia and other regions. By the end of 2023, China's total electrolytic aluminium production capacity was 44.43 million tonnes per year, up 0.3% from the previous year. Judging from the distribution of production capacity, Shandong, Inner Mongolia and Xinjiang are the three provinces with the highest capacity for electrolytic aluminum production in China in 2023; however, in view of the growth rate of electrolytic aluminum capacity in Yunnan, it is expected that by 2024, Yunan is expected to become the largest electrolytic aluminum production region in the country.

In terms of consumption, aluminum is the second largest metal after steel. With the development of new energy, electronic information, 5G communication, new energy vehicles, rail transit and green aluminum furniture industries in the future, the application of "green" and "lightweight" aluminum products will be further expanded and the total consumption will remain stable because aluminum is light, corrosion resistant, easy to process and recyclable. Under the constraints of the capacity ceiling, the carbon peaking and carbon neutrality targets have further constrained production, and with the addition of recycled aluminum, there is a possibility of a decline in electrolytic aluminum production as it approaches its peak. Aluminum is expected to remain basically balanced in terms of supply and demand.

Judging from the development trend of aluminum industry, in the general context of stabilizing industry and economy, the policy of dual-controls over energy intensity and total energy consumption will be more comprehensive and reasonable, and its impact on production is expected to be weakened. The power supply problem can also be greatly improved by ensuring provision of coal and keeping prices stable. Electrolytic aluminum production will gradually be resumed, and the probability of the recurrence of large-scale production reduction in the whole industry is relatively small, except for those in Northwest China. However, under the "new normal" of macro economy, it is difficult for the demand side of aluminum to increase significantly, which is at the same time also facing the situation of sTd sup thstgrad0.023 2 (thb0)0.023 ly

BUSINESS REVIEW

Statements about the business review and future business development of the Group for the year are set out in the section headed "Chairman's Statement". The section headed "Management's Discussion and Analysis of Financial Position and Results of Operations" gives an analysis of the financial and operational conditions of the Group using financial key indicators. Details of compliance with relevant laws and regulations that have a significant impact on the Group are set out in sections headed "Report of the Board" and "Report on Corporate Governance and Internal Control".

POTENTIAL RISKS

Based on the international and domestic macroeconomic environment, national industry policies and market environment, in conjunction with the actual production and operation conditions of the Company, the Company has evaluated the possible risks that it may face. The main risks include:

1. Resource Acquisition and Supply Guarantee Risks

China's bauxite resources are relatively scarce. In recent years, the reserves and quality of domestic bauxite have declined to varying degrees, and the competition for resource acquisition is fierce, making it difficult to obtain resources; the approval of mine safety and environmental protection in China is becoming increasingly strict, and the progress of mine project construction slows. At present, the Company only has one overseas base, the Boffa bauxite mine in Guinea. The overseas supply source is limited, and influenced by local political situation and employment environment, the resource guarantee risk coefficient is relatively high.

To address these risks, the Company will further strengthen domestic resource exploration and development, identify mineral resources in new areas and in deep and surrounding areas of existing mines, extend the service life of mines, actively promote the transformation from exploration to mining, and accelerate the progress of resource development; plan ahead and participate in the competition for mining rights transfer, fully leverage the Company's advantages in the aluminum industry that has already been built or planned in various regions; steadily promote cooperation in the aluminum under coal projects, and conduct feasibility evaluations for the aluminum under coal projects regarding the issues of high sulfur content, complex mining conditions, and high mining costs; further expand overseas resource cooperation, accelerate the construction of resource continuity in Boffa South and the development of northern mining areas in Guinea, and study the feasibility of obtaining and cooperating with overseas bauxite projects in other regions; scientifically coordinate domestic and imported mining production, make every effort to increase its own mining output, formulate annual import mining supply plans, regularly organize import mining balance meetings, and timely respond to changes in enterprise demand.

2. Safety and Environmental Risks

The Company's coal mines, non-coal mines, smelting units, and logistics are all high-risk industries with high safety risks. Without high enough level of automation and intelligence, the Company needs to further strengthen its control on contractors. The Company has a large number of old enterprises with high energy consumption, large total emissions, insufficient environmental protection equipment and facilities, and large inventory of hazardous waste, leaving a significant gap in environmental management level compared to advanced enterprises.

To address these risks, the Company will further increase efforts to investigate and control major accident hazards, and dynamically update the implementation of rectification measures; strengthen the special safety rectification in key areas such as mining and engineering construction, accelerate the intrinsic safety transformation of production processes and equipment facilities, focus on "digitization, unmanned, and minimally-staffed", increase the intensity of technical prevention work, and promote the level of technical prevention to a higher level. In terms of environmental protection, we will deepen the governance of prominent environmental issues, with a focus on addressing prominent ecological and environmental issues such as the atmosphere, hazardous waste, soil, and ecological restoration in mines; strictly prevent and control ecological and environmental risks, strengthen the full process management of hazardous waste disposal such as aluminum ash and overhaul slag, and strengthen the ecological protection and restoration of mines; promote the upgrading of environmental performance, formulate and implement the annual special plan for environmental performance upgrading and the annual special plan for creating green mines.

3. International Operation Risks

The Company's bauxite mine in Guinea may experience fluctuations in supply due to local policy changes and frequent strikes. At the same time, the international environment is becoming increasingly complex, and the uncertainties in external regulatory changes increase. The Company may experience the risk of economic losses such as penalties due to non-compliance of overseas business with local legal and regulatory requirements.

To address these risks, the Company will refine its overseas business strategy planning, closely monitor overseas political risks, and develop an emergency management system for political risks; pay close attention to the political situation and import/export customs policies of the trading country to avoid transaction risks caused by political factors; for routine business types, develop standard contract to reduce international trade contract risks; actively expand long-term cooperation with mainstream suppliers, increase the scale of trade mineral resources, dispatch professional teams to station in major import source countries, and actively promote the acquisition of high-quality overseas resources; strengthen the construction of legal institutions and personnel for overseas enterprises, promote the improvement of relevant business rules and regulations for overseas enterprises, carry out overseas legal compliance risk investigation, and strengthen the prevention of overseas legal risks.

4. Market Changes and Market Competition Risks

Affected by various factors such as macroeconomic conditions at home and abroad, national and industry policies, and changes in market supply and demand, the prices of products such as alumina and electrolytic aluminum, as well as raw materials may fluctuate, which may lead to cost increases and price reductions, thereby affecting the Company's profit level; in addition, the markets of alumina, electrolytic aluminum and bulk raw material and fuels are perfectly competitive with numerous participants, and there is a risk of market share being seized by competitors.

To address these risks, the Company has established an institutionalized market research system to form daily and weekly reporting systems, expand the breadth and depth of research and analysis on macroeconomic and aluminum industry fundamentals, and enhance the pertinence and effectiveness of market analysis; strengthened the application of market research results, closely integrated research results with trade business decisions, controlled the pace of purchase and sales, and seized market opportunities in price fluctuations; maintained existing customers, developed new customers, and increased external spot sales to further enhance market share and pricing power, and underpin market leadership position; strengthened centralized procurement, took internal cost reduction as the foundation, met the needs of production enterprises, improved collaboration with production and service capabilities, further reduced intermediaries, and lowered production costs for enterprises through the combination of methods such as strategic procurement, production adjustment to electricity price, and bidding procurement.

5. Dual Carbon and Energy Use Structure Risks (Including Risk of Utilizing Recycled Aluminum)

The Company mainly consumes fossil fuels such as coal, diesel and natural gas for its production of electrolytic aluminum and alumina, and the total amount and intensity of carbon emissions are relatively high. Certain enterprises face difficulties in transitioning into clean and low-carbon energy consumption, resulting in limited space for reducing carbon emissions. In terms of recycled aluminum, existing production enterprises have entered a relatively stable mode of waste aluminum consumption, and the consumption level has been basically saturated. Due to constraints in production equipment, only high-quality waste aluminum may be consumed. However, given its high market price, the profit margin for the utilization of recycled aluminum is low, posing a risk of loss.

To address these risks, the Company has strengthened the management of energy conservation and carbon reduction in aluminum electrolysis, and applied new technologies to achieve energy conservation and consumption reduction; strengthened the benchmarking of alumina in each process, enhanced process control capabilities, timely formulated response measures to eliminate energy consumption shortcomings in processes, reduced unplanned outage of production lines and equipment, and reduced energy consumption; deepened the benchmarking of power plants in each process, optimized operational adjustments, reduced coal consumption for power supply, carried out the "three reforms linkage" transformation of coal-fired power units, improved unit energy efficiency, and reduced carbon emissions. In terms of recycled aluminum, relying on the Company's main production bases for electrolytic aluminum and aluminum alloys, the Company has built waste aluminum pretreatment production lines to cover each melting and casting production line of the Company, and provided resource guarantees for the development of the recycled aluminum industry; established a sound waste aluminum recycling system, and achieved targeted recycling with downstream processing enterprises and enterprises within the park; further promoted the construction of waste aluminum pretreatment production lines and related alloy production line projects based on the overall situation of the Company's aluminum electrolysis enterprise's alloying and recycled aluminum business.

SOCIAL RESPONSIBILITY AND ENVIRONMENT PROTECTION

The Company adopts "Turning Stone into Gold and Benefiting Mankind (點石成金造福人類)" as the core value of social responsibility, takes rewarding shareholders, empowering employees, benefiting customers and society, and cherishing environment as the Company's mission, and effectively integrates social responsibility into the Company's business management system, which achieves full coverage of the Company's main business units. The Company has established the Social Responsibility Management Module of Aluminum Corporation of China Limited, and formed systematic concept system, organizational system, institutional system, assessment system and management system. Five areas of responsibility are identified, which are corporate governance, employee rights and interests, environmental protection, fair operation and community support. At the same time, with respect of each of the five major areas of responsibility, the Company has established the scope of responsibility, the subject of responsibility, the indicators of responsibility assigned to each department and the enterprises to which they belong, as well as a negative list.

The Company has established a complete social responsibility management system consisting of sustainable development and ESG management in accordance with the Implementation Rules for Social Responsibility Management of Aluminum Corporation of China Limited as followed:

➢ The Board of Directors and its special committees: reviewing the Company's ESG governance strategy and guidelines, ESG management systems and management objectives; identifying and applying the Company's issues of materiality, identifying and managing ESG-related risks and opportunities, and the annual ESG report; supervising and inspecting the identification, evaluation, management process of ESG management-related matters and the progress of related ESG goals.

➢ Social Responsibility Committee: implementing the ESG work arrangements of the Board of Directors and annual ESG work plans, and organizing and instructing relevant departments to implement ESG policies, measures and plans; discussing with departments involved to make applicable ESG targets and reviewing them regularly, and confirming the work progress; reporting the aforesaid work to the Board of Directors regularly.

➢ Functional departments: implementing the work arrangements of the Social Responsibility Committee, collecting, organizing and reporting their ESG work.

➢ Subordinate enterprises: establishing a social responsibility committee or leadership group responsible for the management of ESG work; formulating annual ESG work plans based on actual conditions; implementing the work arrangements of the Company, collecting, organizing and reporting their ESG work.

The Company has incorporated the concept of sustainable development into its routine operational strategies in line with the global and Chinese demands for sustainability, striving to contribute to the United Nations Sustainable Development Goals. The Company's key practices include:

United Nations Sustainable Development Goals (SDGs)	**Action of the Company**
1. No Poverty	Actively promote targeted poverty alleviation measures, with a focus on addressing core issues such as education, healthcare, and employment for impoverished children to ensure they have access to improved living conditions and development opportunities.
2. Zero Hunger	Actively engage in rural revitalization, with the aim of promoting agricultural transformation in rural areas. By implementing measures such as restoring and improving soil conditions and enhancing water resource acquisition efficiency, the Company strives to optimise the local agricultural ecological environment and accelerate the modernization of agriculture to inject new vitality into the development of rural areas.
3. Good Health and Well-being	Organise a diverse range of employee activities that span culture, sports, and lifestyle to help employees achieve a better work-life balance and increase their sense of happiness and belonging. Actively advance digital and intelligent transformation to enhance intrinsic safety levels, thereby further strengthening production safety measures and ensuring the safety and health of employees.
4. Quality Education	Conduct charitable educational activities by donating sports equipment, learning materials, and daily necessities, striving to create a high-quality learning and growth environment for children and youth.
5. Gender Equality	Resolutely implement a gender equality employment policy to foster an inclusive and equal work environment and ensure that all employees are entitled to legal rights and fair treatment.
6. Clean Water and Sanitation	Optimise the water usage structure through enhanced daily water conservation management to ensure the safety and sustainable utilisation of water resources.

United Nations Sustainable Development Goals (SDGs)	Action of the Company
7. Affordable and Clean Energy	Promote the adjustment of the energy consumption structure, vigorously develop industries such as photovoltaic power and wind power in renewable energy, to enhance the proportion of clean energy in the energy mix. Assist nearby residents in constructing clean power generation facilities so that more people can enjoy the convenience and environmental benefits of clean energy.
8. Decent Work and Economic Growth	Committed to safeguarding employee rights and dedicated to creating a positive and healthy work environment. Design compelling growth series programs and provide share incentives to inspire employees' potential and creativity.
9. Industry, Innovation and Infrastructure	Accelerate the breakthrough of key scientific research projects and the application of their results to provide solid technological support for achieving high-quality development. Through continuous innovation and breakthroughs, we will be at the forefront of the industry and make a greater contribution to social progress and economic development.
10. Reduced Inequality	Eliminate any form of discrimination, regardless of nationality, race, or cultural background, to ensure that every employee receives fair treatment and respect.
11. Sustainable Cities and Communities	Promote the use and development of clean energy and help build sustainable cities and communities where we operate. Actively participate in community development, enthusiastically engage in charitable endeavours, and continuously carry out assistance projects in Qinghai and Tibet, as well as philanthropic donation activities.
12. Responsible Consumption and Production	Continuously invest in research and development, with a focus on innovation in energy-saving technologies and environmentally friendly waste disposal, and proactively promote their industrial applications. Accelerate the expansion of the new energy industry, with a focus on sustainable energy development.

United Nations Sustainable Development Goals (SDGs)	Action of the Company
13. Climate Action	In response to the national "30 • 60" carbon peaking and carbon neutrality goals, the Company optimises the energy consumption structure of the enterprise, expands the use of new energy, and actively undertakes energy-saving initiatives. By reducing carbon emissions and improving energy utilisation efficiency, the Company strives to mitigate the impact of climate change and contributes to the building of a green, low-carbon society.
14. Life below Water	Committed to preserving water resources, the Company employs advanced water recycling systems to ensure "zero discharge" of production wastewater, promoting the green and sustainable development of the enterprise.
15. Life on Land	With a responsible attitude, the Company adopts a scientific approach during site selection, establishes rigorous mining processes, and strictly implements mine reclamation efforts, in an effort to create an environmentally friendly mining operation. Waste is stored and utilised in an organised and comprehensive manner to ensure the maximal utilisation of resources and minimal environmental impact.
16. Peace, Justice and Strong Institutions	Strengthen integrity and promote the clean and transparent operation of the Company. Continuously optimise the Company's governance capabilities, and constantly refine compliance management, internal control systems, and legal frameworks.
17. Partnerships for the Goals	Build mutually beneficial partnerships, and foster stable and consistent supply chains through the creation of efficient communication platforms.

Consistently adhering to the philosophy that "talent is the primary resource", the Company upholds a people-centric approach, and continuously optimises employment policies to effectively safeguard the rights and interests of employees. The Company strictly complies with relevant laws and regulations of the People's Republic of China, including the Labor Law, Labor Contract Law, Minors Protection Law, Provisions on the Prohibition of Using Child Labor, Labor Dispute Mediation and Arbitration Law, Law on the Protection of Rights and Interests of Women, and Law on the Protection of Disabled Persons. In accordance with these laws and regulations, the Company has established comprehensive employment policies and standards. The Company has formulated internal regulations such as the Measures for the Administration of Labor Contracts of Aluminum Corporation of China Limited, and the Management Measures for Open Recruitment of Employees of Aluminum Corporation of China Limited. Through these comprehensive rules and regulations, the Company ensures the legal rights and interests of employees in various aspects, including employment, recruitment, termination, remuneration, promotion, and anti-discrimination.

The Company aims to create an inclusive, diverse and healthy workplace that adheres to the principles of equal employment, and follows the employment policies of equal pay for equal work, gender equality, and ethnic equality. The Company attaches great importance to safeguarding the rights of female employees and actively implements the Outline for Women's Development in China (2021–2030). A special committee for women employees has been set up to effectively protect the rights of female employees. Before the International Women's Day in 2023, the Company's trade union organised a series of activities titled "Happy Chalco, Charming Life" for female employees at the headquarters. Subsidiaries of the Company guided female workers to understand, abide by, and apply laws through legal publicity, knowledge competitions, and handbook distribution, ensuring the coordinated implementation of the "four-phase" protection for female workers. The Company purchased specific sickness insurance for women employees and organised 8,895 female workers to participate in specialized health examinations. Additionally, through skill competitions and special labour contests for female employees, the Company showcased their talents. In 2023, two female employees of the Company were awarded the provincial-level and above "March 8th Red Banner Pacesetter", one female employee was honoured as a "Master Craftsman of the Central Plains", another as a "Master Craftsman of the Industry", and one female worker received the municipal-level "May 1st Women's Medal". Five collective units were recognized as the provincial-level and above "Women's Demonstration Posts", and two collective units were named provincial and municipal-level "Women's Model Posts", respectively.

The Company highly values employee development, and upholds the talent philosophy of "people-oriented, cherishing talents, and caring for employees". The Company genuinely provides employees with clear career development paths and diverse training courses, aiming to help them enhance their professional skills, achieve professional value, and realise mutual growth of employees and the Company. The Company has earnestly built a three-in-one training model encompassing "party ethics cultivation, management know-how, and practical skills improvement". Leveraging the Chalco E-enterprise Learning, an online learning platform, it has been firmly promoting the education and training of cadres through a combination of online and offline training methods. In 2023, the Company organised several training programs, including the "Outstanding Young Cadres Training Program" to cultivate the next generation of innovative business and leadership skills, the "Factory Director (Manager) Seminar" to enhance the production and operation management capabilities of enterprise leaders, the "Outstanding Workshop Director Training Program" to improve the production management skills of workshop directors, and the "Comprehensive Quality and Capability Enhancement Training Program" for Company's personnel at and socialized management procedures for all employees in accordance with national laws and regulations, thereby effectively securing the retirement life of employees.

The Company always prioritises safety in its development, and places the safety and health of employees at the forefront. Upholding the philosophy of "all risks can be controlled, and all accidents can be prevented", the Company continuously implements the principles of safety first, emphasizing prevention and comprehensive management, to prevent and resolve major safety risks from the source. The Company continues to improve its health and safety management system, and utilises smart technologies to elevate the level of safety production management, ensuring both employee health and production safety. In 2023, the Company undertook the following efforts to enhance production safety:

1. Strengthened the implementation of responsibilities to further enhance safety awareness. In 2023, the Company formulated the Action Plan in the Year of Strengthening Safety Management of Aluminum Corporation of China Limited, and the Task List, and organised each production enterprise to undergo a comprehensive benchmarking process for the enhancement of management. A thorough inspection was conducted to identify deficiencies and weaknesses in the implementation of each task, and immediate action was taken for improvement. Additionally, the Company conducted various safety training activities to enhance the targeted and practical effectiveness of training. Two training sessions were held for mid-level and grassroots safety managers under the theme of "strengthening standardized management, and consolidating the foundation of safety and environmental protection management". A total of 231 people, including safety and environmental protection managers, workshop supervisors and excellent team leaders from enterprises, attended the training. The Company also organised employees to participate in the online knowledge competition titled "everyone values safety and knows how to handle emergencies" and publicity week activities related to the Occupational Disease Prevention Law, further promoting safety awareness and the implementation of occupational health responsibilities among employees and enterprises.

2. Promoted standardisation in safety production and improved safety management. The Company strived to build national Level 1 standardized safety production enterprise. By the end of 2023, five enterprises under the Company, including Inner Mongolia Huayun, Shanxi Zhongrun, and Shanxi Huaxing, had successfully passed on-site audits organised by the Ministry of Emergency Management of the PRC. The Company formulated the Road Safety Management Standard to further strengthen road safety management and effectively prevent road transportation accidents. The application of the contractor full process management and control information system has been promoted, addressing issues such as chaotic contractor process management, inconsistent entry standards, numerous human interference factors, and lack of unified management standards. Meanwhile, the Company issued the Notice of Contractor Expense Settlement Linked to "Contractor Full Process Management and Control Information System".

3. Strengthened risk prevention and control, and investigated and addressed hidden dangers. The Company drew safety and environmental experts from relevant enterprises to establish a special supervision and support team to provided service-oriented supervision for enterprises, focusing on inspecting and guiding the implementation of safety production responsibilities for leadership teams at all levels and heads of business departments. The aim was to continuously enhance the safety performance capabilities of management personnel at all levels within the enterprises. Additionally, the Company urged enterprises to conduct self-inspections in areas such as special investigations and governance of major accident risks, rectification of prominent ecological and environmental issues, and organised two rounds of mutual safety and environmental inspections among enterprises. Identified issues were promptly rectified, aiming to eliminate potential hazards.

4. Vigorously promoted the strategy of "technology for safety", relied on advanced facilities and equipment to strengthen the means and capabilities for eliminating potential accident risks, and enhanced the overall level of intrinsic safety. The Company urged each mining enterprise to develop intelligent mining construction plans so as to accelerate the pace of intelligent mining process. All underground mines in Guizhou Branch installed overhead passenger-carrying devices. Ningxia Energy completed two intelligent coal mining faces and three tunnelling faces. Six enterprises completed the installation of intelligent safety protection systems for packaging machines (balers) and stacker cranes, and the transformation of overhead cranes and forklifts were underway. Acceptance audits for the on-site service of high-risk positions' unmanned transformation and the standardized team building were carried out for four pilot demonstration enterprises of smart factories to prioritise and initiate the unmanned transformation of high-risk positions.

In 2023, all subsidiaries and affiliates of the Company obtained ISO 45001 Occupational Health and Safety certification, achieving a 100% coverage rate.

Adhering to the development philosophy of "lucid waters and lush mountains are invaluable assets", the Company continuously improves the environmental management system, and strengthens internal precision management to rigorously controls environmental risks. The Company strictly complies with national laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Promoting Clean Production, the Law of the People's Republic of China on Water Pollution Prevention and Control, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, actively studies relevant environmental protection policies, strengthens ecological and environmental supervision and management, continuously increases environmental protection investment, and fully promotes environmental governance efforts.

In 2023, the Company relentlessly advanced the governance of ecological and environmental pollution. The Company follows a systematic strategy of “point, line, surface, and volume (點、線、面、體)” to comprehensively promote ecological and environmental protection efforts. The green development philosophy was further consolidated, and the pace of ecological and environmental governance accelerated. The Company rigorously rectified the issues raised in the feedback from central ecological and environmental protection inspections and spot checks, achieving new results in the remediation of existing environmental problems. With the aim of “reducing existing issues, curbing new issues, and seeking transformative changes”, the Company comprehensively launched a three-year action plan for ecological and environmental problem rectification. The joint efforts to protect the ecological environment rapidly gained momentum. Additionally, the Company launched the special measures for ecological and environmental protection in the Yangtze River and Yellow River basins, and conducted in-depth self-examination and self-correction to further identify the environmental risks of regional affiliated enterprises. The Company also established a key issue warning mechanism and launched a 24-hour online monitoring and warning system, as well as an online management system for the rectification of ecological and environmental hazards. The

2. Wastewater treatment: Guangxi Branch implemented a comprehensive treatment project for coal gas wastewater. A two-stage biologically enhanced treatment process with denitrification function (A/O) was adopted to treat wastewater, which was then reused in the production process, further improving the reuse rate of industrial water. Chibi Charcoal completed the construction of the initial rainwater pressure filtration system, and after pressure filtration, the initial rainwater was reused, achieving the full recovery and utilisation of all water resources in the plant area. Yinxing Coal's comprehensive utilisation project for mine water has been completed and put into operation, comprehensively improving the comprehensive utilisation rate of mine water and achieving zero external discharge of mine water. By the end of 2023, 26 affiliated enterprises had achieved "zero discharge" of industrial wastewater.

3. Solid waste disposal and comprehensive utilisation: In 2023, the Company generated 46.04 million tons of general industrial solid waste and comprehensively utilised 14.38 million tons (excluding the comprehensive utilisation of stockpiles from previous years), with a comprehensive utilisation rate of 31.23%. Specifically, coal gangue was internally utilised for ecological restoration in coal mining subsidence areas, and externally sold and utilised by surrounding brick factories. Fly ash, slag, and desulphurisation gypsum were exported to cement plants and brick factories for comprehensive utilisation as building materials. Red mud was comprehensively utilised for iron selection, dam construction, etc. At the same time, research on comprehensive utilisation of red mud was launched, with completed thesis papers such as the Research on Large-scale High-value Road Materials from Pingguo Red Mud, Exploratory Research on the Fully Quantitative Utilization Technology of Dissolved Red Mud from Guinea Mine, and Research on Source Blocking Technology of Harmful Impurities in Bauxite. In addition, the Company generated 541,200 tons of hazardous waste in 2023, and disposed of 468,700 tons (excluding the disposal of stockpiles from previous years), with a disposal rate of 86.6%.

The Company continues to advance the creation of environmental performance, with all new projects built according to the A-level environmental performance standards. In 2023, five affiliated enterprises have been awarded A or B grades, and D grades were eliminated. Three new green mines were created, and a total of 20 green mines were recognized. Seven new national green factories were established, bringing the total number of green factories to 16. Chalco Shandong, and Zhongzhou Aluminum had six products certified as "Green Design Products" by the State. Five enterprises successfully passed the special audit of clean production. Zhongzhou Aluminum achieved breakthroughs in green and low-carbon new technologies such as "red mud quality separation and alkali reduction technology", "sintering configuration process technology", Chalco Mining's low-temperature roasting technology, and Zhengzhou Research Institute's non-lime dissolution technology. Wenshan Aluminum and Yunlv Runxin respectively obtained hazardous waste operation permits, laying the foundation for promoting the creation of "zero waste factories".

The Company actively responds to the national carbon peaking and carbon neutrality policy by initiating the preparation of the Company's carbon peaking and carbon neutrality action plan. The Company aims to achieve carbon neutrality ahead of the industry by optimizing industrial layout, shortening the industrial chain, applying advanced and suitable energy-saving technologies, accelerating the optimisation of energy use structure, enhancing the recycling and utilisation of renewable resources, and establishing a system and incentive mechanism for carbon asset development, management, and utilisation. During the 14th Five-Year Plan period, the Company will deeply promote the development of energy in a green and low-carbon manner, accelerate the application of new technologies and equipment, increase the development speed of the new energy industry, enhance the proportion of green smelting, and promote the adjustment of the Company's energy use structure.

In 2023, the Company focused on green, low-carbon, and energy-saving initiatives, and continuously increased the R&D and application of energy-saving and low-carbon technologies in various phases including mining, production, energy supply, and transportation to reduce energy consumption and improve energy use efficiency, mainly including:

1. Energy-saving technology for electrolytic cells: In 2023, 18 electrolytic aluminium enterprises under the Company completed energy-saving renovations for more than 2,000 electrolytic

5. Optimisation of fine alumina production process: Zhongzhou Aluminum has actively implemented a project for the addition of evaporators in fine alumina production, resulting in annual benefits of over RMB16 million in steam and electricity savings.

In 2023, the Company organised the low-carbon product certification for the electrolytic aluminium products of its subsidiaries. The electrolytic aluminium products from eight enterprises met the requirements outlined in the Methods and Requirements for Low-carbon Product Evaluation and were awarded the Low-carbon Product Certification. Yunnan Aluminium won the title of “Outstanding Contributor in the Carbon Neutrality Field”, while Yixin Aluminum and Zhongzhou Aluminum received the provincial-level “Energy Efficiency Leader” recognition. Additionally, five products from Chalco Shandong and one product from Zhongzhou Aluminum were rated as national green design products.

The environmental performance data for the Company from 2021 to 2023 are as follows:

Performance indicators	Unit	2021	2022	**2023**
Basis information				
Operating income	RMB10,000	26,974,823.18	29,098,794.20	**22,507,087.98**
Alumina production	10,000-ton	1,623	1,764	**1,667**
Electrolytic aluminum production	10,000-ton	386	688	**679**
GHG Emissions				
Total GHG emissions	10,000-ton	8,680.11	11,764.00	**11,409.00**
Scope 1				
Total CO_2 emission	10,000-ton	5,720.66	6,920.00	**6,677.36**
Scope 2				
Total CO_2 emission	10,000-ton	2,959.45	4,844.00	**4,731.64**
Total CO_2 emission equivalent/ RMB10,000 of operating income	ton/RMB10,000	3.22	4.04	**5.69***(Note 1)*

Performance indicators	Unit	2021	2022	**2023**
Alumina Segment				
Total CO_2 emission	10,000-ton	2,522.97	2,561.00	**2,372.14**
Alumina Segment				
CO_2 emission intensity	ton/production per ton of alumina	1.55	1.45	**1.42**
Electrolytic Aluminum Segment				
Total CO_2 emission	10,000-ton	4,891.05	7,864.00	**7,639.76**
Electrolytic Aluminum Segment				
CO_2 emission intensity	ton/production per ton of electrolytic aluminum	12.67	11.43	**11.25**
Energy Consumption				
Comprehensive energy consumption	10,000-ton of standard coal	2,540.74	2,823.00	**2,760.74**
Comprehensive energy consumption per RMB10,000 of operating income	ton of standard coal/ RMB10,000	0.94	0.97	**1.23**
The amount of purchased electricity	100 million kWh	409.23	807.64	**1,132.00**
Total coal consumption	10,000-ton	1,543.15	2,945.00	**2,949.00**
Air Emissions				
The amount of SO_2 emission	10,000-ton	3.46	5.56	**5.94**

Performance indicators	Unit	2021	2022	2023
The amount of NOx emission	10,000-ton	0.96	1.18	**1.21**
The amount of PM emission	10,000-ton	0.32	0.44	**0.45**
Wastewater Discharge				
Industrial wastewater	10,000-ton	0	0	**0**
Mine discharge	10,000-ton	31.14	562.80	**730.23**
The amount of ammonia nitrogen discharged	ton	1.54	1.22	**0.53**
General Industrial Solid Wastes				
The amount of general industrial solid wastes generated	10,000-ton	4,147.66	4,698.20	**4,604.49**
General industrial solid wastes production per RMB10,000 of operating revenue	ton/RMB10,000	1.54	1.61	**2.05**
The amount of red mud generated	10,000-ton	2,426.50	2,856.68	**2,765.41**
The amount of red mud utilised	10,000-ton	328.32	577.47	**587.51**
The amount of fly ash generated	10,000-ton	425.15	511.83	**510.65**
The amount of fly ash utilised	10,000-ton	349.96	399.98	**393.47**
The amount of slag generated	10,000-ton	135.74	175.78	**169.24**
The amount of slag utilised	10,000-ton	118.27	154.29	**117.90**
Hazardous Wastes				
Total amount of hazardous wastes	ton	149,505	392,700	**541,200**
Amount of hazardous waste per RMB10,000 of operating income	ton/RMB10,000	0.0055	0.01354	**0.02404**
Amount of production of waste oil (motor oil and mineral oil)	ton	721	1,700	**1,157**
The amount disposed of waste oil (motor oil and mineral oil)	ton	629	2,800	**1,177**[Note 2]
The amount of aluminum ash generated	ton	33,047	74,200	**68,232**
The amount of aluminum ash disposed	ton	27,035	69,300	**99,479**[Note 3]
The amount of overhaul slag generated	ton	46,157	212,300	**265,427**[Note 4]
The amount of overhaul slag disposed	ton	99,855	236,400	**319,515**[Note 5]

Performance indicators	Unit	2021	2022	**2023**
The amount of carbon residue generated	ton	59,408	98,700	**103,745**
The amount of carbon residue disposed	ton	68,354	104,700	**137,832**[(Note 6)]

Use of Resources

In 2023, the Company donated a total of RMB15 million in the assistance to Qinghai and Tibet. Additionally, in response to earthquake disasters in Gansu and Qinghai provinces, the Company contributed RMB10 million and RMB5 million respectively. Enterprises in Gansu and Qinghai promptly delivered disaster relief materials to the frontline, providing warmth and condolences to the affected people in the disaster-stricken areas. To support rural revitalization, the Company has contributed to the development of cultural, sports, medical, and public welfare initiatives in designated assisted villages and towns. In 2023, over 20 affiliated entities of the Company undertook rural revitalization assistance tasks in 11 provinces and autonomous regions across the country, covering 16 towns and 24 villages in 13 districts and counties. Moreover, the Company continues to carry out youth volunteer activities, and currently owns 86 youth volunteer service organizations, with 8,964 registered youth volunteers. In the year 2023, the total volunteer service duration exceeded 200,000 hours. To strengthen international cooperation, Chalco Guinea actively promoted local infrastructure construction innovatively engaged in agricultural assistance, and also provided technical training for local community members, increased local employment rates, as well as promoted the development of small- and medium-sized enterprises.

For more information regarding the social responsibility and environmental protection of the Company, please refer to the 2023 Social Responsibility and Environmental, Social and Governance Report of Aluminum Corporation of China Limited, which was disclosed separately by the Company.

FINANCIAL SUMMARY

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statements of profit or loss and other comprehensive income on pages 207 to 209. A five-year financial summary of the Group is set out on pages 7 to 9.

DIVIDEND AND DIVIDEND POLICY

Dividend policy

1. The basic principles of profit distribution policy of the Company are as follows:

(1) Taking full account of return to investors and distributing dividend to shareholders in proportion to the distributable dividend realised for the year, if the Company's profit for the year and its cumulative undistributed profit are positive;

(2) Maintaining the continuity and stability of the Company's dividend distribution policy, while at the same time taking care of the interest of the Company in the long term, the interest of the shareholders as a whole, as well as the sustainable development of the Company;

(3) The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. The Company shall give priority to dividend distribution in cash. Subject to conditions, interim profit distribution may be made by the Company.

2. Procedures for considering the profit distribution:

(1) The Company's profit distribution plan shall be prepared by the management and submitted to the Company's Board and Supervisory Committee for consideration. The Board shall thoroughly discuss the rationality of the profit distribution plan and form an ad hoc resolution before submitting to the general meeting for consideration.

(2) Where the Company has no cash dividend distribution proposal under the special circumstances, the Board shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment

The above dividend distribution plan is subject to the consideration and approval at the general meeting of the Company. If approved, the Company will issue a separate announcement on the implementation of the dividend distribution and determine the record date for the dividend distribution. If there is any change in the total share capital of the Company before the record date for the implementation of the profit distribution, the Company will maintain the total amount of dividend distribution unchanged and adjust the distribution amount per share accordingly, and will announce the details of the adjustment separately.

The Company expects to complete the distribution on or before 20 August 2024.

Total dividends declared during 2023 and 2022 are as follows:

	2023	2022
Total dividends declared: *(RMB million)*	**1,372.67**	617.82
Percentage to profits attributable to holders of the interests of the Company: *(%)*	**20.44**	14.74

SHARE CAPITAL

The total share capital of the Company was 17,161,591,551 shares as of 31 December 2023. As of the date of this report, the total share capital of the Company was 17,158,381,228 shares.

CORPORATE BONDS

As of 31 December 2023, the corporate bonds issued by the Company which were existing (including those matured) during the reporting period are as follows. All the proceeds raised from such bonds are used to replace the Company's debts or replenish working capital.

Bond name	Abbreviation	Code	Issue date	Maturity date	Ending balance *(RMB'100 million)*	Interest rate *(%)*	Trading place
2018 Corporate Bonds (Tranche 1) (Type 2)	18 Chalco 02	143805	14 September 2018	18 September 2023	0	4.99	SSE
2018 Corporate Bonds (Tranche 2) (Type 2)	18 Chalco 04	155033	14 November 2018	16 November 2023	0	4.50	SSE
2019 Corporate Bonds (Tranche 2) (Type 2)	19 Chalco G3	155594	8 August 2019	9 August 2029	20	4.55	SSE
2020 Corporate Bonds (Tranche 1)	20 Chalco 01	163219	4 March 2020	5 March 2025	5	3.30	SSE
2020 Corporate Bonds (Tranche 2)	20 Chalco 02	163312	19 March 2020	20 March 2023	0	3.05	SSE

Notes:

1. In the above table, 2018 Corporate Bonds (Tranche 1) (Type 2) were issued in the amount of RMB900 million, and since such bonds matured and were redeemed in September 2023, the ending balance of such bonds was RMB0.

2. In the above table, 2018 Corporate Bonds (Tranche 2) (Type 2) were issued in the amount of RMB1.6 billion, and since such bonds matured and were redeemed in November 2023, the ending balance of such bonds was RMB0.

3. In the above table, 2020 Corporate Bonds (Tranche 2) were issued in the amount of RMB1 billion, and since such bonds matured and were redeemed in March 2023, the ending balance of such bonds was RMB0.

In addition to the above-mentioned corporate bonds publicly issued on the SSE, the Company also issued a number of debt financing instruments (including medium-term notes, super short-term commercial paper, etc.) in the national inter-bank bond market. As of 31 December 2023, the debt financing instruments issued and existing (including those matured) by the Company during the reporting period are as follows:

Bond name	Abbreviation	Code	Issue date	Maturity date	Ending balance *(RMB'100 million)*	Interest rate *(%)*	Trading place
2019 first tranche of medium-term notes	19 Chalco MTN001	101900733	22 May 2019	24 May 2024	20	4.08	Inter-bank bond market
2020 first tranche of medium-term notes	20 Chalco MTN001	102000388	25 March 2020	26 March 2023	0	2.93	Inter-bank bond market
2021 first tranche of medium-term notes	21 Chalco MTN001	102103308	17 December 2021	21 December 2024	10	3.10	Inter-bank bond market
2022 first tranche of medium-term notes	22 Chalco MTN001	102280232	26 January 2022	27 January 2025	20	3.00	Inter-bank bond market
2022 first tranche of green medium-term notes (carbon-neutral bonds)	22 Chalco GN001	132280014	22 February 2022	23 February 2025	4	2.68	Inter-bank bond market
2022 second tranche of medium-term notes (transformation)	22 Chalco MTN002 (transformation)	102281363	21 June 2022	22 June 2024	5	2.45	Inter-bank bond market
2022 third tranche of medium-term notes	22 Chalco MTN003	102281847	17 August 2022	3+N	10	2.87	Inter-bank bond market
2022 fourth tranche of medium-term notes	22 Chalco MTN004	102282118	21 September 2022	2+N	10	2.68	Inter-bank bond market
2022 second tranche of green super short-term commercial paper (carbon-neutral commercial paper)	22 Chalco GN002	132280045	28 April 2022	20 January 2023	0	2.00	Inter-bank bond market

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 6 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association of the Company, where there are differences between the PRC Accounting Standards for Business Enterprises and the International Financial Reporting Standards, the distributable reserves for the relevant period shall be the lower of the amounts shown in the two different financial statements.

As of 31 December 2023, the Company's distributable reserves were RMB5,591 million calculated in accordance with the PRC Accounting Standards for Business Enterprises and the Company's distributable reserves were RMB4,896 million in accordance with the International Financial Reporting Standards.

USE OF PROCEEDS

During the reporting period, the Company did not raise any proceeds.

MAJOR INVESTMENTS

The Inner Mongolia Huayun's Phase III project for 420,000 tons of light alloy materials has a total estimated investment of RMB3,026 million. By the end of 2023, a total investment of RMB2 billion had been allocated.

The Qinghai Branch's project for the replacement and upgrading of 500,000 tons of 600KA electrolytic cell capacity has a total estimated investment of RMB3,982 million. By the end of 2023, the construction of the project had not yet commenced officially.

The Baotou Aluminum 1,200MW new energy project in Darhan-Muminggan Joint County has a total estimated investment of RMB6,024 million. By the end of 2023, the construction of the project had not yet commenced officially.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association of the Company and the PRC laws, there are no pre-emptive rights that require the Company to offer new shares to its existing shareholders on a pro-rata basis.

DONATIONS

The Group had contributed approximately RMB30.7714 million (including the assistance to Qinghai and Tibet, the assistance to targeted poor areas and other donations) in 2023 (2022: approximately RMB29.91 million).

LITIGATION AND CONTINGENT LIABILITIES

(a) Litigation

There was no significant litigation pending during the reporting period which was required to be disclosed.

(b) Contingent liabilities

There were no significant contingent liabilities during the reporting period which was required to be disclosed.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the date of this report, the Board, Supervisory Committee and other senior management of the Company comprise:

Directors

Executive Directors

Liu Jianping *(Chairman, resigned)*	Re-appointed on 21 June 2022, and resigned on 19 July 2023
Dong Jianxiong *(Chairman)*	Appointed on 19 September 2023
Zhu Runzhou	Re-appointed on 21 June 2022
Ou Xiaowu	Re-appointed on 21 June 2022
Jiang Tao	Re-appointed on 21 June 2022

Non-executive Directors

Zhang Jilong	Re-appointed on 21 June 2022
Chen Pengjun	Appointed on 21 June 2022

Independent Non-executive Directors

Qiu Guanzhou	Re-appointed on 21 June 2022
Yu Jinsong	Re-appointed on 21 June 2022
Chan Yuen Sau Kelly	Re-appointed on 21 June 2022

Supervisors

Shareholder Representative Supervisors

Ye Guohua *(Chairman of the Supervisory Committee)*	Re-appointed on 21 June 2022
Shan Shulan *(resigned)*	Re-appointed on 21 June 2022, and resigned on 6 February 2024
Lin Ni	Re-appointed on 21 June 2022

Employee Representative Supervisors

Yue Xuguang *(resigned)*	Re-appointed on 21 June 2022, and resigned on 10 August 2023
Xu Shuxiang	Appointed on 18 March 2022, and re-appointed on 21 June 2022
Wang Jinlin	Appointed on 10 August 2023

Other Senior Management

Wu Maosen *(Vice President, resigned)*	Appointed on 21 March 2019, and resigned on 25 October 2023
Ge Xiaolei *(Chief Financial Officer and Secretary to the Board (Joint Company Secretary))*	Appointed as Chief Financial Officer and Secretary to the Board on 18 March 2022; appointed as Joint Company Secretary on 24 July 2022
Xu Feng *(Vice President)*	Appointed on 21 March 2023
Liang Minghong *(General Legal Counsel and Chief Compliance Officer)*	Appointed on 22 August 2023

Profiles of the current Directors, Supervisors and other senior management are set out on pages 15 to 22.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND REMUNERATION

Pursuant to provisions of the Articles of Association of the Company, the term of office for a director or a supervisor is three years, subject to re-election. Each Director and Supervisor has therefore entered into a service contract with the Company, but all such service contracts are terminable by the Company within one year without payment of compensation (other than statutory compensation). Details of the Directors' and Supervisors' remunerations and remunerations of the five highest paid individuals are set out in note 33 to the financial statements.

Mr. Chen Pengjun, a non-executive Director of the Company (who was appointed on 21 June 2022), issued a statement to the Company that he voluntarily waived his remuneration as a Director of the Company. Since his appointment, he has voluntarily waived his remuneration as a Director of the Company. Accordingly, Mr. Chen Pengjun did not receive any remuneration from the Company in 2023. According to the Resolution in relation to the Determination of Remuneration Standards for Directors and Supervisors of the Company for the year 2023 considered and approved at the 2022 annual general meeting held on 20 June 2023, the annual remuneration standard before tax for the non-executive Directors of the Company for 2023 was RMB150,000.

Save as disclosed above, as of 31 December 2023, there were no arrangements under which any Director or Supervisor of the Company had waived or agreed to waive any remuneration.

PERMITTED INDEMNITY PROVISIONS

As of 31 December 2023, all Directors, Supervisors and other senior management of the Company were covered under the liability insurance purchased by the Company for them.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 31 December 2023, the interests held by the Directors, Supervisors and president (chief executive) of the Company were as follows:

1. Mr. Zhu Runzhou, an executive Director and president of the Company, directly held 270,000 A shares of the Company.

2. Mr. Ou Xiaowu, an executive Director of the Company, directly held 250,000 A shares of the Company.

3. Mr. Jiang Tao, an executive Director and vice president of the Company, directly held 230,000 A shares of the Company; Ms. Shi Biqiong, the spouse of Mr. Jiang Tao, directly held 4,000 A shares of the Company. Pursuant to the Securities and Futures Ordinance of Hong Kong, Mr. Jiang Tao is deemed to be interested in the 4,000 A shares of the Company held by Ms. Shi Biqiong.

4. Ms. Xu Shuxiang, a Supervisor of the Company, directly held 4,000 A shares of the Company.

Name	Position in the Company	Nature of interest	A shares held in the Company *(share)*	Percentage in total issued shares of the Company
Zhu Runzhou	Executive Director, President	Beneficial owner	270,000	0.0016%
Ou Xiaowu	Executive Director	Beneficial owner	250,000	0.0015%
Jiang Tao	Executive Director, Vice President	Beneficial owner	230,000	0.0013%
		Spouse's interests	4,000	0.00002%
Xu Shuxiang	Supervisor	Beneficial owner	4,000	0.00002%
Total			758,000	0.0044%

The above interests beneficially owned by Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao are all interests granted to them under the 2021 Restricted Share Incentive Scheme of the Company. The interests beneficially owned by Ms. Xu Shuxiang were acquired by her in the secondary market.

Save as disclosed above, as of 31 December 2023, none of the other Directors, Supervisors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance of Hong Kong), which were (a) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance of Hong Kong; (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance of Hong Kong; or (c) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**").

Other senior management of the Company, in addition to those disclosed above, was granted shares under the 2021 Restricted Share Incentive Scheme of the Company, as follows:

Name	Position(s)	Number of A shares granted *(shares)*
Wu Maosen	Vice President (resigned)	260,000
Ge Xiaolei	Chief Financial Officer and Secretary to the Board (Joint Company Secretary)	230,000
Xu Feng	Vice President	230,000
Liang Minghong	General Legal Counsel and Chief Compliance Officer	170,200

Save as disclosed above, as of 31 December 2023, none of the Directors, Supervisors, president (chief executive), and other senior management of the Company or their spouses or children under the age of 18 were granted the right to acquire any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance of Hong Kong).

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the year ended 31 December 2023, none of the Directors, Supervisors or entities connected to such Directors or Supervisors were materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party.

EMPLOYEES AND PENSION SCHEMES

As of 31 December 2023, the Group had 64,504 employees. The remuneration package of the employees includes salaries, bonuses, allowances, subsidies and welfare benefits including medical care, housing subsidies, childbirth, unemployment, work-related injury, pension and other miscellaneous items.

The Company strictly implemented the labour laws, regulations and policies promulgated by the State and local governments, and has established a retirement pension protection system covering all employees in accordance with the Social Insurance Law of the People's Republic of China and the relevant requirements of local social insurance coordination, and all the full-time employees of the Group have participated in the basic pension insurance set by the government in accordance with the national policy. For the year ended 31 December 2023, the Group paid basic pension insurance premiums at 16% of the employees' remuneration; at the same time, individual employees also contributed to basic pension insurance at a percentage of their own remuneration as set by the government. Upon employees reaching the statutory retirement age, the Company shall handle the retirement approval procedures, pension withdrawal procedures and social management procedures for the employees in accordance with the laws and regulations to ensure that the retired employees receive a monthly basic pension. In addition, in accordance with national policies and the relevant provisions of the Company's system, the Company and eligible subsidiaries of the Company have established enterprise annuities plans. The expenses required for the enterprise annuities shall be paid jointly by the enterprises and the individual employees. Employees can choose to join or not to join the enterprise annuities plans on a voluntary basis. By the end of 2023, the Company established enterprise annuities plans for 86 eligible companies.

As at 31 December 2023, the Group had no forfeited contributions available for deduction of contributions payable in future years. For the year ended 31 December 2023, the Group had no defined benefit plan.

The Company has a standardized employment system, established a management system based on the labour contract law and introduced a series of labour contract management measures covering employment, recruitment, termination, remuneration, promotion and anti-discrimination, which effectively enhances the efficiency and fairness of human resources management and protects the relevant rights and interests of employees. The Company formulated the Management Measures for Public Recruitment of Aluminum Corporation of China Limited, Management Measures for Competitive of Employees of Aluminum Corporation of China Limited, Implementation Measures for the Downgrading and Incompetence Exit of Corporate Leaders of Aluminum Corporation of China Limited, and other regulations, which clearly define the implementation scope and work flow of open recruitment, focusing on building a competitive and merit-based market-oriented employment mechanism, thus practically making it possible for employees to go to a higher or a lower post, or be appointed or dismissed based on their competency.

Regarding employee remuneration, the Company follows the 2023 Payroll Linkage Scheme for Enterprises of Aluminum Corporation of China Limited as the basis for the Company's remuneration management policy. The Company mainly implements quarterly assessments and payouts based on the "mechanism for determining total payroll by linking the total payroll of enterprises with economic benefits". First, in accordance with key performance indicators such as the complete cost and total profit of the enterprises, differentiated incentives are implemented. Second, highlighting the contribution to profitability, the remuneration structure features tiered progressive incentives, designed to reward the enterprises based on their contribution to the Company's net profit targets. Third, positive incentives approach is adopted under the principle of "as profitability rises, wages rise, and as profitability decreases, wages decrease". Considering the enterprise's actual situation, measures of "raising low wages and expanding the group with middle wages" are taken to reasonably regulate the income gap among frontline employees. Fourth, focus is placed on adjustment against benchmark. In routine assessments, profitability is given priority, and the annual one-time bonus is primarily based on benchmark improvements in indicators such as cost competitiveness, profit contribution, ROA, and profit rate of labour costs, encouraging high-quality operational development of the enterprises.

In order to achieve medium and long-term incentives, the Company implemented the Restricted Share Incentive Scheme in 2022, granting restricted shares to Directors, senior management, middle management and technical and business backbones of the Company, and formulated the corresponding implementation methods of the assessment and management measure, linking the Company's performance, personal evaluation and incentive payment to further mobilize the management and business backbones of the Company and promote the long-term sustainable development of the Company.

The Company continued to build a comprehensive and systematic employee training system to help employees improve their working ability and career value, and provided employees with a fair competitive environment and promotion opportunities. The Company was committed to constructing a composite talent team that is suitable for the overall development of the Company, carried out various training activities at different levels and classifications, actively built an "online + offline" training system, thereby promoting the growth and development of employees in various aspects. In this way, the Company has further improved the comprehensive quality, professional levels and business skills of the team, and ensured the sustainable development of the Company's human resources. For details of the trainings for employees of the Company in 2023, please refer to the section headed "Social Responsibility and Environmental Protection" in this report and the 2023 Social Responsibility and Environmental, Social and Governance Report of Aluminum Corporation of China Limited separately disclosed by the Company.

REPURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

In accordance with the authorization granted during the 2022 first extraordinary general meeting, 2022 first class meeting for A shareholders, and 2022 first class meeting for H shareholders held on 26 April 2022, at the 16th meeting of the eighth session of the Board of the Company convened on 25 October 2023, the Company considered and passed the Resolution on Adjustment to the Repurchase Price of Restricted Shares under the Company's 2021 Restricted Share Incentive Scheme, and the Resolution on the Repurchase and Cancellation of Partial Restricted Shares Granted to Incentive Participants but Not Yet Unlocked. The approved resolutions allowed the Company to repurchase and cancel all or part of the 3,210,323 restricted shares which had been granted to 43 Incentive Participants but not yet unlocked at the adjusted repurchase price of RMB3.01 per share (first grant) and RMB2.17 per share (reserved grant). As of 31 December 2023, the Company had paid the amount for repurchase of the restricted shares of RMB9,552,922.17 to all the 43 Incentive Participants. The cancellation procedure for the foregoing repurchased and cancelled restricted shares was completed on 26 January 2024, through the CSDC Shanghai Branch.

Save as aforesaid, the Company did not have any other repurchases, sales, or redemptions of its own shares during the reporting period.

MANAGEMENT CONTRACTS

No contract concerning the management or administration of the whole or any substantial part of the business of the Company was entered into or subsisted during the year.

MAJOR CUSTOMERS AND SUPPLIERS

1. Major customers

By adhering to the marketing philosophy of "honesty and service first", and maintaining an orderly and efficient marketing management system, the Company has established a sales network covering operations nationwide and overseas. The Company values the customer product experience and actively engages in pre-sales, during-sales, and after-sales services, striving to provide customers with higher quality services.

The Company also values customer feedback, and maintains open channels of communication with customers. The Company has established a mechanism for handling post-sales service feedback, outlining procedures for customer complaints, response times, and other relevant details. In cases of product quality disputes or quality incidents, the Company has developed appropriate handling procedures. Meanwhile, the Company also emphasizes the prevention of quality problems by formulating and implementing measures to prevent them. The Company properly maintains records on the handling of various quality problems, documents and files analysis records, handling reports, accountability identification results, and other related data.

In 2023, the Company actively carried out marketing activities on the green aluminium value chain, and promoted the creation of a low-carbon aluminium brand. Leveraging the advantages of the Company's green and low-carbon aluminium brand, the Company established connections with leading end-user enterprises in the green aluminium sector, fully exploring new avenues for mutually beneficial cooperation. Additionally, the Company intensified efforts to cultivate the green aluminium market, standardized the pricing model for green aluminium products, actively developed new customers for green aluminium, and translated the brand effect into tangible value benefits.

The Company's major customers are, in respect of alumina, domestic electrolytic aluminium enterprises, and in respect of primary aluminium, domestic aluminium fabrication enterprises and distributors.

The Company sells alumina products to customers mainly through long-term sales agreements and spot market sales. The Company sells self-produced alumina and certain alumina products sourced from external suppliers under spot contracts signed with third parties and long-term sales agreements with a term ranging from one to three years. Such long-term sales agreements usually specify annual or monthly sales quantities, pricing mechanisms, payment terms, place of delivery and delivery method for the alumina sold. The selling prices for alumina sold on the spot market are determined by the Company by taking into account (i) domestic and international situation of supply and demand; (ii) CIF price of imported alumina arrived at Chinese ports and import related expenses; (iii) international and domestic transportation costs; (iv) the impacts of national policy on raw materials required for alumina enterprises; and (v) the Company's short-term and medium-term forecast for alumina market.

The Company sells primary aluminium products to customers mainly through the following three ways: (i) sales agreements, which are entered into between the Company and its customers that have longstanding business relationship with it, generally with a term of one year and selling prices determined based on the prices quoted on the Shanghai Futures Exchange and prevailing market prices; (ii) futures contracts ranging from one to twelve months on the Shanghai Futures Exchange; and (iii) spot market sales, with selling prices determined by reference to such factors as market spot prices and transportation costs.

In 2023, the sales to the five largest customers of the Company amounted to RMB19,334.54 million and accounted for 8.57% of the Company's total annual sales, among which, sales to related parties were RMB3,573.85 million, accounting for 1.58% of the Company's total annual sales.

2. Suppliers

Building a stable and sustainable supply chain is the core link of the Company's business development. The Company strives to provide an open, transparent and fair collaboration environment for suppliers, and keeps building a stable and sustainable supply chain by optimizing management system, standardizing management measures, establishing digital procurement platform. The Company ensures the stable and sustainable supply chain as well as the benefits for suppliers, and supports suppliers to make better management that enable developments in the supply chain for both suppliers and the Company.

The Company follows a supplier eligibility classification based on the type of supplied materials, which is divided into four template categories: collective procurement and regional procurement supplier eligibility, self-operated supplier eligibility, warehousing supplier eligibility, and service and self-use product supplier eligibility. Each template specifies detailed scoring criteria, and all assessment dimensions are objective. The scoring is done in different brackets for each project during the eligibility evaluation. The Company rigorously verifies various supporting documents provided by suppliers to ensure that different scores correspond to their respective supporting documents. Meanwhile, the Company conducts checks on the supplier's past business violations. It is explicitly stipulated that suppliers should not have serious records of violating social responsibility-related regulations in society or the industry; otherwise, they cannot be shortlisted as suppliers for the Company's collective procurement or regional procurement. Environmental management system certification and occupational health and safety management system certification for suppliers are also included as scoring items for eligibility assessment. Extra points are awarded to suppliers with green certification in the annual assessment of suppliers, and separate awards for green and environmental protection are set up in the annual recommendation of excellent suppliers to give full recognition to companies that have made contributions to the environment. In addition, the Company requires on-site inspections for suppliers of bulk raw materials such as coal, petroleum coke, calcined coke, caustic soda, anodes, etc., which are eligible for entry, and on-site inspection reports should be issued. On-site inspection reports shall include details about the inspection itinerary, supplier's factory location and premises, supplier's transportation capabilities, production equipment, product details, supplier's production and management system, supplier's performance, personnel information, advantages of choosing the supplier, and other relevant information.

To achieve digital, intelligent and information-based procurement, Chalco Materials led to create the industrial Internet platform "Green Star Chain" which was successfully launched in June 2023. Currently, it enables full process online procurement operations, including demand submission, procurement planning management, and source identification management. It covers a wide range of material categories such as raw materials, coal, auxiliary materials, spare parts, equipment, office supplies, and more. The launch of "Green Star Chain" has further enhanced the transparency of the entire supply chain process, improving the standardisation and scientific management level of procurement. Leveraging partial process automation, it has freed up a significant amount of manpower, increasing labour productivity per capita. Additionally, the new bidding procurement model has helped reduce costs. Through the platform's bidding mechanism, it stimulates active competition among suppliers. This allows the enterprises to precisely identify products with better prices and quality, leading to a cost reduction of approximately RMB140 million for coal and soda since the platform's launch. The birth of "Green Star Chain" marks a significant step in the development of industrial internet, enhancing the resilience and security level of the Company's industrial and supply chains. It establishes an integrated platform that converges the flows of trade, logistics, capital, and information, powered by big data. Serving both internal and external enterprises, the platform aims to empower the entire industrial supply chain, creating a win-win ecosystem for industry development.

In 2023, the procurement from the five largest suppliers of the Company amounted to RMB25,220.06 million, accounting for 12.84% of the total annual procurement, among which, procurement from related parties was RMB4,679.56 million, accounting for 2.38% of the Company's total annual procurement.

CODE ON CORPORATE GOVERNANCE

The Articles of Association of the Company, the Rules of Procedures for the General Meeting of Aluminum Corporation of China Limited (the "**Rules of Procedures for the General Meeting**"), the Rules of Procedures for the Board Meetings of Aluminum Corporation of China Limited (the "**Rules of Procedures for the Board Meetings**"), the Rules of Procedures for the Meetings of the Supervisory Committee of Aluminum Corporation of China Limited (the "**Rules of Procedures for the Meetings of the Supervisory Committee**"), the detailed implementation rules for the special committees under the Board, the Code of Conduct for Securities Dealings by Directors, Supervisors and Specific Employees and other relevant systems of the Company constitute the framework for the codes on corporate governance of the Company. The Board has reviewed its corporate governance documents and is of the view that such documents have incorporated the principles and code provisions in the Code on Corporate Governance (the "**CG Code**") as set out in Appendix C1 of the Hong Kong Listing Rules and the Guidelines of the Shanghai Stock Exchange for Internal Control of Listed Companies (the "**Internal Control Guidelines**").

AUDIT COMMITTEE

The written terms of reference in relation to the authorities and duties of the Audit Committee were prepared and adopted in accordance with and with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The financial statements of the Company for the year ended 31 December 2023 have been reviewed by the Audit Committee of the Company.

AUDITORS

The financial statements in this report have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers was the auditor of the Company for its 2023 Hong Kong annual report.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers have been engaged as the domestic and overseas auditors of the Company since 2020. PricewaterhouseCoopers Zhong Tian LLP is principally responsible for the Company's domestic and US audit (including internal control audit), while PricewaterhouseCoopers is principally responsible for the Company's Hong Kong audit.

Upon consideration and approval at the tenth meeting of the eighth session of the Board held on 21 March 2023 and the 2022 annual general meeting of the Company held on 20 June 2023, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were re-appointed by the Company as the 2023 domestic and overseas auditors of the Company. The Company has not changed its auditor in the past four years.

For further details of the auditors of the Company, please refer to the section headed "Auditors' Remuneration" of the "Report on Corporate Governance and Internal Control" in this annual report.

By order of the Board
Dong Jianxiong
Chairman

Beijing, the PRC
27 March 2024

Report of the Supervisory Committee

Dear shareholders,

In 2023, pursuant to duties conferred by Articles of Association and the Rules of Procedures for the Supervisory Committee of the Company, the Supervisory Committee of the Company has performed its supervisory function diligently and dutifully with the attitude of being responsible to all shareholders, supervised the Company's legal operation and the performance of duties by the Company's Directors and senior management, continuously standardized the supervision behaviour, improved the supervision efficiency, enhanced the transparency and standardisation of the Company's operations, maintaining a good image of the Company in the capital market and protecting the interests of investors, especially small and medium-sized investors, through regular or irregular meetings.

I. COMPOSITION OF THE SUPERVISORY COMMITTEE

Pursuant to the provisions of the Articles of Association, the Supervisory Committee of the Company consisted of five Supervisors, including three shareholder representative Supervisors and two employee representative Supervisors. During the reporting period, the members of the eighth session of the Supervisory Committee of the Company are as follows:

Shareholder Representative Supervisors:

Mr. Ye Guohua (Chairman of the Supervisory Committee and re-appointed on 21 June 2022)

Ms. Shan Shulan (Re-appointed on 21 June 2022 and resigned on 6 February 2024)

Ms. Lin Ni (Re-appointed on 21 June 2022)

Employee Representative Supervisors:

Mr. Yue Xuguang (Re-appointed on 21 June 2022 and resigned on 10 August 2023)

Ms. Xu Shuxiang (Appointed on 18 March 2022 and re-appointed on 21 June 2022)

Ms. Wang Jinlin (Appointed on 10 August 2023)

II. CONVENING OF MEETINGS

In 2023, four meetings were held by the Supervisory Committee of the Company, all conducted through on-site sessions. The particulars are as follows:

Date of meeting	Session	Resolution
20 March 2023	The 5th Meeting of the eighth session of the Supervisory Committee	Six resolutions were considered and approved, including the resolutions on the Company's 2022 annual report, annual working report of the Supervisory Committee, internal control assessment report, annual profit distribution proposal, ESG report, and provision for asset impairment
24 April 2023	The 6th Meeting of the eighth session of the Supervisory Committee	The resolution on the first quarterly report for 2023 was considered and approved
21 August 2023	The 7th Meeting of the eighth session of the Supervisory Committee	Two resolutions were considered and approved, including the Company's 2023 interim report and the resolution on changing the Company's income tax accounting policy
24 October 2023	The 8th Meeting of the eighth session of the Supervisory Committee	Three resolutions were considered and approved, including the resolutions on the Company's 2023 third quarterly report, adjustment to the repurchase price of restricted shares under the Company's 2021 Restricted Share Incentive Scheme, and the repurchase and cancellation of partial restricted shares granted to incentive participants but not yet unlocked

All of the above-mentioned meetings of the Supervisory Committee were in accordance with the relevant provisions of the Company Law of the People's Republic of China (the "**Company Law**"), the Articles of Association and the Rules of Procedures for the Meetings of the Supervisory Committee of the Company.

III. PERFORMANCE OF THE SUPERVISORY COMMITTEE

In 2023, each Supervisor of the Company effectively supervised the Company's business decisions, accounting, internal control, related party transactions and other matters such as organizing and convening supervisory meetings, attending general meetings, sitting in the Board meetings to indicate operating risks and propose operation-related suggestions. The details are as follows:

(I) Supervision of Implementation of General Meeting Resolutions

Members of the Supervisory Committee exercised supervision on the resolutions and reports submitted to the general meetings and the Board for consideration by way of attending general meetings and sitting in Board meetings. The Supervisory Committee reviewed the adjustment of the restricted share repurchase price and the repurchase and cancellation of partial restricted shares granted to incentive participants but not yet unlocked under the Company's 2021 Restricted Share Incentive Scheme. The Supervisory Committee held that the Company's adjustment of the restricted share repurchase price and the repurchase and cancellation of partial restricted shares comply with the Management Measures for Equity Incentives of Listed Companies and other relevant laws, regulations, and normative documents, as well as the provisions of the incentive plan. The procedures were legally compliant, without prejudice to the interests of the Company and all shareholders, especially the minority shareholders. Moreover, the Supervisory Committee exercised supervision on implementation of the general meeting resolutions by the Board, all Directors and senior management. When the Directors and senior management of the Company exercised their functions and powers, no violations of laws, regulations and good faith and diligence obligations are found, and the Board and the management strictly implemented the resolutions approved at the general meetings and the Board meetings.

(II) Inspection of Legal Compliance of the Company's Operations

The Supervisory Committee exercised supervision in routine work over the legal compliance and legality of the Company's operation and management. It has also exercised supervision over the work performance of the Company's Directors and senior management. The Company's operation and decision-making procedures have complied with the Company Law, the Articles of Association and regulations and rules of the Company. No authorization beyond prescribed scope or damages to the interests of the Company and the shareholders has been found.

(III) Inspection of the Company's Financial Position

The Supervisory Committee of the Company cautiously reviewed the financial reports for each period, and supervised and inspected the Company's implementation of financial policies, laws and regulations as well as the Company's operating results. At the meetings of the Supervisory Committee held in March, April, August and October 2023, each of the Supervisors reviewed the Company's 2022 Annual Report, 2023 First Quarterly Report, Interim Report and Third Quarterly Report respectively, fully discussed industry market conditions, cost control, management benchmarking, asset impairment and changes in accounting policies, and proposed relevant suggestions and so forth. The Supervisory Committee is of the opinion that the operating results achieved by the Company were true and accurate; the financial reports of the Company truly reflected the financial position and operating results of the Company, and the preparation and review procedures for the reports were in compliance with the requirements of relevant laws and regulations, the Articles of Association and the Company's internal management system. In addition, the Supervisory Committee reviewed the Company's provision for asset impairment and change of accounting policy and concluded that such matters were in line with the actual situation of the Company's assets and complied with the requirements of domestic and overseas accounting standards, and could more accurately and fairly reflect the financial position and operating results of the Company. Information on all significant events of the Company in 2023 has been disclosed under the principles of truthfulness, timeliness, accuracy, completeness and fairness pursuant to relevant regulations, and there are no false records, misleading statements or major omissions.

(IV) Review of Internal Control Assessment Report

During the reporting period, the Supervisory Committee listened to the Internal Control Assessment Report of the Company and fully performed its role of guidance and supervision. The Supervisory Committee, after reviewing the Annul Internal Control Assessment Report of the Company and the Directors' working papers on the Company's internal control assessment, is of the view that the Company's annual internal control evaluation report truly summarized the basic situation of the Company's internal control evaluation and objectively reflected the construction and operation of the Company's internal control system. The Company has established and improved an internal control system covering the Company's various processes and implemented it effectively, which played an effective role in risk prevention and control in all aspects of the Company's operation and management in accordance with the requirements of the Guidelines for Internal Control of Listed Companies and the Basic Principles of Corporate Internal Control. The Supervisory Committee also provided good opinions and suggestions on changes in industry and market conditions, fluctuations of product prices, all-factor benchmarking, provision for asset impairment, and other work in light of the Company's phased operating characteristics.

(V) Supervision the Fulfilment of Social Responsibilities

The Supervisory Committee considered and supervised the work carried out by the Company in respect of energy conservation and emission reduction, science and technology innovation, safety and environmental protection for the year 2022 by way of considering the annual ESG report. The Supervisory Committee is of the view that the Company's ESG report fully reflected the Company's efforts in social responsibility, and affirmed the effectiveness of the Company's work in ESG, which met various regulatory requirements, and also positively responded to the relevant demands of investors and rating agencies.

(VI) Supervision of the Company's Related Party Transactions

During the reporting period, the Supervisory Committee exercised supervision on the related party transactions between the Company and Chinalco (including its subsidiaries), the controlling shareholder, by sitting in the Board meetings and attending general meetings. The Supervisory Committee is of the opinion that these related party transactions were in line with the Company's strategic development plan and overall interests, and the terms of the transactions were fair and reasonable, and the transaction review procedures had complied with relevant laws, regulations and the Articles of Association. The Company disclosed timely and fully the related party transactions and there was no behaviour that was detrimental to the interests of the Company and its shareholders, especially minority shareholders.

In 2024, in accordance with the powers stipulated in the Company Law and other relevant laws and regulations as well as the Articles of Association, the Supervisory Committee of the Company will further strengthen its supervision in the Company's operation, financial report, related party transactions, internal control and so forth. The Supervisory Committee will well perform its duties of the supervision on the members of the Board and the senior management of the Company, so as to safeguard the legitimate interests of the shareholders of the Company.

By order of the Supervisory Committee
Ye Guohua
Chairman of the Supervisory Committee

Beijing, the PRC
27 March 2024

CODE ON CORPORATE GOVERNANCE

The Articles of Association, the Rules of Procedures for the General Meeting, the Rules of Procedures for the Board Meetings, the Rules of Procedures for the Meetings of the Supervisory Committee, the detailed implementation rules for the special committees under the Board, the detailed implementation rules for independent Directors, the Code of Conduct for Securities Dealings by Directors, Supervisors and Specific Employees and other relevant systems of the Company constitute the corporate governance documents of the Company. After reviewing such documents, saved as described below, the Board believed that the Company had fully complied with the CG Code and the Internal Control Guidelines in 2023, and implemented them in a stricter way in some areas:

1. The Company has appointed a sufficient number of non-executive Directors (including independent non-executive Directors); the Board of the Company has five non-executive Directors (including independent non-executive Directors), representing more than half of the Board; the Board of the Company has three independent non-executive Directors, reaching one third of the Board.

2. There is one female member in the Board of the Company.

3. In addition to the Audit Committee, the Remuneration Committee and the Nomination Committee under the Board, the Company has also established the Development and Planning Committee and the Occupational Health & Safety and Environment Committee.

4. All members of the Audit Committee under the Board are independent non-executive Directors, among whom, Ms. Chan Yuen Sau Kelly, the chairman of such committee, a senior member of the Association of Chartered Certified Accountants (ACCA), a senior member of the Hong Kong Institute of Certified Public Accountants (HKICPA), a senior member of the Hong Kong Institute of Directors (HKIoD) and a bachelor with honours of Accounting Department, City University of Hong Kong, possesses extensive professional experience in finance and auditing and is the financial expert of the Board of the Company.

5. Independent non-executive Directors constitute the majority of the Remuneration Committee and the Nomination Committee under the Board, and serve as the chairmen.

The Board of the Company has reviewed its corporate governance documents and Internal Control Guidelines, and is of the view that, saved as described below, the Company has complied with the code provisions in the CG Code and Internal Control Guidelines for the year ended 31 December 2023.

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. According to the announcement of the Company dated 19 July 2023, Mr. Liu Jianping resigned as the chairman, an executive Director and all positions in each of the special committees under the Board due to work adjustment. In view of the resignation of Mr. Liu Jianping, in order to ensure the normal operation of the Company and the Board, in accordance with the provisions of the Company Law and the Articles of Association of the Company, during the period from the resignation of Mr. Liu Jianping to the election of a new chairman of the Board of the Company, all Directors of the Company jointly recommended Mr. Zhu Runzhou, an executive Director and the president, to serve as the acting chairman and acting legal representative of the Company. Accordingly, the Company has briefly deviated from Code Provision C.2.1 of the CG Code. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced talents with a sufficient number of independent non-executive Directors, and therefore, the performance of the roles of the chairman of the Board and the president of the Company concurrently by Mr. Zhu Runzhou will not impair the balance of power and authority between the Board and the management of the Company; therefore, the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. The Company has elected Mr. Dong Jianxiong, an executive Director, as the chairman of the Company on 19 September 2023. Therefore, currently the Company has met the requirements set out in Code Provision C.2.1 of the CG Code.

SECURITIES DEALINGS BY THE DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Board has formulated written guidelines on securities dealings by the Directors, Supervisors and relevant employees of the Company, the terms of which are more stringent than the required standards set out in the Model Code under Appendix C3 to the Hong Kong Listing Rules and the

BOARD OF DIRECTORS

According to the Articles of Association of the Company, the Board of the Company consists of nine Directors. During the reporting period, the members of the Board of the Company include:

In order to ensure the independence of independent non-executive Directors to enable the Board to obtain independent views, apart from the relevant provisions on the election of independent non-executive Directors and their independence in the Articles of Association and the Rules of Procedures for the Board Meetings, the Company has also formulated the Detailed Implementation Rules for Independent Directors of Aluminum Corporation of China Limited (the "**Detailed Implementation Rules for Independent Directors**"), which details and clarifies the qualification and independence requirements of independent non-executive Directors, the nomination, election and term of office of independent non-executive Director candidates, as well as the duties, obligations and legal responsibilities of independent non-executive Directors. In the election of independent non-executive Directors of the Company, candidates may be selected from the talent pool of independent non-executive Directors or recommended by other Directors (including independent non-executive Directors) or personnel; the independent non-executive Director candidates shall be nominated by the Board, the Supervisory Committee and shareholders who alone or together hold 1% or more of the shares of the Company carrying voting rights, and independent non-executive Directors shall constitute the majority of the Nomination Committee under the Board and an independent non-executive Director shall serve as the chairman; the cumulative voting system for the election of independent non-executive Directors shall be adopted at general meetings to minimise the influence of major shareholders on the selection and appointment of independent non-executive Directors and ensure the independence of independent non-executive Directors. The independent non-executive Directors of the Company shall be subject to independent review at the time of their appointment, and shall be subject to another review each subsequent year and in any other circumstances where reconsideration is required.

The term of office of the independent non-executive Directors of the Company shall not exceed six years in accordance with the relevant provisions of the Management Measure for Independent Directors of Listed Companies of the CSRC, the Articles of Association, the Rules of Procedures for the Board Meeting and the Detailed Implementation Rules for Independent Directors of the Company. The independent non-executive Directors receive fixed remuneration annually, and their remuneration standards shall be formulated by the Remuneration Committee under the Board of the Company, and finally approved by the general meeting after consideration and approval by the Board. The independent non-executive Directors shall not participate in any share incentive scheme of the Company.

Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly, the three existing independent non-executive Directors of the Company, are experts in the fields of metal mining, economic law and financial accounting, respectively. Since their appointment, they have been diligent and conscientious in their duties, carefully studied, fully discussed, made prudent decisions and expressed independent opinions on matters submitted to the Board for consideration, and provided valuable advice for the development of the Company and the Board with their extensive professional knowledge and experience. In addition to the independent opinions provided by the independent non-executive Directors, the Board of the Company also engages external auditors, asset valuers and independent financial advisers to provide professional and independent opinions to the Board in accordance with the provisions of the Articles of Association and the Rules of Procedures for the Board Meetings when considering matters such as periodic reports, significant related party transactions and material asset reorganisation. All Directors of the Company may seek advice from the Company Secretary, internal legal team or personnel of any functional department, or request to engage external professional bodies to provide independent advice and the expenses incurred shall be borne by the Company.

The Company will further refine the working policy for independent Directors according to the Management Measure for Independent Directors of Listed Companies, and develop the policy for the special meetings of independent Directors, so as to further improve the duty performance capability of independent Directors, give full play to the role of independent Directors in corporate governance, and boost the Company's quality improvement.

The Company has reviewed the implementation and effectiveness of the aforesaid mechanisms and considers that the aforesaid mechanisms are able to ensure that the Board is provided with independent views and opinions.

The Company has adopted the Board Diversity Policy, and considered the diversity of the members of the Board from various aspects (including but not limited to gender, age, region, professional competence, education background and experience) based on the Company's business model and specific needs. After reviewing the implementation of the Board Diversity Policy in 2023, the Company considers that it has been effectively implemented. In terms of the implementation of the Board Diversity Policy, the Company has adopted the following measurable objectives:

- There is at least one female member in the Board;
- At least one independent non-executive Director in the Board shall reside in Hong Kong;
- At least one financial expert in the Board shall have the professional qualifications and experience in finance and audit recognized by the regulatory authorities;
- The number of non-executive Directors (including independent non-executive Directors) in the Board shall account for more than half of the Board members, and the number of independent non-executive Directors shall account for one-third of the Board members;

- The age composition of Directors is reasonable. Among the existing nine Directors, seven aged 40–60, one aged 60–70 and one aged over 70;

- The professional diversity of Directors. The existing nine Directors have different academic

In 2023, the Board of the Company held a total of nine meetings (including seven onsite meetings and two telecommunication meetings), and considered and approved 71 resolutions. The details of the meeting are as follows:

Date of Meeting	Session	Convening Method	Resolution
21 March 2023	The 10th meeting of the eighth session of the Board	On-site meeting	34 resolutions were considered and approved, including the resolutions on the Company's 2022 Annual Report, Annual Working Report of the Board, ESG Report, Annual Profit Distribution Proposal, Internal Control Assessment Report, Audit Report on Internal Control, Comprehensive Risk Management Report, Annual Operating Plan, Financing Plan, Bond Issuance Plan, Annual Plan for Monetary Financial Derivatives Business and Annual Financing Guarantee Plan and Production Guidance Plan and Investment Plan for the Year 2023, 2023 Annual Remuneration Standards for the Company's Directors, Supervisors and Senior Management, continuing related party transactions, re-engagement of accounting firm, guarantees, provision for asset impairment, appointment of senior management, amendments to the basic management policies, project construction, granting of general mandate to the Board to issue H shares and convening of annual general meeting
25 April 2023	The 11th meeting of the eighth session of the Board	On-site meeting	Five resolutions were considered and approved, including the resolutions on the Company's 2022 Annual Report on U.S. stock market and 2023 First Quarterly Report, renewal of liability insurance for Directors, Supervisors and senior management for the year 2023–2024, the connected transaction of Yunnan Aluminium intending to transfer assets and equities to Chinalco High-end Manufacturing, and 2023 Annual Performance Responsibility Agreement for Senior Management

Date of Meeting	Session	Convening Method	Resolution
20 June 2023	The 12th meeting of the eighth session of the Board	On-site meeting	Two resolutions were considered and approved, including the resolutions on Guangxi Huasheng's 2-million-ton Alumina Project and amendments to the Articles of Association of the Company
19 July 2023	The 13th meeting of the eighth session of the Board	Telecommunication meeting	Three resolutions were considered and approved, including the resolutions on electing Mr. Zhu Runzhou as the acting chairman, nominating Mr. Dong Jianxiong as an executive Director candidate of the eighth session of the Board, and convening the 2023 first extraordinary general meeting
22 August 2023	The 14th meeting of the eighth session of the Board	On-site meeting	Ten resolutions were considered and approved, including the resolutions on the Company's proposed change to the accounting policy, the Company's 2023 Interim Results Report, the Company's proposed capital injection to Chalco Materials, Yunnan Aluminium's proposed transfer of 100,000-ton electrolytic aluminum production capacity quota to Qinghai Branch, Qinghai Branch's Electrolytic Cell Production Capacity Substitution and Upgrading Project, deregistration of Chalco Zhongzhou Branch, adjustment to the entity qualification of some subsidiaries of the Company to carry out commodity financial derivatives business, amendments to the Working Rules of the Audit Committee of the Board of Directors, the Company's Report on the Continuous Assessment of the Risk of Chinalco Finance Co., Ltd., and appointment of the Company's General Legal Counsel and Chief Compliance Officer

Date of Meeting	Session	Convening Method	Resolution
19 September 2023	The 15th meeting of the eighth session of the Board	On-site meeting	Three resolutions were considered and approved, including the resolutions on electing the chairman of the eighth session of the Board, electing the members of the special committees under the eighth session of the Board, and the Company's proposed capital injection to Guangxi Huasheng
25 October 2023	The 16th meeting of the eighth session of the Board	On-site meeting	Five resolutions were considered and approved, including the resolutions on the Company's 2023 Third Quarterly Report, adjustment to the repurchase price of restricted shares under the Company's 2021 Restricted Share Incentive Scheme, and the repurchase and cancellation of partial restricted shares granted to incentive participants but not yet unlocked, dismissal of the vice president of the Company, and formulation of the Management Measures of Aluminum Corporation of China Limited for Proceeds
18 December 2023	The 17th meeting of the eighth session of the Board	On-site meeting	Eight resolutions were considered and approved, including the resolutions on the Company's proposed participation in the equity reform of Chinalco Research Institute of Science and Technology Co., Ltd. (中鋁科學技術研究院有限公司), the Company's proposed participation in the establishment of Chinalco (Xiong'an) Mining Co., Ltd. (中鋁(雄安)礦業有限責任公司), Zhengzhou Institute's proposed establishment of a joint venture with Zhengzhou Light Metal Research Institute Co., Ltd. (鄭州輕金屬研究院有限公司), the Company's pro[illegible]

Date of Meeting	Session	Convening Method	Resolution
28 December 2023	The 18th meeting of the eighth session of the Board	Telecommunication meeting	One resolution was considered and approved, namely the resolution on Chalco Trading Group's proposed capital injection to Chalco Qingdao International Trading Co., Ltd. (中鋁青島國際貿易有限公司)

In 2023, all resolutions submitted to the Board of Directors of the Company for consideration were approved, and no Directors (including independent non-executive Directors) objected to any resolution or abstained.

The Company generally formulates the plans for the Board and general meetings and major topics of the meetings for the following year at the end of the previous year, and sends the meeting plans to all Directors to facilitate their schedule and ensure that each Director has the opportunity to raise matters for discussion and being included in the agenda of the Board meetings; for the matters which are required temporarily for consideration by the Board or the change of meeting time, the Company also communicates with and reports to the Directors in advance and agrees on the time and manner of holding the meetings so that each Director may attend all meetings as much as possible.

Before the Board meeting, the Company always sends the meeting documents and relevant materials to the Directors for their review in advance, consults Directors' opinions on the matters concerned in the resolutions, and answers the Directors' concerns and reports the relevant information. In particular, the Company reports in detail on matters that require the independent Directors' opinions, such as related party transactions, provision for impairment and guarantee matters, and arranges for intermediaries such as auditors and independent financial advisers to explain or provide opinions on periodic reports and significant related party transactions, so as to provide the Directors with a basis for decision-making.

When the Company holds a Board meeting, each Director may give full speeches and discussions on relevant resolutions as well as the Company's development strategies, major projects, Board construction, ESG, internal control and risk management, etc., and put forward their opinions and suggestions. The Company assigns relevant business departments to implement after summarizing the Directors' opinions, and provides feedback to the Board on the implementation and progress.

In addition to the above Board meetings, the Board of the Company convened and organised two general meetings, considered and approved 21 resolutions (including those sub-resolutions) and no proposal was vetoed in 2023. Please refer to the "General Meeting" in this section for details about the general meetings.

In 2023, attendances of all Directors at the Board meetings were as follows:

Name of Director	Required attendance at Board meetings for the year (Note 1)	In-person attendance	Attendance by telecommunication (Note 2)	Attendance by proxy	Absence	Attendance rate of Board meetings (Note 3)
Liu Jianping (resigned)	3	3	0	0	0	100%
Dong Jianxiong	4	4	1	0	0	100%
Zhu Runzhou	9	9	2	0	0	100%
Ou Xiaowu	9	8	2	1	0	88.89%
Jiang Tao	9	7	2	2	0	77.78%
Zhang Jilong	9	9	2	0	0	100%
Chen Pengjun	9	9	2	0	0	100%
Qiu Guanzhou	9	9	2	0	0	100%
Yu Jinsong	9	9	2	0	0	100%
Chan Yuen Sau Kelly	9	9	2	0	0	100%

Note 1: As far as the above table is concerned, required attendance at Board meetings for the year = in-person attendance + attendance by proxy.

Note 2: Attendance by telecommunication has been included in the required attendance at Board meetings for the year.

Note 3: Attendance rate of Board meetings = in-person attendance/required attendance at Board meetings for the year, but attendance by proxy shall not be counted.

In 2023, attendances of all Directors at the general meetings were as follows:

Name of Director	Required attendance at general meetings for the year (Note)	Actual attendance at general meetings	Attendance
Liu Jianping (resigned)	1	1	100%
Dong Jianxiong	1	1	100%
Zhu Runzhou	2	2	100%
Ou Xiaowu	2	2	100%
Jiang Tao	2	1	50%
Zhang Jilong	2	2	100%
Chen Pengjun	2	2	100%
Qiu Guanzhou	2	2	100%
Yu Jinsong	2	2	100%
Chan Yuen Sau Kelly	2	2	100%

Note: The general meetings held by the Company in 2023 include the 2022 annual general meeting held on 20 June 2023, and the 2023 first extraordinary general meeting held on 19 September 2023, a total of two times.

During the reporting period, the attendances of all Directors at the Board meetings and the general meetings are explained as follows:

1. Mr. Liu Jianping resigned on 19 July 2023, and attended all of the three Board meetings and the 2022 annual general meeting from 1 January 2023 till his resignation.

2. Mr. Dong Jianxiong has been appointed as a Director of the Company since 19 September 2023. From the commencement of his appointment to the end of the reporting period, Mr. Dong Jianxiong attended all of the four Board meetings, and the 2023 first extraordinary general meeting of the Company as a Director candidate.

3. Mr. Ou Xiaowu did not attend the 16th meeting of the eighth session of the Board convened by the Company on 25 October 2023 due to other business affairs. He entrusted Mr. Zhang Jilong in writing to attend the meeting on his behalf and vote according to his expressed will.

4. Mr. Jiang Tao did not attend the 12th and 16th meeting of the eighth session of the Board convened by the Company on 20 June 2023 and 25 October 2023, respectively, for other business affairs. He entrusted Mr. Ou Xiaowu and Mr. Zhu Runzhou in writing to attend the meetings on his behalf and vote according to his expressed will, respectively. Mr. Jiang Tao also did not attend the 2022 annual general meeting convened by the Company on 20 June 2023 for other business affairs.

The chairman was responsible for ensuring that the Directors perform their requisite duties and obligations, and maintaining effective operation of the Board, as well as ensuring timely discussion and consideration of all significant events of the Company needed to be reported to Directors or submitted to the Board. The chairman has separately discussed with non-executive Directors (including independent Directors) to fully understand their opinions and advice on the operation and development of the Company and the work of the Board.

The management of the Company reports to the Board on the Company's production and operation, the implementation of matters authorized by general meetings and the Board, and the progress of major contracts and capital operation projects signed by the Company. The Board also oversees the management's work to ensure the Board can keep abreast of the Company's actual situation in a timely manner and thus guarantee the interests of the Company and its shareholders as a whole.

The total pre-tax remuneration received by Directors from the Company, including the basic salary and performance-linked salary in 2023 amounted to approximately RMB3.72 million, among which independent non-executive Directors are only entitled to receive Directors' fees but no other remuneration. The remuneration of each Director for the year is set out on page 13 "Profiles of Directors, Supervisors, Senior Management at Present and during the Reporting Period" of this report or note 33 to the consolidated financial statements. As of 31 December 2023, no share appreciation rights scheme had been adopted by the Company.

Other than their appointments in the Company, none of the Directors, Supervisors or other senior management had any financial, business, family or other significant relationships with each other. Other than their respective service contracts entered into, none of the Directors or the Supervisors had any significant personal interest, directly or indirectly, in any transaction, arrangement or contract of significance entered into by the Company or any of its subsidiaries during 2023.

CHAIRMAN AND PRESIDENT

In order to ensure a balance of power and authority and avoid undue concentration of power, the chairman and president of the Company are two separate explicitly defined positions, which are acted by different individuals with clear and definite scope of official duty. During the reporting period, Mr. Liu Jianping (resigned on 19 July 2023) and Mr. Dong Jianxiong (appointed on 19 September 2023) served as the chairman of the Company, and Mr. Zhu Runzhou served as the president (who also served as the acting chairman and acting legal representative of the Company during vacancy of the chairman from 19 July 2023 to 19 September 2023).

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. According to the announcement of the Company dated 19 July 2023, Mr. Liu Jianping resigned as the chairman, an executive Director and all positions in each of the special committees under the Board due to work adjustment. In view of the resignation of Mr. Liu Jianping, in order to ensure the normal operation of the Company and the Board, in accordance with the provisions of the Company Law and the Articles of Association of the Company, during the period from the resignation of Mr. Liu Jianping to the election of a new chairman of the Board of the Company, all Directors of the Company jointly recommended Mr. Zhu Runzhou, an executive Director and the president, to serve as the acting chairman and acting legal representative of the Company. Accordingly, the Company has briefly deviated from Code Provision C.2.1 of the CG Code. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced talents with a sufficient number of independent non-executive Directors, and therefore, the performance of the roles of the chairman of the Board and the president of the Company concurrently by Mr. Zhu Runzhou will not impair the balance of power and authority between the Board and the management of the Company; therefore, the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. The Company has elected Mr. Dong Jianxiong, an executive Director, as the chairman of the Company on 19 September 2023. Therefore, currently the Company has met the requirements set out in Code Provision C.2.1 of the CG Code.

As the legal representative of the Company, the chairman presides over the Board, aiming to ensure that the Board is acting in the best interests of the Company, operates effectively, duly performs its responsibilities and engages in discussions of significant and appropriate matters, as well as Directors' access to accurate, timely and clear information. On the other hand, the president heads the management and is responsible for the daily operation of the Company, including implementation of policies adopted by the Board and reporting to the Board in respect of the overall operation of the Company.

IMPLEMENTATION OF SHAREHOLDERS' RESOLUTIONS BY THE BOARD

During the year, all Board members of the Company implemented the shareholders' resolutions and completed all matters delegated by the general meetings in accordance with provisions of the relevant laws and regulations and the Articles of Association of the Company. The chairman of the Company reported the production and operation of the Company, and the progress and completion of significant events decided by general meetings to the shareholders at the general meetings of the Company.

DIRECTOR'S RECEIPT OF THE COMPANY'S INFORMATION AND TRAINING

The Company's Finance Department (Capital Operation Department) is the routine executive organ of the Board, and offers services to the Board and Directors, and sends a monthly Directors' Newsletter and Shareholder Analysis to all Directors to report the market situation of the industry, the main production and operation of the Company, the progress of key projects, the management dynamics, the performance of the Company's share price and the changes in the shareholding of major shareholders, so as to enable Directors to have a comprehensive understanding of the latest situation of the Company; organises external Directors to conduct corporate research activities every year to gain an in-depth understanding of the current situation, key issues, development strategies and plans of the Company through on-site visits or online research; checks the latest amendments to the relevant laws, regulations and regulatory rules to ensure that the Directors, Supervisors and senior management of the Company are able to fulfil their duties in accordance with laws and regulations; organises Directors, Supervisors and senior management of the Company to participate in relevant securities business training to ensure that they obtain the corresponding qualifications and complete the annual training plan as required.

In 2023, Directors, Supervisors and senior management of the Company participated in the following training organised by securities regulatory authorities:

Name	Position(s)	Training Contents	Organizer
Dong Jianxiong	Chairman[Note], Executive Director	Impact of the revisions to the Company Law on listed companies and responses	China Association for Public Companies
Zhu Runzhou	Executive Director (Acting Chairman)[Note], President	2023 fifth training class for chairmen and general managers of listed companies	China Association for Public Companies

Name	Position(s)	Training Contents	Organizer
		Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing
Zhang Jilong	Non-executive Director	2023 third special training for directors and supervisors of listed companies in Beijing	The Listed Companies Association of Beijing
Chen Pengjun	Non-executive Director	Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing
Qiu Guanzhou	Independent non-executive Director	2023 fifth subsequent training for independent directors	SSE
Yu Jinsong	Independent non-executive Director	2023 sixth subsequent training for independent directors	SSE
Chan Yuen Sau Kelly	Independent non-executive Director	2023 fifth subsequent training for independent directors	SSE
Ye Guohua	Chairman of the Supervisory Committee	2023 fifth special training for directors and supervisors of listed companies in Beijing	The Listed Companies Association of Beijing
Shan Shulan	Supervisor (resigned)	2023 fifth special training for directors and supervisors of listed companies in Beijing	The Listed Companies Association of Beijing
Lin Ni	Supervisor	Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing
Xu Shuxiang	Supervisor	Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing
Wang Jinlin	Supervisor	2023 fifth boarding training for directors, supervisors and senior management	SSE
		Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing

Name	Position(s)	Training Contents	Organizer
Ge Xiaolei	Chief Financial Officer, Secretary to the Board (Joint Company Secretary)	Special training on Management Measure for Independent Directors of Listed Companies on the SSE in Beijing	The Listed Companies Association of Beijing
		2023 fifth subsequent training for secretaries to the board of listed companies (special training on A+H companies)	SSE
Gao Lidong	Securities Affairs Representative	2023 fifth subsequent training for secretaries to the board of listed companies (special training on A+H companies)	SSE

Note: Mr. Zhu Runzhou served as the acting chairman and acting legal representative of the Company during vacancy of the chairman from 19 July 2023 to 19 September 2023; Mr. Dong Jianxiong started to serve as the chairman of the Company on 19 September 2023.

Moreover, the Company invited ESG information disclosure and advisory team and Jincheng Tongda & Neal Law Firm, the Company's domestic legal adviser, to conduct training for the Directors, Supervisors and senior management of the Company on the latest ESG development trends, ESG performance of the Company, and interpretation and key point analysis of the Management Measure for independent Directors of Listed Companies in April and September 2023, respectively.

In May and August 2023, the Company organised external Directors to carry out on-site investigations in the Company's subsidiaries in Guangxi Province and Baotou Aluminum so that external Directors could have good understanding of the companies' production operation on site. Through field surveys of production operations and meetings and communication with the steering groups of the companies, external Directors learned the production processes, operation status, corporate culture and employee spirit, and development plans and prospects of the companies, as well as the problems and difficulties faced by the companies in development. External Directors gave advice and suggestions on corporate development based on their professional experience. These activities also deepened external Directors' understanding and acknowledgment of the overall situation of the industry and the Company, greatly supporting the subsequent decision-making on the Company's significant events and making decision-making more scientific and effective.

During the reporting period, training for all Directors of the Company is as follows:

Name of Director	Training (Note)
Liu Jianping (resigned)	B, C
Dong Jianxiong	A, B, C
Zhu Runzhou	A, B, C
Ou Xiaowu	B, C
Jiang Tao	B, C
Zhang Jilong	A, B, C
Chen Pengjun	A, B, C
Qiu Guanzhou	A, B, C
Yu Jinsong	A, B, C
Chan Yuen Sau Kelly	A, B, C

Note:

A. Training for directors, supervisors and senior management organised by the securities regulatory authorities

B. Self-study on the domestic and foreign securities laws and regulations

C. Participation in trainings organized by other domestic and foreign institutions

FUNCTIONS OF CORPORATE GOVERNANCE OF THE BOARD

The followings are corporate governance functions performed by the Board which were implemented by the special committees thereof:

(a) Formulation and review of the policies and practice on corporate governance of the Company and make recommendations to the Board;

(b) Review and supervision on the training and continuous professional development of the Directors and senior management;

(c) Review and supervision on the policies and practice of the Company in compliance with laws and regulatory requirements;

(d) Review and supervision on the ESG governance related work of the Company;

(e) Formulation, review and supervision on the compliance of employees and Directors with applicable Code of Conduct and Compliance Manual; and

(f) Review of the compliance of the Company with the CG Code under Appendix C1 to the Hong Kong Listing Rules and the disclosure thereof in the Corporate Governance Report. In 2023, the Board had supervised and reviewed the implementation of the corporate governance policies of the Company, updated and prepared documents related to the internal control of the Group as well as analysed the compliance of the Company with the CG Code; convened nine Board meetings and two general meetings, and completed relevant training for the Directors, Supervisors and senior management; also supervised and inspected the implementation of the Board resolutions by the management, and further enhanced initiatives such as the management of the investor relations.

In 2023, the China Association for Public Companies awarded the Company the "2023 Best Practice Case of Board of Directors of Listed Companies", which demonstrates the high recognition of the Company's corporate competence, information disclosure quality and investor relationship management from the regulatory authority and the China Association for Public Companies.

AUDIT COMMITTEE

The Audit Committee has been established under the Board of the Company, the duties of which mainly include reviewing the financial reports, internal and external audits, internal control, risk management, corporate governance of the Company, considering the appointment of independent auditors and approving audit and audit-related services, and supervising the Company's internal financial reporting procedures and management policies.

Pursuant to Rule 3.21 of the Hong Kong Listing Rules, the Audit Committee of the Board of the Company consists of three independent non-executive Directors, including a financial expert. During the reporting period, the Audit Committee of the eighth session of the Board of the Company consisted of three independent non-executive Directors, Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly. Ms. Chan Yuen Sau Kelly served as the chairman of the committee and the financial expert.

The Company has established work procedures for the Audit Committee for the performance of its supervisory role in auditing of the annual report. Before the external auditors commenced their annual audit, the Audit Committee reviewed the Company's financial position and coordinated with the external auditors about audit timetable for the year. Throughout the audit by the external auditors, the Audit Committee maintained communications with them at all time and ensured completion of audit within the designated timetable. The Audit Committee reviewed the financial report of the Company after the external auditors issued their preliminary audit opinions and passed a written resolution to submit the audited financial report to the Board of the Company for review.

The Audit Committee and the management discussed the risk management and internal control systems of the Company, so as to make sure that effective risk management and internal control systems have been established, which included considering whether the Company had sufficient resources with qualified and experienced staff to perform accounting, internal auditing and financial reporting duties, and whether relevant staff were well trained and the relevant budget was sufficient. The Audit Committee is of the view that the Company had complied with the requirements of the above corporate risk management and internal control systems during 2023.

In 2023, the Audit Committee of the Board of the Company held a total of five meetings attended by all members of the committee. All meetings were convened and held in accordance with the relevant provisions of the Working Rules of the Audit Committee of the Board of Directors of Aluminum Corporation of China Limited, At the meetings, the Company's periodic financial reports, internal control, risk assessment, audit plans and budgets, reports on the supervision of the audit services of accounting firms, reports on anti-fraud work, related party transactions, provision for asset impairment, change of accounting policy and other relevant important matters were reviewed and considered. All members of the committee had performed their duties diligently and earnestly, and provided their views and recommendations on the Company's financial reporting, internal control, risk management, auditing, and related party transactions on an independent, objective, and fair basis.

Minutes of each meeting of the Audit Committee are recorded, then signed and confirmed by all members of the committee, and such minutes are filed and kept in reserve in accordance with relevant requirements.

REMUNERATION COMMITTEE

The Remuneration Committee has been established under the Board of the Company, the duties of which mainly include preparing the remuneration management measure and remuneration proposal for Directors, employee representative Supervisors and senior management, and providing suggestions to the Board; preparing measures on performance evaluation, performance assessment procedures and relevant rewards and punishments of senior management, and providing suggestions to the Board; monitoring the implementation of the remuneration system of the Company; reviewing senior management's fulfilment of duties and conducting performance assessment.

During the reporting period, the Remuneration Committee of the eighth session of the Board of the Company consisted of one non-executive Director Mr. Zhang Jilong, and two independent non-executive Directors, Mr. Qiu Guanzhou and Mr. Yu Jinsong. Mr. Qiu Guanzhou served as the chairman of the committee.

In 2023, the Remuneration Committee of the Board of the Company held two meetings attended by all members of the committee, at which resolutions, including the Resolution in relation to the Determination of Remuneration Standards for Directors, Supervisors and Senior Management of the Company for the Year 2023, the Resolution in relation to the Revision to the Detailed Implementation Rules for the Remuneration Committee of the Board of Directors of Aluminum Corporation of China Limited, and the 2023 Performance Responsibility Agreement for Members of the Steering Group of Aluminum Corporation of China Limited, were considered and approved.

All members of the Remuneration Committee of the Board of the Company had carefully studied the 2023 remuneration plan on Directors, Supervisors and senior management and were of view that the remuneration plan made by the Company was in line with the remuneration policy of the Company with reference to the remuneration for same positions of comparable enterprises (in terms of the size, industry and nature); the formulated management accountability for business performance was in line with the actual operation of the Company, and combined with the division of work and responsibilities of the management position, the assessment indicators were comprehensive and the weightings were reasonable. Based on the annual remuneration standards, the performance of Directors and Supervisors and the performance appraisal results of senior management, the remuneration of Directors, Supervisors and senior management paid by the Company was fair and reasonable. They agreed to submit the remuneration plan to the Board. The Board of the Company finally adopted the remuneration standard plan submitted by the Remuneration Committee.

Minutes of each meeting of the Remuneration Committee are recorded, then signed and confirmed by all members of the committee, and such minutes are filed and kept in reserve in accordance with relevant requirements.

NOMINATION COMMITTEE

The Nomination Committee has been established under the Board of the Company, the duties of which mainly include studying the selection standards and procedures for Directors, senior management and members of special committees under the Board and providing suggestions to the Board; reviewing the qualification of candidates for Directors, senior management and members of special committees under the Board and providing advice on inspection and appointment; assessing the independence of independent non-executive Directors. At the same time, in accordance with the relevant provisions of the "Working Rules for the Nomination Committee under the Board of Directors of Aluminum Corporation of China Limited", the Nomination Committee under the Board shall review the structure, number and composition of the Board at least once a year, and consider the diversity of members of the Board from various aspects (including but not limited to gender, age, professional ability, educational background and experience, etc.) based on the business model and specific needs of the Company.

During the reporting period, the Nomination Committee of the eighth session of the Board of the Company consisted of two executive Directors, Mr. Liu Jianping (resigned on 19 July 2023), Mr. Dong Jianxiong (started to serve on 19 September 2023) and Mr. Zhu Runzhou, and three independent non-executive Directors, Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly, and Mr. Yu Jinsong served as the chairman of the committee.

According to the relevant provisions of the Articles of Association and the Rules of Procedure for the Board Meetings of the Company, the candidates for the Company's Directors (other than the candidates for the Company's independent non-executive Directors) shall be nominated by the Board, the Supervisory Committee and shareholders who alone or together hold 3% or more of the shares of the Company carrying voting rights and shall be decided through election by the shareholders' general meeting; the candidates for the Company's independent non-executive Directors shall be nominated by the Board, the Supervisory Committee and shareholders who alone or together hold 1% or more of the shares of the Company carrying voting rights and shall be decided through election by the shareholders' general meeting; the candidates for the Company's senior management shall be nominated by the chairman or president and appointed by the Board. The Nomination Committee under the Board of the Company shall review the resumes and qualifications of candidates for Directors and senior management, and make recommendations to the Board. In 2023, nominations of relevant candidates of the Company have been implemented in accordance with the aforementioned nomination policies.

In 2023, the Nomination Committee of the Board held four meetings attended by all members of the committee, at which the resolutions on nominating Mr. Dong Jianxiong as an executive Director candidate for the eighth session of the Board, nominating Mr. Xu Feng as a vice president candidate, nominating Mr. Liang Minghong as the general legal counsel and chief compliance officer candidate and proposed by-election of members of the special committees under the eighth session of the Board were considered and approved, and such nomination of candidates was submitted to the Board for consideration.

Minutes of each meeting of the Nomination Committee are recorded, then signed and confirmed by all members of the committee, and such minutes are filed and kept in reserve in accordance with relevant requirements.

DEVELOPMENT AND PLANNING COMMITTEE

The Development and Planning Committee has been established under the Board of the Company, the duties of which mainly include reviewing and evaluating the Company's long-term development strategy, financial budget, investment, business operation and strategic plan of annual investment returns.

During the reporting period, the Development and Planning Committee of the eighth session of the Board of the Company consisted of two executive Directors, Mr. Liu Jianping (resigned on 19 July 2023), Mr. Dong Jianxiong (started to serve on 19 September 2023) and Mr. Zhu Runzhou, and two non-executive Directors, Mr. Zhang Jilong and Mr. Chen Pengjun and one independent non-executive Director, Mr. Qiu Guanzhou, and Mr. Dong Jianxiong served as the chairman of the committee (Mr. Liu Jianping served as the chairman before 19 July 2023, and Mr. Dong Jianxiong started to serve as the chairman on 19 September 2023).

In 2023, the Development and Planning Committee of the Board held one meeting attended by all members of the committee, at which the production guidance plan for 2023, the annual investment plan for 2023 and the annual operating plan for 2023 were considered and approved by the committee and then submitted to the Board for consideration.

Minutes of each meeting of the Development and Planning Committee are recorded, then signed and confirmed by all members of the committee, and such minutes are filed and kept in reserve in accordance with relevant requirements.

OCCUPATIONAL HEALTH & SAFETY AND ENVIRONMENT COMMITTEE

The Occupational Health & Safety and Environment Committee has been established under the Board of the Company, the duties of which mainly include considering of the Company's annual planning on health, environmental protection and safety, supervision of the Company's effective implementation of the planning on health, environmental protection and safety initiatives, inquiring into serious incidents and inspecting and supervising over the handling of such incidents, making recommendations to the Board on major decisions on health, environmental protection and safety, etc.

During the reporting period, the Occupational Health & Safety and Environment Committee of the eighth session of the Board of the Company consisted of three executive Directors, Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao. Mr. Zhu Runzhou served as the chairman of the committee.

In 2023, the Occupational Health & Safety and Environment Committee held two meetings attended by all members of the committee, at which the resolutions on highlighting the matters concerning the hidden hazards in relation to ecological and environmental protection and hierarchical control, the List of Problems with Ecological and Environmental Protection in the Yangtze and Yellow River Basins subject to Special Remediation Actions of Aluminum Corporation of China Limited, and arrangements and priorities of security and environmental protection works were considered and approved by the committee.

Minutes of each meeting of the Occupational Health & Safety and Environment Committee are recorded, then signed and confirmed by all members of the committee, and such minutes are filed and kept in reserve in accordance with relevant requirements.

SUPERVISORY COMMITTEE

During the reporting period, the composition and work of the Supervisory Committee of the Company are set out in the section "Report of the Supervisory Committee" of this annual report.

GENERAL MEETING OF SHAREHOLDERS

General meeting is the highest authority of the Company. It provides effective channels for direct communications and building a sound relationship between the shareholders of the Company and the Board and senior management. During the reporting period, the Company held one annual general meeting and one extraordinary general meeting, at which 21 resolutions (including those sub-resolutions) were considered and approved. The details of the meetings are as follows:

Date of Meeting	Session	Resolution
20 June 2023	2022 annual general meeting	20 resolutions (including those sub-resolutions) were considered and approved, including the resolutions on the Company's 2022 Report of the Board, Report of the Supervisory Committee, auditor's report and financial report, annual profit distribution proposal, 2023 annual remuneration standards for the Company's Directors and Supervisors, re-engagement of accounting firm, 2023 annual bond issuance plan, continuing related party transactions with Chinalco and its subsidiaries for the year 2023–2025, and granting of general mandate to the Board to issue H shares

Date of Meeting	Session	Resolution
19 September 2023	2023 first extraordinary general meeting	The Resolution on Electing Mr. Dong Jianxiong as an Executive Director of the Eighth Session of the Board of the Company was considered and approved

Note: During the reporting period, all general meetings were held in the conference room at headquarters of the Company, No. 62 North Xizhimen Street, Beijing.

During the reporting period, the convening, holding and voting procedures for each general meeting of the Company were in compliance with relevant laws, regulations and the Articles of Association. All the resolutions submitted at the general meetings were passed and the voting results were legal and valid.

EXTRAORDINARY GENERAL MEETING

According to the Articles of Association of the Company, a single shareholder or any two or more shareholders together holding more than 10% of the Company's issued share capital is (are) entitled to request an extraordinary general meeting or class meeting to be convened. Such requests must specify the topics of the meeting in writing and must be submitted to the convener, the contact information of whom is set out in the section entitled "Enquiry to the Board" in this chapter. Shareholders shall follow the Rules of Procedures for the Shareholders' Meetings of Aluminum Corporation of China Limited set out in the "Circulars and Announcements" under the section of "Investor Relations" on the website of the Company.

PROPOSALS AT THE GENERAL MEETING

According to the Articles of Association of the Company, a single shareholder or any two or more shareholders together holding more than 3% of the Company's issued share capital is (are) entitled to submit additional proposals to the convener by written request ten working days prior to the relevant general meeting. The contact information of the convener is set out in the section entitled "Enquiry to the Board" in this chapter. Shareholders shall follow the Rules of Procedures for the General Meeting of Aluminum Corporation of China Limited set out in the "Circulars and Announcements" under the section of "Investor Relations" on the website of the Company.

ENQUIRY TO THE BOARD

For any enquiry to the Board, please contact the Finance Department (Capital Operation Department) of the Company at 14/F, Chalco Building, No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC (email: IR@chalco.com.cn).

THE SECRETARY TO THE BOARD (COMPANY SECRETARY) AND TRAININGS

The Secretary to the Board (Company Secretary) is responsible for organizing and completing procedures relating to Board meetings and general meetings, coordinating and arranging information disclosure, dealing with investor relations and helping maintain smooth communications among the management, Directors and shareholders. During the reporting period, Mr. Ge Xiaolei and Ms. Ng Ka Man served as the joint company secretaries of the Company (Mr. Ge Xiaolei is also the Secretary to the Board of the Company). Mr. Ge Xiaolei is a full-time employee of the Company and has obtained the qualification for the secretary to the Board of Directors from the SSE. Ms. Ng Ka Man is a member of the Hong Kong Corporate Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the UK Chartered Corporate Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators). During the reporting period, each of Mr. Ge Xiaolei and Ms. Ng Ka Man has completed no less than 15 hours of relevant professional trainings.

INVESTOR RELATIONS

The Company attaches great importance to the work of investor relations and has formulated the Management Measures for the Investor Relations of Aluminum Corporation of China Limited, which stipulates the principles to be followed in the work of investor relations of the Company, the organization, work content and implementation norms of the work of investor relations, as well as the code of conduct and requirements for the staff of investor relations. The chairman of the Company takes primary responsibility for investor relationship management, the secretary to the Board (joint company secretary) takes specific responsibility for investor relationship management, and designates a person in charge of specific investor relationship affairs.

Investor relationship activities conducted by the Company in 2023 are as follows:

Results presentations	After each periodic report disclosure, the Company timely holds a results presentation for domestic and foreign institutional investors to introduce its production operation to investors/analysts and answer their questions. In March 2023, the Company held the 2022 annual results presentation attended by 81 investors/analysts from 59 investment institutions on site or by telephone. In April 2023, the Company held the 2023 first quarterly results presentation attended by 69 investors/analysts from 54 investment institutions by telephone. In October 2023, the Company held the 2023 third quarterly results presentation attended by 87 investors/analysts by telephone from 69 investment institutions.
Results roadshows	After each annual and interim results disclosure, the Company holds a results roadshow for domestic and foreign institutional investors. In March 2023, the Company held 36 meetings for the 2022 annual results roadshows in Beijing, Shanghai, Hong Kong and Singapore (the first foreign on-site roadshow since 2020), attracting 223 investors/analysts. In August 2023, the Company held 17 investors' meetings for the 2023 interim results roadshows in Beijing, Shanghai and Shenzhen, attracting 266 investors/analysts.
Results briefings	The Company held the 2022 annual, 2023 first quarterly and 2023 third quarterly results briefings through the SSE Roadshow Center platform in April, May and November 2023, respectively, at which it answered 39 questions from investors online. In August 2023, the Company attended the results briefing of listed subsidiaries held by Chinalco, and 106 investors/analysts attended the briefing on site or by telephone.
Extraordinary investors/ analysts' meetings	In active response to the meeting requests of investors/analysts, the Company communicated with investors/analysts by various offline and online means including mutual visits and telephone conferences, and held 23 extraordinary investors/analysts' meetings throughout the year.

Enterprise research	"Approaching Chalco" is a series research activity organised by the Company for investors/analysts to the production enterprises of the Company, and contains field visits, research and meetings with the management of the enterprises. In November 2023, the Company organised five persons from institutional investors to its subsidiary Guangxi Huasheng for research activities.
Daily communication and exchange	The Company maintains daily communication and exchange with investors/analysts by various means such as phone, email and the SSE E-interactive platform, and timely replies to the questions of investors/analysts. In 2023, the Company answered more than 1,400 calls from investors/analysts and replied to more than 50 questions from investors on the SSE E-interactive platform.

The Company treats each shareholder equally, ensures the fairness, completeness and timeliness of information disclosure, and releases the information through the website of the exchange, the Company's website and newspaper media, so that each shareholder may have equal and timely access to the Company's information. The Company endeavours to create conditions for shareholders, especially minority shareholders, to participate in the general meetings, gives due consideration to the time and venue of the general meetings, handles the registration of shareholders through various means, provides shareholders with detailed information and materials for meetings, and promptly resolves any problems encountered by shareholders in attending general meetings. The Company maintains open communication channels with shareholders, who may communicate with the Company in a timely and convenient manner through the special telephone and email for investor relations, the SSE E-interactive platform, etc.

Through the above efforts, the Company has strengthened its communication with investors, won the recognition from domestic and overseas investors, analysts and public investors, and consolidated the Company's sound image and influence in the capital market. Meanwhile, as the Company's performance improves year by year, most domestic and foreign investment institutions and analysts have made positive ratings on the Company, such as "buy", "recommend" and "overweight", in their 2023 annual analysis reports, making positive contributions to maintaining and improving the Company's market value.

The Company has reviewed the implementation of shareholders' communication policy in 2023. Considering the abovementioned communication channels of the investors, the measures taken and the activities held by the Company, the Company considers that the shareholders' communication policy in 2023 has been effectively implemented.

MEETINGS OF THE MANAGEMENT

The management of the Company is responsible for implementation of daily production and operation management and strategy of the Company, implementation of Board resolutions, and reporting to the Board. Its main functions include: presiding over the daily production and operation management of the Company; organising and implementing the Board resolutions, corporate development strategies, and annual operating plans, investment plans, financial budget plans, etc.; formulating and organising to implement performance appraisal and remuneration incentives within the scope authorized by the Board.

The Company regularly holds presidential meetings chaired by the president and attended by the management of the Company, and presidential office meeting chaired by other senior management in charge of different businesses of the Company and attended by heads of relevant business departments to discuss and make decisions on the organization and implementation of the matters during the process of the production and operation of the Company and financial management. In addition, the Company organised annual and mid-year work conferences after the end of the previous year and the end of the semi-annual period, respectively. The management of the Company, including managers of branches (subsidiaries) and heads of headquarter departments, attended the meetings to discuss the business of segments of the Company, summarize and deploy annual and semi-annual work. Such meetings help organize, coordinate, communicate and supervise the company-wide development and implementation of various operations.

In 2023, the management of the Company performed its duties with due diligence, ensured the Company's effective implementation of business strategy and the smooth development of its various businesses, and achieved satisfactory business performance.

RISK MANAGEMENT AND INTERNAL CONTROL

The objectives of risk management and internal control are to give a reasonable assurance that the Company's operation and management is lawful and compliant, the assets are safe and the financial reporting and related information are true and complete; to improve the operational efficiency and effectiveness; and to facilitate the achievement of the Company's development strategy. Internal control has its inherent limitations, so it only provides a reasonable guarantee for the achievement of the above goals. In addition, given inapplicability of internal control due to contingent changes or deterioration in the compliance of control policies and relevant procedures, projections on the effectiveness of the internal control in the future over the assessment results of the internal control are subject to certain risks. The Company's risk management and internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misrepresentation or loss.

Establishing and effectively implementing risk management and internal controls is the responsibility of the Board of the Company. As a special committee established under the Board, the Audit Committee of the Company has supervised and inspected the establishment, comprehensiveness and implementation of the risk management and internal control system of the Company, and regularly discussed with the management on the implementation of the risk management and internal control in order to ensure that the Company has established an effective risk management and internal control system. The Supervisory Committee is responsible for supervising the Board's development and implementation of risk management and internal control. The management is responsible for arrangement and leadership of the daily operation of the risk management and internal control of the Company. The Audit Department (Office of the Supervisory Committee) of the Company, carries out the relevant implementation work as a functional department of the Company responsible for risk management and internal control.

In 2023, the Company further updated and refined its internal control system, including: (1) At the policy level: It further updated and refined the internal control system, including increasing and reducing control procedures, improving control activities and correcting policy names, according to the revisions to internal control policies after the previous updating and refinement of the internal control system; (2) At the management level: It further updated and refined the internal control system, including adjusting the decision-making authorities and procedures, according to the actual adjustments to the Company's management after the previous updating and refinement of the internal control system; (3) At the business operation level: It further updated and refined the internal control system, including adjusting the business operation procedures improving the risk control points and activities of business operation and correcting the names of business operation policies, according to the changes in the business operation procedures of the Company after the previous updating and refinement of the internal control system.

The Audit Department (Office of the Supervisory Committee) of the Company, as the responsible department for the Company's risk management, organises the management of the Company, the supervisory departments of the headquarters, business departments and enterprises to accurately identify major risks of the year based on the latest changes in the external environment and their own business development at the beginning of each year, and analyses each major risk, formulates countermeasures, prepares a comprehensive risk management report and submits it to the Board for consideration and approval after the report is considered by the Audit Committee. It, on a monthly basis, dynamically monitors major risks, tracks the implementation of preventive and control measures, reports to the management the changing trend of such risks, and puts forward management suggestions in a timely manner. In 2023, the Company further improved the quality of internal control assessment, collaboratively arranged risk control self-assessment, independent assessment and mutual inspections of the departments at the Company's headquarters and the Company's subsidiaries, and organized such departments and subsidiaries to carry out two "comprehensive examinations" of the design and operation of the internal control system as of the end of December 2022 and June 2023 and timely remedy the problems identified. It also carried out independent risk control assessments of high-risk fields to effectively prevent business risks, and carried out special audits of key processes.

The Audit Committee of the Board of the Company conducts two reviews over the risk management and internal control of the Company on an annual basis. On 21 March 2023, at the 6th meeting of the Audit Committee under the eighth session of the Board of the Company, the Audit Committee reported the implementation of risk management and internal control of the Company in 2022 and its results as well as the work plan for 2023, reviewed and approved resolutions including the 2022 Internal Control Assessment Report and the Auditing Report on Internal Control, and the 2023 Comprehensive Risk Management Report. On 22 August 2023, the resolutions including the interim report on internal control assessment of the Company for 2023 were considered and approved at the 8th meeting of the Audit Committee under the eighth session of the Board of the Company. The Audit Committee of the Board of the Company reported to the Board for the aforesaid matters. On 21 March 2023, the resolutions including the 2022 Internal Control Assessment Report, the 2022 Auditing Report on Internal Control and the 2023 Comprehensive Risk Management Report were also considered and approved at the 10th meeting of the eighth session of the Board of the Company.

The resolutions including the 2024 Comprehensive Risk Management Report, 2023 Internal Control Assessment Report and 2023 Auditing Report on Internal Control were considered and approved at the 11th and 12th meetings of the Audit Committee under the eighth session of the Board of the Company held on 25 January 2024 and 25 March 2024, respectively, and at the 19th and 20th meetings of the eighth session of the Board of the Company held on 26 January 2024 and 27 March 2024, respectively. According to such reports, the Board of the Company concluded during the reporting period, the Company's risk management and internal control systems were effectively implemented, and its internal control objectives were achieved without major and important defects; there were no material or significant defects in the internal control over the financial report and non-financial reports of the Company. PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, also confirmed that the Company had maintained effective internal control over financial report in all material aspects.

COMPLIANCE MANAGEMENT

The Company continuously deepens the construction of the rule of law compliance system, strengthens compliance supervision and combines the compliance management system with the internal control system to ensure the legality and compliance of the Company's business activities.

The Company prepared the "Integrity Compliance Manual (《誠信合規手冊》)" based on relevant national laws, regulations, industry regulatory requirements and the requirements of the Group's internal rules and regulations, and established a compliance management system with this as the core, supplemented by a list of compliance risk identification, a list of post compliance responsibility, a list of business process control and a list of compliance laws and regulations for all departments, forming a systematic compliance guidance document with "one manual and four lists". In April 2023, the Company reported to the Board of the Company on the results of the construction of the compliance management system.

In August 2023, the Board of the Company considered and approved the amendment to the Detailed Implementation Rules For the Audit Committee under the Board of Directors of Aluminum Corporation of China Limited (《中國鋁業股份有限公司董事會審核委員會工作細則》) to supplement the content of compliance management and to clarify the management responsibilities of the Audit Committee under the Board of Directors in respect of promoting the construction of the rule of law of the Company and improving the compliance management. In addition, the Company appointed Mr. Liang Minghong as the general counsel and chief compliance officer of the Company in August 2023 after consideration and approval by the Board of the Company, in order to further strengthen the construction of the rule of law and improve the compliance management system of the Company.

ESG MANAGEMENT

The Board of the Company believes that the establishment and improvement of the ESG management system may continuously promote the sustainable development of the Company. The Board of the Company is the decision-making body for sustainable development work, fully responsible for the Company's sustainable development strategy, coordinates and plans the Company's ESG management based on the strategy, and integrates the Company's ESG work into the strategic development goals of building "four extra strong (四個特强)" and building itself into a world-class company.

The special committees of the Board are responsible for supervising and managing related ESG work. Among them, the Development and Planning Committee is responsible for formulating corporate development plans that conform to the ESG concept, the Occupational Health & Safety and Environment Committee is responsible for comprehensive management of various aspects related to employee health, safety and the environment in the Company's operations, and the Audit Committee is responsible for supervising and managing ESG risks and audits. At the same time, in accordance with the requirements of the Rules for the Implementation of Social Responsibility Management of Aluminum Corporation of China Limited, the Company establishes a Social Responsibility Working Committee to be responsible for promoting specific ESG work and implementing various ESG management task indicators. The Board regularly or irregularly listens to reports on the progress of ESG work or material ESG events, discusses the relevant matters, and provides guidance on ESG work. The Company works with professional third parties every year to offer one to two ESG trainings to the Board to help the Board learn the latest ESG trends and best ESG practices. In April 2023, the Company invited ESG information disclosure and advisory team to conduct a special training on "Report on the Latest ESG Development Trends and Report Work of Chalco in 2022" for the Board of the Company.

The Company has integrated ESG risk management into the daily risk management system. The Audit Department (Office of the Supervisory Committee) of the Company organizes various business departments and affiliated production companies at the beginning of each year to identify and prevent major ESG risks in the daily operation and production process. In 2023, among the major risks identified by the Company, the ESG-related risks include safety and environmental protection risks, carbon peaking and carbon neutrality, and energy-using structure risks. In response to these risks, the Company formulated corresponding response and solution measures, and tracked the implementation of risk response measures on a monthly basis, formed a monthly risk monitoring report, submitted to the Company's management, and regularly reported to the Audit Committee and the Board.

In recent years, the Company has been strengthening its ESG management, standardization and disclosure and actively connecting with the capital market to more fully demonstrate the Company's ESG improvement measures and achievements, and its ESG performance has been further recognized by the capital market. In 2023, the Company was selected into the "ESG Pioneer 100 List of Listed Companies in China", won the first "ESG Golden Bull Award • Top 50 Central Enterprise", and was selected into the "Central Enterprise ESG • Pioneer Index" for three consecutive years.

CORPORATE CULTURE

The Company attaches great importance to the construction and inheritance of corporate culture, and takes "rewarding shareholders, empowering employees, benefiting customers, and cherishing environment" as the its mission, "building into a top-notch enterprise with global competitiveness in the world" as its vision, and "responsibility, integrity, openness and excellence" as its core values, and strives to build a brand image of "Responsible Chalco, Integrity Chalco, Ecological Chalco, Safe Chalco, and Harmonious Chalco"; creates a corporate culture of "Sunshine, Openness, Simplicity and Inclusiveness", continues to carry out corporate culture cultivation activities, inherits and carries forward the spirit of Chalco, promotes the construction of corporate culture brand, and strives to create a "corporate culture excellence project". In 2023, the Company formulated the "Management Measures for the Construction of Corporate Culture Brands" (《企業文化品牌建設管理辦法》) to clearly define the objectives and measures for the construction of excellent corporate culture brands with distinctive features, remarkable industry characteristics and prominent era characteristics.

The Company insists on practicing the concept of sustainable development, adheres to the enterprise spirit of "striving for excellence, innovation and strength" and the core concept of social responsibility of "Turning Stone into Gold and Benefiting Mankind (點石成金、造福人類)", accelerates the high-quality development of the enterprise in all aspects, and is endeavored to become the main force of scientific and technological innovation, the ballast of mineral resources, the pillar of high-end advanced materials, and the leader of green and low carbon, low-cost and digital intelligence. The Company believes that a healthy corporate culture is the endogenous driving force for the development of an enterprise. Through continuous corporate culture cultivation activities, the Company makes the management and all employees of the Company perceive, identify, and practice the corporate culture, so that the corporate culture will be effectively kept in mind and put into practice and implemented in every aspect of the thoughts and actions of every employee, which will help the Company to achieve its business objectives and sustainable development. At the same time, it will also enable shareholders, customers, partners, suppliers and other stakeholders to benefit from the value we create together.

AUDITORS' REMUNERATION

Upon consideration and approval at the 10th meeting of the eighth session of the Board held on 21 March 2023 and the 2022 annual general meeting of the Company held on 20 June 2023, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were appointed by the Company as the 2023 domestic and international auditors of the Company. In particular, PricewaterhouseCoopers Zhong Tian LLP is principally responsible for the Company's domestic and US audit (including internal control audit), while PricewaterhouseCoopers is principally responsible for the Company's Hong Kong audit.

In 2023, the total remuneration for audit and non-audit services payable by the Company to the auditors was RMB19.64 million, Wherein, RMB18.17 million was the annual remuneration for the 2023 audits of domestic and foreign annual reports and review of the interim report and internal control payable by the Company to auditors, and RMB1.47 million was for non-audit services including RMB280,000 for advisory services for the preparation of the ESG report of the Company; RMB340,000 for the daily tax advisory and other fees for the Company; RMB65,000 for the preparation of transfer pricing information for the same period for the related business transactions of Chalco Logistics, a subsidiary of the Company; RMB430,000 for audit services for the refinancing project of Yinxing Energy Co. Ltd., a subsidiary of the Company; RMB5,000 for services of the implementation of agreed upon procedures for overseas enterprises included in the management list of special matters of the Company; RMB250,000 for accounting advisory services for the financial derivative business of the Company's subsidiaries and RMB100,000 for services for the issuance of a letter of assessment of the reasonableness of the parameters for the discounted future estimated cash flows relating to profit forecasts in respect of the Company's connected transactions.

DIRECTORS' AND AUDITORS' ACKNOWLEDGMENT

All Directors acknowledged their responsibility for preparing the accounts for the year ended 31 December 2023. Auditor's reporting responsibilities are set out in the independent auditor's report on pages 197 to 203.

COMPLIANCE WITH AND EXEMPTION FROM THE CORPORATE GOVERNANCE OBLIGATION AGAINST THE NEW YORK STOCK EXCHANGE

The Resolution on the Company's Proposed Delisting of the Depositary Securities Shares in the US from the New York Stock Exchange and Deregistration under the Securities Exchange Act was considered and approved at the 3rd meeting of the eighth session of the Board held by the Company on 12 August 2022. The Company notified the New York Stock Exchange ("**NYSE**") on 12 August 2022 (America Eastern Standard Time) of its application for a voluntary delisting of the depository shares from the NYSE and the deregistration of the depository shares and the corresponding H-shares under the revised Securities Exchange Act of 1934 after the deregistration conditions are met. For details of the foregoing, please refer to the announcement of the Company dated 12 August 2022.

Depositary shares of the Company were delisted from the NYSE on 1 September 2022 (America Eastern Standard Time), and the Company terminated the share depositary plan with the share depositary agency, The Bank of New York Mellon, on 30 June 2023 (America Eastern Standard Time). However, depository shares of the Company had not been deregistered as of the end of the reporting period, and the Company was still subject to the corporate governance obligation under the NYSE rules during the reporting period.

The NYSE has formulated a series of corporate governance rules according to its listing rules, which must be observed by listed companies. Nevertheless, the NYSE has expressly stated that it respects the common practices in the "home countries" of foreign issuing companies, and exempts such companies from the governance rules on the premise that such a company must make a brief description of the difference in corporate governance rules in the NYSE rules and the rules of its home country in the company's annual report.

The Company has compared the corporate governance rules commonly adopted by Chinese companies, including itself, with those of the NYSE, and the results are as follows:

MORE THAN HALF OF THE INDEPENDENT DIRECTORS

The NYSE requires that the board of directors of a listed company shall consist of more than half of its independent directors, but companies incorporated within the territory of China are not subject to such a rule. During the reporting period, the Board of the Company consisted of three independent non-executive Directors, accounting for one third of the total number of Board members stipulated in the Articles of Association of the Company, and meeting the Chinese securities regulatory authority's requirement that independent directors of a listed company shall account for one third at least.

CORPORATE GOVERNANCE COMMITTEE

The NYSE requires the listed company to establish a corporate governance committee under the board of directors that entirely consists of independent directors. The corporate governance committee shall be established concurrently with the re-election committee, and shall be subject to an articles of association. The corporate governance committee shall be obliged to (i) propose to the board of directors principal suggestions on corporate governance; and (ii) supervise the operation of the board of directors and the management. The corporate governance committee shall also be subject to annual appraisal.

As ordinary Chinese enterprises, the Company attaches great importance to corporate governance, and holds that all directors shall be responsible for it, so it has not established a corporate governance committee.

1. CORPORATE GOVERNANCE

The Company has strictly complied with the requirements of the Company Law, the Securities Law of the People's Republic of China, relevant provisions of the CSRC, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Hong Kong Listing Rules and seriously performed its governance obligations in line with the relevant requirements of the CSRC. The Company has also strictly complied with requirements on corporate governance under the Hong Kong Listing Rules.

The Company will continue to strictly comply with the requirements of the relevant regulatory bodies including the CSRC, Beijing Securities Regulatory Bureau, SSE and the Hong Kong Stock Exchange. Through regulatory compliance and strict self-regulation, the Company will continue to enhance its corporate governance measures in compliance with regulations and take initiatives to further improve the corporate governance and internal control system of the Company, aiming at protecting the interest of its shareholders, as well as maintaining consistent, stable and healthy development to bring returns to the society and shareholders through satisfactory performance results. The Company will also continue to comply with the requirements on corporate governance under the Hong Kong Listing Rules.

Since its incorporation, the Company has completely separated its business, staff, assets, organization and finance from its controlling shareholder. The Company has its independent and complete business and its own operations.

2. ACQUISITIONS

The Company conducted no significant acquisitions in 2023.

3. TRUSTEESHIP

In 2023, the Company had no trusteeship required to be disclosed.

4. CONTRACTING

In 2023, the Company had no contracting required to be disclosed.

5. MORTGAGE AND PLEDGE

As at 31 December 2023, the Group mortgaged and pledged assets with a total amount of RMB7,243.50 million, including property, plant and equipment, land use rights, intangible assets, investment in associates, and trade and notes receivables for bank borrowings. In the meantime, the Group also obtained certain bank borrowings by pledging its contractual rights to charge users for electricity generated and investment in a subsidiary. For details, please refer to note 26 to the financial statements.

6. GUARANTEE

As of 31 December 2023, the Company's guarantee is as follows:

Unit: in RMB100 million

	2023	2022	Changes in 2023 compared to 2022
Balance of external guarantees (excluding guarantee to subsidiaries)	**0**	0	0
Guarantee balance to subsidiaries	**111.47**	126.61	-15.14

1. As of 31 December 2023, the balance of the guarantee mutually provided between Ningxia Energy, a controlled subsidiary of the Company, and its subsidiaries amounted to RMB0.32 billion.

2. In July 2021, the Company provided guarantee for three-year senior bonds of USD500 million and five-year senior bonds of USD500 million issued by Chalco Hong Kong Investment Company Limited ("**Chalco Hong Kong Investment**"). As of 31 December 2023, the balance of the guarantee provided by the Company for Chalco Hong Kong Investment amounted to USD1,000 million (equivalent to approximately RMB7.083 billion).

3. In March 2017, Baotou Aluminum entered into the Maximum Guarantee Contract (《最高額保證合同》) with Baotou Branch of Shanghai Pudong Development Bank, pursuant to which Baotou Aluminum would provide guarantee in respect of financing up to RMB2,000 million in total for its controlled subsidiary Inner Mongolia Huayun. The guarantee period was two years from the date of expiry of the term for repayment of each loan under the principal contract. As of 31 December 2023, the balance of the guarantee provided by Baotou Aluminum to Inner Mongolia Huayun amounted to RMB0.3 billion.

4. In November 2019, the Company provided financing guarantee for Chalco Energy Holdings Co., Ltd.* (中國鋁業能源控股有限公司) ("**Chalco Energy Holdings**"), a subsidiary of the Company, due to the financing of the mine project in Boffa, Guinea. The foregoing guarantee contract was discharged during the reporting period.

5. In September 2020, the Company provided guarantee for the bank borrowings of Boffa Port Investment Co., Ltd. (博法港口投資有限公司) ("**Boffa Port**"), a subsidiary of the Company. As of 31 December 2023, the balance of the guarantee provided by the Company for Boffa Port based on its shareholding ratio amounted to RMB0.183 billion.

6. In December 2021, Chalco Logistics entered into a guarantee contract with Shanghai Futures Exchange, pursuant to which Chalco Logistics would provide guarantee for its controlled subsidiary Chalco Logistics Group Central International Port Co., Ltd.* (中鋁物流集團中部國際陸港有限公司) ("**Central Port**") with its net assets. As of 31 December 2023, the balance of the guarantee provided by Chalco Logistics to Central Port amounted to RMB1.1 billion.

7. In April 2023, Chalco Trading Group entered into guarantee contracts with Dalian Commodity Exchange and Zhengzhou Commodity Exchange, pursuant to which Chalco Trading Group would provide guarantee for its controlled subsidiary Chalco Inner Mongolian International Trading Co., Ltd.* (中鋁內蒙古國貿有限公司) ("**Inner Mongolian Trading**") with its net assets. As of 31 December 2023, the balance of the guarantee provided by Chalco Trading Group to Inner Mongolian Trading amounted to RMB1.149 billion.

8. In June 2023, Chalco Logistics Group Southeast Asia International Port Co., Ltd. (東南亞國際陸港有限公司) ("**Southeast Asia Port**") and Chalco Logistics Group Gansu Co., Ltd. (中鋁物流集團甘肅有限公司) ("**Gansu Logistics**") entered into guarantee contracts with the Shanghai Futures Exchange, pursuant to which Southeast Asia Port and Gansu Logistics would provide guarantee for its parent company Chalco Logistics with their net assets. As of 31 December 2023, the balance of the guarantee provided by Southeast Asia Port and Gansu Logistics to Chalco Logistics amounted to RMB0.582 billion.

9. In June 2023, the Company entered into a guarantee letter with the Shanghai Futures Exchange to provide guarantee for its subsidiaries, Chalco Shandong and Zhongzhou Aluminum, to apply for alumina futures mills. As of 31 December 2023, the balance of guarantees provided by the Company for Chalco Shandong and Zhongzhou Aluminum was RMB165 million and RMB265 million, respectively.

7. ENTRUSTED WEALTH MANAGEMENT AND SHORT-TERM INVESTMENTS

Short-term investments in 2023 to be disclosed by the Group are set out in note 10 to the financial statements.

8. PERFORMANCE OF UNDERTAKINGS

At the end of 2018, Chinalco's subsidiary China Copper entered into the *Agreement on Free Transfer of Yunnan Metallurgical Group Co., Ltd*. (雲南冶金集團股份有限公司) ("**Yunnan Metallurgical**") with the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government (雲南省人民政府國有資產監督管理委員會) ("**Yunnan SASAC**"), pursuant to which Yunnan SASAC would transfer to China Copper's 51% equity interest of free of charge. After the free transfer, holding subsidiary, Yunnan Aluminum became a subsidiary of Chalco. To properly address the horizontal competition between the Company and Yunnan Aluminum, Chinalco issued commitment letters on avoiding horizontal competition to both the Company and Yunnan Aluminum, undertaking that it would properly address the problem by appropriate means in five years starting from 2019.

In 2022, after acquiring Yunnan Aluminum and becoming its controlling shareholder, the Company carried on the commitment of Chinalco, and issued the *Commitment Letter on Avoidance of Horizontal Competition with Yunnan Aluminum Co., Ltd*. to Yunnan Aluminum, the term and content of which were the same as the commitment originally made by Chinalco.

Given that the foregoing commitment to avoid horizontal competition has expired at the end of December 2023, the Company, based on the current actual situation and in order to effectively protect the interest of Yunnan Aluminum, as well as all shareholders including minority shareholders, issued the Letter on Extending the *Commitment on Avoidance of Horizontal Competition with Yunnan Aluminum Co., Ltd*. to Yunnan Aluminum on 8 December 2023, undertaking to properly address its horizontal competition with Yunnan Aluminum through asset restructuring, equity replacement, business adjustment, entrusted management or other means recognized by securities regulators or relevant regulations before 31 December 2028.

Yunnan Aluminum considered and approved the foregoing extension of addressing the horizontal competition issue at its 28th meeting of the eighth session of its board of directors held on 11 December 2023 and the 2023 3rd extraordinary general meeting held on 27 December 2023, respectively, and has fulfilled the corresponding obligation for information disclosure.

9. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY LISTED COMPANIES AND THEIR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS, AND DE FACTO CONTROLLERS

In 2023, the Company and its Directors, Supervisors, senior management, shareholders, and de facto controllers were not under any investigation, administrative punishment, and public criticism from the CSRC and public censures from stock exchanges.

10. EXPLANATION OF OTHER SIGNIFICANT EVENTS

(1) Provision for Asset Impairment

At the tenth meeting of the eighth session of the Board of Directors convened on 21 March 2023 and the fifth meeting of the eighth session of the Supervisory Committee convened on 20 March 2023, the Company considered and approved the *Resolution in relation to Proposed Provisions for Asset Impairment of the Company in the Second Half of 2022*, and agreed to the Company's net provision for bad debts (including reversal) of RMB364 million and provision for impairment of long-lived assets of RMB1,848 million in the second half of 2022. The foregoing provision for asset impairment resulted in a decrease of RMB2,209 million in the profit before tax and a decrease of RMB1,986 million in the net profit attributable to the shareholders of the listed company in the consolidated financial statements of the Company for 2022.

Please refer to the announcement of the Company dated 21 March 2023 for details of the foregoing.

(2) Change of the Income Tax Accounting Policy

At the 14th meeting of the eighth session of the Board of Directors of the Company held on 22 August 2023 and the seventh meeting of the eighth session of the Supervisory Committee of the Company held on 21 August 2023, the Company considered and approved *Resolution on the Proposed Change in Accounting Policy of the Company*, pursuant to which, the Company was approved to, from 2023 onwards, change the income tax accounting policy and make retrospective adjustment to the cumulatively impacted data resulting from the change according to the relevant requirements of the *Interpretation No. 16 of the Accounting Standards for Business Enterprises and No. 18 of the Accounting Standards for Business Enterprises – Income Tax* of the Ministry of Finance. As assessed, the change of the accounting policy will result in a decrease of RMB1,483,100 in retained income brought forward, a decrease of RMB135,400 in deferred income tax assets and an increase of RMB1,347,700 in deferred income tax liabilities of the Company as of the end of 2023, and will not significantly affect the Company's profits, assets, liabilities, equities or cash flow.

Please refer to the announcement of the Company dated 22 August 2023 for details of the foregoing.

(3) Increase in the Limit for the Existing Fund Preservation and Appreciation Business

In order to further improve capital usage efficiency and revitalize surplus funds, the Company considered and approved the *Resolution on the Company's Proposed Increase in the Limit for the Existing Fund Preservation and Appreciation Business* at the 17th meeting of the eighth session of the Board held on 18 December 2023, pursuant to which, the Company was approved to increase the limit for the existing fund preservation and appreciation business from RMB5 billion to RMB10 billion, and investment types could include, without limitation, structured deposit, money fund, government bond reverse repurchase and other low-risk business, with the term of each business not to exceed three months.

Please refer to the announcement of the Company dated 18 December 2023 for details of the foregoing.

(4) Restricted Share Incentive Scheme

At the 24th meeting of the seventh session of the Board and the 12th meeting of the seventh session of the Supervisory Committee of the Company held on 21 December 2021, the Company reviewed and approved the relevant resolutions on the Company's Restricted Share Incentive Scheme (Draft) in 2021 and its summary, and agreed to the implementation of the 2021 Restricted Share Incentive Scheme to grant not more than 141,000,000 A shares (representing approximately 0.82% of the Company's 17,161,591,551 shares in issue at the end of the reporting period) to not more than 1,192 participants. The Restricted Share Incentive Scheme is valid from the date of completion of registration of the first grant of restricted shares to the date of unlocking of all restricted shares granted to the participants or the date of repurchase, subject to a maximum period of 72 months. The purpose of the Restricted Share Incentive Scheme is to further improve the corporate governance structure, establish a sound sustainable and stable incentive restraint mechanism, bring sustainable returns to shareholders, build a bond of interests among shareholders, the Company and employees, fully mobilize the enthusiasm of core employees, support the strategic realization and long-term steady development of the Company, attract, retain and motivate outstanding talents and advocate the concept of sustainable development of the Company and its employees together. The participants of the Incentive Scheme include directors, senior management, middle management and core technical (business) backbone of the Company. The number of Restricted Shares granted to any one participant shall not exceed 1% of the total share capital of the Company prior to the submission of the Restricted Share Incentive Scheme to the general meeting for consideration. The date of determining the price of the Restricted Shares under the first grant is the date of announcement of the draft Restricted Share Incentive Scheme. The price of grant shall not be less than the par value of the shares (RMB1.00) and shall not be less than the higher of: (1). 50% of the average trading price of the Company's A shares for the 1 trading day prior to the announcement of the Restricted Share Incentive Scheme, being RMB3.08 per share; (2). 50% of the average trading price of the Company's A shares for the 20 trading days prior to the announcement of the Restricted Share Incentive Scheme, being RMB2.98 per share. The price of grant of reserved restricted shares shall not be less than the par value of the shares (RMB1.00) and not less than 50% of the higher of the following prices: (1). The average trading price of the Company's A shares for 1 trading day prior to the announcement of the resolution of the Board to grant reserved restricted shares; (2). one of the average trading prices of the Company's A shares for 20 trading days, 60 trading days or 120 trading days prior to the announcement of the Board resolution to grant reserved restricted shares. Please refer to the relevant announcements dated 21 December and 22 December 2021 of the Company for details of the relevant matter.

On 6 April 2022, the 27th meeting of the seventh session of the Board and the 14th meeting of the seventh session of the Supervisory Committee of the Company were held, at which the resolution on the adjustment to the 2021 Restricted Share Incentive Scheme (Draft) and its summary and the appraisal management measures for implementation were considered and passed. Please refer to the relevant announcement dated 6 April 2022 of the Company for details of the above matter.

On 20 April 2022, the Company received the *Approval on the Implementation of the Restricted Share Incentive Scheme by Aluminum Corporation of China Limited* (Guo Zi Kao Fen [2022] No. 157) from the State-owned Assets Supervision and Administration Commission of the State Council, indicating that the State-owned Assets Supervision andaneodry session theaneod2 ( )0d[(aneagreed0d[(anei3.7 (ses14 (he)1.5 Td[efer5 Td[e

At the 2022 first extraordinary general meeting, the 2022 first class meeting for A shareholders and the 2022 first class meeting for H shareholders held on 26 April 2022, the Company considered and approved the relevant resolutions on the 2021 Restricted Share Incentive Scheme and agreed to the Company's implementation of the Restricted Share Incentive Scheme. Please refer to the supplemental circular dated 7 March 2022 and the relevant announcement dated 26 April 2022 of the Company for details of the relevant matter.

At the 16th meeting of the seventh session of the Supervisory Committee and the 29th meeting of the seventh session of the Board of the Company held on 24 May and 25 May 2022, respectively, the Company considered and approved the resolution in relation to relevant matters on the adjustment to the 2021 Restricted Share Incentive Scheme and the resolution in relation to first grant of Restricted Shares to Participants, and agreed to grant 113,438,200 Restricted Shares to 943 Participants at the Grant Price of RMB3.08 per share with 25 May 2022 as the First Grant Date. Please refer to the relevant announcement dated 25 May 2022 of the Company for details of the above matter.

The Company received the *Securities Transfer Registration Certificate* (《證券變更登記證明》) issued by CSDC Shanghai Branch on 14 June 2022. The registration of the first grant of the 2021 Restricted Share Incentive Scheme of the Company was completed on 13 June 2022. The Company granted 112,270,300 Restricted Shares to 930 participants in total. Please refer to the relevant announcement dated 14 June 2022 of the Company for details of the above matter.

At the fourth meeting of the eighth session of the Supervisory Committee and the seventh meeting of the eighth session of the Board of the Company held on 23 November and 24 November 2022, respectively, the Company considered and passed the Resolution on the Proposed Grant of Reserved Restricted Shares to Participants under the 2021 Restricted Share Incentive Scheme of the Company, and agreed to grant 27,536,300 Restricted Shares to 285 Participants at the price of grant of RMB2.21 per share with 24 November 2022 as the Reserve Grant Date. Please refer to the relevant announcement dated 24 November 2022 of the Company for details of the above matter.

The Company received the *Securities Transfer Registration Certificate* issued by CSDC Shanghai Branch on 26 December 2022. The registration of the reserved grant of the 2021 Restricted Share Incentive Scheme of the Company was completed on 23 December 2022. The Company granted 26,648,300 Restricted Shares to 276 participants in total. Please refer to the relevant announcement dated 27 December 2022 of the Company for details of the above matter.

The Company held the eighth meeting of the eighth session of the Supervisory Committee and the 16th meeting of the eighth session of the Board on 24 October and 25 October 2023, respectively, at which the *Resolution on Adjustment to the Repurchase Price of Restricted Shares under the Company's 2021 Restricted Share Incentive Scheme* and the *Resolution on the Repurchase and Cancellation of Partial Restricted Shares Granted to Incentive Participants but Not Yet Unlocked* were considered and passed. Given that the Company has conducted the dividend distribution for 2021 and 2022, in accordance with the relevant provisions in the share incentive scheme, the Board agreed to adjust the repurchase price of the first granted Restricted Shares from RMB3.08/share to RMB3.01/share, and adjust the repurchase price of Restricted Shares for reserved grant from RMB2.21/share to RMB2.17/share. Meanwhile, for the first grant of the Restricted Share Incentive Scheme, four participants resigned due to personal reasons. Twelve participants retired and no longer work in the Company or its subsidiary. Sixteen participants terminated their labour relations with the Company due to objective reasons such as work transfer not under personal control. Two participants terminated the labour relation due to death. One participant had a negative impact. The assessment results of three participants were "80 points > S ≥ 70 points" (the standard coefficient of unlocking from selling restrictions in the current period was 0.9). For the reserved grant, two participants resigned due to personal reasons. One participant retired and no longer works in the Company or its subsidiary. Two participants terminated their labour relations with the Company due to objective reasons such as work transfer not under personal control. Therefore, the Board agreed that the Company could repurchase and cancel all or part of the 3,210,323 Restricted Shares of the above 43 participants that have been granted but not yet unlocked from restricted sale. Please refer to the relevant announcement dated 25 October 2023 of the Company for details of the above matter.

The Company issued an announcement on the repurchase and cancellation of partial restricted shares in the share incentive scheme on 23 January 2024. It submitted an application for the repurchase and cancellation to CSDC Shanghai Branch. The Company received the *Securities Transfer Registration Certificate issued* by CSDC Shanghai Branch on 29 January 2024. The cancellation procedure for the 3,210,323 Restricted Shares repurchased and cancelled was completed on 26 January 2024. Upon cancellation, the Company's total share capital was changed from 17,161,591,551 shares to 17,158,381,228 shares. Please refer to the announcement dated 23 January 2024 and the next-day disclosed financial statement dated 29 January 2024 of the Company for details of the relevant matter.

Details of the grants made under the Restricted Share Incentive Scheme as at the end of the reporting period are set out below:

Name	Position(s)	Number of the Restricted Shares granted *(0,000 shares)*	Grant Date *(Note 2)*	Price of Grant *(RMB: Yuan/Share)* *(Note 3)*	Percentage of the total share capital of the Company as at the date of adoption of the Restricted Share Incentive Scheme *(%)* *(Note 4)*
Zhu Runzhou	Director and President	27	25 May 2022	3.08	0.0016
Ou Xiaowu	Director	25	25 May 2022	3.08	0.0015
Jiang Tao	Director and Vice President	23	25 May 2022	3.08	0.0014
Wu Maosen (resigned)	Vice President (Note 6)	26	25 May 2022	3.08	0.0015
Xu Feng	Vice President	23	25 May 2022	3.08	0.0014
Liang Minghong	General Counsel and Chief Compliance Officer	17.02	25 May 2022	3.08	0.0010
Middle management, core technical (business) backbone (924 persons)		11,086.01	25 May 2022	3.08	0.6512
First grant in total (930 persons)		11,227.03	25 May 2022	3.08	0.6595
Ge Xiaolei	Chief Financial Officer, Secretary to the Board	23	24 November 2022	2.21	0.0014
Li Wangxing	Chief Technology Officer	23	24 November 2022	2.21	0.0014
Middle management, core technical (business) backbone (274 persons)		2,618.83	24 November 2022	2.21	0.1538
Reserved grant in total (276 persons)		2,664.83	24 November 2022	2.21	0.1565
First grant and reserved grant in total (1,206 persons)		**13,891.86**	–	–	**0.8161**

Notes:

1. Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

2. The Lockup Period shall be 24 months from the completion date of registration of the grant of Restricted Shares to the Participants. During the Lockup Period, the Restricted Shares granted to the Participants shall be locked and shall not be transferred or assigned or used as guarantee or for repayment of debts. Upon unlocking, the Company shall proceed with the unlocking for the Participants who satisfy Unlocking Conditions, and the Restricted Shares held by the Participants who do not satisfy the Unlocking Conditions shall be repurchased by the Company. The schedule for the unlocking of Restricted Shares under the First and Reserved Grants of the Restricted Share Incentive Scheme is set out in the table below:

Arrangement of unlocking	**Time of unlocking**	**Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted**
The first Unlocking Period for the first and reserved grant	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 36-month period from the date of completion of registration of such grant	40%
The second Unlocking Period for the first and reserved grant	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 48-month period from the date of completion of registration of such grant	30%
The third Unlocking Period for the first and reserved grant	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 60-month period from the date of completion of registration of such grant	30%

Based on the growth of the Company's future performance targets, the Restricted Share Incentive Scheme sets the conditions for the unlocking of the restricted shares and links the results of the individual assessment of the Participants to the unlocking of the Restricted Shares. The Restricted Share Incentive Scheme may be unlocked when the performance indicators of the Company meet the performance appraisal targets at the same time there are no circumstances under which the Company is not allowed to exercise equity incentive as set out in the laws and regulations and the relevant regulations of the CSRC. The performance indicators of the Company include the compounded growth rate of net profit attributable to owners of the parent after excluding gains or losses from non-recurring items, the EBITDA/average net assets (EOE) and the annual EVA assessment targets set by the Board. For details of the Unlocking Conditions of Restricted Shares and the individual assessment process for Participants, please refer to Appendix I "Restricted Share Incentive Scheme (Draft)" and Appendix II "Implementation Assessment and Management Measure for the Restricted Share Incentive Scheme" to the circular of the Company dated 7 March 2022.

During the reporting period, the Restricted Shares granted under the Restricted Share Incentive Scheme remained in the 24-month unlocking period. As disclosed in the Company's first grant and reserved grant results announcements dated 14 June 2022 and 27 December 2022, 23 Participants waived their subscriptions for a total of 2,055,900 restricted shares granted to them for personal reasons, and such Restricted Shares were directly reduced and cancelled.

For the first grant of the Restricted Share Incentive Scheme, four participants resigned due to personal reasons. Twelve participants retired and no longer work in the Company or its subsidiary. Sixteen participants terminated their labour relations with the Company due to objective reasons such as work transfer not under personal control. Two participants terminated the labour relation due to death. One participant had a negative impact. The assessment results of three participants were "80 points > S ≥ 70 points" (the standard coefficient of unlocking from selling restrictions in the current period was 0.9). For the reserved grant, two participants resigned due to personal reasons. One participant retired and no longer works in the Company or its subsidiary. Two participants terminated their labour relations with the Company due to objective reasons such as work transfer not under personal control. As considered and passed at the 16th meeting of the eighth session of the Board on 25 October 2023, the Company decided to repurchase and cancel all or part of the 3,210,323 Restricted Shares of the above 43 participants that have been granted but not yet unlocked from restricted sale. The cancellation procedure for the foregoing repurchased and cancelled restricted shares was completed on 26 January 2024, through CSDC Shanghai Branch. Please refer to the announcements of the Company dated 25 October 2023, 23 January 2024 and 29 January 2024 for details of the matters. Upon repurchase and cancellation, the number of remaining Restricted Shares in the share incentive scheme was 135,708,277.

Saved as disclosed above, as of the end of the reporting period, no other Restricted Shares have been cancelled or lapsed.

3. The closing prices of the Company's A shares immediately prior to the Grant Date of the Restricted Shares (i.e. 24 May 2022 and 23 November 2022) were RMB4.93 and RMB4.38 respectively. The Company granted Restricted Shares on 25 May 2022 and 24 November 2022, respectively. In accordance with IFRS 2 – Share-based Payment, the Company determined the fair value of the Restricted Shares on the grant date using the closing price of the Company's A shares on the grant date. As at 25 May 2022, the fair value of each Restricted Share was RMB4.97 and the price of grant per share for Participants was RMB3.08; as at 24 November 2022, the fair value of each Restricted Share was RMB4.42 and the price of grant per share for Participants was RMB2.21; the difference between the fair value and the price of grant per share was included in share-based payment expense. During the reporting period, the Company did not grant any Restricted Shares, accordingly, the weighted average number of shares that could have been issued in respect of the Restricted Share Incentive Scheme during the reporting period divided by the number of A shares in issue during the reporting period is not applicable.

4. As at the date of approval of the Restricted Share Incentive Scheme at the general meeting of the Company (26 April 2022), the total number of issued shares of the Company was 17,022,672,951. Upon completion of the first and reserved grant of Restricted Shares, the Company's total number of shares issued was changed to 17,161,591,551. Upon completion of the repurchase and cancellation of Restricted Shares, the Company's total number of shares issued was changed to 17,158,381,228.

5. The total number of Restricted Shares granted to the five highest paid persons (including three Directors and two employees) during the reporting period was 1.21 million shares, of which: 0.98 million Restricted Shares were granted on 25 May 2022; and 0.23 million Restricted Shares were granted on 24 November 2022, and still subject to the 24-month unlocking period during the reporting period. For details of the five highest paid persons of the Company during the reporting period, please refer to note 33 to the Financial Statements.

6. Mr. Wu Maosen has ceased to serve as the vice president of the Company since 25 October 2023.

Please refer to the announcements of the Company dated 21 December 2021, 22 December 2021, 6 April 2022, 21 April 2022, 26 April 2022, 25 May 2022, 14 June 2022, 24 November 2022, 27 November 2022, 25 October 2023, 23 January 2024 and 29 January 2024, and the supplemental circular dated 7 March 2022 for details of the above matters.

(5) Amendments to the Articles of Association, the Detailed Implementation Rules for the Remuneration Committee, and the Detailed Implementation Rules of the Audit Committee

The 26,648,300 Restricted Shares for reserved grant in the 2021 Restricted Share Incentive Scheme of the Company were registered with CSDC Shanghai Branch. The Resolution on the *Revision of the Articles of Association of Aluminum Corporation of China Limited* was considered and passed at the 12th meeting of the eighth session of the Board held on 20 June 2023. In accordance with the authorisation granted to the Board during the 2022 first extraordinary general meeting, 2022 first class meeting for A shareholder, and 2022 first class meeting for H shareholders held on 26 April 2022, it was agreed that the Company's registered capital in the Articles of Association could be changed.

In accordance with the latest Hong Kong Listing Rules, the Company considered and passed the Resolution on the *Amendments to the Detailed Implementation Rules for the Remuneration Committee of the Board of Directors of Aluminum Corporation of China Limited* and agreed to revise the Detailed Implementation Rules for the Remuneration Committee at the tenth meeting of the eighth session of the Board on 21 March 2023.

In order to further implement the requirements for state-owned assets supervision and perfect its compliance management system, the Company considered and passed the *Resolution on the Revision of the Detailed Implementation Rules of the Audit Committee of the Board of Directors of Aluminum Corporation of China Limited* and agreed to revise the *Detailed Implementation Rules of the Audit Committee* at the 14th meeting of the eighth session of the Board on 22 August 2023, in accordance with the relevant policies and requirements, such as the Opinions on Further Deepening the Development of Law-based Central Enterprises (《關於進一步深化法治央企建設的意見》) and the Measures for the Compliance Management of Central Enterprises (《中央企業合規管理辦法》) of the State-owned Assets Supervision and Administration Commission of the State Council.

Please refer to the announcements of the Company dated 20 June 2023, 21 March 2023, and 22 August 2023 for details of the above matters.

11. SIGNIFICANT SUBSEQUENT EVENTS

For other significant events after the reporting period, please refer to relevant disclosures made in note 43 to the financial statements.

Connected Transactions

Details of significant related party transactions of the Group for the year ended 31 December 2023 are set out in note 38 to the financial statements. Certain related party transactions also constitute connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and the Company confirms that such related party transactions have complied with applicable disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. The details of the non-exempted one-off connected transactions, the main exempted one-off connected transactions and non-exempted continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules undertaken by the Group during the reporting period are set out below.

NON-EXEMPTED CONTINUING CONNECTED TRANSACTIONS

The Company considered and passed the *Resolution on the Company's Plan to Renew Agreements Related to Continuing Related Party Transactions with Aluminum Corporation of China and the Upper Limits of Such Transaction During 2023–2025, the Resolution on the Company's Plan to Renew the Financial Services Agreement with Chinalco Finance Co., Ltd. and the Upper Limits of the Relevant Transactions During 2023–2025, the Resolution on the Company's Plan to Renew the Finance Lease Cooperation Framework Agreement with Chinalco Finance Lease Co., Ltd. and the Upper Limits of the Relevant Transactions During 2023–2025, and the Resolution on the Company's Plan to Renew the Factoring Cooperation Framework Agreement with Chinalco Commercial Factoring Co., Ltd. and the Upper Limits of the Relevant Transactions During 2023–2025* at the 10th meeting of the eighth session of the Board on 21 March 2023. In consideration of changes in its scope of consolidated statements and its future business development and in order to unify the validity periods of multiple agreements on continuing connected transactions, the Company re-signed the multiple agreements on continuing connected transactions with the controlling shareholder Chinalco and its subsidiaries on 21 March 2023, which included:

1. Signed (i) a new supplementary agreement with entry-into-force conditions, to extend the validity period of the Comprehensive Social and Logistics Services Agreement, the General Agreement on Mutual Provision of Production Supplies and Ancillary Services, the Mineral Supply Agreement, and the Provision of Engineering, Construction and Supervisory Services Agreement, and replace the original supplementary agreement signed on 26 October 2021; (ii) a new Fixed Assets Lease Framework Agreement with entry-into-force conditions, to replace the original one signed on 26 October 2021; (iii) the General Services Master Agreement with entry-into-force conditions with Chinalco.

2. Signed a new Financial Services Agreement with entry-into-force conditions with Chinalco's subsidiary Chinalco Finance to replace the original one signed on 27 August 2020.

3. Signed a new Finance Lease Cooperation Framework Agreement with Chinalco's subsidiary Chinalco Lease to replace the original one signed on 26 October 2021.

4. Signed a new Factoring Cooperation Framework Agreement with entry-into-force conditions

		Aggregated consideration (for the year ended 31 December 2023) *(RMB million)*	Caps for 2023 under the original agreements on continuing connected transactions *(RMB million)*	Caps for 2023 under the new agreements on continuing connected transactions *(RMB million)*
(D)	Provision of Engineering, Construction and Supervisory Services Agreement (Counterparty: Chinalco)	776	6,500	6,300
(E)	Land Use Rights Leasing Agreement (Counterparty: Chinalco)	1,411	1,500	1,500
(F)	Fixed Assets Lease Framework Agreement (Counterparty: Chinalco)	3	130	300
(G)	General Services Master Agreement (Counterparty: Chinalco)	40	–	90
(H)	Financial Services Agreement (Counterparty: Chinalco Finance)			
	Daily cap of deposit balance (including accrued interests)	14,231[Note]	Daily cap of deposit balance 12,000	Daily cap of deposit balance 17,000
	Daily cap of credit balance (including accrued interest)	2,477	Daily cap of credit balance 15,000	Daily cap of credit balance 21,000
	Other financial services	0.5	40	100
(I)	Finance Lease Cooperation Framework Agreement (Counterparty: Chinalco Lease) Direct leasing	0	1,500	2,000
	Sale and leaseback	0	1,000	1,000
(J)	Factoring Cooperation Framework Agreement (Counterparty: Chinalco Factoring)	0	1,000	1,800

	Aggregated consideration (for the year ended 31 December 2023) *(RMB million)*	Caps for 2023 under the original agreements on continuing connected transactions *(RMB million)*	Caps for 2023 under the new agreements on continuing connected transactions *(RMB million)*
Sales of goods or services:			
(B) General Agreement on Mutual Provision of Production Supplies and Ancillary Services (Counterparty: Chinalco)	38,860	38,800	64,300
(F) Fixed Assets Lease Framework Agreement (Counterparty: Chinalco)	29	300	300

Note: For the period commencing from 1 January 2023 and ending on 20 June 2023 (the effective period of the original agreements on continuing connected transactions), the daily cap of deposit balance (including accrued interests) did not exceed its cap of RMB12 billion.

During the reporting period, the aforesaid continuing connected transactions have been performed in accordance with relevant agreements as announced. The continuing connected transactions of the Group are mainly the transactions between the Group and Chinalco.

Connected Transactions (Continued)

2. Pursuant to Rule 14A.56 of the Hong Kong Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported the results of their procedures to the Board stating that:

    a. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company.

    b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.

    c. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

    d. with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditor's attention that causes the auditor to

STATEMENT ON THE CONTINUING CONNECTED TRANSACTIONS OF THIS YEAR

(A) Comprehensive Social and Logistics Services Agreement

Date of initial agreement:	5 November 2001
Date of supplementary agreement:	The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.
Parties:	Chinalco (as provider, for itself and on behalf of its subsidiaries and associates) The Company (as recipient, for itself and on behalf of its subsidiaries)
Term:	The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).
Nature of transaction:	(i) Social services: public security and firefighting services, education and training, schools, hospitals and health facilities, cultural and sports undertakings, newspapers and magazines, broadcasting, printing and other relevant or similar services; and (ii) Logistics services: property management, environmental and hygiene service, greenery, nurseries, kindergartens, sanatoriums, canteens, hotels, hostels, offices, public transportation, retirement management and other relevant or similar services.
Price determination:	The prices in respect of the relevant services under the Comprehensive Social and Logistics Services Agreement will be determined with reference to comparable local market prices. 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 around that time.
Payment term:	Monthly payment

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the supplemental circular dated 6 December 2021 of the Company, respectively.

(B) General Agreement on Mutual Provision of Production Supplies and Ancillary Services

Date of initial agreement: 5 November 2001

Date of supplementary agreement: The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.

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

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

Term: The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).

Nature of transaction:

(a) Production supplies and ancillary services provided by Chinalco to the Company

- (i) Supplies: carbon products, cement, coal, oxygen, bottled water, steam, fire brick, aluminium fluoride, cryolite, lubricant, resin, clinker, aluminium profiles, copper, zinc ingot and other relevant or similar supplies;
- (ii) Storage and transportation services: vehicle transportation, loading and unloading, railway transportation and other relevant or similar services;
- (iii) Ancillary production services: communications, testing, processing and fabrication, engineering design, repair, environmental protection, road maintenance and other relevant or similar services

(b) Production supplies and ancillary services provided by the

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

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

(a) Products:

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

(ii) Electrolytic aluminium products (aluminium 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;

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

(b) Supporting services and ancillary production services:

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

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

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

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

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

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the supplemental circular dated 6 December 2021 of the Company, respectively.

(C) Mineral Supply Agreement

Date of initial agreement:	5 November 2001
Date of supplementary agreement:	The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.
Parties:	Chinalco (as provider, for itself and on behalf of its subsidiaries and associates) The Company (as recipient, for itself and on behalf of its subsidiaries)
Term:	The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).
Nature of transaction:	Supply of bauxite and limestone by Chinalco to the Company; before meeting the Company's bauxite and limestone requirements, Chinalco is not entitled to provide bauxite and limestones to any third parties.

Price determination:

(i) For the supplies of bauxite and limestone from Chinalco's own mining operations, at reasonable costs incurred in providing the same (which mainly comprise fuel and energy costs, labour costs, security expenses and etc.), plus not more than 5% of such reasonable costs (a buffer for surges in the price level and labour costs, which is arrived at through arm's length negotiation between the Company and Chinalco after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products or services) of such products provided by Chinalco to the Company, and is not higher than the profit margin charged to independent third parties); and

(ii) For the supplies of bauxite and limestone from jointly operated mines, at contractual price paid by Chinalco to relevant third parties.

Considering that the profit margin of the ore provided by Chinalco's own mining operations will not exceed the profit margin charged to independent third parties, and the ore price provided by the joint venture mine is the contract price paid by Chinalco to relevant third-party purchases, the Company believes that this pricing is reasonable.

Payment term:

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

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the supplemental circular dated 6 December 2021 of the Company, respectively.

(D) Provision of Engineering, Construction and Supervisory Services Agreement

Date of initial agreement:	5 November 2001
Date of supplementary agreement:	The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.
Parties:	Chinalco (as provider, for itself and on behalf of its subsidiaries and associates) The Company (as recipient, for itself and on behalf of its subsidiaries)
Term:	The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).
Nature of transaction:	Services provided by Chinalco to the Company include engineering design, construction and supervisory services as well as relevant research and development operations.
Price determination:	(a) Engineering design: 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. (b) 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.

(c) 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 organised 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 utilisation 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 (a) 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; (b) in accordance with the prevailing market practice; or (c) 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 more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the supplemental circular dated 6 December 2021 of the Company, respectively.

(E) Land Use Rights Leasing Agreement

Date of initial agreement:	5 November 2001
Parties:	Chinalco (as lessor) (for itself and on behalf of its subsidiaries) The Company (as lessee) (for itself and on behalf of its subsidiaries)
Term:	50 years, expiring on 30 June 2051 According to the opinion in the letter from the then independent financial adviser on the Company's renewal of these continuing connected transactions in December 2006, a relatively long lease term of the land is in line with the interest of the Company and the Independent Shareholders and can help reduce the obstacles to the production and business operation of the Group which may arise from replacement. Taking into consideration of (i) the leased land and the scale of facilities built thereon; and (ii) the resources for construction of new production plants and related facilities, replacement is difficult and unfeasible. The Directors believe that the relevant term is normal business practice for similar contracts.
Price determination:	The rental shall be negotiated every three years at a rate not higher than the comparable local market prices (i.e. with reference to those charged or quoted by at least two independent third parties in respect of the land use rights with comparable scale in such areas under normal trading conditions around the time, and shall not be higher than those charged or quoted by independent third parties) or the prevailing market rental as determined by an independent valuer, to be engaged by both parties from time to time, through land valuation. Shanghai Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司) (a qualified valuer in the PRC) was jointly engaged by both the Company and Chinalco, and appraised 470 pieces (parcels) of land located in China with a total area of approximately 61.22 million square meters with 30 June 2021 as the valuation benchmark date. The annual rental is approximately RMB1,500 million, which is calculated based on the appraised value of the land of approximately RMB17,300 million discounted according to the remaining use life of the relevant land of 30 years and taken into account relevant taxes and fees related to the use of the land.
Payment term:	Monthly payment

For more detailed information on this continuing connected transaction, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively.

(F) Fixed Assets Lease Framework Agreement

Date of initial agreement:	28 April 2015
Date of renewed agreement:	The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.
Parties:	Chinalco (as both lessor and lessee) (for itself and on behalf of its subsidiaries and associates) The Company (as both lessor and lessee) (for itself and on behalf of its subsidiaries)
Term:	The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).
Nature of transaction:	Buildings, constructions, machinery, apparatus, transportation as well as equipment, appliance or tools and other fixed assets owned by either party in relation to the production and operation.
Price determination:	The rental shall follow the principles of valuable consideration, openness, fairness and justness, and introduce market competition mechanism. When determining the rental, the parties will also make reference to the prices charged or quoted by at least two independent third parties providing services of similar size and nature under normal trading conditions in the market around that time.
Payment term:	Monthly payment

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the supplemental circular dated 6 December 2021 of the Company, respectively.

(G) General Services Master Agreement

Date of initial agreement: 21 March 2023

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

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

Term: The Agreement is valid from 1 January 2023 to 31 December 2025.

Nature of transaction:

(1) Chinalco provides the Company with platform services, such as financial sharing:

(i) Chinalco provides the Company with document review, financial accounting and fund settlement and other transaction processing services in the financial process including sales to receivables, procurement to payables, expense reimbursement, asset management, general ledger accounting, fund management and title registration upon the Company’s decision and initiation of business;

(ii) Chinalco provides unified data flow standard services for the Company, including master data such as organisation, employees, customers, suppliers, banks, etc., and business and financial data such as forms and vouchers, to achieve a full range of data connection between accounts and funds, providing enquiry, consultation and report analysis services on accounts and funds;

(iii) Chinalco provides the Company with services that achieve data standard management for the application and use of each demand party; and

(iv) Chinalco provides the Company with relevant system operation and maintenance configuration services.

(2) Chinalco provides the Company with economic research and consulting services: Chinalco provides the Company with various research and consulting services such as macro economy, industrial economy, emerging industry and mining economy, and makes adjustment and updating to the research content appropriately in light of the nationwide, industrywide and the company's own situation.

(3) Chinalco provides the Company with other services: Chinalco provides management consulting, training and other comprehensive services of operation and management (if applicable) on the basis of the Company's needs.

Price determination: Where there is government (including local government) prescribed price, such price shall prevail; where there is no government prescribed price, but government guidance price, such guidance price shall prevail; where there is no government prescribed price or guidance price, the market price shall prevail; where the aforesaid three kinds of prices do not exist, the agreed price shall prevail, which shall comply with the principle of fairness and reasonableness and be determined in accordance with the principle of reasonable cost plus reasonable profit (profit margin not exceeding 7%).

Payment term: Monthly payment

For more detailed information on this continuing connected transaction, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively.

(H) Financial Services Agreement

Date of initial agreement: 26 August 2011

Date of renewed agreement: The new agreement was signed on 21 March 2023; the original agreement was signed on 27 August 2020.

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

Chinalco Finance (as provider), a subsidiary of Chinalco

Term: The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 26 October 2020 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).

Nature of transaction: Chinalco Finance agreed to provide deposit services, settlement services, credit services and miscellaneous financial services to the Company in accordance with the terms and conditions set out in the Financial Services Agreement.

Price determination:

(1) Deposit services

The interest rate for the deposits of the Group with Chinalco Finance shall be within the upper limit of the interest rate for the same type of deposit announced by the People's Bank of China 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.

(2) Settlement services

Chinalco Finance shall provide the Company with settlement services for free.

(3) Credit services

The interest rate for the loans to be provided by Chinalco Finance to the Group shall be determined with reference to the loan prime rate as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China, and the interest rate for the loans shall, in principle, not exceed the interest rate for the same type of loan provided by major independent financial institutions for the same period in the service location or adjacent areas in the normal course of business for such types of credit services.

Chinalco Finance shall provide loans to the Company on normal commercial terms and no security is to be granted by the Company over its assets.

(4) Miscellaneous financial services

The fees charged by Chinalco Finance for the provision of aforesaid miscellaneous financial services to the Group shall be in accordance with the relevant benchmark rates for such type of service determined by People's Bank of China or China Banking and Insurance Regulatory Commission, and, in principle, not exceed those charged by major commercial banks for the same type of financial service for the same period, or those charged by Chinalco Finance for the provision of the same type of financial service to Chinalco and other members of its group in the service location or adjacent areas in the normal course of business.

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the supplemental circular dated 23 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 27 August 2020 and the supplemental circular dated 30 September 2020 of the Company, respectively.

(I) Finance Lease Cooperation Framework Agreement

Date of initial agreement:	27 August 2015
Date of renewed agreement:	The new agreement was signed on 21 March 2023; the original agreement was signed on 26 October 2021.
Parties:	The Company (as lessee) (for itself and on behalf of its subsidiaries) Chinalco Lease (as lessor), a subsidiary of Chinalco
Term:	The new agreement is valid from 20 June 2023 to 31 December 2025. The original agreement is valid from 1 January 2022 to 20 June 2023 (Upon the effectiveness of the new agreement, the original agreement is terminated accordingly).
Nature of transaction:	The Company obtained the financing by way of finance leasing arrangements, including but not limited to direct leasing arrangements and sale-and-leaseback arrangements: (1) direct leasing arrangements, under which, Chinalco Lease will directly purchase the new equipment as required by the Company and lease the same to the Company for its use, while the Company will pay rental to Chinalco Lease accordingly and, upon expiry of the lease term, will purchase the assets from Chinalco Lease at a specific price after the rental has been fully paid to Chinalco Lease in accordance with corresponding operative agreements; and (2) sale-and-leaseback arrangements, under which, the Company will sell its own assets to Chinalco Lease to obtain financing, and then lease back the sold assets and pay rental to Chinalco Lease until expiry of the lease term when the Company will repurchase the assets from Chinalco Lease after the rental has been fully paid to Chinalco Lease in accordance with corresponding operative agreements. The scope of the assets under the finance lease includes but not limited to production equipment in relation to alumina, electrolytic aluminium, mine and energy power etc., and the carrying amount of such assets shall be not less than the principal amount under the finance lease in any event.

At any point during the validity period of the new agreement, the Company's financing balance obtained from Chinalco Lease shall not exceed RMB3 billion (at any point during the validity period of the original agreement, the Company's financing balance obtained from Chinalco Lease shall not exceed RMB2.5 billion). The financing balance represents the aggregate principal amount outstanding under the Finance Lease Cooperation Framework Agreement plus any lease interest, commission fees and other expenses, if applicable, incurred from the beginning of that year to that exact point of time.

Price determination: The financing costs mainly include lease interest and commission fees, etc. The costs of finance leasing services provided by Chinalco Lease shall not be higher than the financing costs of services of the same or similar nature provided by independent third party finance lease companies in the PRC (the after-tax internal rate of return shall prevail). The lease interest shall be determined with reference to the benchmark interest rates for RMB denominated loans published by the People's Bank of China on a regular basis; if such rates are not available, then the lease interest shall be determined with reference to the rate charged or quoted by other major finance organisation for the same or similar service.

Payment term: The Company and Chinalco Lease will, based on the actual cash flows, design flexible payment methods, including but not limited to payment of principal in equal instalments on a quarterly basis, payment of principal and interest in equal instalments on a quarterly basis, payment of principal in unequal instalments on a quarterly basis, payment of principal in equal instalments on a semi-annual basis, payment of principal and interest in equal instalments on an annual basis, etc.

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the shareholder circular dated 5 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021 and the shareholder circular dated 4 November 2021 of the Company, respectively.

Payment term:	The Company and Chinalco Factoring shall design the payment methods on a flexible basis according to the specific factoring services, including but not limited to payment by the financing party to accounts receivable or by debtors to accounts receivable or both.

For more detailed information on this continuing connected transaction under the new agreement, please refer to the announcement dated 21 March 2023 and the shareholder circular dated 5 May 2023 of the Company, respectively. For more detailed information on this continuing connected transaction under the original agreement, please refer to the announcement dated 26 October 2021.

ONE-OFF CONNECTED TRANSACTIONS (NON-EXEMPTED) RELATED TO ACQUISITION AND DISPOSAL OF ASSETS

1. The Company intended to transfer 100% equity of Chalco Qingdao Light Metal Co., Ltd. ("**Qingdao Light Metal**") to Chinalco High-end Manufacturing

At the tenth meeting of the eighth session of the Board held on 21 March 2023, the Company reviewed and approved the *Resolution on the Company's Intended Transfer of Equity in a Subsidiary to Chinalco High-end Manufacturing Co., Ltd*., agreeing that the Company will transfer 100% equity in Qingdao Light Metal held by its subsidiary, Chalco Shandong, to Chinalco High-end Manufacturing through an agreement. After the completion of this equity transfer, Chalco Shandong will no longer hold any equity in Qingdao Light Metal, and Qingdao Light Metal will no longer be a subsidiary of Chalco Shandong, and its financial results will no longer be consolidated into the accounts of Chalco Shandong.

As Chinalco High-end Manufacturing is a subsidiary of Chinalco, the controlling shareholder of the Company, and is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, the above equity transfer transaction constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

Please refer to the announcement of the Company dated 21 March 2023 for details of the foregoing.

As of the date of this report, the parties involved have not yet signed any specific agreements regarding the above equity transfer.

2. Yunnan Aluminum intended to transfer assets and equity of its subsidiaries to Chinalco High-end Manufacturing

At the eleventh meeting of the eighth session of the Board held on 25 April 2023, the Company reviewed and approved the *Resolution on Yunnan Aluminum Co., Ltd.'s Intended Transfer of Assets and Equity in Subsidiaries to China Aluminum Corporation High-end Manufacturing Co., Ltd.*, agreeing that the Company's subsidiary, Yunnan Aluminum, will transfer the related assets and liabilities held by its holding subsidiary, Yunnan Yunlv Haixin Aluminum Co., Ltd. (雲南雲鋁海鑫鋁業有限公司), and the 51% equity held by its holding subsidiary, Yunnan Yunlv Yongxin Aluminum Co., Ltd. (雲南雲鋁涌鑫鋁業有限公司) ("**Yunlv Yongxin**"), in Yunnan Yongshun Aluminum Co., Ltd. ("**Yongshun Aluminum**") to Chinalco High-end Manufacturing through an agreement. After the completion of this equity transfer, Yunlv Yongxin will no longer hold any equity in Yongshun Aluminum, and Yongshun Aluminum will no longer be a subsidiary of Yunlv Yongxin, and its financial results will no longer be consolidated into the accounts of Yunlv Yongxin.

As Chinalco High-end Manufacturing is a subsidiary of Chinalco, the controlling shareholder of the Company, and is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, the above assets and equity transfer transaction constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

Please refer to the announcement of the Company dated 25 April 2023 for details of the foregoing.

As of the date of this report, the parties involved have not yet signed any specific agreements regarding the above assets and equity transfer.

3. Yunnan Aluminum transferred 100,000 tons of electrolytic aluminium capacity quota to Qinghai Branch

At the fourteenth meeting of the eighth session of the Board held on 22 August 2023, the Company reviewed and approved the *Resolution on Yunnan Aluminum Co., Ltd.'s Intended Transfer of 100,000 Tons of Electrolytic Aluminum Capacity Quota to Aluminum Corporation of China Limited Qinghai Branch*, agreeing that Yunnan Aluminum will transfer 100,000 tons of electrolytic aluminium capacity quota to Qinghai Branch through an agreement, with the transaction consideration of RMB601.8780 million, which is the appraised value of such quota.

On 8 September 2023, Yunnan Aluminum and Qinghai Branch formally signed the transfer agreement regarding the above-mentioned electrolytic aluminium capacity quota transfer.

As Yunnan Aluminum is a 30%-controlled company of Chinalco, the controlling shareholder of the Company, and is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, the above electrolytic aluminium quota transfer transaction constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage for this transaction (as defined in the Hong Kong Listing Rules) exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but exempt from the requirement for independent shareholders' approval.

Please refer to the announcements of the Company dated 22 August 2023 and 8 September 2023 for details of the above matters.

4. The Company jointly established a joint venture company with Chinalco, China Copper, and Chinalco Capital

At the seventeenth meeting of the eighth session of the Board held on 18 December 2023, the Company reviewed and approved the *Resolution on the Company's Participation in the Establishment of Chinalco (Xiong'an) Mining Co., Ltd.*, agreeing that the Company, together with its controlling shareholder Chinalco and its subsidiaries China Copper and Chinalco Capital, will jointly contribute RMB2 billion to establish Chinalco (Xiong'an) Mining Co., Ltd. (the "**Joint Venture Company**"). Chinalco will contribute RMB602 million in cash and its 50% equity interest in Chinalco Overseas Development Co., Ltd., holding 30.10% equity interest in the Joint Venture Company; the Company will contribute RMB600 million in cash and its 50% equity interest in Chinalco Overseas Development Co., Ltd., holding 30% equity interest in the Joint Venture Company; China Copper will contribute RMB600 million in cash and its certain equity interest held by China Copper Mineral Resources Co., Ltd. (中銅礦產資源有限公司), holding 30% equity interest in the Joint Venture Company; Chinalco Capital will contribute RMB198 million in cash, holding 9.90% equity interest in the Joint Venture Company. After the establishment of the Joint Venture Company, it will not be a subsidiary of the Company, and its financial results will not be consolidated into the Company's accounts.

On 18 December 2023, the Company formally signed the contribution agreement with Chinalco, China Copper, and Chinalco Capital regarding the establishment of the Joint Venture Company.

As Chinalco is the Company's controlling shareholder and China Copper and Chinalco Capital are subsidiaries of Chinalco, all of them are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the establishment of the Joint Venture Company constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage for this transaction (as defined in the Hong Kong Listing Rules) exceeds 0.1% but is less than 5%, this transaction is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but exempt from the requirement for independent shareholders' approval.

Please refer to the announcement of the Company dated 18 December 2023 for details of the foregoing.

5. The Company and Chinalco Asset signed a supplemental agreement regarding the capital increase to Chinalco Property Development Company Limited ("**Chinalco Property**")

In accordance with the capital increase agreement signed by the Company, Chinalco Asset, Chalco Trading, and Shanghai Kelin Aluminum of Shanghai Company Limited ("**Shanghai Kelin**") on 13 November 2015 (the "**Original Agreement**"), the Company, Chalco Trading, and Shanghai Kelin agreed to inject capital into Chinalco Property. Among them, the Company's total capital injection into Chinalco Property amounted to RMB1,236,758,300, of which RMB646,000,000 was paid in cash, and RMB590,758,300 was paid using the PRC properties owned by the Company. In view of the fact that the property rights of certain buildings of such PRC properties cannot be changed, the Company and Chinalco Asset signed a supplemental agreement to the Original Agreement on 18 December 2023, whereby the capital increase made by the Company to Chinalco Property in the form of certain PRC properties under the Original Agreement shall be adjusted to be made in cash, amounting to RMB70,171,700.

Chinalco is the controlling shareholder of the Company and Chinalco Property is a subsidiary of Chinalco. Therefore, Chinalco Property is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Thus, the transaction under the Original Agreement and the supplemental agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the transaction exceeds 0.1% but is less than 5%, it is subject to the relevant reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but exempt from the independent shareholders' approval requirement.

Please refer to the announcements of the Company dated 13 November 2015 and 18 December 2023 for details of the foregoing.

6. The Company participates in the equity reform of Chinalco Research Institute

At the seventeenth meeting of the eighth session of the Board held on 18 December 2023, the Company reviewed and approved the *Resolution on the Company's Participation in the Equity Reform of Chinalco Research Institute of Science and Technology Co., Ltd*., agreeing that the Company will acquire 20% equity of Chinalco Research Institute held by Chinalco through an agreement, with the transaction price of RMB446,581,380, which is the appraised value of such equity. Additionally, Chinalco, the Company and China Copper will inject RMB200 million, RMB400 million and RMB400 million in cash to increase the capital of Chinalco Research Institute, respectively. Upon completion of the equity transfer and capital increase, Chinalco, the Company and China Copper will hold 47.62%, 26.19% and 26.19% of the equity of Chinalco Research Institute, respectively. Chinalco Research Institute will not become a subsidiary of the Company, and its financial results will not be consolidated into the Company's accounts.

On 28 December 2023, the Company and Chinalco signed the Equity Transfer Agreement regarding the transfer of 20% equity of Chinalco Research Institute. On the same day, the Company, Chinalco, China Copper, and Chinalco Research Institute signed the Capital Increase Agreement regarding the capital increase.

As Chinalco is the Company's controlling shareholder, and China Copper and Chinalco Research Institute are subsidiaries of Chinalco, all of them are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Therefore, the aforementioned equity transfer and capital increase transactions constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage for these transactions (as defined in the Hong Kong Listing Rules) exceeds 0.1% but is less than 5%, these transactions are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but exempt from the requirement for independent shareholders' approval.

Please refer to the announcements of the Company dated 18 December 2023 and 28 December 2023 for details of the above matters.

ONE-OFF CONNECTED TRANSACTIONS (EXEMPTED) RELATED TO ACQUISITION AND DISPOSAL OF ASSETS

1. Establishment of joint venture company between Zhengzhou Institute and Zhengzhou Light Metal Institute Co., Ltd. ("**Zhengzhou Light Metal Institute**")

At the seventeenth meeting of the eighth session of the Board convened on 18 December 2023, the Company reviewed and approved the *Resolution on the Establishment of a Joint Venture Company between Chalco Zhengzhou Research Institute of Non-ferrous Metal Co., Ltd. and Zhengzhou Light Metal Institute Co., Ltd*., agreeing that its holding subsidiary, Zhengzhou Institute, and Zhengzhou Light Metal Institute will jointly invest RMB25 million to establish a joint venture company. Zhengzhou Institute will contribute RMB20 million in cash and assets, holding 80% equity in the joint venture company. Upon establishment, the joint venture company will become a subsidiary of Zhengzhou Institute, and its financial results will be consolidated into the Company's accounts.

On 18 December 2023, Zhengzhou Institute and Zhengzhou Light Metal Institute signed the Contribution Agreement regarding the establishment of the joint venture company.

As Zhengzhou Light Metal Institute is a subsidiary of Chinalco, the Company's controlling shareholder, and is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, the establishment of the joint venture company constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. However, as the highest applicable percentage for this transaction (as defined in the Hong Kong Listing Rules) is below 0.1%, it is exempted from the reporting, announcement, and independent shareholder approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Please refer to the announcement of the Company dated 18 December 2023 for details of the foregoing.

TO THE SHAREHOLDERS OF ALUMINUM CORPORATION OF CHINA LIMITED
(incorporated in the People's Republic of China with limited liability)

Independent Auditor's Report

OPINIONWhat we have auditedThe consolidated financial statements of Aluminum Corporation of China Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 2044to 39, comprise:•

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of property, plant and equipment
- Impairment assessment of goodwill

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Impairment assessment of property, plant and equipment	
Refer to Notes 3 Estimates and assumptions (a) and Note 6 Property, plant and equipment to the consolidated financial statements.	In addressing this matter, we performed the following procedures:
As at 31 December 2023, the Group's net carrying amount of property, plant and equipment ("PP&E") was RMB104,810 million. Management assesses related assets for potential impairment whenever there are indications that the carrying value of an asset or a group of assets may not be recoverable. As at 31 December 2023, management performed impairment assessment on PP&E with impairment indications at the level of cash generating unit ("CGU") to which the PP&E was allocated using the discounted cash flow model. The discounted cash flows model used for the impairment assessment of PP&E involved significant assumptions including product prices and discount rate. Based on the impairment test, RMB597 million of impairment losses was recognised by management for PP&E for the year ended 31 December 2023.	• Obtained an understanding of the management's internal control and assessment process of recoverable amounts of PP&E, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. The inherent matundir..5 (ass80.5 (inhvent)1422 (I)14.2 ce
We focused on auditing the impairment assessment of PP&E because the carrying amount of PP&E as at 31 December 2023 was significant, and the estimation of recoverable amount of PP&E was subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of PP&E is considered significant due to the complexity of the model and subjectivity of significant assumptions used. Therefore, we identified impairment assessment of PP&E as a key audit matter.	

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
Refer to Notes 3 Estimates and assumptions (b) and Note 5 Intangible assets to the consolidated financial statements. As at 31 December 2023, the Group's carrying value of goodwill was RMB3,495 million. Management performed impairment assessment of goodwill on an annual basis. When performing the impairment assessment, the recoverable amount of the CGU to which the goodwill was allocated, was estimated by management using discounted cash flow model, and compared with the carrying amount of the CGU to determine if goodwill was impaired. The discounted cash flow models used for the impairment assessment of goodwill involved significant assumptions including product prices, the long-term growth rate and the discount rate. Based on the impairment test, no impairment losses were recognised by management for goodwill for the year ended 31 December 2023. We focused on auditing the impairment assessment of goodwill because the carrying amount of goodwill as at 31 December 2023 was significant, and the estimation of recoverable amount of goodwill was subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of goodwill is considered significant due to the complexity of the model and subjectivity of significant assumptions used. Therefore, we identified impairment assessment of goodwill as a key audit matter.	In addressing this matter, we performed the following procedures: • Obtained an understanding of the management's internal control and assessment process of recoverable amounts of goodwill, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. • Evaluated and tested the key controls over the impairment assessment of goodwill, including controls over the development of model and significant assumptions used in the impairment test. • Evaluated the appropriateness of identification of CGUs to which the goodwill is allocated. • Evaluated the reasonableness of the significant assumptions of the product prices applied by management by comparing the management forecast prices against the historical and present market prices, taking into account the published forecast prices. • Involved our valuation experts to evaluate the appropriateness of the model that the management used, and the reasonableness of certain significant assumptions, including the long-term growth rate and the discount rate. • Tested the completeness, accuracy and relevancy of the underlying data used and the mathematical accuracy of the calculations in the models. Based on our work, we found that the result of management's impairment assessment of goodwill was supported by the evidence we obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Consolidated Statement of Financial Position

As at 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**31 December 2023**	31 December 2022 (Restated)
ASSETS			
Non-current assets			
Intangible assets	5	**13,726,878**	12,950,823
Property, plant and equipment	6	**104,809,892**	109,276,880
Investment properties	7	**2,047,569**	1,917,623
Right-of-use assets	22(a)	**16,206,021**	17,273,642
Investments in joint ventures	8(a)	**3,359,186**	3,339,967
Investments in associates	8(b)	**6,680,346**	6,402,638
Financial assets at fair value through other comprehensive income	9	**2,158,418**	2,161,085
Deferred tax assets	11	**2,022,724**	2,057,765
Other non-current assets	12	**2,304,241**	2,431,500
Total non-current assets		**153,315,275**	157,811,923

	Notes	**31 December 2023**	31 December 2022 (Restated)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	**17,161,592**	17,161,592
Shares held for employee share scheme	18	**(404,685)**	(404,685)
Other equity instruments	19	**2,000,000**	2,000,000
Other reserves	20	**25,943,172**	25,556,558
Retained earnings		**15,757,656**	10,088,064
Total equity attributable to owners of the Company		**60,457,735**	54,401,529
Non-controlling interests	40	**38,431,404**	33,352,955
Total equity		**98,889,139**	87,754,484
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	21	**50,515,635**	58,596,765
Deferred tax liabilities	11	**1,436,956**	1,453,040
Other non-current liabilities	23	**2,208,307**	2,176,784
Total non-current liabilities		**54,160,898**	62,226,589

As at 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	31 December 2023	31 December 2022 (Restated)
Current liabilities			
Trade and notes payables	25	**21,111,718**	22,536,331
Other payables and accrued liabilities	24	**7,927,088**	9,521,239
Contract liabilities	4	**1,681,425**	2,049,014
Financial liabilities at fair value through profit or loss	39.2	**24,426**	8,767
Income tax payable		**826,681**	392,119
Interest-bearing loans and borrowings	21	**27,134,434**	27,859,353
Total current liabilities		**58,705,772**	62,366,823
Total liabilities		**112,866,670**	124,593,412
Total equity and liabilities		**211,755,809**	212,347,896
Net current liabilities		**(265,238)**	(7,830,850)
Total assets less current liabilities		**153,050,037**	149,981,073

The accompanying notes on pages 214 to 397 are an integral part of these consolidated financial statements.

The financial statements on pages 204 to 397 were approved by the Board of Directors on 27 March 2024 and were signed on its behalf.

Dong Jianxiong
Chairman

Ge Xiaolei
Chief Financial Officer

Year ended 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		For the year ended 31 December	
	Notes	**2023**	2022 (Restated)
Revenue	4	**225,070,880**	290,987,942
Cost of sales	27	**(197,500,586)**	(259,704,084)
Gross profit		**27,570,294**	31,283,858
Selling and distribution expenses	27	**(432,384)**	(418,909)
General and administrative expenses	27	**(5,899,077)**	(6,008,207)
Research and development expenses	27	**(3,729,423)**	(4,805,174)
Impairment losses on property, plant and equipment	6	**(597,638)**	(3,795,420)
Net impairment gains/(losses) on financial assets	28	**145,751**	(414,139)
Other income	29	**678,708**	235,785
Other (losses)/gains – net	30	**(92,952)**	315,359
Operating profit		**17,643,279**	16,393,153
Finance income	31	**395,182**	477,137
Finance costs	31	**(3,338,792)**	(3,894,867)
Finance costs, net		**(2,943,610)**	(3,417,730)
Impairment loss on investment in an associate	8(b)	**–**	(75,997)
Share of net profits of investment accounted for using 729,423			

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

Year ended 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

		For the year ended 31 December	
	Notes	**2023**	2022 (Restated)
Profit attributable to:			
Owners of the Company		**6,716,945**	4,192,068
Non-controlling interests		**5,866,836**	6,651,402
		12,583,781	10,843,470
Earnings per share attributable to the owners of the Company (expressed in RMB per share):			
Basic earnings per share	35	**0.391**	0.239
Diluted earnings per share	35	**0.390**	0.239
Profit for the year		**12,583,781**	10,843,470
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(149,884)**	(480,513)
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income		**(1,667)**	(43,884)
Income tax effect		**6,513**	7,236
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		**–**	(5,628)
Other comprehensive income for the year, net of tax		**(145,038)**	(522,789)
Total comprehensive income for the year		**12,438,743**	10,320,681

(Amounts expressed in thousands of RMB unless otherwise stated)

		For the year ended 31 December	
	Notes	**2023**	2022 (Restated)
Total comprehensive income for the year attributable to:			
Owners of the Company		**6,561,602**	3,677,022
Non-controlling interests		**5,877,141**	6,643,659
		12,438,743	10,320,681

The accompanying notes on pages 214 to 397 are an integral part of these consolidated financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the Company (Restated)												
		Capital reserves											
	Share capital *(Note 17)*	Share premium	Other reserves	Shares held for employee share scheme	Statutory surplus reserve	Special reserve	Fair value reserve	Other equity instruments	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 31 December 2021	17,022,673	30,006,770	1,160,546	–	1,892,286	321,329	167,451	2,498,429	604,061	6,810,078	60,483,623	29,213,945	89,697,568
Changes in accounting policies *(Note 2.1.1)*	–	–	–	–	–	–	–	–	–	(1,624)	(1,624)	–	(1,624)
At 1 January 2022	17,022,673	30,006,770	1,160,546	–	1,892,286	321,329	167,451	2,498,429	604,061	6,808,454	60,481,999	29,213,945	89,695,944
Profit for the year	–	–	–	–	–	–	–	–	–	4,192,068	4,192,068	6,651,402	10,843,470
Other comprehensive income for the year													
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	(23,061)	–	–	–	(23,061)	(13,587)	(36,648)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	(486,357)	–	(486,357)	5,844	(480,513)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	–	–	–	–	–	–	(5,628)	–	–	–	(5,628)	–	(5,628)
Total comprehensive income for the year	–	–	–	–	–	–	(28,689)	–	(486,357)	4,192,068	3,677,022	6,643,659	10,320,681
Business combinations under common control	–	(8,549,073)	–	–	–	–	–	–	–	(90,242)	(8,639,315)	–	(8,639,315)
Transactions with non–controlling shareholders	–	–	(17,911)	–	–	–	–	–	–	–	(17,911)	15,846	(2,065)
Appropriation to surplus reserves	–	–	–	–	168,254	–	–	–	–	(168,254)	–	–	–
Issuance of shares for employee share scheme	138,919	265,766	–	(404,685)	–	–	–	–	–	–	–	–	–
Employee share schemes-value of employee services	–	–	48,172	–	–	–	–	–	–	–	48,172	86	48,258
Capital contribution to a branch of the Company	–	–	5,080	–	–	–	–	–	–	–	5,080	–	5,080
Other appropriations	–	–	–	–	–	(4,959)	–	–	–	–	(4,959)	(12,725)	(17,684)
Share of reserves of joint ventures and associates	–	–	453	–	–	3,379	–	–	–	–	3,832	–	3,832
Distribution of other equity instruments	–	–	–	–	–	–	–	–	–	(109,071)	(109,071)	–	(109,071)
Dividends distribution of subsidiaries to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(2,507,856)	(2,507,856)
Distribution of dividends	–	–	–	–	–	–	–	–	–	(544,891)	(544,891)	–	(544,891)
Repayment of senior perpetual securities	–	–	–	–	–	–	–	(2,498,429)	–	–	(2,498,429)	–	(2,498,429)
Issuance of senior perpetual securities	–	–	–	–	–	–	–	2,000,000	–	–	2,000,000	–	2,000,000
At 31 December 2022	17,161,592	21,723,463	1,196,340	(404,685)	2,060,540	319,749	138,762	2,000,000	117,704	10,088,064	54,401,529	33,352,955	87,754,484

The accompanying notes on pages 214 to 397 are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

Year ended 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	For the year ended 31 December 2023	2022
Net cash inflow from operating activities	37	**26,858,806**	27,745,178
Investing activities			
Purchases of intangible assets		**(1,280,778)**	(197,352)
Purchases of property, plant and equipment		**(5,407,503)**	(4,416,315)
Purchases of right-of-use assets		**(21,214)**	(137,529)
Proceeds from disposal of subsidiaries, net of cash		**–**	94,496
Proceeds from disposal of property, plant and equipment		**190,242**	47,875
Proceeds from disposal of intangible assets		**–**	25,320
Proceeds from disposal of right-of-use assets		**–**	13,796
Proceeds from disposal of joint ventures and associates		**22,277**	72,079
Payment for disposal of subsidiaries, net of cash		**(2,051)**	–
Investments in other financial assets measured at fair value		**(10,800,000)**	(15,330,000)
Investments in associates		**(277,777)**	–
Proceeds from disposal of other financial assets measured at fair value		**5,800,000**	15,000,000
Investment income received from other financial assets measured at fair value		**179,235**	351,537
Dividend received from financial assets at fair value through other comprehensive income		**–**	11,499
Dividends received from associates and joint ventures		**346,079**	311,895
Change in deposit of futures contracts		**70,069**	673,392
Assets-related government grants received		**182,175**	61,010
Net cash outflow from investing activities		**(10,999,246)**	(3,418,297)

(Amounts expressed in thousands of RMB
unless otherwise stated)

	Notes	For the year ended 31 December 2023	2022
Financing activities			
Instalment payment of bonds and shares issuance expenses		**(33)**	(8,769)
Proceeds from issuance of short-term bonds and medium-term notes		**2,000,000**	8,500,000
Repayments of senior perpetual securities		**–**	(2,498,429)
Proceeds from issuance of senior perpetual securities		**–**	2,000,000
Repayments of short-term bonds and medium-term notes		**(7,029,634)**	(11,543,196)
Distributions of senior perpetual securities		**(55,500)**	(109,071)
Drawdown of short-term and long-term bank and other loans		**19,503,513**	23,110,651
Repayments of short-term and long-term bank and other loans		**(22,904,241)**	(30,462,437)
Lease payments		**(1,384,900)**	(1,599,072)
Issuance of shares for employee share scheme		**–**	404,685
Capital injection from non-controlling shareholders		**1,262,126**	–
Cash consideration paid for business combination under common control		**–**	(8,549,073)
Dividends paid by subsidiaries to non-controlling shareholders		**(2,116,452)**	(2,513,038)
Proceeds from loans of non-controlling shareholders		**–**	50,000
Repayments of loans of non-controlling shareholders		**–**	(45,000)
Interest paid		**(3,418,249)**	(3,775,000)
Net cash outflow from financing activities		**(14,143,370)**	(27,037,749)
Net increase/(decrease) in cash and cash equivalents		**1,716,190**	(2,710,868)
Cash and cash equivalents at the beginning of the year		**16,816,684**	19,683,619
Net foreign exchange differences		**(93,339)**	(156,067)
Cash and cash equivalents as at the end of the year	16	**18,439,535**	16,816,684

The accompanying notes on pages 214 to 397 are an integral part of these consolidated financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL INFORMATION

Aluminum Corporation of China Limited (the "Company") (中國鋁業股份有限公司) and its subsidiaries (together the "Group") are principally engaged in the exploration and mining of bauxite resources; production, sales, related technical development and technical services of alumina, primary aluminum, aluminum alloy and carbon; power generation business; exploration, mining and operation of coal resources; trading and the related transportation services.

The Company is a joint stock company which was established on 10 September 2001 and is domiciled in the People's Republic of China (the "PRC") with limited liability. The address of its registered office is No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC.

The Company's shares have been listed on the Main Board of the Hong Kong Stock Exchange and the New York Stock Exchange since 2001. The Company also listed its A shares on the Shanghai Stock Exchange in 2007.

On 2 February 2024, the Company has notified the New York Stock Exchange ("NYSE") of its application for terminating the registration of its American depositary shares (the "ADSs") from the NYSE. As at the date of issue of these financial statements, the aforementioned application is still within the 90 days' period and the termination of ADR registration in NYSE is still in progress.

In the opinion of the directors, the ultimate parent of the Company is Aluminum Corporation of China ("Chinalco") (中國鋁業集團有限公司), a company incorporated and domiciled in the PRC and wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of registration and business	Registered capital	Principal activities	Percentage of equity attributable to the Company	
				Direct	Indirect
Shanxi Huaxing Aluminum Co. Ltd. ("Shanxi Huaxing") (山西華興鋁業有限公司)	PRC/Mainland China	1,850,000	Manufacture and distribution of alumina	60.00%	40.00%
Baotou Aluminum Co., Ltd. ("Baotou Aluminum") (包頭鋁業有限公司)	PRC/Mainland China	2,245,510	Manufacture and distribution of primary aluminum, aluminum alloy and related fabricated products and carbon products	100.00%	–

(Amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place of registration and business	Registered capital	Principal activities	Percentage of equity attributable to the Company	
				Direct	Indirect
China Aluminum International Trading Co., Ltd. ("Chalco Trading") (中鋁國際貿易有限公司)	PRC/Mainland China	1,731,111	Import and export activities	100.00%	–
Chalco Shanxi New Material Co., Ltd. ("Shanxi New Material") (中鋁山西新材料有限公司)	PRC/Mainland China	4,279,601	Manufacture and distribution of alumina, primary aluminum and anode carbon products and electricity generation and supply	85.98%	–
China Aluminum International Trading Group Co., Ltd. ("Trading Group") (中鋁國際貿易集團有限公司)	PRC/Mainland China	1,030,000	Import and export activities	100.00%	–
Zunyi Aluminum Co., Ltd. (遵義鋁業股份有限公司)	PRC/Mainland China	3,204,900	Manufacture and distribution of primary aluminum and alumina	67.45%	–
Chalco Hong Kong Ltd. ("Chalco Hong Kong") (中國鋁業香港有限公司)	Hong Kong	HKD6,778,835 in thousand	Overseas investments and alumina import and export activities, and mining and distribution of bauxite.	100.00%	–
Chalco Mining Co., Ltd. ("Chalco Mining") (中鋁礦業有限公司)	PRC/Mainland China	4,028,859	Manufacture, acquisition and distribution of bauxite mines, limestone ore and alumina	100.00%	–
Chalco Energy Co., Ltd. (中鋁能源有限公司)	PRC/Mainland China	1,384,398	Thermoelectric supply and investment management	100.00%	–
China Aluminum Ningxia Energy Group Co., Ltd. ("Ningxia Energy") (中鋁寧夏能源集團)	PRC/Mainland China	5,025,800	Thermal power, wind power and solar power generation, coal mining, and power-related equipment manufacturing	70.82%	–
Guizhou Huajin Aluminum Co., Ltd. ("Guizhou Huajin") (貴州華錦鋁業有限公司)	PRC/Mainland China	1,000,000	Manufacture and distribution of alumina	60.00%	–
Chalco Zhengzhou Research Institute of Non-ferrous Metal Co., Ltd. (中國鋁業鄭州有色金屬研究院有限公司)	PRC/Mainland China	214,858	Research and development services	100.00%	–

(Amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place of registration and business	Registered capital	Principal activities	Percentage of equity attributable to the Company	
				Direct	Indirect
Chinalco New Materials Co., Ltd. (中鋁新材料有限公司)	PRC/Mainland China	6,450,000	Manufacture and distribution of alumina, aluminium hydroxide and trading	100.00%	
China Aluminum Logistics Group Corporation Co., Ltd. (中鋁物流集團有限公司)	PRC/Mainland China	964,291	Logistics and transportation	100.00%	–
Chinalco Shanxi Jiaokou Xinghua Technology Ltd. ("Xinghua Technology") (中鋁集團山西交口興華科技股份有限公司)	PRC/Mainland China	588,182	Manufacture and distribution of primary aluminum	33.00%	33.00%
Chinalco Shanghai Company Limited ("Chinalco Shanghai") (中鋁(上海)有限公司)	PRC/Mainland China	968,300	Trading and engineering project management and leasing	100.00%	–
Shanxi China Huarun Co., Ltd. ("Shanxi Huarun") (山西中鋁華潤有限公司) *(i)*	PRC/Mainland China	1,641,750	Manufacture and distribution of primary aluminum	40.00%	–
Guizhou Huaren New Material Co., Ltd. ("Guizhou Huaren") (貴州華仁新材料有限公司) *(i)*	PRC/Mainland China	1,200,000	Manufacture and distribution of primary aluminum	40.00%	–
Chinalco Materials Co., Ltd. (中鋁物資有限公司)	PRC/Mainland China	1,000,000	Import and export activities and trading	100.00%	–
Yunnan Aluminum Co., Ltd. ("Yunnan Aluminum") (雲南鋁業股份有限公司) *(i)*	PRC/Mainland China	3,467,957	Manufacture and distribution of primary aluminum and alumina	29.10%	
Chalco (Shanghai) Carbon Co., Ltd. ("Shanghai Carbon") (中鋁(上海)碳素有限公司)	PRC/Mainland China	1,000,000	Manufacture and distribution of anode and cathode carbon	100.00%	
Lanzhou Aluminum Co., Ltd. (蘭州鋁業有限公司)	PRC/Mainland China	1,593,648	Manufacture and distribution of primary aluminum	100.00%	

(i) The considerations of a subsidiary that the Group holds less than 50% equity shares are set out in Note 3(b).

2 SUMMARY OF ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Summary of material accounting policies

2.1.1 Basis of preparation

(a) Compliance with IFRS Accounting Standards and HKCO

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("HKCO").

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(b) Going concern

As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB265 million (31 December 2022: RMB7,831 million). The directors of the Company have considered the Group's available continuous net cash flows from operations, current sources of funds including expected net cash inflows from operating activities within 2024, unutilised banking facilities, and other sources of financing from banks and other financial institutions given the Group's credit history.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(b) Going concern (Continued)

The directors of the Company believe that the Group has adequate resources to continue operations for the foreseeable future of not less than 12 months from 31 December 2023. Accordingly, the directors of the Company are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

(c) Historical cost convention

The financial statements have been prepared on a historical cost basis except for future contracts (Note 10), structured deposit (Note 10) and equity investments measured at fair value (Note 9).

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(d) New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for their annual reporting period commencing 1 January 2023.

(i) The Amendments to IAS 12 deferred income tax related to assets and liabilities arising from a single transaction ("Amendment to IAS 12 Income Taxes")

The amendments to IAS 12 Income Taxes require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to transactions such as the recognition of right-of-use assets and the corresponding lease liabilities and the recognition of assets and decommissioning obligations, which requires the recognition of additional deferred tax assets and liabilities.

In accordance with the transition requirement of this amendment, the Group need to apply this amendment retrospectively. Thus, the Group recognised the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings at the beginning of the earliest period presented which is 1 January 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(d) New and amended standards adopted by the Group (Continued)

(i) The Amendments to IAS 12 deferred income tax related to assets and liabilities arising from a single transaction ("Amendment to IAS 12 Income Taxes") (Continued)

The change in accounting policy	**Items**	**1 January 2022**
According to Amendment IAS 12 Income Taxes, an entity recognises deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	Deferred tax assets	(1,204)
	Deferred tax liabilities	(420)
	Retained earnings	(1,624)

		31 December 2022
	Deferred tax assets	(135)
	Deferred tax liabilities	(1,348)
	Retained earnings	(1,483)

		For the year ended 31 December 2022
	Income tax expense	(141)

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(d) New and amended standards adopted by the Group (Continued)

(i) The Amendments to IAS 12 deferred income tax related to assets and liabilities arising from a single transaction ("Amendment to IAS 12 Income Taxes") (Continued)

Other than the Amendment to IAS 12 Income Taxes, there are also new and amended standards that are mandatory for the first time for the Group's financial year beginning on 1 January 2023 and are applicable by the Group. The adoption of these amended standards did not have any significant financial impact to the Group.

As the retrospective application of the Amendment to IAS 12 Income Taxes did not have material impact to the Group's financial position and performance, the Group did not present the third balance sheet as of 1 January 2022.

(e) New standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for the year ended 31 December 2023 and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.1.3).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(c) Joint arrangements

Under IFRS 11 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. During the year ended 31 December 2022 and 2023, the Group does not have any joint operations.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(d) Equity method (Continued)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.1.6.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(e) Changes in ownership interests (Continued)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.1.3 Business combination

(a) Merger accounting for business combinations under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in business combination under common control as if they had been combined from the date when the combining entities or businesses first came under the control of the ultimate holding company.

The net assets of the combining entities or businesses are consolidated using the carrying amount from the ultimate holding company's perspective. No amount is recognised for goodwill or excess of the Group's interest in the book value of the net assets over cost at the time of the common control combination, to the extent of the continuation of the ultimate holding company's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.3 Business combination (Continued)

(a) Merger accounting for business combinations under common control (Continued)

The comparative financial data have been restated to reflect the business combinations under common control occurred during this year.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses and other costs incurred in relation to the common control combination that is to be accounted for by using the merger accounting method are recognised as expenses in the period in which they are incurred.

(b) Acquisition method of accounting for other business combinations and goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group, other than common control combinations. The consideration transferred is measured at the acquisition date fair value which is the sum of acquisition date fair value of assets transferred by the Group, liabilities assumed by the Group to the former owner of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The consideration transferred included the fair value of any assets and liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportional share of net assets in the event of liquidation at fair value or at the proportional share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.3 Business combination (Continued)

(b) Acquisition method of accounting for other business combinations and goodwill (Continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash- generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.4 Property, plant and equipment (Continued)

Construction in progress ("CIP") represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. CIP is reclassified to the appropriate categories of property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1.6).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.1.5 Intangible assets

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.5 Intangible assets (Continued)

(b) Mining rights and mineral exploration rights

The Group's mineral exploration rights and mining rights relate to coal, bauxite and other mines.

(i) Recognition

Except for mineral exploration rights and mining rights acquired in a business combination, mineral exploration rights and mining rights are initially recorded at cost which includes the acquisition consideration, qualifying exploration and other direct costs. The mineral exploration rights are stated at cost less any impairment, and the mining rights are stated at cost less any amortisation and impairment.

(ii) Reclassification

Mineral exploration rights are converted to mining rights when obtain mining rights certification, or technical feasibility and commercial viability of extracting a mineral resource are demonstrable, and mining rights are subject to amortisation when commercial production has commenced.

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project. The Group considers various relevant criteria, such as completion of a reasonable period of testing of the mine and equipment, ability to produce in saleable form (within specifications) and ability to sustain ongoing production to assess when a mine is substantially complete and ready for its intended use.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.5 Intangible assets (Continued)

(b) Mining rights and mineral exploration rights (Continued)

(iii) Amortisation

Except for coal mining rights, other mining rights are amortised on a straight-line basis over a shorter period of the mining right valid period and expected mining life or units-of-production. Estimated mineable periods of the majority of the mining rights range from 3 to 30 years.

Coal mining rights are amortised on a unit-of-production basis over the recoverable reserves estimated in accordance with the relevant standards of the mine concerned.

(iv) Impairment

An impairment review is performed when there are indicators that the carrying amount of the mineral exploration rights and mining rights may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided as an impairment loss.

(c) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use specific software. These costs are amortised over their estimated useful lives, which do not exceed 10 years. Costs associated with maintaining computer software programmers are recognised as an expense as incurred.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.5 Intangible assets (Continued)

(d) Aluminum production quota

Historically the Group acquired aluminum production quotas from third parties as the license for certain newly developed aluminum production lines. Aluminum production quota are initially recorded at cost and subsequently states at cost less any amortisation and impairment. Amortisation is provided on a straight-line basis over expected useful life of related aluminum production lines.

2.1.6 Impairment of non-financial assets

Goodwill are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables and notes receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are initially measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(a) Classification (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(b) Subsequent measurement (Continued)

(ii) Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

(iii) Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(b) Subsequent measurement (Continued)

(iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments (further contracts), wealth management products (structured deposits) and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other gains in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or profS4.1 (is)14.1

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(b) Subsequent measurement (Continued)

(iv) Financial assets at fair value through profit or loss (Continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(b) Subsequent measurement (Continued)

(iv) Financial assets at fair value through profit or loss (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(c) Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost that subject to impairment are classified within the following stages for measurement of ECLs except for trade receivables, notes receivable and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables, notes receivable and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.7 Investments and other financial assets (Continued)

(c) Impairment of financial assets (Continued)

Simplified approach (Continued)

For trade receivables, notes receivable and contract assets that contain a significant financial component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.1.8 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.1.9 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.9 Current and deferred income tax (Continued)

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries, associates or jointly ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised for temporary differences if it arises from initial recognition of an asset or liability in a transaction other than a business

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.9 Current and deferred income tax (Continued)

Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, and associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.10 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.10 Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

When another party involved in sales of goods or provision of services to customer, the Group determined whether revenue should be reported gross or net is based on a continuing assessment of various factors. In the assessment, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal if the Group obtains control through any of the following: (i) a good or another asset from the other party that the Group then transfers to the customer; (ii) a right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf; (iii) a good or service from the other party that the Group then combines with other goods or services in providing the specified good or service to the customer. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold or services provided.

(a) Sale of industrial products

Revenue from the sale of industrial products (including sales of scrap and other materials) is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the industrial products. Revenue from electricity is recognised upon transmission of electricity based on the confirmation from the power grid.

(b) Rendering of services

The Group provides transportation service and the revenue from services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.11 Leases

Lease accounting as lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.11 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and,

- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.11 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis as follows:

Buildings	2 – 20 years
Machinery	2 – 10 years
Land use rights	10 – 50 years

If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.11 Leases (Continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value (i.e. below RMB30,000).

Rental income as lessor

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

2.2 Summary of other accounting policies

2.2.1 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-makers, who are responsible for allocating resources and assessing the performance of the operating segments, have been identified as the executive

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.3 Foreign currency translation (Continued)

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities in each statement of financial position presented are translated at the closing rates at the end of the reporting period;

(ii) income and expenses in each statement of profit and loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.4 Investment properties

Investment properties are interests in land use rights and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the

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2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.5 Research and development costs

Research and development expenditures are classified as research expenditures and development expenditures according to the nature of the expenditures and whether there is significant uncertainty of development activities transforming to assets.

Research expenditures are recognised in profit or loss for the current period. Development expenditures are recognised as assets when all of the following criteria are met:

(i) it is technically feasible to complete the asset so that it will be available for use or sale;

(ii) management intends to complete the asset and has the ability to use or sell it;

(iii) it can be demonstrated that the asset will generate probable future economic benefits;

(iv) there are adequate technical, financial and other resources to complete the development of the asset and management has the ability to use or sell the asset; and

(v) the expenditure attributable to the asset during its development phase can be reliably measured.

Development expenditures that do not meet the criteria above are recorded in profit or loss for the current period as incurred. Development expenditures that have been recorded in profit or loss in previous periods will be not recognised as assets in subsequent periods. The Group has not had any development expenditure capitalised.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.6 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.7 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.7 Financial liabilities (Continued)

(b) Subsequent measurement (Continued)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

(ii) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing ter3 (bearing)14.8 T3 (bearing)14. 2.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.7 Financial liabilities (Continued)

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.2.9 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. The Group's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.12 Employee benefits (Continued)

(a) Bonus plans

The expected cost of bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(b) Retirement benefit obligations

The Group primarily pays contributions on a monthly basis to participate in a pension plan organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired employees payable under these plans. The Group has no legal or constructive obligations for further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to their current and past services.

(c) Enterprise annuity plan

In addition, the Company and its eligible subsidiaries have established an enterprise annuity plan in accordance with national policies and relevant requirements under the Company's system. Fees required for the enterprise annuity plan shall be jointly paid by qolished particip6nd

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.12 Employee benefits (Continued)

(d) Other social insurance and housing funds

The Group provides other social insurance and housing funds to the qualified employees in the PRC based on certain percentages of their salaries. These percentages are not to exceed the upper limits of the percentages prescribed by the Ministry of Human Resources and Social Security of the PRC. These benefits are paid to social security organisations and the amounts are expensed as incurred. The Group has no legal or constructive obligations for further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to their current and past services.

(e) Termination benefit obligations

Termination benefit obligations are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefit obligations when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. The specific terms vary among the terminated employees depending on various factors including position, length of service and district of the employees concerned. Benefits falling due for more than 12 months after the end of the reporting period are discounted to their present values.

2 SUMMARY OF

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.13 Share-based payment (Continued)

(a) Equity-settled share-based payment transactions (Continued)

Service and non-marketing performance conditions are included in calculation of the number of restricted shares that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of restricted shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

2.2.14 Provisions

Provisions for legal claims, asset retirement obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.15 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.16 Dividend income

Dividend income is recognised when the Group's right to receive the dividend has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.17 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Asset-related government grants are recognised when the government document designates that the government grants are used for constructing or forming long-term assets. If the government document is inexplicit, the Group should make a judgment based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are to construct or to form long-term assets. Otherwise, the government grants should be income-related.

For asset-related government grants that is related to long lived assets that already exist at the time of recognising the government grant, the grant is deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense. If the asset is not yet purchased or constructed at the time of recognising the government grant, the grant is recognised as deferred income and will be deducted from the cost of the asset once the asset is recognised.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.18 Government grants (Continued)

Income-related government grants that are specific to compensate expenses or costs that have already incurred, they are directly recognised in profit or loss for the current period as deduction of the related expenses or costs. If the income-related government grants are specific to compensate future expenses or costs of the Group, they are recognised as deferred income and will be released to profit or loss when the related expenses or costs are incurred.

2.2.19 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purpose. Interest income from other financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in finance income. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Judgments

In the process of applying the Group's accounting policies and preparing the Group's consolidated financial statements, management has made the following judgments, apart from those involving estimates, which have a significant effect on the amounts recognised in the consolidated financial statements.

(a) Significant influence over an entity in which the Group holds less than 20% of voting rights

At 31 December 2023, the Group owned a 6.68% equity interest in China Copper Mineral Resources Co., Ltd. ("China Copper Resources") (中銅礦產資源有限公司). The Group considers that it has significant influence over China Copper Resources even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the five directors of the Board of Directors of China Copper Resources, thus have the right to participate in decision making of China Copper Resources.

At 31 December 2023, the Group owned a 16% equity interest in Baise New Aluminum Power Co., Ltd. ("New Aluminum Power") (百色新鋁電力有限公司). The Group considers that the Group has significant influence over New Aluminum Power even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the nine directors of the Board of Directors of New Aluminum Power, thus have the right to participate in decision making of New Aluminum Power.

At 31 December 2023, the Group owned 14.71% of the voting right of Chinalco Capital Holdings Co., Ltd. ("Chinalco Capital") (中鋁資本控股有限公司). The Group considers that the Group has significant influence over Chinalco Capital even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the three directors of the Board of Directors of Chinalco Capital, thus have the right to participate in decision making of Chinalco Capital.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Judgments (Continued)

(a) Significant influence over an entity in which the Group holds less than 20% of voting rights (Continued)

At 31 December 2023, the Group owned a 14.29% equity interest in Inner Mongolia Geliugou Co., Ltd. ("Inner Mongolia Geliugou") (內蒙古圪柳溝能源有限公司). The Group considers that it has significant influence over Inner Mongolia Geliugou even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the seven directors of the Board of Directors of Inner Mongolia Geliugou, thus have the right to participate in decision making of Inner Mongolia Geliugou.

At 31 December 2023, the Group owned a 19.49% equity interest in Chalco Innovation Development Investment Co., Ltd. ("Chalco Innovation") (中鋁創新開發投資有限公司). The Group considers that it has significant influence over Chalco Innovation even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the seven directors of the Board of Directors of Chalco Innovation, thus have the right to participate in decision making of Chalco Innovation.

At 31 December 2023, the Group owned a 17% equity interest in Chinalco Suihe Nonferrous Metals Green and Low-carbon Innovation Development Fund (Beijing) Partnership (Limited Partnership) ("Suihe Fund") (中鋁穗禾有色金屬綠色低碳創新發展基金(北京)合夥企業(有限合夥)). The Group considers that it has significant influence over Suihe Fund even though it owns less than 20% of the voting rights, on the grounds that the Group can appoint one out of the five seats of the Investment Decision Making Committee of Suihe Fund, thus have the right to participate in decision making of Suihe Fund.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Judgments (Continued)

(b) Consolidation of entities in which the Group holds less than a majority of voting rights

At 31 December 2023, the Company owned 29.10% of the total issued share capital of Yunnan Aluminum and was the largest shareholder of Yunnan Aluminum. Considering the following factors, the directors of the Company are of the view that the Company have de facto control over Yunnan Aluminum, and accordingly Yunnan Metallurgical Group Co., Ltd. ("Yunnan Metallurgical") (雲南冶金集團股份有限公司) is regarded as a de facto agent of the Company in respect of the shareholding of Yunnan Aluminum, and therefore consolidated Yunnan Aluminum in the Company's consolidated financial statements:

(i) Yunnan Metallurgical, which is a fellow subsidiary of the Company under common control of Chinalco, is the second largest shareholder of Yunnan Aluminum with 13% of shareholding. Pursuant to the agreement between the Company and Yunnan Metallurgical, the Company will be able to nominate more than half of directors of Yunnan Aluminum. In addition, pursuant to Chinalco's directions to the Company and Yunnan Metallurgical, the Company will have Yunnan Metallurgical's support in exercising voting rights at the board and shareholders' meetings. Consequently, the Company is able to have a majority voting rights at the board of Yunnan Aluminum and controls in aggregate 42.10% voting rights at the shareholders' meeting of Yunnan Aluminum.

(ii) Other than the Company and Yunnan Metallurgical, the remaining investors of Yunan Aluminum are made up of a large number of widely dispersed, unrelated individual investors who do not have a mechanism to act collectively to veto the Company's decisions.

(iii) Taking into account the large volume of inter-company transactions between the Group and Yunnan Aluminum and the similarity of industry and synergies of operation between the Group and Yunnan Aluminum, the Company has sufficient experience, ability and incentive to direct the relevant activities of Yunnan Aluminum, which expose the Group to variable returns, thus the Group have control over Yunnan Aluminum.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Judgments (Continued)

(b) Consolidation of entities in which the Group holds less than a majority of voting rights (Continued)

At 31 December 2023, the Group owned 40.23% equity interest in Ningxia Yinxing Energy Co., Ltd. ("Yinxing Energy") (寧夏銀星能源股份有限公司). Since the remaining 59.77% of the equity shares in Yinxing Energy are held by a large number of individual shareholders, in opinion of the directors of the Company, the Group has control over Yinxing Energy, and Yinxing Energy continues to be included in the consolidation scope.

At 31 December 2023, the Company owned 40% equity interest in Guizhou Huaren New Materials Co., Ltd. ("Guizhou Huaren") (貴州華仁新材料有限公司). In accordance with the acting-in-concert agreement signed between the Company and Qingzhen Industry Investment Co., Ltd. ("Qingzhen Industry") (清鎮市工業投資有限公司) and Guizhou Chengqian Enterprise (Group) Co., Ltd. ("Guizhou Chengqian") (貴州成黔企業(集團)有限公司), Qingzhen Industry and Guizhou Chengqian would exercise the shareholders' and board of directors' votes in concert with the Group's voting decisions. Therefore, the directors of the Company believe that the Company has control over Guizhou Huaren and consolidated Guizhou Huaren's financial statements.

At 31 December 2023, the Company owned 40% of the shares of Shanxi China Aluminum China Resources Co., Ltd. ("Shanxi Zhongrun") (山西中鋁華潤有限公司). In accordance with the acting-in-concert agreement signed between the Company and China Resources Power Engineering Services Co., Ltd. ("China Resources Power Engineering") (華潤電力工程服務有限公司), China Resources Power Engineering would exercise the shareholders' and board of directors' votes in concert with the Group. Therefore, the directors of the Company believe that the Company has control over Shanxi Zhongrun and consolidated Shanxi Zhongrun's financial statements..

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Judgments (Continued)

(c) Revenue recognition from sales under the trading model

In the course of the Group's trading business of aluminum, copper and coal, and etc. the Group purchases the relevant products based on its independent analysis of the supply and demand of the market, also taking into consideration the orders on hand from customers. In such business, if the Group takes the primary responsibility for delivering the products and ensuring that their specifications and quality meet the customers' requirements; has the power on the selection of supplier and determination of the pricing of the purchases as normally there are a relatively large number of substitutable and qualified suppliers; also has the discretion in selecting the appropriate customers and setting the sales price; and sometimes bears the risk of changes in the price of the products, the Group obtains control of a product before selling it to a customer and recognises revenue from product sales on a gross basis accordingly. If the Group does not obtain of the products before transferring to customer, revenue is recognised on a net basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment assessment of property, plant and equipment

As at 31 December 2023, the Group's net carrying amount of property, plant and equipment was RMB104,810 million. Management assesses related assets for potential impairment whenever there are indications that the carrying value of an asset or a group of assets may not be recoverable. As at 31 December 2023, management performed impairment assessment on property, plant and equipment with impairment indications at the level of cash generating unit ("CGU") to which the property, plant and equipment was allocated using discounted cash flow model. The discounted cash flows model used for the impairment assessment of property, plant and equipment involved significant assumptions including product prices and discount rate. Based on the impairment test, RMB597 million of impairment losses were recognised for property, plant and equipment for the year ended 31 December 2023.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

(b) Impairment assessment of goodwill

As at 31 December 2023, the Company's carrying value of goodwill was RMB3,495 million. Management performed impairment assessment of goodwill on an annual basis. When performing the impairment assessment, the recoverable amount of the CGU to which the goodwill was allocated was estimated by management using discounted cash flow model, and compared with the carrying amount of the CGU to determine if goodwill was impaired. The discounted cash flow models used for the impairment assessment of goodwill involved significant assumptions including product prices, the long-term growth rate and the discount rate. Based on the impairment test, no impairment losses were recognised for goodwill for the year ended 31 December 2023.

(c) Property, plant and equipment and intangible assets (excluding goodwill) – estimated useful lives and residual values

The Group determines the estimated useful lives and residual values (if applicable) and consequently the related depreciation/amortisation charges for its property, plant and equipment and intangible assets (excluding goodwill). These estimates are based on the historical experience, anticipated change of technology, market condition and the actual consumptions of related assets. The depreciation/amortisation charge will increase when useful lives are less than previously estimated. In addition, technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in change in useful lives and residual values and therefore change in depreciation/amortisation expense in future periods.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

(d) Estimated net realisable value of inventories

In accordance with the Group's accounting policy, the Group estimated net realisable value of inventories based on specific facts and circumstances. For different types of inventories, it requires the estimation on selling prices, costs of conversion, selling expenses and the related tax expense to calculate the net realisable amount of inventories. For inventories held for executed sales contracts, management estimates the net realisable amount based on the contracted price. For raw materials and work-in-progress, management has established a model in estimating the net realisable amount at which the inventories can be realised in the normal course of business after considering the manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices. Management also takes into account the price or cost fluctuations and other related matters occurring after the end of the reporting period which reflect conditions that existed at the end of the reporting period.

It is reasonably possible that if there is a significant change in circumstances including the Group's business and the external environment, outcomes within the next financial year would be significantly affected.

(e) Investments in joint ventures and associates – recoverable amount

In accordance with the Group's accounting policy, each investment in a joint venture and an associate is evaluated in every reporting period to determine whether there are any indicators of impairment. If any such indicators exists, an estimate of the recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of the investment in a joint venture and an associate is measured at the higher of fair value less costs of disposal and value in use.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

(f) Determination of the lease term

The Group leased certain land use rights and property, plant and equipment from Chinalco. The lease term is determined based on the Group's assessment if the related termination option or extension option would be reasonably exercised taking into account the use of the land and operating status. The Group will reassess the lease term if any significant events or changes in circumstances that may have impact on the exercise of such options and are under the control of the Group occurred.

(g) Income tax

The Group estimates its income tax provision and deferred taxation in accordance with the prevailing tax rules and regulations, taking into account any special approvals obtained from the relevant tax authorities and any preferential tax treatment to which it is entitled in each location or jurisdiction in which the Group operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provisions in the period in which the determination is made.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences, such as the provision for impairment of receivables, inventories and property, plant and equipment and accruals of expenses not yet deductible for tax purposes, to the extent that it is probable that taxable profits will be available against which the losses deductible temporary difference can be utilised. Significant estimation is required in determining the recoverability of deferred tax assets.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group's results or financial position.

(Amounts expressed in thousands of RMB
unless otherwise stated)

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

(h) Allowance for expected credit loss of receivables

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group takes into account different macroeconomic scenarios in considering forward looking information in mainland China. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of expected credit losses, including the risk of economic downturn, external market environment, technological environment, changes in customer conditions, gross domestic product ("GDP") and consumer price index ("CPI"), etc. The key macroeconomic parameters under different macroeconomic are listed below:

Year ended 31 December 2023	Year	Scenarios Basic	Negative	Positive
Growth Rate of GDP	2024	**4.90%**	**3.73%**	**6.10%**
Growth Rate of CPI	2024	**1.10%**	**1.06%**	**1.17%**

Year ended 31 December 2022	Year	Scenarios Basic	Negative	Positive
Growth Rate of GDP	2023	5.04%	4.70%	6.04%
Growth Rate of CPI	2023	2.12%	1.63%	2.67%

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue recognised during the year is as follows:

	For the year ended 31 December	
	2023	2022
Revenue from contracts with customers (net of value-added tax)		
Sale of goods	**222,923,461**	288,853,556
Transportation services	**2,036,008**	1,817,566
	224,959,469	290,671,122
Revenue from other sources		
Rental income	**111,411**	316,820
	225,070,880	290,987,942

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (Continued)

	For the year ended 31 December 2023						
	Alumina segment	Primary aluminum segment	Energy segment	Trading segment	Corporate and other operating segments	Inter-segment elimination	Total
Type of goods or services							
Sales of goods	53,466,660	125,269,602	9,249,636	178,756,674	2,250,510	(146,069,621)	222,923,461
Transportation services	–	–	–	6,666,223	–	(4,630,215)	2,036,008
Total	53,466,660	125,269,602	9,249,636	185,422,897	2,250,510	(150,699,836)	224,959,469
Geographical markets							
Mainland China	53,466,660	125,269,602	9,249,636	175,941,892	2,250,510	(150,699,836)	215,478,464
Outside of Mainland China	–	–	–	9,481,005	–	–	9,481,005
Total	53,466,660	125,269,602	9,249,636	185,422,897	2,250,510	(150,699,836)	224,959,469
Timing of revenue recognition							
Goods transferred at a point in time	53,466,660	125,269,602	9,249,636	178,756,674	2,250,510	(146,069,621)	222,923,461
Services transferred over time	–	–	–	6,666,223	–	(4,630,215)	2,036,008
Total	53,466,660	125,269,602	9,249,636	185,422,897	2,250,510	(150,699,836)	224,959,469

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (Continued)

(i) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	For the year ended 31 December	
	2023	2022
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**1,792,822**	2,124,417
Others	**112,727**	66,228
	1,905,549	2,190,645

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Revenue from sales of products (including sales of the other materials)

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers, where advance is normally required.

Sales of goods were made in a short period of time and the performance obligation was mostly satisfied in one year or less at the end of each year, thus the Group applied the expedient of not to disclose the transaction price allocated to unsatisfied performance obligation.

(Amounts expressed in thousands of RMB
unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (Continued)

(ii) Performance obligations (Continued)

Transportation service

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the relevant services.

Amounts expected to be recognised as revenue from contract liabilities at 31 December 2023:

	For the year ended 31 December	
	2023	2022
Within one year	**1,681,425**	2,049,014
After one year	**69,794**	93,240
	1,751,219	2,142,254

(b) Segment information

The board of directors have been identified as the chief operating decision makers. The board is responsible for the review of the internal reports in order to allocate resources to operating segments and assess their performance.

The board considers the business from a product perspective comprising alumina, primary aluminum and energy for the Group's manufacturing business, which are identified as separate reportable operating segments. In addition, the Group's trading business is identified as a separate reportable operating segment. The Group's reportable operating segments also include corporate and other operating segments.

The board assesses the performance of operating segments based on profit or loss before income tax in related periods. The manner of assessment used by the board is board

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

The Group's five reportable operating segments are summarised as follows:

- The alumina segment, which consists of mining and purchasing bauxite and other raw materials, refining bauxite into alumina, and selling alumina both internally to the Group's primary aluminum segment and trading segment and externally to customers outside the Group. This segment also includes the production and sale of multi-form alumina bauxite.

- The primary aluminum segment, which consists of procuring alumina and other raw materials, supplemental materials and electricity power, smelting alumina to produce primary aluminum which is sold to the Group's trading segment and external customers, including Chinalco and its subsidiaries. This segment also includes the production and sale of carbon products and aluminum alloy and other aluminum products.

- The energy segment mainly includes coal mining, electricity generation by thermal power, wind power and solar power, new energy related equipment manufacturing business. Sales of coals and energies are mainly to the Group's internal and external energy consuming customers; electricity is sold to regional power grid corporations.

- The trading segment, which consists of the trading of alumina, primary aluminum, aluminum fabrication products, other non-ferrous metal products, coal products and raw materials and supplemental materials and the provision of logistics and transportation services to internal manufacturing plants and external customers. The products are sourced from fellow subsidiaries and international and domestic suppliers of the Group. Sales of products manufactured by the Group's manufacturing segments are included in the revenue from external customers of the trading segment and are eliminated from the revenue of the respective segments which supplied the products to the trading segment.

- Corporate and other operating segments, which mainly include management of corporate, research and development activities and others.

Prepaid current income tax and deferred tax assets are excluded from segment assets, and income tax payable and deferred tax liabilities are excluded from segment liabilities. All sales among the reportable operating segments were conducted on terms mutually agreed among group companies, and have been eliminated upon consolidation.

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2023						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
Total revenue	53,526,189	125,311,593	9,256,024	185,480,978	2,353,774	(150,857,678)	225,070,880
Inter-segment revenue	(34,864,886)	(43,176,764)	(44,931)	(71,046,468)	(1,724,629)	150,857,678	–
Revenue from external customers	18,661,303	82,134,829	9,211,093	114,434,510	629,145	–	225,070,880
Sales of self-produced products				47,498,535			
Sales of products sourced from external suppliers				66,935,975			
Segment profit /(loss) before income tax (calculated from the total revenue before elimination of inter-segment revenue)	984,902	11,243,162	2,097,582	1,857,011	(1,196,376)	104,247	15,090,528
Income tax expense							(2,506,747)
Profit for the year							12,583,781

(Amounts expressed in thousands of RMB
unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2023						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
Other items:							
Finance income	52,674	84,741	11,316	86,791	159,660	–	395,182
Finance costs	(436,618)	(976,577)	(430,872)	(123,746)	(1,370,979)	–	(3,338,792)
Share of profits and losses of joint ventures	75,405	–	(47,804)	14,489	147,804	–	189,894
Share of profits and losses of associates	(84,843)	52,038	76,204	38,392	119,174	–	200,965
Depreciation of right-of-use assets *(i)*	(434,423)	(557,739)	(21,057)	(133,755)	(57,083)	–	(1,204,057)
Depreciation and amortisation (excluding the depreciation of right- of-use assets) *(i)*	(3,654,776)	(3,847,436)	(2,087,805)	(197,327)	(65,070)	–	(9,852,414)
Gains/(losses) on disposal of property, plant and equipment and intangible assets	9,162	5,423	(3,004)	3,184	718	–	15,483
Realised gains on future contracts, net	–	50	–	82,971	41,708	–	124,729
Other income	135,604	338,049	143,116	59,346	2,593	–	678,708
Impairment loss on property, plant and equipment	(543,153)	(208)	(54,277)	–	–	–	(597,638)
Unrealised (losses)/gain on future contracts, net	–	–	–	(11,054)	7,568	–	(3,486)

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2023						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
Losses on disposal of a subsidiaries	–	(234,891)	–	–	–	–	(234,891)
Provision for impairment of inventories	(122,322)	49,881	(83,267)	–	(1,826)	–	(157,534)
Provision for impairment of receivables	(42,867)	(3,003)	191,084	3,665	(3,128)	–	145,751
Dividends from equity investments at fair value through other comprehensive income	4,475	–	–	–	10,051	–	14,526
Investments in associates	199,466	862,876	903,287	212,748	4,501,969	–	6,680,346
Investments in joint ventures	1,076,120	–	103,135	298,437	1,881,494	–	3,359,186
Additions during the year:							
Intangible assets	616,036	660,508	108	2,540	1,586	–	1,280,778
Right-of-use assets	35,396	113,459	19,164	323,830	1,470	–	493,319
Property, plant and equipment	1,953,466	2,916,525	1,222,492	96,784	93,071	–	6,282,338

(i) Depreciation and amortisation is derived from long-term assets within respective segments.

(Amounts expressed in thousands of RMB
unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2022 (Restated)						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
Total revenue	55,761,730	138,465,822	9,322,537	258,854,321	1,943,932	(173,360,400)	290,987,942
Inter-segment revenue	(39,350,290)	(51,962,565)	(261,486)	(80,283,574)	(1,502,485)	173,360,400	–
Revenue from external customers	16,411,440	86,503,257	9,061,051	178,570,747	441,447	–	290,987,942
Sales of self-produced products				48,849,680			
Sales of products sourced from external suppliers				129,721,067			
Segment profit /(loss) before income tax (calculated from the total revenue before elimination of inter-segment revenue)	211,694	9,724,970	2,200,960	1,694,197	(843,055)	220,202	13,208,968
Income tax expense							(2,365,498)
Profit for the year							10,843,470

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2022						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
Other items:							
Finance income	62,662	86,864	29,589	20,991	277,031	–	477,137
Finance costs	(713,584)	(1,088,391)	(580,129)	(166,221)	(1,346,542)	–	(3,894,867)
Share of profits and losses of joint ventures	75,405	–	(7,143)	9,065	101,583	–	178,910
Share of profits and losses of associates	(46,239)	(94,941)	(71,493)	45,847	297,458	–	130,632
Depreciation of right-of-use assets *(i)*	(473,827)	(601,898)	(129,335)	(21,335)	(55,967)	–	(1,282,362)
Depreciation and amortisation (excluding the depreciation of right- of-use assets) *(i)*	(3,674,136)	(3,957,718)	(1,645,072)	(341,700)	(72,831)	–	(9,691,457)
Gains/(losses) on disposal of property, plant and equipment, intangible assets and right- of-use assets	90,041	180,999	(1,621)	56,280	(2,040)	–	323,659
Gains on disposal of business	–	–	–	–	27,804	–	27,804
Realised gains on future contracts, net	–	–	–	20,104	216,707	–	236,811
Other income	25,510	44,628	54,727	110,885	35	–	235,785
Impairment of intangible assets	(75,842)	–	–	–	–	–	(75,842)
Impairment loss on property, plant and equipment	(3,160,902)	(634,518)	–	–	–	–	(3,795,420)
Unrealised gain on future contracts, net	–	–	–	47,725	11,346	–	59,071

(Amounts expressed in thousands of RMB
unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Year ended 31 December 2022						
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Inter-segment elimination	Total
(Losses)/gains on disposal of a subsidiary	(19,530)	61	4,567	25,296	75,949	–	86,343
Provision for impairment of inventories	(735,977)	(114,647)	(93,014)	–	(94)	–	(943,732)
Provision for impairment of receivables	(407,608)	(26,737)	(25,619)	53,201	(7,376)	–	(414,139)
Dividends from equity investments at fair value through other comprehensive income	–	–	2,160	–	9,339	–	11,499
Investments in associates	187,806	500,489	689,399	396,810	4,628,134	–	6,402,638
Investments in joint ventures	1,076,120	–	343,745	48,675	1,871,427	–	3,339,967
Additions during the year:							
Intangible assets	138,835	40,719	17,722	–	76	–	197,352
Right-of-use assets	89,337	449,305	1,496	140,021	–	–	680,159
Property, plant and equipment	728,647	852,512	921,542	45,186	49,865	–	2,597,752

(i) Depreciation and amortisation is derived from long-term assets within respective segments.

(Amounts expressed in thousands of RMB unless otherwise stated)

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	As at 31 December 2023					
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Total
As at 31 December 2023						
Segment assets	**79,710,041**	**86,505,039**	**34,010,489**	**31,061,665**	**51,684,803**	**282,972,037**
Reconciliation:						
Elimination of inter-segment receivables						**(72,691,061)**
Other eliminations						**(598,722)**
Corporate and other unallocated assets:						
Deferred tax assets						**2,022,724**
Prepaid income tax						**50,831**
Total assets						**211,755,809**
Segment liabilities	**41,806,486**	**37,053,259**	**17,761,410**	**16,836,103**	**69,836,836**	**183,294,094**
Elimination of inter-segment payables						**(72,691,061)**
Corporate and other unallocated liabilities:						
Deferred tax liabilities						**1,436,956**
Income tax payable						**826,681**
Total liabilities						**112,866,670**

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	As at 31 December 2022 (Restated)					
	Alumina Segment	Primary aluminum Segment	Energy Segment	Trading Segment	Corporate and other operating segments	Total

(Amounts expressed in thousands of RMB unless otherwise stated)

5 INTANGIBLE ASSETS

	Goodwill	Mining rights	Mineral exploration rights	Computer Software, production quota and others	Total
Year ended 31 December 2023					
Opening net carrying amount	3,494,894	6,950,679	1,003,642	1,501,608	12,950,823
Reclassifications and internal transfers	–	15,258	(15,258)	–	–
Transfer to right-of-use assets *(Note 22)*	–	(27,672)	–	–	(27,672)
Transfer from property, plant and equipment *(Note 6)*	–	49,426	–	8,356	57,782
Additions	–	606,320	10,451	664,007	1,280,778
Amortisation	–	(480,635)	–	(62,167)	(542,802)
Currency translation differences	–	7,969	–	–	7,969
Closing net carrying amount	3,494,894	7,121,345	998,835	2,111,804	13,726,878
As at 31 December 2023					
Cost	3,511,135	11,233,883	1,234,569	2,786,313	18,765,900
Accumulated amortisation and impairment	(16,241)	(4,112,538)	(235,734)	(674,509)	(5,039,022)
Net carrying amount	3,494,894	7,121,345	998,835	2,111,804	13,726,878

(Amounts expressed in thousands of RMB
unless otherwise stated)

5 INTANGIBLE ASSETS (CONTINUED)

	Goodwill	Mining rights	Mineral exploration rights	Computer Software, production quota and others	Total
Year ended 31 December 2022					
Opening net carrying amount	3,509,515	7,315,211	984,286	1,524,976	13,333,988
Additions	–	134,806	19,356	43,190	197,352
Disposals	–	–	–	(1,774)	(1,774)
Disposal of subsidiaries	–	–	–	(8,572)	(8,572)
Impairment	(15,495)	(60,347)	–	–	(75,842)
Amortisation	–	(444,764)	–	(58,157)	(502,921)
Transfer from property, plant and equipment *(Note 6)*	–	–	–	1,945	1,945
Currency translation differences	874	5,773	–	–	6,647
Closing net carrying amount	3,494,894	6,950,679	1,003,642	1,501,608	12,950,823
As at 31 December 2022					
Cost	3,510,864	10,585,156	1,239,376	2,118,444	17,453,840
Accumulated amortisation and impairment	(15,970)	(3,634,477)	(235,734)	(616,836)	(4,503,017)
Net carrying amount	3,494,894	6,950,679	1,003,642	1,501,608	12,950,823

(Amounts expressed in thousands of RMB unless otherwise stated)

5 INTANGIBLE ASSETS (CONTINUED)

For the year ended 31 December 2023, the amortisation expenses of intangible assets recognised in profit or loss were analysed as follows:

	31 December 2023	31 December 2022
Cost of sales	**512,277**	474,639
General and administrative expenses	**30,525**	28,282
	542,802	502,921

As at 31 December 2023, the Group pledged mining rights and mineral exploration rights with a net carrying value amounting to RMB1,942 million (31 December 2022: RMB1,353 million) for interest-bearing loans and borrowings as set out in Note 26.

Impairment testing of goodwill

Goodwill is allocated to the Group's CGUs and groups of CGUs that are expected to benefit from the synergies of the relevant business combination. For the Group, the lowest level within the Group at which goodwill is monitored for internal management purposes is the operating segment before aggregation. A summary of goodwill allocation is presented below:

	31 December 2023		31 December 2022	
	Alumina	**Primary aluminum**	Alumina	Primary aluminum
Qinghai Branch	**–**	**217,267**	–	217,267
Guangxi Branch	**189,419**	**–**	189,419	–
Lanzhou Aluminum Co., Ltd.	**–**	**1,924,259**	–	1,924,259
PT. Nusapati Prima ("PTNP")	**–**	**–**	–	–
Shanxi Huaxing	**1,163,949**	**–**	1,163,949	–
	1,353,368	**2,141,526**	1,353,368	2,141,526

(Amounts expressed in thousands of RMB unless otherwise stated)

5 INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill (Continued)

The recoverable amount of a CGU is determined based on value-in-use calculations using discounted cash flow model. These calculations of VIU use pre-tax cash flow projections based on financial budgets approved by management. Cash flows beyond the forecast period are extrapolated using the inflation rate. Other key assumptions applied in the impairment testing include future prices of aluminum and alumina (as well as the revenue growth rates), long term growth rate, and the discount rate. Management determined these key assumptions based on past performance and their expectations on market development. Furthermore, the Group adopts a pre-tax rate that reflects specific risks related to CGUs or groups of CGUs as the discount rate. The above assumptions are used to analyse the recoverable amount of each CGUs and groups of CGUs within the business segment. Management believes that normal changes in these assumptions will not cause the carrying amount of each CGUs and groups of CGUs to exceed their recoverable amounts.

As at 31 December 2023, the key assumptions used in the discounted cash flow (DCF) models are as follows:

	Lanzhou Aluminum Co., Ltd.	Shanxi Huaxing	Qinghai Branch	Guangxi Branch
Annual growth rate of revenue during the five-year forecast period	(0.79%)-0.82%	(1.01%)-3.33%	(0.53%)-24.01%	0.00%-3.33%
Average annual growth rate of revenue during the perpetual period (inflation rate)	2.00%	2.00%	2.00%	2.00%
Profit margin	13.54%-17.50%	8.25%-17.42%	15.80%-17.94%	27.42%-30.46%
Pre-tax discount rate	12.62%	12.62%	12.62%	12.62%

(Amounts expressed in thousands of RMB unless otherwise stated)

5 INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill (Continued)

As at 31 December 2022, the key assumptions used in the DCF models are as follows:

	Lanzhou Aluminum Co., Ltd.	Shanxi Huaxing	Qinghai Branch	Guangxi Branch
Annual growth rate of revenue during the five-year forecast period	(10.09%)-0.54%	(4.07%)-3.12%	(7.41%)-0.54%	(2.61%)-3.12%
Average annual growth rate of revenue during the perpetual period (inflation rate)	2.00%	2.00%	2.00%	2.00%
Profit margin	14.47%-16.80%	13.45%-18.70%	14.01%-17.21%	21.09%-22.35%
Pre-tax discount rate	12.62%	12.62%	12.62%	12.62%

Based on the Group's assessment, other than the impairment amounting to RMB16,241 provided for PTNP for the year ended 31 December 2022. There was no other impairment of goodwill as at 31 December 2023 and 31 December 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and infrastructure	Machinery	Transportation facilities	Office and other equipment	Construction in progress	Total
Year ended 31 December 2022						
Opening net carrying amount	51,127,711	63,707,307	1,150,354	422,674	4,974,974	121,383,020
Reclassifications and internal transfers	1,258,516	2,494,471	73,713	264,322	(4,091,022)	–
Transfer to intangible assets *(Note 5)*	–	–	–	–	(1,945)	(1,945)
Transfer from right-of-use assets and non-current assets *(i)*	–	69,673	–	–	–	69,673
Transfer to investment properties *(Note 7)*	(47,419)	–	–	–	–	(47,419)
Additions	245,583	637,092	16,474	36,798	1,661,805	2,597,752
Disposal of subsidiaries *(ii)*	(275,851)	(622,777)	(2,731)	(13,046)	–	(914,405)
Government grants	(42,650)	(31,401)	–	–	–	(74,051)
Disposals *(iii)*	(201,361)	(588,064)	(10,265)	(2,950)	(235,477)	(1,038,117)
Depreciation *(vi)*	(2,321,947)	(6,381,950)	(172,736)	(66,984)	–	(8,943,617)
Impairment loss *(vii)*	(1,307,597)	(2,458,240)	(1,092)	(178)	(28,313)	(3,795,420)
Currency translation differences	32,739	8,504	151	15	–	41,409
Closing net carrying amount	48,467,724	56,834,615	1,053,868	640,651	2,280,022	109,276,880
As at 31 December 2022						
Cost	79,348,680	139,849,462	2,865,120	1,228,931	2,799,011	226,091,204
Accumulated depreciation and impairment	(30,880,956)	(83,014,847)	(1,811,252)	(588,280)	(518,989)	(116,814,324)
Net carrying amount	48,467,724	56,834,615	1,053,868	640,651	2,280,022	109,276,880

(i) After the expiration of sale and leaseback contracts, the relevant right-of-use assets previously recognised upon initial adoption of IFRS 16, were recognised as property, plant and equipment.

(ii) In 2023, certain subsidiaries were either disposed of or liquidated, or deconsolidated due to loss of control, resulting in reductions of relevant property, plant and equipment with carrying amount of RMB499 million (2022: RMB914 million).

(iii) In 2022, property, plant and equipment with carrying amount of RMB610 million was disposed of by the Group as consideration for a capital investment in Chinalco High-end Manufacturing Co., Ltd. ("Chinalco High-end Manufacturing") (Note (9)).

(iv) As at 31 December 2023, the Group pledged property, plant and equipment with a net carrying value amounting to RMB4,557 million (31 December 2022: RMB4,967 million) for certain interest-bearing loans and borrowings (Note (26)).

(Amounts expressed in thousands of RMB
unless otherwise stated)

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(v) As at 31 December 2023, the Group was in the process of applying for the ownership certificates of buildings with a net carrying value of RMB3,590 million (31 December 2022: RMB4,822 million). There has been no litigations or claims against the Group for compensation with respect to the use of these buildings as at the date of approval of these financial statements. Management considers that the ownership dispute will not occur and third parties will not assert any claims against the Group for compensation in respect of any use of these properties.

(vi) For the year ended 31 December 2023, depreciation expenses recognised in profit or loss are analysed as follows:

	31 December 2023	31 December 2022
Cost of sales	**8,579,400**	8,573,282
General and administrative expenses	**221,061**	213,483
Research and development expenses	**144,606**	152,217
Selling and distribution expenses	**4,880**	4,635
	8,949,947	8,943,617

(vii) In the prior years, the Group terminated an alumina production line and the related facilities as a result of urban development by a local government in Mainland China. Based on the relevant rules and regulations, the Group would be entitled to a compensation by the local government from the planned commercial development of the land on which the production line was located. During the year ended 31 December 2022, the Group was informed by the local government that, because of the real estate market outlook and the change in urban planning, the development plan was abandoned and the Group would not be compensated. The change of government decision constituted an impairment indicator. An impairment test was performed by management based on fair value less cost of disposal and an impairment loss of RMB2,101 million was recognised as at 31 December 2022.

The land occupied by the terminated alumina production line is leased from the Chinalco Group. The Group reassessed the leasing term, and accordingly, land use right assets of RMB893 million and lease liabilities of RMB927 million were written off and a disposal gain of RMB34 million was recognised in 2022.

Due to the change of production plan and other factors, certain asset groups of the Group were in the status of shutdown, temporary idleness or under-capacity. The Group considered that there were indicators of impairment in these asset groups and conducted impairment tests. As a result, impairment provision of RMB598 million was recognised for property, plant and equipment during the year ended 31 December 2023 (2022: RMB1,694 million).

(Amounts expressed in thousands of RMB unless otherwise stated)

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the following five major CGUs with indicators of impairment, the Group determines their recoverable amounts based on the future cash flows method, including the key assumptions of product prices (as well as revenue growth rates) and discount rates. The Group estimates the product prices and growth rate of revenue based on historical experience and market development. The pre-tax discount rates reflect specific risks related to CGU or groups of CGUs. Key assumptions of discounted cash flow models for impairment testing are as follows:

	Alumina Facilities	Carbon Facilities	Wind Power Facilities	Thermal Power Facilities	Mine Facilities
Average annual growth rate of revenue during forecast period	(9.65%)-50.77%	(15.96%)-2.06%	(8.88%)-12.42%	(6.87%)-3.07%	14.75%-148.44%
Long-term growth rate	0.00%	0.00%	0.00%	0.00%	0.00%
Pre-tax discount rate	10.16%	11.49%	8.45%	9.51%	9.87%

(Amounts expressed in thousands of RMB
unless otherwise stated)

7 INVESTMENT PROPERTIES

	Buildings	Land use rights	Total
Year ended 31 December 2023			
Opening net carrying amount	**724,421**	**1,193,202**	**1,917,623**
Transfer from property, plant and equipment *(Note 6)*	**41,566**	**–**	**41,566**
Transfer from right-of-use assets *(Note 22)*	**–**	**34,073**	**34,073**
Transfer to property, plant and equipment *(Note 6)*	**(38,757)**	**–**	**(38,757)**
Additions	**139,656**	**25,482**	**165,138**
Depreciation	**(40,937)**	**(31,137)**	**(72,074)**
Closing net carrying amount	**825,949**	**1,221,620**	**2,047,569**
As at 31 December 2023			
Cost	**1,114,051**	**1,468,749**	**2,582,800**
Accumulated depreciation and impairment	**(288,102)**	**(247,129)**	**(535,231)**
Net carrying amount	**825,949**	**1,221,620**	**2,047,569**

7 INVESTMENT PROPERTIES

	Buildings	Land use right	Total

(Amounts expressed in thousands of RMB
unless otherwise stated)

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	31 December 2023	31 December 2022
As at 1 January	**3,339,967**	3,350,959
Share of profits for the year	**189,894**	178,910
Share of changes in reserves	**16,297**	4,302
Dividends declared	**(186,972)**	(194,204)
As at 31 December	**3,359,186**	3,339,967

As at 31 December 2023, all joint ventures of the Group were unlisted.

As at 31 December 2023, particulars of the Group's material joint venture is as follows:

				Effective equity interest held		
Name	**Place of establishment and operation**	**Registered and paid-in capital**	**Principal activities**	**Ownership interest**	**Voting power**	**Profit sharing**
Guangxi Huayin Aluminum Co., Ltd.* ("Guangxi Huayin") (廣西華銀鋁業有限公司)	PRC/Mainland China	2,441,987	Manufacturing	33%	33%	33%

Guangxi Huayin, which is considered a material joint venture of the Group, is accounted for using the equity method.

The English name represents the best effort by management of the Group in translating the Chinese name of the company as it does not have any official English name.

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Investments in joint ventures (Continued)

The following table illustrates the summarised financial information in respect of Guangxi Huayin:

	31 December 2023	31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(a) Investments in joint ventures (Continued)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	31 December 2023	31 December 2022
Share of the joint ventures' profits and losses for the year	**69,800**	102,180
Share of the joint ventures' total comprehensive income	**69,800**	102,180
Aggregate carrying amount of the Group's investments in joint ventures	**1,898,626**	1,914,302

There were no material contingent liabilities relating to the Group's interests in the joint ventures and the joint ventures themselves.

(b) Investments in associates

Movements in investments in associates are as follows:

	31 December 2023	31 December 2022
As at 1 January	**6,402,638**	6,441,793
Capital injections	**219,440**	17,089
Capital reduction	**(13,864)**	–
Share of profits for the year	**200,965**	130,632
Dividends declared	**(139,445)**	(104,781)
Share of changes in reserves	**10,612**	(6,098)
Impairment	**–**	(75,997)
As at 31 December	**6,680,346**	6,402,638

As at 31 December 2023, all associates of the Group were unlisted.

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(b) Investments in associates (Continued)

As at 31 December 2023, particulars of the Group's material associate is as follows:

Name	Place of establishment and operation	Registered and paid-in capital	Principal activities	Effective equity interest held: Ownership interest	Voting power	Profit sharing
China Aluminum Investment Development Co., Ltd. (						

(Amounts expressed in thousands of RMB unless otherwise stated)

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(b) Investments in associates (Continued)

Reconciliation to the Group's interest in the associate:

	31 December 2023	31 December 2022
Proportion of the Group's ownership	**24.12%**	24.12%
Group's share of net assets of the associate	**1,260,272**	1,250,040
Carrying amount of the investment	**1,260,272**	1,250,040
Revenue	**173,116**	167,607
Gross profit	**93,688**	81,734
Interest income	**14,069**	4,210
Depreciation and amortisation	**41,272**	44,621
Interest expenses	**190**	–
Profit before income tax	**84,436**	64,884
Income tax	**20,929**	16,774
Other comprehensive income	**–**	–
Total comprehensive income for the year	**63,507**	48,110
Dividend received	**5,086**	24,636

(Amounts expressed in thousands of RMB unless otherwise stated)

8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(b) Investments in associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December 2023	31 December 2022
Share of the associates' profits and losses	**185,647**	119,028
Share of the associates' total other comprehensive income	**–**	(5,628)
Share of the associates' total comprehensive income	**185,647**	113,400
Aggregate carrying amount of the Group's investments in the associates	**5,420,074**	5,152,598

There were no material contingent liabilities relating to the Group's interests in the associates and the associates themselves.

(Amounts expressed in thousands of RMB unless otherwise stated)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2023	31 December 2022
Short-term structured deposits *(i)*	**5,011,969**	–
Future contracts	**810**	–
	5,012,779	–

(i) The short-term investments measured at fair value through profit or loss are wealth management products, denominated in RMB, with expected rates of return ranging from 2.8% to 3.0% per annum for the year ended December 31, 2023 (2022: Nil). As of 31 December 2023 and as of the date of issuance of these financial statements, none of these investments were past due.

(Amounts expressed in thousands of RMB unless otherwise stated)

11 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same tax authority.

The movements in deferred tax assets and liabilities during the year ended 31 December 2023 without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Movements in deferred tax assets:

	Provision for impairment	Accrued expenses	Tax losses	Unrealised profit at consolidation	Lease liabilities	Others	Total
As at 31 December 2021	1,079,282	32,279	334,155	527,286	14,497	233,514	2,221,013
Changes in accounting policies	–	–	–	–	2,182,466	22,403	2,204,869
As at 1 January 2022(Restated)	1,079,282	32,279	334,155	527,286	2,196,963	255,917	4,425,882
Credit/(charged) to profit or loss	118,494	(8,612)	(141,929)	(6,955)	(175,171)	87,311	(126,862)
As at 31 December 2022 (Restated)	**1,197,776**	**23,667**	**192,226**	**520,331**	**2,021,792**	**343,228**	**4,299,020**
As at 31 December 2022	**1,197,776**	**23,667**	**192,226**	**520,331**	**38,823**	**297,628**	**2,270,451**
Changes in accounting policies	**–**	**–**	**–**	**–**	**1,982,969**	**45,600**	**2,028,569**
As at 1 January 2023(Restated)	**1,197,776**	**23,667**	**192,226**	**520,331**	**2,021,792**	**343,228**	**4,299,020**
Credit/(charged) to profit or loss	**(40,482)**	**(7,087)**	**(19,997)**	**(48,774)**	**(156,239)**	**17,162**	**(255,417)**
As at 31 December 2023	**1,157,294**	**16,580**	**172,229**	**471,557**	**1,865,553**	**360,390**	**4,043,603**

(Amounts expressed in thousands of RMB unless otherwise stated)

11 DEFERRED TAX (CONTINUED)

Movements in deferred tax liabilities:

	Fair value changes of financial assets	Withholding Tax	Depreciation and amortisation and others	Right-of-use assets	Fair value adjustments arising from acquisition of subsidiaries	Total
As at 31 December 2021	1,842	–	157,175	1,126	1,367,702	1,527,845
Changes in accounting policies	–	–	22,403	2,184,090	–	2,206,493
As at 1 January 2022(Restated)	1,842	–	179,578	2,185,216	1,367,702	3,734,338
Charged to other comprehensive income	(7,236)	–	–	–	–	(7,236)
Credited to profit or loss	6,375	204,786	59,254	(199,450)	(103,772)	(32,807)
As at 31 December 2022 (Restated)	981	204,786	238,832	1,985,766	1,263,930	3,694,295
As at 31 December 2022	981	204,786	193,269	1,277	1,263,930	1,664,243
Changes in accounting policies	–	–	45,563	1,984,489	–	2,030,052
As at 1 January 2023 (Restated)	981	204,786	238,832	1,985,766	1,263,930	3,694,295
Charged to other comprehensive income	(6,513)	–	–	–	–	(6,513)
Credited to profit or loss	6,715	21,838	8,677	(172,506)	(94,671)	(229,947)
As at 31 December 2023	**1,183**	**226,624**	**247,509**	**1,813,260**	**1,169,259**	**3,457,835**

(Amounts expressed in thousands of RMB
unless otherwise stated)

11 DEFERRED TAX (CONTINUED)

For presentation purposes, RMB2,021 million (2022: RMB2,241 million (restated)) of deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December 2023	31 December 2022 (Restated)
Net deferred tax assets	**2,022,724**	2,057,765
Net deferred tax liabilities	**1,436,956**	1,453,040

As at 31 December 2023, accumulated tax losses and deductible temporary differences not recognised for deferred tax assets are as follows:

	31 December 2023	31 December 2022
Deductible temporary differences	**15,129,559**	16,298,974
Accumulated tax losses	**8,060,370**	7,674,394
	23,189,929	23,973,368

As at 31 December 2023, the expiry profile of these tax losses not recognised for deferred tax assets is analysed as follows:

	31 December 2023	31 December 2022
Expiring in		
2023	—	447,159
2024	**1,009,773**	1,199,709
2025	**1,006,779**	2,133,390
2026	**1,053,922**	1,160,961
2027	**1,563,967**	2,243,442
2028 and beyond	**3,425,929**	489,733
	8,060,370	7,674,394

(Amounts expressed in thousands of RMB unless otherwise stated)

12 OTHER NON-CURRENT ASSETS

	31 December 2023	31 December 2022
Financial assets		
– Long-term receivables *(i)*	**513,281**	513,281
Less: impairment *(ii)*	**(443,088)**	(443,088)
	70,193	70,193
Prepayments for mining rights	**671,676**	873,277
Long-term prepaid expenses	**944,198**	838,568
Prepayments for constructions	**189,512**	227,999
Input VAT to be deducted	**318,694**	241,757
Others	**109,968**	179,706
	2,234,048	2,361,307
	2,304,241	2,431,500

(i) As at 31 December 2023 and 31 December 2022, long-term receivables were denominated in RMB and non-interest-bearing.

(ii) During the year ended 31 December 2022, an impairment loss of RMB384 million was recognised for a long term lease receivable from a third party lessee due to its default on the lease contract of an alumina production line of the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

13 INVENTORIES

	31 December 2023	31 December 2022
Raw materials	**5,000,878**	7,322,376
Work-in-progress	**12,000,574**	11,660,396
Finished goods	**5,547,679**	6,177,766
Spare parts	**622,862**	622,541
Packaging materials and others	**163,427**	162,874
	23,335,420	25,945,953
Less: provision for impairment of inventories	**(488,285)**	(1,233,631)
	22,847,135	24,712,322

Movements in the provision for impairment of inventories are as follows:

	31 December 2023	31 December 2022
As at 1 January	**1,233,631**	750,338
Provision for impairment of inventories	**157,534**	943,732
Disposal of subsidiary	**(62,952)**	(5,452)
Reversal arising from increase in net realisable value	**–**	(4,766)
Written off upon sales of inventories	**(839,929)**	(450,221)
As at 31 December	**488,285**	1,233,631

As at 31 December 2023 and 31 December 2022, the Group had no pledged inventories for bank and other borrowings.

(Amounts expressed in thousands of RMB unless otherwise stated)

14 TRADE RECEIVABLES AND NOTES RECEIVABLE

	31 December 2023	31 December 2022
Trade receivables	**4,764,075**	5,055,178
Less: impairment	**(739,750)**	(948,782)
	4,024,325	4,106,396
Notes receivable:		
Measured at amortised cost	**3,719**	411,145
Measured at fair value through other comprehensive income	**2,579,110**	1,356,480
	6,607,154	5,874,021

As at 31 December 2023, all balances of trade and notes receivables were denominated in RMB, other than amount totaling RMB286 million which was denominated in USD (31 December 2022: RMB981 million denominated in USD).

As at 31 December 2023, the Group pledged certain trade and notes receivable amounting to RMB521 million (31 December 2022: RMB289 million) as securities for certain borrowings as set out in Note 26.

(Amounts expressed in thousands of RMB unless otherwise stated)

14 TRADE RECEIVABLES AND NOTES RECEIVABLE (CONTINUED)

Trade receivables and notes receivable are non-interest-bearing and generally with credit terms of 3 to 12 months. Certain of the Group's sales were on advance payments or documents against payment. In some cases, these terms are extended for qualifying long term customers that have met specific credit requirements. As at 31 December 2023, the ageing analysis of trade receivables based on invoice date was as follows:

	For the year ended 31 December	
	2023	2022
Within 1 year	**2,095,332**	2,780,524
Between 1 and 2 years	**884,681**	860,619
Between 2 and 3 years	**675,385**	112,902
Over 3 years	**1,108,677**	1,301,133
	4,764,075	5,055,178
Less: loss allowance for impairment	**(739,750)**	(948,782)
	4,024,325	4,106,396

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group also assesses impairment loss individually if there is evidence of significant increases in credit risk at an individual level.

(Amounts expressed in thousands of RMB unless otherwise stated)

14 TRADE RECEIVABLES AND NOTES RECEIVABLE (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross carrying amount	**Expected credit losses**	**Expected credit losses loss rate *(%)***
Alumina and primary aluminum:			
Within 1 year	**377,382**	**6,048**	**1.60**
Between 1 and 2 years	**1,271**	**77**	**6.06**
Between 2 and 3 years	**4,223**	**22**	**0.52**
Over 3 years	**50,827**	**33,309**	**65.53**
	433,703	**39,456**	
Trading:			
Within 1 year	**205,438**	**4,612**	**2.24**
Between 1 and 2 years	**1,772**	**1**	**0.06**
Between 2 and 3 years	**243**	**46**	**18.93**
Over 3 years	**2,918**	**1,526**	**52.30**
	210,371	**6,185**	
Energy:			
Within 1 year	**1,463,548**	**1,191**	**0.08**
Between 1 and 2 years	**876,917**	**3,524**	**0.40**
Between 2 and 3 years	**670,499**	**2,742**	**0.41**
Over 3 years	**154,769**	**29,341**	**18.96**
	3,165,733	**36,798**	

(Amounts expressed in thousands of RMB unless otherwise stated)

14 TRADE RECEIVABLES AND NOTES RECEIVABLE (CONTINUED)

	As at 31 December 2023		
	Gross carrying amount	Expected credit losses	Expected credit losses loss rate (%)
Corporate and other operating segments:			
Within 1 year	**47,005**	**989**	**2.10**
Between 1 and 2 years	**1,723**	**244**	**14.16**
Between 2 and 3 years	**321**	**117**	**36.45**
Over 3 years	**16,624**	**16,605**	**99.89**
	65,673	**17,955**	
	3,875,480	**100,394**	
Individually assessed trade receivables	**888,595**	**639,356**	
	4,764,075	**739,750**	

(Amounts expressed in thousands of RMB unless otherwise stated)

14 TRADE RECEIVABLES AND NOTES RECEIVABLE (CONTINUED)

Set out below is the information about individually assessed trade receivables:

	As at 31 December 2023		
	Gross carrying amount	**Expected credit losses**	**Expected credit losses loss rate** *(%)*
Chalco Henan Aluminum Fabrication Co., Ltd.	**247,163**	**–**	**–**
Zhuhai Hongfan nonferrous metal Chemical Co., Ltd	**230,753**	**230,753**	**100.00**
Guizhou Jinpingguo Aluminum Rod Co., Ltd.	**111,138**	**111,138**	**100.00**
Xinjiang Jiarun Resources Holdings Co., Ltd.	**106,308**	**106,308**	**100.00**
Others	**193,233**	**191,157**	**98.93**
	888,595	**639,356**	

The Group has no individual provision for impairment of notes receivables. The Group considers that notes receivables are not exposed to significant credit risk and has limited default risk.

Movements in the loss allowance for impairment of trade receivables are as follows:

	For the year ended 31 December	
	2023	2022
As at 1 January	**948,782**	1,012,722
Impairment loss provided	**19,871**	34,807
Write off	**(9,686)**	(17,021)
Reversal	**(216,362)**	(38,481)
Disposal of subsidiaries	**(43,214)**	(43,326)
Other	**40,359**	81
As at 31 December	**739,750**	948,782

(Amounts expressed in thousands of RMB
unless otherwise stated)

15 OTHER CURRENT ASSETS

	31 December 2023	31 December 2022
Other receivables		
– Deposits paid to suppliers	**982,090**	525,666
– Dividends receivable	**355,207**	360,342
– Entrusted loans and loans receivable from third parties	**1,381,585**	1,417,284
– Entrusted loans and loans receivable from related parties	**1,290,148**	1,278,093
– Payments on behalf of other parties	**236,255**	285,428
– Other financial assets	**858,858**	1,040,632
	5,104,143	4,907,445
Less: impairment allowance	**(3,244,123)**	(3,194,988)
	1,860,020	1,712,457
Deductible input value added tax receivables	**424,586**	577,041
Prepaid income tax	**50,831**	142,056
Prepayments to related parties for purchases	**90,256**	127,748
Prepayments to suppliers for purchases and others	**352,498**	2,052,125
Others	**91,694**	78,270
	1,009,865	2,977,240
Less: impairment allowance	**–**	–
	1,009,865	2,977,240
Total other current assets	**2,869,885**	4,689,697

(Amounts expressed in thousands of RMB unless otherwise stated)

15 OTHER CURRENT ASSETS (CONTINUED)

As at 31 December 2023, all balances of other current assets were denominated in RMB, other than amounts totalling RMB9 million which was denominated in USD (31 December 2022: RMB151 million denominated in USD).

As at 31 December 2023 and 2022, except for entrusted loans and loans receivable which were interest-bearing, all amounts in other current assets were non-interest-bearing.

As at 31 December 2023, the ageing analysis of other receivables included in other current assets was as follows:

	31 December 2023	31 December 2022
Within 1 year	**1,133,769**	1,011,686
Between 1 and 2 years	**96,035**	331,207
Between 2 and 3 years	**139,687**	273,291
Over 3 years	**3,734,652**	3,291,261
	5,104,143	4,907,445
Less: provision for impairment	**(3,244,123)**	(3,194,988)
	1,860,020	1,712,457

Movements in the provision for impairment of in other receivables are as follows:

	2023	2022
At beginning of year	**3,194,988**	3,207,132
Impairment loss	**63,706**	96,725
Write off	**–**	(3,020)
Reversal	**(12,966)**	(105,023)
Disposal of subsidiary	**(2,963)**	(2,936)
Others	**1,358**	2,110
As at 31 December	**3,244,123**	3,194,988

(Amounts expressed in thousands of RMB
unless otherwise stated)

15 OTHER CURRENT ASSETS (CONTINUED)

Other receivables are measured at amortised cost and subject to impairment under the general approach and they are grouped within the following stages for measurement of ECLs.

	Stage 1 – 12 months expected credit loss		Stage 2 – life time expected credit loss		Stage 3 – life time expected credit loss with credit-impaired	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
As at 31 December 2022	1,403,623	4,743	103,277	19,853	3,400,545	3,170,392
Increase/(decrease) in gross carrying amount or expected credit losses	22,699	1,592	(78,887)	(11,605)	252,886	59,148
As at 31 December 2023	1,426,322	6,335	24,390	8,248	3,653,431	3,229,540

16 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2023	31 December 2022
Restricted cash	**2,064,046**	2,443,249
Cash and cash equivalents	**19,039,535**	16,816,684
	21,103,581	19,259,933

Restricted cash mainly represented bank deposits held as a deposit for issuing notes payable and letters of credit.

(Amounts expressed in thousands of RMB
unless otherwise stated)

16 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

Reconciliation to the consolidated statement of cash flows:

The above figures reconcile to the amount of cash and cash equivalents shown in the consolidated statement of cash flows at the end of the financial year as follows:

	31 December 2023	31 December 2022
Balances as above	**19,039,535**	16,816,684
Bank overdrafts *(Note 37)*	**(600,000)**	–
Balances per statement of cash flows	**18,439,535**	16,816,684

As at 31 December 2023, cash and cash equivalents and restricted cash of the Group were denominated in the following currencies:

	31 December 2023	31 December 2022
RMB	**19,580,010**	17,843,469
USD	**1,479,663**	1,378,559
HKD	**10,978**	12,517
EUR	**3,962**	1,989
Others	**28,968**	23,399
	21,103,581	19,259,933

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances, time deposits and restricted cash are deposited with creditworthy banks with no recent history of default.

(Amounts expressed in thousands of RMB
unless otherwise stated)

17 SHARE CAPITAL

	31 December 2023	31 December 2022
Listed A shares	**13,217,626**	13,217,626
Listed H shares	**3,943,966**	3,943,966
	17,161,592	17,161,592

As at 31 December 2023 and 31 December 2022, all issued shares were registered and fully paid. Both A shares and H shares are ranked pari passu in all aspects.

As at 31 December 2023, the number of the Company's authorised and issued ordinary shares was 17,161,591,551 at par value of RMB1.00 per share, which included 138,918,600 restricted A shares (Note 18).

18 RESTRICTED SHARES HELD FOR EMPLOYEE SHARE SCHEME

	31 December 2023 Shares *(thousands)*	**31 December 2022 Shares** *(thousands)*	**31 December 2023 *RMB***	**31 December 2022** *RMB*

(Amounts expressed in thousands of RMB unless otherwise stated)

18 RESTRICTED SHARES HELD FOR EMPLOYEE SHARE SCHEME (CONTINUED)

Details of the valid restricted shares under the Incentive Scheme

	Number of shares *(thousands)*	**Repurchase obligation** *RMB*
Balance as at 31 December 2022	**(138,919)**	(404,685)
Forfeiture during the year	**3,210**	9,410
Balance as at 31 December 2023	**(135,709)**	(395,275)

During the year 2023, 43 incentive grantees no longer meet the service condition and 3,210,323 restricted shares granted under the Incentive Scheme were forfeited. As at 31 December 2023, the company has paid for the share repurchase but the related share repurchase cancellation process has not yet been completed. On 29 January 2024, the Company received the "Certificate of Securities Change Registration" issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch claimed that the 3,210,000 restricted shares repurchased and cancelled by the Company have been completed by 26 January 2024. The total share capital of the Company changed from 17,161,591,551 shares to 17,158,381,228 shares since the date of the cancellation.

Expenses arising from share-based payment transactions

	For the year ended 31 December	
	2023	2022
Current period share-based payment expense	**91,111**	48,258
Cumulative share-based payment expense	**139,369**	48,258

Share-based payment expense under the Incentive Scheme to be recognised in the periods after 31 December 2023 was RMB126 millions aggregately.

(Amounts expressed in thousands of RMB unless otherwise stated)

19 OTHER EQUITY INSTRUMENTS

Outstanding perpetual medium-term notes	**31 December 2022** *RMB*	**Issue**	**Redemption**	**31 December 2023** *RMB*
2022 Third Medium-term Notes *(i)*	1,000,000	–	–	**1,000,000**
2022 Fourth Medium-term Notes *(ii)*	1,000,000	–	–	**1,000,000**
	2,000,000	–	–	**2,000,000**

(i) On 17 August 2022, the Company issued RMB1,000 million perpetual medium-term notes with an initial distribution rate at 2.87% (the "2022 Third Medium-term Notes"). The proceeds from the issuance of the 2022 Third Medium-term Notes were RMB1,000 million. The proceeds were used for the repayment of interest-bearing loans and borrowings. Coupon payments of 2.87% per annum on the 2022 Third Medium-term Notes have been made annually in arrears from 17 August 2022 and may be deferred at the discretion of the Company. The 2022 Third Medium-term Notes have no fixed maturity date and are callable only at the Group's option on 19 August 2025 or any coupon distribution date after 19 August 2025 at their principal amounts together with any accrued, unpaid or deferred coupon distribution payments. The coupon distribution rate will be reset to a percentage per annum equal to the sum of (a) the initial spread of 0.57 percent, (b) the China Treasury Rate, and (c) a margin of maximum 300 basis points every three years since 19 August 2025. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends to shareholders or decrease the share capital, or make material fixed asset investments. As at 31 December 2023, no coupon distribution payments are unpaid or deferred.

(ii) On 20 September 2022, the Company issued RMB1,000 million perpetual medium-term notes with an initial distribution rate at 2.68% (the "2022 Fourth Medium-term Notes"). The proceeds from the issuance of the 2022 Fourth Medium-term Notes were RMB1,000 million. The proceeds were used for the repayment of interest-bearing loans and borrowings. Coupon payments of 2.68% per annum on the 2022 Fourth Medium-term Notes have been made annually in arrears from 20 September 2022 and may be deferred at the discretion of the Company. The 2022 Fourth Medium-term Notes have no fixed maturity date and are callable only at the Group's option on 22 September 2024 or any coupon distribution date after 22 September 2024 at their principal amounts together with any accrued, unpaid or deferred coupon distribution payments. The coupon distribution rate will be reset to a percentage per annum equal to the sum of (a) the initial spread of 0.59 percent, (b) the China Treasury Rate, and (c) a margin of maximum 300 basis points every two years since 22 September 2024. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends to shareholders or decrease the share capital, or make material fixed asset investments. As at 31 December 2023, no coupon distribution payments are unpaid or deferred.

Pursuant to the terms and conditions of the 2022 Third Medium-term Notes and the 2022 Fourth Medium-term Notes, the Group has no contractual obligations to repay their principal or to pay any coupon distributions. Thus in the opinion of the directors of the Company, they do not meet the definition of financial liabilities according to *IAS 32* Financial Instruments: Presentation, and are classified as equity and subsequent distributions declared will be treated as distributions to equity owners.

(Amounts expressed in thousands of RMB
unless otherwise stated)

20 RESERVES

The Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the Group.

21 INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2023	31 December 2022
Long-term loans and borrowings		
Lease liabilities *(Note 22(b))*	**9,470,633**	10,099,506
Medium-term notes and bonds *(Note (b))*		
– Guaranteed *(Note (e))*	**7,124,288**	6,939,665
– Unsecured	**8,563,926**	12,782,976
Medium-term notes	**6,016,384**	6,786,679
Bonds	**2,547,542**	5,996,297
Long-term bank and other loans *(Note (a))*		
– Secured *(Note (f))*	**7,262,159**	7,173,497
– Guaranteed *(Note (e))*	**889,632**	2,008,337
– Unsecured	**34,363,721**	38,367,723
	42,515,512	47,549,557
Total long-term loans and borrowings	**67,674,359**	77,371,704
Current portion of lease liabilities	**(794,647)**	(890,033)
Current portion of medium-term notes and bonds	**(7,286,252)**	(4,398,561)
Current portion of long-term bank and other loans	**(9,077,825)**	(13,486,345)
	(17,158,724)	(18,774,939)
Non-current portion of long-term loans and borrowings	**50,515,635**	58,596,765

(Amounts expressed in thousands of RMB
unless otherwise stated)

21 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

	31 December 2023	31 December 2022
Short-term loans and borrowings		
Bank and other loans *(Note (c))*		
– Secured *(Note (f))*	**381,195**	368,995
– Unsecured*	**7,588,373**	6,092,108
	7,969,568	6,461,103
Short-term bonds, unsecured *(Note (d))*	**2,006,142**	2,623,311
Current portion of lease liabilities	**794,647**	890,033
Current portion of medium-term notes and bonds	**7,286,252**	4,398,561
Current portion of long-term bank and other loans	**9,077,825**	13,486,345
	19,164,866	21,398,250
Total short-term borrowings and current portion of long-term loans and borrowings	**27,134,434**	27,859,353

As at 31 December 2023, except for loans and borrowings of the Group amounting to equivalent RMB6 million (31 December 2022: RMB8 million) and RMB269 million (31 December 2022: RMB737 million) which were denominated in JPY and USD, respectively, all loans and borrowings were denominated in RMB.

(Amounts expressed in thousands of RMB unless otherwise stated)

21 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(a) Long-term bank and other loans

The maturity of long-term bank and other loans is set out below:

	Loans from banks and other financial institutions		Other loans		Total	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022	**31 December 2023**	31 December 2022

(Amounts expressed in thousands of RMB
unless otherwise stated)

21 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Medium-term notes and bonds

Outstanding medium-term bonds and private placement notes of the Group as at 31 December 2023 are summarised as follows:

	Face value/maturity	Effective interest rate	31 December 2023	31 December 2022
2018 Medium-term bonds	RMB900,000/2023	4.99%	–	899,865
2018 Medium-term bonds	RMB1,600,000/2023	4.50%	–	1,598,947
2019 Medium-term notes	RMB2,000,000/2024	4.08%	**2,047,340**	1,993,080
2019 Medium-term bonds	RMB2,000,000/2029	4.55%	**2,033,967**	1,997,623
2020 Medium-term bonds	RMB1,000,000/2023	3.05%	–	999,962
2020 Medium-term notes	RMB900,000/2023	2.93%	–	899,787
2020 Medium-term bonds	RMB500,000/2025	3.31%	**513,575**	499,900
2021 Medium-term notes	RMB1,000,000/2024	3.10%	**999,874**	997,969
2022 Medium-term notes	RMB2,000,000/2025	3.00%	**2,053,930**	1,996,665
2022 Medium-term notes	RMB400,000/2025	2.68%	**408,909**	399,557
2022 Medium-term notes	RMB500,000/2024	2.45%	**506,331**	499,621
2021 Hong Kong Medium-term bonds	USD500,000/2024	1.55%	**3,585,582**	3,472,428
2021 Hong Kong Medium-term bonds	USD500,000/2026	2.10%	**3,538,706**	3,467,237
			15,688,214	19,722,641

Medium-term notes and bonds were issued for capital expenditure and operating cash flows purposes, as well as for the purpose of re-financing of bank loans.

(Amounts expressed in thousands of RMB unless otherwise stated)

21 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(c) Short-term bank and other loans

The weighted average annual interest rate of short-term bank and other loans for the year ended 31 December 2023 was 2.20% (2022: 2.76%).

(d) Short-term bonds

Outstanding short-term bonds as at 31 December 2023 are summarised as follows:

	Face value/issuance	Effective interest rate	31 December 2023	31 December 2022
Short-term bonds	600,000RMB/2022	2.05%	**–**	608,105
Short-term bonds	1,000,000RMB/2022	1.93%	**–**	1,009,288
Short-term bonds	1,000,000RMB/2022	1.59%	**–**	1,005,918
Short-term bonds	2,000,000RMB/2023	2.30%	**2,006,142**	–
			2,006,142	2,623,311

All the above short-term bonds were issued for working capital needs.

(Amounts expressed in thousands of RMB unless otherwise stated)

21 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(e) Guaranteed interest-bearing loans and borrowings

Details of guarantors for the Group's interest-bearing loans and borrowings are set out as follows:

Guarantors	**31 December 2023**	31 December 2022
The Company	**7,124,288**	7,443,377
Baotou Aluminum Limited Company (包頭鋁業有限公司) and Baotou Communications Investment Group Limited Company (包頭交通投資集團有限公司) *(Note (i))*	**300,475**	412,500
The Company and COSCO SHIPPING BULK Limited company (中遠海運散貨運輸有限公司) *(Note (ii))*	**268,657**	327,125
Ningxia Energy *(Note (iii))*	**320,500**	765,000
	8,013,920	8,948,002

Notes:

(i) The guarantors include a subsidiary of the Company and a third party.

(ii) The joint guarantors include the Company and a third party.

(iii) The guarantor is a subsidiary of the Company.

(f) The assets pledged for securing interest-bearing loans and borrowings were set out in Note 26.

(Amounts expressed in thousands of RMB unless otherwise stated)

22 LEASE

The Group as a lessee

The Group has lease contracts for various items of land use rights, plant and machinery, motor vehicles and other equipment used in its operations.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during 2023 and 2022 are as follows:

	Buildings	**Machinery**	**Land use rights**	**Total**
As at 1 January 2023	**332,345**	**276,657**	**16,664,640**	**17,273,642**
Additions	**63,105**	**862**	**429,352**	**493,319**
Transfer from property, plant and equipment *(Note 6)*	**–**	**–**	**83,664**	**83,664**
Transfer from intangible assets *(Note 5)*	**–**	**–**	**27,672**	**27,672**
Lease modification	**(365)**	**(3,975)**	**(3,748)**	**(8,088)**
Lease termination	**(9,959)**	**–**	**(149,918)**	**(159,877)**
Transfer to property, plant and equipment *(Note 6(i))*				

(Amounts expressed in thousands of RMB
unless otherwise stated)

22 LEASE (CONTINUED)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

	Buildings	Machinery	Land use rights	Total
As at 1 January 2022	359,104	385,186	18,297,719	19,042,009
Additions	56,117	22,393	601,649	680,159
Transfer from investment properties *(Note 7)*	–	–	5,997	5,997
Lease modification *(Note 6)*	–	(3,816)	(977,923)	(981,739)
Transfer to property, plant and equipment *(Note 6)*	–	(64,939)	–	(64,939)
Transfer to investment properties *(Note 7)*	–	–	(46,981)	(46,981)
Disposal	–	–	(78,446)	(78,446)
Depreciation	(82,820)	(62,167)	(1,137,375)	(1,282,362)
Currency translation differences	(56)	–	–	(56)
As at 31 December 2022	332,345	276,657	16,664,640	17,273,642

As at 31 December 2023, the Group has pledged land use rights at a net carrying value amounting to RMB223 million (2022: RMB241 million) for bank and other borrowings as set out in Note 26.

(Amounts expressed in thousands of RMB unless otherwise stated)

22 LEASE (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Year ended 31 December 2023
Carrying amount at 1 January	**10,099,506**
New leases	**472,105**
Lease modification	**(8,088)**
Lease termination	**(159,877)**
Disposal of subsidiaries	**(18,733)**
Accretion of interest recognised during the year	**638,617**
Payments	**(1,552,897)**
Carrying amount at 31 December	**9,470,633**
Analysed into:	
Current portion	**794,647**
Non-current portion	**8,675,986**

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Interest on lease liabilities	**638,617**	678,855
Depreciation charge of right-of-use assets	**1,204,057**	1,282,362
Expenses relating to short-term leases	**21,596**	25,269
Expenses relating to leases of low-value assets	**5,153**	3,698
Total amount recognised in profit or loss	**1,869,423**	1,990,184

(Amounts expressed in thousands of RMB unless otherwise stated)

22 LEASE (CONTINUED)

The Group as a lessee (Continued)

(d) The total cash outflow for leases is disclosed in Notes 37(c).

The Group as a lessor

Rental income recognised by the Group during the year was RMB111 million (2022: RMB317 million), details of which are included in Note 4.

23 OTHER NON-CURRENT LIABILITIES

	31 December 2023	31 December 2022
Financial liabilities		
– Long-term payables for mining rights	**756,778**	623,085
– Other financial liabilities	**19,903**	37,782
	776,681	660,867
Obligations in relation to early retirement schemes *(Note (i))*	**68,557**	138,464
Deferred government grants	**241,951**	181,693
Deferred gain relating to sales and leaseback agreements	**–**	42,40lat55 re362.gSC

(Amounts expressed in thousands of RMB unless otherwise stated)

23 OTHER NON-CURRENT LIABILITIES (CONTINUED)

Note:

(i) Obligations in relation to early retirement schemes

Since 2014, certain subsidiaries and branches implemented termination retirement benefit schemes which allow qualified employees to early retire on a voluntary basis. The Group undertakes the obligations to pay the termination retirement employees' living allowance for a period of no more than five years in the future on a monthly basis according to the termination retirement benefit schemes, in addition to the social insurance and housing fund pursuant to the regulation of the local Social Security Bureau. Living allowance, social insurance and the housing fund are together referred to as the "Payments". The Payments are forecasted to increase by 3% per annum with reference to the inflation rate and adjusted based on the average death rate in China. The Payments are discounted at the treasury bond rate as at 31 December 2023. As at 31 December 2023, the current portion is included in "Other payables and accrued liabilities".

As at 31 December 2023, obligations in relation to retirement benefits under the Group's early retirement schemes are as follows:

	31 December 2023	31 December 2022
As at 1 January	**271,120**	502,155
Provision made during the year *(Note 32)*	**14,814**	46,919
Interest costs	**5,521**	5,283
Payment during the year	**(158,955)**	(283,237)
As at 31 December	**132,500**	271,120
Non-current	**68,557**	138,464
Current *(Note 24)*	**63,943**	132,656
	132,500	271,120

(ii) Asset retirement obligation

As at 31 December 2023, the movements of asset retirement obligation are as follows:

	31 December 2023	31 December 2022
As at 1 January	**830,154**	506,006
Provision made during the year	**599,106**	419,956
Provision depleted during the year	**(445,282)**	(95,808)
As at 31 December	**983,978**	830,154

(Amounts expressed in thousands of RMB unless otherwise stated)

24 OTHER PAYABLES AND ACCRUED LIABILITIES

	31 December 2023	31 December 2022
Financial liabilities		
– Payable for capital expenditures	**1,662,166**	2,507,415
– Interest payable *(i)*	**–**	29,382
– Deposits	**1,854,980**	1,856,949
– Dividends payable by subsidiaries to non-controlling shareholders	**345,813**	435,544
– Consideration payable for investment projects	**55,611**	73,237
– Current portion of payables for mining rights	**35,938**	176,971
– Payable of government levies on self-operated power plants	**79,176**	105,287
– Restricted stock repurchase obligation	**395,275**	404,685
– Payable of environment treatment fees	**221,720**	281,875
– Payable of maintenance fees	**118,765**	110,523
– Payable of labor fees	**70,194**	87,643
– Payable of withhold and remit fees	**46,668**	68,551
– Payable of land-use fees	**43,427**	34,494
– Others	**984,637**	1,172,209
	5,914,370	7,344,765
Taxes other than income taxes payable *(ii)*	**1,261,590**	1,239,287
Accrued payroll and bonus	**183,334**	197,591
Staff welfare payable	**344,820**	415,986
Current portion of obligations in relation to early retirement schemes *(Note 23)*	**63,943**	132,656
Contribution payable for pension cost	**34,096**	41,118
Others	**124,935**	149,836
	2,012,718	2,176,474
	7,927,088	9,521,239

(i) As at 31 December 2023, the Group's accrued interests on financial instruments are included in the carrying balance of the corresponding financial instruments.

As at 31 December 2023, the Group has no overdue interest payable. (2022: RMB29 million)

(ii) Taxes other than income taxes payable mainly comprise accruals for value-added tax, resource tax, city construction tax and education surcharge.

(Amounts expressed in thousands of RMB
unless otherwise stated)

25 TRADE AND NOTES PAYABLES

	31 December 2023	31 December 2022
Trade payables	**13,635,614**	15,440,190
Notes payable	**7,476,104**	7,096,141
	21,111,718	22,536,331

As at 31 December 2023, all balances of trade and notes payables were denominated in RMB, other than amount totalling RMB333 million, which were denominated in USD (31 December 2022: RMB261 million denominated in USD).

The ageing analysis of trade and notes payables is as follows:

	31 December 2023	31 December 2022
Within 1 year	**20,456,471**	21,523,421
Between 1 and 2 years	**257,320**	511,560
Between 2 and 3 years	**172,491**	157,729
Over 3 years	**225,436**	343,621
	21,111,718	22,536,331

The trade and notes payables are non-interest-bearing and are normally settled within one year or normal business cycle.

(Amounts expressed in thousands of RMB unless otherwise stated)

26 PLEDGE OF ASSETS

The Group has pledged various assets as collateral against certain secured borrowings as set out in Note 21. As at 31 December 2023, a summary of these pledged assets was as follows:

	31 December 2023	31 December 2022
Carrying value of assets pledged:		
Property, plant and equipment *(Note 6)*	**4,556,620**	4,967,190
Right-of-use assets *(Note 22(a))*	**223,256**	241,287
Intangible assets *(Note 5)*	**1,942,262**	1,352,618
Trade and notes receivables *(Note 14)*	**521,361**	289,110
	7,243,499	6,850,205

As at 31 December 2023, in addition to the above disclosed secured assets, the current portion of long-term loans and borrowings amounting to RMB1,285 million (31 December 2022: RMB1,402 million), and the non-current portion of long-term loans and borrowings amounting to RMB5,556 million (31 December 2022: RMB6,390 million) were secured against the contractual rights of receiving electricity fees from its customers in the future.

(Amounts expressed in thousands of RMB
unless otherwise stated)

27 EXPENSE BY NATURE

	For the year ended 31 December	
	2023	2022
Purchase of inventories in relation to trading activities	**66,415,817**	128,285,396
Raw materials and consumables used, and changes in work-in-progress and finished goods	**59,350,639**	58,119,628
Power and utilities	**41,442,182**	43,449,772
Depreciation and amortisation	**11,056,471**	10,973,819
Employee benefits expenses *(Note 32)*	**11,536,959**	11,451,648
Repairs and maintenance	**3,789,214**	3,257,456
Transportation expenses	**9,308,228**	9,545,420
Taxes other than income tax expense *(Note (i))*	**2,588,549**	2,860,228
Inventory impairment loss	**157,534**	938,966
Auditors' remunerations		
– Audit services	**18,170**	18,170
– Non-audit services	**1,470**	3,340
Others	**1,896,237**	2,032,531
	207,561,470	270,936,374

(i) Taxes other than income tax expense mainly comprise surcharges, land use tax, property tax and stamp duty.

(Amounts expressed in thousands of RMB
unless otherwise stated)

28 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the year ended 31 December	
	2023	2022
Impairment losses on other non-current assets *(Note 12)*	**–**	426,111
Reversal of impairment losses on trade and notes receivable *(Note 14)*	**(196,491)**	(3,674)
Impairment losses on other current assets *(Note 15)*	**50,740**	(8,298)
	(145,751)	414,139

29 OTHER INCOME

For the year ended 31 December 2023, other income mainly comprised of government grants and additional deduction of input value-added tax for advanced manufacturing entities amounting to RMB679 million (2022: RMB236 million). There are no unfulfilled conditions or contingencies attached to the grants.

30 OTHER (LOSSES)/GAINS-NET

	For the year ended 31 December	
	2023	2022
(Losses)/gains on disposal of subsidiaries *(i)*	**(234,891)**	86,343
Realised and unrealised gains on futures, net *(ii)*	**121,243**	295,882
Gains on disposal of property, plant and equipment, intangible assets and right-of-use assets, net	**15,483**	323,659
Others	**5,213**	(390,525)
	(92,952)	315,359

(i) On 29 December 2023, the court accepted the bankruptcy application of the Group's subsidiary Shandong Huayu Alloy Materials Co. Ltd. ("**Shandong Huayu**") and an independent insolvency representative was appointed. Upon losing control over Shandong Huayu, an investment loss of RMB230 million was recognised.

(ii) The Group did not apply hedge accounting for these future contracts.

(Amounts expressed in thousands of RMB unless otherwise stated)

31 FINANCE COSTS, NET

An analysis of finance income/finance costs is as follows:

	For the year ended 31 December	
	2023	2022
Finance income-interest income	**395,182**	477,137
Interest expenses	**(3,341,181)**	(3,832,874)
Less: Interest expenses capitalised in property, plant and equipment	**15,608**	5,140
Interest expenses, net of capitalised interest	**(3,325,573)**	(3,827,734)
Exchange losses, net	**(13,219)**	(67,133)
Finance costs	**(3,338,792)**	(3,894,867)
Finance costs, net	**(2,943,610)**	(3,417,730)
Capitalisation rate during the year	**4.45%**	3.55%

(Amounts expressed in thousands of RMB
unless otherwise stated)

32 EMPLOYEE BENEFIT EXPENSE

An analysis of employee benefit expenses is as follows:

	For the year ended 31 December	
	2023	2022
Salaries and bonuses	**7,520,069**	7,601,169
Housing fund	**760,174**	718,428
Staff welfare and other expenses *(i)*	**3,132,352**	3,002,984
Shares issued under employee share scheme *(Note(18))*	**91,111**	48,258
Employment expenses in relation to early retirement schemes *(Note 23)*	**14,814**	46,919
Employment expenses in relation to termination benefits	**18,439**	33,890
	11,536,959	11,451,648

(i) Staff welfare and other expenses represent staff welfare, labour union expenses, staff education expenses and unemployment insurance expenses etc.

Employee benefit expenses include emoluments payable to directors, supervisors and remunerations to senior management as set out in Note 33.

(Amounts expressed in thousands of RMB
unless otherwise stated)

33 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

(a) Directors' and supervisors' emoluments

Disclosure of directors' and supervisors' emoluments for the year pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies Regulation (Disclosure of Information about Benefits of Directors), is as follows:

	31 December 2023	31 December 2022
Fees	**645**	618
Basic salaries, other allowances and benefits in kind	**3,849**	4,244
Pension costs	**607**	505
	5,101	5,367

The emoluments of each director and supervisor of the Company for the year ended 31 December 2023 is set out below:

Names of directors and supervisors	**Fees**	**Salaries**	**Discretionary bonuses**	**Pension costs**	**Total**
Executive Directors:					
Liu Jianping *(i)*	**–**	**–**	**–**	**–**	**–**
Dong Jianxiong *(ii)*	**–**	**–**	**–**	**–**	**–**
Zhu Runzhou *(iv)*	**–**	**1,167**	**–**	**111**	**1,278**
Ou Xiaowu *(iv)*	**–**	**865**	**–**	**111**	**976**
Jiang Tao *(iv)*	**–**	**710**	**–**	**111**	**821**
	–	**2,742**	**–**	**333**	**3,075**

(Amounts expressed in thousands of RMB
unless otherwise stated)

33 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(a) Directors' and supervisors' emoluments (Continued)

Names of directors and supervisors	Fees	Salaries	Discretionary bonuses	Pension costs	Total
Non-Executive Directors:					
Zhang Jilong	–	–	–	–	–
Chen Pengjun	–	–	–	–	–
Qiu Guanzhou	215	–	–	–	215
Yu Jinsong	215	–	–	–	215
Chan Yuen Sau Kelly	215	–	–	–	215
	645	–	–	–	645
Supervisors:					
Ye Guohua	–	–	–	–	–
Shan Shulan	–	–	–	–	–
Lin Ni	–	–	–	–	–
Xu Shuxiang	–	425	–	111	536
Wang Jinlin *(iii)*	–	287	–	109	396
Yue Xuguang *(iii)*	–	395	–	54	449
	–	1,107	–	274	1,381

(Amounts expressed in thousands of RMB
unless otherwise stated)

33 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(a) Directors' and supervisors' emoluments (Continued)

The emoluments of each director and supervisor of the Company for the year ended 31 December 2022 is set out below:

Names of directors and supervisors	Fees	Salaries	Discretionary bonuses	Pension costs	Total
Executive Directors:					
Liu Jianping	–	–	–	–	–
Zhu Runzhou	–	1,160	–	101	1,261
Ou Xiaowu	–	933	–	101	1,034
Jiang Tao	–	844	–	101	945
	–	2,937	–	303	3,240
Non-Executive Directors:					
Zhang Jilong	–	–	–	–	–
Chen Pengjun	–	–	–	–	–
Wang Jun	–	–	–	–	–
Qiu Guanzhou	206	–	–	–	206
Yu Jinsong	206	–	–	–	206
Chan Yuen Sau Kelly	206	–	–	–	206
	618	–	–	–	618
Supervisors:					
Ye Guohua	–	–	–	–	–
Shan Shulan	–	–	–	–	–
Lin Ni	–	–	–	–	–
Guan Xiaoguang *(iv)*	–	198	–	24	222
Xu Shuxiang	–	319	–	77	396
Yue Xuguang	–	790	–	101	891
	–	1,307	–	202	1,509

33 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(b) Directors' retirement benefits

During the year, no retirement benefits operated by the Group were paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2022: nil).

(c) Directors' termination benefits

During the year, no payments or benefits in respect of termination of director's services were paid or made, directly or indirectly, to or receivable by a director; nor are any payable (2022: nil).

(d) Consideration provided to third parties for making available directors' services

During the year, no consideration was provided to or receivable by third parties for making available director's services (2022: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities (2022: nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2022: nil).

(Amounts expressed in thousands of RMB
unless otherwise stated)

33 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(g) Five highest paid individuals

During the year ended 31 December 2023, the five highest paid employees of the Group include three directors (2022: three directors) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two individuals during 2023 (2022: two individuals) is as follows:

	31 December 2023	31 December 2022
Basic salaries, housing fund, other allowances and benefits in kind	**1,568**	1,612
Discretionary bonuses	**–**	–
Pension costs	**221**	202
	1,789	1,814

The number of the remaining two highest paid individuals during 2023 (2022: two individuals) whose remuneration fell within the following band is as follows:

	Number of individuals	
	31 December 2023	31 December 2022
HKD1,000,000 to HKD1,500,000	**2**	2

(Amounts expressed in thousands of RMB
unless otherwise stated)

34 INCOME TAX EXPENSE

	31 December 2023	31 December 2022 (Restated)
Current income tax expense	**2,481,277**	2,271,443
Deferred tax expenses	**25,470**	94,055
	2,506,747	2,365,498

The Group's entities established and operated in mainland China are subject to PRC corporate income tax at the standard rate of 25% (2022: 25%) on their respective estimated taxable profits for the year. Certain branches and subsidiaries of the Company located in the western regions of the mainland China are granted tax concessions including a preferential tax rate of 15% (2022: 15%). The provision for Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year ended 31 December 2023.

Reconciliation of the applicable rates to the effective tax rates:

	31 December 2023	31 December 2022 (Restated)
Profit before income tax	**15,090,528**	13,208,968
Tax expense calculated at the statutory tax rate of the Company 25% (2022: 25%)	**3,772,632**	3,302,242
Tax effects of:		
Impact of different tax rates applied to subsidiaries	**(113,327)**	(263,643)
Preferential income tax rates applicable to certain branches and subsidiaries	**(1,368,109)**	(1,476,012)
Impact of change in income tax rate	**(5,890)**	(130,616)
Impact of temporary differences and tax losses not recognised for deferred tax assets	**418,610**	1,214,767
Tax incentive in relation to deduction of certain expenses	**(184,512)**	(198,130)
Distribution of other equity instruments deductible for tax purpose and non-taxable income	**(22,595)**	(21,182)
Expenses not deductible for tax purposes	**125,031**	66,541
Profits and losses attributable to joint ventures and associates	**(92,193)**	(67,477)
Over-provision of current income tax of previous periods	**(22,900)**	(60,992)
Income tax expense	**2,506,747**	2,365,498
Effective tax rate	**17%**	18%

(Amounts expressed in thousands of RMB
unless otherwise stated)

35 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONTINUED)

	For the year ended 31 December	
	2023	2022 (Restated)
Number of ordinary shares in issue *(thousands)* as at 1 January	**17,022,673**	17,022,673
Weighted average number of ordinary shares in issuance	**17,022,673**	17,022,673
Basic earnings per share *(RMB)*	**0.391**	0.239

Diluted earnings per share are calculated by adjusting the consolidated net profit attributable to the owners of the parent company for the dilutive potential common shares and dividing it by the weighted average number of common shares of the company issued and adjusted. For the year 2023, due to the dilutive effect of the restricted common shares issued by the company (2022: there were no dilutive potential common shares), the diluted earnings per share were 0.390 yuan (2022: the diluted earnings per share were equal to the basic earnings per share).

(Amounts expressed in thousands of RMB unless otherwise stated)

36 DIVIDENDS

On 27 March 2024, the Board of Directors proposed a final dividend of RMB0.08 per share, totaling RMB1,373 million for the year ended 31 December 2023, which is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

On 20 June 2023, the general meeting of shareholders approved a final dividend of RMB0.036 per share, totaling RMB618 million for the year ended 31 December 2022, which had been paid as of 31 December 2023.

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to cash generated from operations

		For the year ended 31 December	
	Notes	**2023**	2022
Cash flows generated from operating activities			
Profit before income tax		**15,090,528**	13,208,968
Adjustments for:			
Share of profits of joint ventures	8 (a)	**(189,894)**	(178,910)
Share of profits of associates	8 (b)	**(200,965)**	(130,632)
Depreciation of property, plant and equipment	6	**8,949,947**	8,943,617
Depreciation of investment properties	7	**72,074**	44,777
Depreciation of right-of-use assets	22(a)	**1,204,057**	1,282,362
Amortisation of intangible assets	5	**542,802**	502,921
Amortisation of prepaid expenses included in other non-current assets		**287,591**	200,142
Gains on disposal of other property, plant and equipment, land use rights, net	30	**(15,483)**	(323,659)
Impairment losses on property, plant and equipment	6	**597,638**	3,795,420
Impairment losses of intangible assets	5	**–**	75,842
Impairment losses of inventory	13	**157,534**	938,966

(Amounts expressed in thousands of RMB
unless otherwise stated)

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(a) Reconciliation of profit before taxation to cash generated from operations (Continued)

	Notes	For the year ended 31 December 2023	2022
Impairment reversals of trade and notes receivables	28	**(196,491)**	(3,674)
Impairment losses/(reversal) of other current assets	28	**50,740**	(8,298)
Impairment losses of other non-current assets	28	**–**	426,111
Impairment losses of investments in joint ventures and associates	8(b)	**–**	75,997
Realised and unrealised gains on futures, option and forward contracts	30	**(121,243)**	(295,882)
Losses/(gains) on disposal of subsidiaries	30	**234,891**	(86,343)
Gains on disposal of business		**–**	(27,804)
Dividends from other financial assets measured at fair value		**(14,526)**	(11,499)
Finance costs		**3,284,286**	3,785,280
Others		**(96,131)**	(13,876)
		29,637,355	32,199,826

(Amounts expressed in thousands of RMB
unless otherwise stated)

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(a) Reconciliation of profit before taxation to cash generated from operations (Continued)

	For the year ended 31 December	
	2023	2022
Changes in working capital:		
Decrease/(increase) in inventories	**1,419,715**	(4,008,634)
Increase in trade and notes receivables	**(1,183,700)**	(1,328,745)
Decrease in other current assets	**245,172**	139,610
Decrease/(increase) in restricted cash	**236,128**	(1,042,261)
Decrease in other non-current assets	**10,304**	98,364
(Decrease)/increase in trade and notes payables	**(1,578,768)**	4,713,149
Increase/(decrease) in other payables and accrued liabilities	**41,164**	(137,209)
Decrease in other non-current liabilities	**(13,531)**	(76,287)
Cash generated from operations	**28,813,839**	30,557,813
Income taxes paid	**(1,955,033)**	(2,812,635)
Net cash generated from operating activities	**26,858,806**	27,745,178
Major non-cash transactions of investing activities and financing activities		
Bank borrowings settled by the Group's electrolytic aluminum quota through judicial process	**292,712**	–
Notes receivables endorsed for settlement of purchases of property, plant and equipment and lease liabilities	**2,089,722**	1,515,934
Investments in other financial assets measured at fair value	**–**	1,417,129
Increase/(decrease) of right of use assets	**464,018**	(439,109)

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	For the year ended 31 December 2023
Within operating activities	**33,634**
Within financing activities	**1,384,900**
	1,418,534

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The Company is controlled by Chinalco, a state-owned enterprise established in Mainland China. Related parties include Chinalco and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-Owned Enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence and key management personnel of the Company and Chinalco as well as their close family members.

The principal related party transactions with Chinalco and its fellow subsidiaries, associates and joint ventures of the Group which were carried out in the ordinary course of business, are as follows.

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Significant related party transactions

	Notes	For the year ended 31 December **2023**	 2022
Sales of goods and services rendered:			
Sales of materials and finished goods to:	(i)		
Chinalco and its subsidiaries	(ix)	**15,172,437**	20,662,740
Associates of Chinalco		**599,966**	586,988
Joint ventures		**7,827,401**	10,923,463
Associates		**283,350**	1,010,855
		23,883,154	33,184,046
Provision of utility services to:	(ii)		
Chinalco and its subsidiaries	(ix)	**1,316,229**	1,159,032
Associates of Chinalco		**35,988**	19,936
Joint ventures		**279,017**	404,387
Associates		**46,021**	65,039
Non-controlling shareholder of a subsidiary and its subsidiaries		**445**	–
		1,677,700	1,648,394

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES(CONTINUED)

(a) Significant related party transactions (Continued)

	Notes	For the year ended 31 December 2023	2022
Rental income on land use rights and buildings from:	(vi)		
Chinalco and its subsidiaries	(ix)	**28,762**	27,988
Associates of Chinalco		**244**	237
Joint ventures		**12,769**	12,733
Associates		**1,544**	2,078
		43,319	43,036
Purchases of goods and services:			
Purchases of engineering, construction and supervisory services from:	(iii)		
Chinalco and its subsidiaries	(ix)	**763,726**	579,187
Associates of Chinalco		**12,303**	2,467
Joint ventures		**30,852**	23,085
Associates		**184,225**	142,662
		991,106	747,401
Provision of social services and logistics services by:	(v)		
Chinalco and its subsidiaries	(ix)	**230,719**	259,188
Associates		**14**	7
		230,733	259,195

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES(CONTINUED)

(a) Significant related party transactions (Continued)

		For the year ended 31 December	
	Notes	**2023**	2022
Purchases of primary and auxiliary materials, equipment and finished goods from:	(iv)		
Chinalco and its subsidiaries	(ix)	**2,422,213**	4,494,021
Associates of Chinalco		**22,967**	91,079
Joint ventures		**2,969,342**	5,240,707
Associates		**2,286,253**	2,659,604
Non-controlling shareholder of a subsidiary and its subsidiaries		**6,684**	–
		7,707,459	12,485,411
Purchases of utility services from:	(ii)		
Chinalco and its subsidiaries	(ix)	**6,773,924**	6,805,618
Associates of Chinalco		**70,156**	121,413
Joint ventures		**1,043,930**	1,074,266
Associates		**231,279**	399,634
		8,119,289	8,400,931
Purchases of other services by:			
Chinalco and its subsidiaries		**449,762**	320,611
		449,762	320,611
Lease payment to:	(vi)		
Chinalco and its subsidiaries	(ix)	**1,413,199**	1,399,258
Associates of Chinalco		**507**	14
Joint ventures		**3,836**	2,088
Associates		**55,416**	54,892
		1,472,958	1,456,252

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

All transactions with related parties were conducted at prices and on terms mutually agreed by the parties involved, which are determined as follows:

(i) Sales of materials and finished goods comprised sales of alumina, primary aluminum, copper and scrap materials. Transactions entered into are covered by general agreements on a mutual provision of production supplies and ancillary services. The pricing policy is summarised below:

1. The price prescribed by the PRC government ("state-prescribed price") is adopted;

2. If there is no state-prescribed price, state-guidance price is adopted;

3. If there is neither state-prescribed price nor state-guidance price, then the market price (being price charged to and from independent third parties) is adopted; and

4. If none of the above is available, then the adoption of a contractual price (being reasonable costs incurred in providing the relevant services plus not more than 5% of such costs is adopted).

(ii) Utility services, including electricity, gas, heat and water, are provided at the state-prescribed price.

(iii) Engineering, project construction and supervisory services were provided for construction projects. The state-guidance price or prevailing market price (including the tender price where by way of tender) is adopted for pricing purposes.

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

(iv) The pricing policy for purchases of key and auxiliary materials (including bauxite, limestone, carbon, cement and coal) is the same as that set out in (i) above.

(v) Social services and logistics services provided by Chinalco cover public security, fire services, education and training, school and hospital services, cultural and physical education, newspaper and magazines, broadcasting and printing as well as property management, environmental and hygiene, greenery, nurseries and kindergartens, sanatoriums, canteens and offices, public transport and retirement management and other services. Provisions of these services are covered by the Comprehensive Social and Logistics Services Agreement. The pricing policy is the same as that set out in (i) above.

(vi) Pursuant to the land use right lease agreements entered into between the Group and Chinalco, operating leases for industrial or commercial land are charged at the market rent rate. The Group also entered into a building rental agreement with Chinalco Group and paid rents based on the market rate for its lease of buildings owned by Chinalco.

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

(ix) These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(x) In 2022, the Company acquired 19% of the issued share capital of Yunnan Aluminum from Yunnan Metallurgical, a subsidiary of Chinalco, for a cash consideration of RMB6,662 million and 100% equity interests of Pingguo Aluminum from Chinalco for a cash consideration of RMB1,887 million.

In 2022, the Group made an equity investment in Chinalco High-end Manufacturing and obtained approximately 9.16% equity interests (Note 9).

The English names represent the best effort made by management of the Group in translating the Chinese names of the Companies as they do not have any official English names.

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related parties

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related parties at the year-end are as follows:

	31 December 2023	31 December 2022
Cash and cash equivalents deposited with:		
A subsidiary of Chinalco *(i)*	**11,153,554**	8,715,645
Trade and notes receivables:		
Chinalco and its subsidiaries	**424,025**	1,111,857
Associates of Chinalco	**35,423**	37,474
Joint ventures	**124,211**	390,600
Associates	**647**	722
Non-controlling shareholder of a subsidiary and its subsidiaries	**–**	16,124
	584,306	1,556,777
Provision for impairment of receivables	**(36,530)**	(57,930)
	547,776	1,498,847

(i) Pursuant to the agreement entered into between the Company and Chinalco Finance, Chinalco Finance agreed to provide deposit services, credit services and other financial services to the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related parties (Continued)

	31 December 2023	31 December 2022
Other current assets:		
Chinalco and its subsidiaries	**84,257**	90,720
Associates of Chinalco	**19,745**	20,573
Joint ventures	**1,354,540**	1,423,900
Associates	**24,635**	36,002
Non-controlling shareholder of a subsidiary and its subsidiaries	**6,250**	7,450
Provision for impairment of other current assets	**(1,326,507)**	(1,311,839)
	162,920	266,806
Other non-current assets:		
Associates	**111,845**	111,845
Less: impairment	**(41,655)**	(41,655)
	70,190	70,190
Interest-bearing loans and borrowings:		
Chinalco and its subsidiaries	**9,108,374**	12,274,126
Associates of Chinalco	**1,262**	1,696
Joint ventures	**9,992**	12,610
Associates	**54,997**	104,446
	9,174,625	12,392,878

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related parties (Continued)

	31 December 2023	31 December 2022
Trade and notes payables:		
Chinalco and its subsidiaries	**1,278,475**	1,577,819
Associates of Chinalco	**13,876**	22,547
Joint ventures	**39,278**	199,465
Associates	**123,718**	112,436
Non-controlling shareholder of a subsidiary and its subsidiaries	**51,117**	77,008
	1,506,464	1,989,275
Other payables and accrued liabilities:		
Chinalco and its subsidiaries	**752,558**	679,610
Associates of Chinalco	**2,722**	244,093
Associates	**3,558**	29,573
Joint ventures	**20,606**	87,374
Non-controlling shareholder of a subsidiary and its subsidiaries	**40,518**	1,872
	819,962	1,042,522
Contract liabilities:		
Chinalco and its subsidiaries	**6,089**	36,471
Associates of Chinalco	**–**	654
Associates	**985**	1,362
Joint ventures	**50,496**	278,941
	57,570	317,428

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related parties (Continued)

Apart from transactions with Chinalco and its fellow subsidiaries, associates and joint ventures of the Group, the Group's transactions with other state-controlled entities include but is not limited to the following:

- Sales and purchases of goods and services,
- Purchases of assets,
- Lease of assets; and
- Bank deposits and borrowings.

These transactions are conducted in the ordinary course of the Group's business.

The terms of all balances were unsecured.

(Amounts expressed in thousands of RMB unless otherwise stated)

38 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Compensation of key management personnel

	2023	2022
Fees	645	617
Basic salaries, other allowances and benefits in kind	6,944	5,900
Pension costs	1,036	707
	8,625	7,224

Key management includes directors, supervisors and members of senior managements.

During 2023, apart from the remuneration disclosed above, the share-based payment expenses incurred for the key management personnel were RMB1.2 million (2022: RMB0.46 million).

(d) Commitments with related parties

As at December 31, 2023, among the Group's equity investment commitment as disclosed in Note 42(b), RMB2,143 million was committed to related parties, including RMB883 million for Suihe Fund, RMB846 million for China Aluminum Science and Technology Research Institute Co., Ltd., RMB400 million for China Aluminum Overseas Development Co., Ltd., RMB8 million for Loudi Zhongyu New Materials Co., Ltd. and RMB6 million for China Aluminum Tendering Co., Ltd..

39 FINANCIAL AND CAPITAL RISK MANAGEMENT

39.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the Board of Directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close cooperation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

The Group's foreign currency risk arose from transaction conducted in currency other than the functional currency of the group entities. The Group's foreign currency risk primarily arises from foreign currency deposits, trade receivables, trade payables and short-term and long-term loans denominated in United States dollars ("USD"). The Group Treasury closely monitors the international foreign currency market on the change of exchange rates and takes these into consideration when investing in foreign currency deposits and borrowing loans. As at 31 December 2023, the Group only had significant exposure to USD.

As at 31 December 2023, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit for the year would have been approximately RMB50 million lower/higher (2022: RMB47 million lower/higher), mainly as a result of foreign exchange gains and losses arising from translation of USD denominated borrowings, account payables, account receivables and cash and cash equivalents.

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Foreign currency risk (Continued)

As the assets and liabilities denominated in other foreign currencies other than USD were relatively minimal to the total assets and liabilities of the Group, the directors of the Company are of the opinion that the Group was not exposed to significant other foreign currency risk as at 31 December 2023 and 2022.

(ii) Interest rate risk

As at 31 December 2023, as the Group had no significant interest-bearing assets or liabilities except for bank deposits (Note 16), entrusted loans (Note 15) and Interest-bearing loans (Note 21).

Most of the bank deposits are maintained in savings and time deposit accounts in the PRC. The interest rates are regulated by the People's Bank of China and the Group Treasury closely monitors the fluctuation on such rates periodically. The directors of the Company are of the opinion that the Group was not exposed to any significant interest rate risk for its financial assets held as at 31 December 2023 and 2022.

The interest rate risk for the Group's financial liabilities primarily arises from interest-bearing loans. Loans borrowed at floating interest rates expose the Group to cash flow interest rate risk. The Group Treasury closely monitors market interest rates and maintains a balance between variable rate and fixed rate borrowings in order to reduce the exposures to the interest rate risk described above.

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

As at 31 December 2023, if interest rates had been 100 basis points (31 December 2022: 100 basis points) higher/lower for bank and other loans borrowed at floating interest rates with all other variables held constant, net profit for the year would have been RMB142 million lower/higher (2022: RMB233 million), respectively, mainly as a result of the higher/lower interest expense on floating rate borrowings.

The fair value interest rate risk of the Group mainly arises from medium term notes and short term bonds issued at fixed rates. As the fluctuation of comparable interest rates of corporate bonds with similar terms was relatively low, the directors of the Company are of the opinion that the Group was not exposed to any significant fair value interest rate risk for its fixed interest rate borrowings held as at 31 December 2023 and 2022.

(iii) Commodity price risk

The Group uses futures and option contracts to reduce its exposure to fluctuations in the price of primary aluminum and other products. The Group uses the futures contract for offsetting other than speculation. With reference to the hedging of primary aluminum, production company hedges the output of primary aluminum and trading company hedges the quantities of buyout and self-supporting. However, the Group has not applied hedging accounting.

The Group uses mainly futures contracts and option contracts traded on the Shanghai Futures Exchange and London Metal Exchange (“LME”) to hedge against fluctuations in primary aluminum prices. As at 31 December 2023, the fair values of the outstanding futures contracts amounting to RMB1 million (31 December 2022: RMB0 million) and RMB24 million (31 December 2022: RMB9 million) were recognised in financial assets and financial liabilities at fair value through profit or loss, respectively.

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Commodity price risk (Continued)

As at 31 December 2023, if the commodity futures prices had increased/decreased by 3% (31 December 2022: 3%) and all other variables held constant, profit for the year would have decreased/increased RMB39 million (31 December 2022: RMB15 million).

(b) Credit risk

Credit risk arises from balances with banks and financial institutions, trade and notes receivables, other current and non-current receivables as well as credit exposures of customers, including outstanding receivables and committed transactions.

The Group maintains substantially all of its bank balances and cash and short-term investments in Chinalco Finance and several major state-owned banks in the PRC. With strong support from the PRC government to these state-owned banks, the directors of the Company are of the opinion that there is no significant credit risk on such assets being exposed to losses.

The Group applies the simplified approach to its trade and notes receivables to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. The Group has made individual assessment for trade receivables from clients with top rating and receivables with pledged assets and impairment provisions are made.

To measure the expected credit losses of trade and notes receivables other than those assessed individually as mentioned above, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss model also incorporates forward-looking information.

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(b) Credit risk (Continued)

For other current and non-current receivables, the Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant changes in the expected performance and behaviour of the clients

The Group measures expected credit loss rates on the basis of a loss rate approach by segmenting its portfolio into appropriate groupings based on shared credit risk characteristics. At the end of each year, the Group updates its historical loss information with forward-looking information. As the historical credit loss rates were comparatively stable and no significant changes were expected to the forward-looking information after the consideration of reasonable and supportable forecasts of comparatively stable customer relationship and customers' credit ratings, the expected credit loss rates remained consistent during 2023.

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(b) Credit risk (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023. The amounts presented are carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts, if any.

	Stage 1	Stage 2	Stage 3	Simplified	Total
Trade receivables	–	–	–	4,024,325	4,024,325
Financial assets in other current assets	1,419,987	16,142	423,891	–	1,860,020
Restricted cash	2,064,046	–	–	–	2,064,046
Notes receivable	–	–	–	2,582,829	2,582,829
Cash and cash equivalents	19,039,535	–	–	–	19,039,535
Financial assets in other non-current assets	–	–	70,193	–	70,193
Total	**22,523,568**	**16,142**	**494,084**	**6,607,154**	**29,640,948**

The carrying amounts of these financial assets represent the Group's maximum exposure to credit risk. The directors of the Company are of the opinion that the Group was not exposed to any significant concentration of credit risk as at 31 December 2023 and 2022.

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration of the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

Management also monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB265 million (31 December 2022: RMB7,831 million), please refer to Note 2.1.1 for the assessment made by the Company.

The table below analyses the maturity profile of the Group's financial liabilities as at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Amounts expressed in thousands of RMB
unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2023					
Lease liabilities, including current portion	1,380,471	1,293,892	2,654,699	11,928,822	17,257,884
Long-term bank and other loans, including current portion	9,077,825	6,609,550	20,245,634	6,582,503	42,515,512
Medium-term notes and bonds, including current portion	6,712,761	2,900,000	3,210,823	2,000,000	14,823,584
Short-term bonds	2,000,000	–	–	–	2,000,000
Short-term bank and other loans	7,969,568	–	–	–	7,969,568
Interest payables for loans and borrowings	1,684,636	1,395,227	1,238,930	476,107	4,794,900
Financial liabilities at fair value through profit or loss	24,426	–	–	–	24,426
Financial liabilities included other payables and accrued liabilities, excluding accrued interest	5,839,060	–	–	–	5,839,060
Financial liabilities included in other non-current liabilities	82,862	87,885	274,559	858,010	1,303,316
Trade and notes payables	21,111,718	–	–	–	21,111,718
	55,883,327	12,286,554	27,624,645	21,845,442	117,639,968

(Amounts expressed in thousands of RMB
unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2022					
Lease liabilities, including current portion	1,651,935	1,314,558	3,092,936	13,939,859	19,999,288
Long-term bank and other loans, including current portion	13,486,345	6,604,880	20,579,821	6,878,511	47,549,557
Medium-term notes and bonds, including current portion	4,400,000	6,712,761	6,110,823	2,000,000	19,223,584
Short-term bonds	2,600,000	–	–	–	2,600,000
Short-term bank and other loans	6,461,103	–	–	–	6,461,103
Interest payables for loans and borrowings	2,285,428	1,490,176	1,468,119	1,046,655	6,290,378
Financial liabilities at fair value through profit or loss	8,767	–	–	–	8,767
Financial liabilities included other payables and accrued liabilities, excluding accrued interest	6,786,894	–	–	–	6,786,894
Financial liabilities included in other non-current liabilities	203,428	50,198	150,595	839,964	1,244,185
Trade and notes payables	22,536,331	–	–	–	22,536,331
	60,420,231	16,172,573	31,402,294	24,704,989	132,700,087

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

	31 December 2023				
	Financial assets at fair value through profit or loss-held for trading	Financial assets at amortised cost	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Total
Current					
Trade receivables	–	4,024,325	–	–	4,024,325
Notes receivable	–	3,719	–	2,579,110	2,582,829
Restricted cash	–	2,064,046	–	–	2,064,046
Cash and cash equivalents	–	19,039,535	–	–	19,039,535
Financial assets included in other current assets	–	1,860,020	–	–	1,860,020
Financial assets at fair value through profit or loss(FVPL)	5,012,779	–	–	–	5,012,779
Subtotal	5,012,779	26,991,645	–	2,579,110	34,583,534
Non-current					
Financial assets measured at fair value through other comprehensive income	–	–	2,158,418	–	2,158,418
Other non-current assets	–	70,193	–	–	70,193
Subtotal	–	70,193	2,158,418	–	2,228,611
Total	5,012,779	27,061,838	2,158,418	2,579,110	36,812,145

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(a) Financial instruments by category (Continued)

Financial liabilities

	31 December 2023		
	Financial assets at fair value through profit or loss-held for trading	Financial liabilities at amortised cost	Total
Current			
Financial liabilities at fair value through profit or loss	24,426	–	24,426
Interest-bearing loans and borrowings	–	27,134,434	27,134,434
Financial liabilities included in other payables and accrued liabilities *(Note 24)*	–	5,914,370	5,914,370
Trade and notes payables	–	21,111,718	21,111,718
Subtotal	24,426	54,160,522	54,184,948
Non-current			
Financial liabilities included in other non-current liabilities *(Note 23)*	–	776,681	776,681
Interest-bearing loans and borrowings	–	50,515,635	50,515,635
Subtotal	–	51,292,316	51,292,316
Total	24,426	105,452,838	105,477,264

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(a) Financial instruments by category (Continued)

Financial assets

	31 December 2022				
	Financial assets at fair value through profit or loss-held for trading	Financial assets at amortised cost	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Total
Current					
Trade receivables	–	4,106,396	-	-	4,106,396
Notes receivable	–	411,145	–	1,356,480	1,767,625
Restricted cash	–	2,443,249	–	–	2,443,249
Cash and cash equivalents	–	16,816,684	–	–	16,816,684
Financial assets included in other current assets	–	1,712,457	-	-	1,712,457
Subtotal	–	25,489,931	-	1,356,480	26,846,411
Non-current					
Financial assets measured at fair value through other comprehensive income	–	–	2,161,085	–	2,161,085
Other non-current assets	–	70,193	–	–	70,193
Subtotal	–	70,193	2,161,085	–	2,231,278
Total	–	25,560,124	2,161,085	1,356,480	29,077,689

(Amounts expressed in thousands of RMB
unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(a) Financial instruments by category (Continued)

Financial Liabilities

	31 December 2022		
	Financial assets at fair value through profit or loss-held for trading	Financial liabilities at amortised cost	Total
Current			
Financial liabilities at fair value through profit or loss	8,767	–	8,767
Interest-bearing loans and borrowings	–	27,859,353	27,859,353
Financial liabilities included in other payables and accrued liabilities *(Note 24)*	–	7,344,765	7,344,765
Trade and notes payables	–	22,536,331	22,536,331
Subtotal	8,767	57,740,449	57,749,216
Non-current			
Financial liabilities included in other non-current liabilities *(Note 23)*	–	660,867	660,867
Interest-bearing loans and borrowings	–	58,596,765	58,596,765
Subtotal	–	59,257,632	59,257,632
Total	8,767	116,998,081	117,006,848

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(b) Fair value and fair value hierarchy

Fair value

Management has assessed that the fair values of cash and cash equivalents, restricted cash and time deposits, trade and notes receivables, financial assets included in other current assets, entrusted loans, trade and notes payables, financial liabilities included in other payables and accrued liabilities, short-term and the current portion of interest-bearing loans and borrowings, interest payable and the current portion of long-term payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

Other than those with carrying amounts that reasonably approximate to fair values and those carried at fair value, are as follows:

	Carrying amounts		Fair values	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial liabilities				
Financial liabilities included in other non-current liabilities				

(Amounts expressed in thousands of RMB
unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(b) Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2022	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
FVOCI- Notes receivable	–	–	1,356,480	1,356,480
FVOCI- Listed equity investments	34,751	–	–	34,751
FVOCI- Unlisted equity investment	–	–	2,126,334	2,126,334
	34,751	–	3,482,814	3,517,565

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(b) Fair value and fair value hierarchy (Continued)

Liabilities measured at fair value

As at 31 December 2023	**Fair value measurement using**			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial liabilities at fair value through profit or loss: Future contracts	**24,426**	**–**	**–**	**24,426**
	24,426	**–**	**–**	**24,426**

As at 31 December 2022	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities at fair value through profit or loss: Future contracts	8,767	–	–	8,767
	8,767	–	–	8,767

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(b) Fair value and fair value hierarchy (Continued)

Liabilities measured at fair value (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2023	**Fair value measurement using**			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial liabilities at amortised cost:				
Financial liabilities included in other non-current liabilities	**–**	**–**	**692,175**	**692,175**
Long-term interest-bearing loans and borrowings	**–**	**–**	**40,011,734**	**40,011,734**
	–	**–**	**40,703,909**	**40,703,909**

As at 31 December 2022	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities at amortised cost:				
Financial liabilities included in other non-current liabilities	–	–	590,869	590,869
Long-term interest-bearing loans and borrowings	–	–	45,885,166	45,885,166
	–	–	46,476,035	46,476,035

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.2 Financial instruments (Continued)

(b) Fair value and fair value hierarchy (Continued)

Fair value hierarchy

During the year ended 31 December 2023 the Group had no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2022: Nil).

Below is a summary of significant unobservable inputs to the valuation of level 3 financial instruments as at 31 December 2023:

	Valuation Technique	**Significant unobservable input**
Other equity investments		
31 December 2023	Market approach	Net assets, liquidity discount rate
Notes receivable		
31 December 2023	Discounted Cashflow model	Discount rate
Financial liabilities included in other non-current liabilities		
31 December 2023	Discounted Cashflow model	Discount rate
Long-term interest-bearing loans and borrowings		
31 December 2023	Discounted Cashflow model	Discount rate

(Amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

39.3 Capital risk management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with other entities in the industry, the Group monitors capital on the basis of its debt to asset ratio. Debt to asset ratio as at 31 December 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Debt to asset ratio	**53.30%**	58.67%

(Amounts expressed in thousands of RMB
unless otherwise stated)

40 NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	31 December 2023	31 December 2022
Percentage of equity interest held by non-controlling interests		
Yunnan Aluminum	**70.90%**	70.90%
Ningxia Energy	**29.18%**	29.18%
Profit for the year allocated to non-controlling interests		
Yunnan Aluminum	**3,317,789**	3,822,549
Ningxia Energy	**801,277**	818,960
Dividends distributed to non-controlling interests		
Yunnan Aluminum	**475,954**	464,414
Ningxia Energy	**32,857**	1,630
Accumulated balances of non-controlling interests at the year ended		
Yunnan Aluminum	**20,431,252**	17,602,176
Ningxia Energy	**7,321,656**	5,893,332

(Amounts expressed in thousands of RMB
unless otherwise stated)

40 NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Yunnan Aluminum	
	2023	2022 (Restated)
Revenue	**42,668,768**	48,463,025
Total expenses	**37,950,271**	43,195,329
Profit for the year	**4,718,497**	5,267,696
Total comprehensive income for the year	**4,731,847**	5,250,152
Current assets	**9,862,920**	8,245,650
Non-current assets	**29,446,786**	30,812,990
Current liabilities	**6,085,489**	9,046,545
Non-current liabilities	**3,977,285**	4,736,418
Net cash flows from operating activities	**5,870,990**	6,914,469
Net cash flows used in investing activities	**(515,302)**	(1,033,033)
Net cash flows used in financing activities	**(3,079,910)**	(4,588,524)
Effect of foreign exchange rate changes, net	**210**	4,194
Net increase in cash and cash equivalents	**2,275,988**	1,297,106

(Amounts expressed in thousands of RMB unless otherwise stated)

40 NON-CONTROLLING INTERESTS (CONTINUED)

	Ningxia Energy	
	2023	2022
Revenue	**9,169,058**	9,038,881
Total expenses	**7,591,613**	7,397,765
Profit for the year	**1,577,445**	1,641,116
Total comprehensive income for the year	**1,575,837**	1,641,116
Current assets	**4,839,421**	3,615,322
Non-current assets	**26,833,908**	27,756,457
Current liabilities	**7,894,750**	9,043,923
Non-current liabilities	**8,863,605**	9,651,197
Net cash flows from operating activities	**3,809,310**	3,529,657
Net cash flows used in investing activities	**(1,751,686)**	(760,210)
Net cash flows used in financing activities	**(2,237,969)**	(2,446,726)
Effect of foreign exchange rate changes, net	**–**	–
Net (decrease)/increase in cash and cash equivalents	**(180,345)**	322,721

41 CONTINGENT LIABILITIES

The Group is a defendant in a number of lawsuits arising in the ordinary course of business. While the outcomes of such lawsuits cannot be determined at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results the Group.

42 COMMITMENTS

(a) Capital commitments

	31 December 2023	31 December 2022
Property, plant and equipment	**4,241,203**	2,181,828

(Amounts expressed in thousands of RMB unless otherwise stated)

42 COMMITMENTS (CONTINUED)

(b) Other capital commitments

	31 December 2023	31 December 2022
Equity Investments	**2,143,391**	1,460,800

43 EVENTS AFTER THE REPORTING PERIOD

On 11 January 2024, the Group repaid a short-term bond with an aggregate face value of RMB2 billion (each par value of RMB 1).

On 27 March 2024, the Board of Directors proposed a final dividend of RMB0.08 per share for the year ended 31 December 2023, refer to Note 36 for details.

As of the date of this report, except for the above matters, no significant subsequent event happened.

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2023	31 December 2022
ASSETS		
Non-current assets		
Intangible assets	**847,863**	944,342
Property, plant and equipment	**7,670,562**	7,459,482
Investment properties	**40,848**	280,959
Right-of-use assets	**4,780,273**	4,726,622
Investments in subsidiaries	**68,411,418**	67,347,036
Investments in joint ventures	**1,857,846**	1,809,149
Investments in associates	**4,507,061**	4,238,635
Financial assets at fair value through other comprehensive income	**415,798**	410,084
Deferred tax assets	**191,033**	191,093
Other non-current assets	**10,350,366**	10,585,149
Total non-current assets	**99,073,068**	97,992,551

(Amounts expressed in thousands of RMB unless otherwise stated)

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	31 December 2023	31 December 2022
Current assets		
Inventories	**2,201,299**	1,985,419
Trade and notes receivables	**393,798**	371,273
Other current assets	**17,970,596**	22,628,618
Financial assets at fair value through profit and loss	**5,011,970**	—
Restricted cash	**116,974**	118,123
Cash and cash equivalents	**7,072,013**	6,545,757
Total current assets	**32,766,650**	31,649,190
Total assets	**131,839,718**	129,641,741
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent		
Share capital	**17,161,592**	17,161,592
Shares held for employee share scheme	**(404,685)**	(404,685)
Other equity instruments	**2,000,000**	2,000,000
Other reserves	**33,169,400**	33,017,763
Retained earnings	**4,896,100**	2,203,091
Total equity	**56,822,407**	53,977,761

(Amounts expressed in thousands of RMB unless otherwise stated)

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	31 December 2023	31 December 2022
LIABILITIES		
Non-current liabilities		
Interest-bearing loans and borrowings	**29,864,890**	32,055,675
Other non-current liabilities	**204,295**	174,025
Total non-current liabilities	**30,069,185**	32,229,700
Current liabilities		
Interest-bearing loans and borrowings	**13,133,455**	15,712,868
Other payables and accrued liabilities	**30,510,822**	25,844,460
Contract liabilities	**203,661**	109,948
Trade and notes payables	**1,095,786**	1,767,004
Financial liabilities at fair value through profit and loss	**4,402**	—
Total current liabilities	**44,948,126**	43,434,280
Total liabilities	**75,017,311**	75,663,980
Total equity and liabilities	**131,839,718**	129,641,741
Net current liabilities	**(12,181,476)**	(11,785,090)
Total assets less current liabilities	**86,891,592**	86,207,461

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2024 and was signed on its behalf.

Dong Jianxiong
Chairman

Ge Xiaolei
Chief Financial Officer

(Amounts expressed in thousands of RMB
unless otherwise stated)

44 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share premium	Other capital reserves	Statutory surplus reserve	Special reserve	Fair value Reserve	Other equity instruments	Retained earnings	Total
Balance at 31 December 2021	27,695,674	2,853,401	1,892,286	73,644	13,467	2,498,429	1,341,772	36,368,673
Profit for the period	–	–	–	–	–	–	1,682,538	1,682,538
Changes in fair value of equity investments at fair value through other comprehensive incomes, net of tax	–	–	–	–	(7,664)	–	–	(7,664)
Issuance of senior perpetual securities	–	–	–	–	–	2,000,000	–	2,000,000
Dividends distribution	–	–	–	–	–	–	(544,891)	(544,891)
Equity changes caused by share based payment	265,766	–	–	–	–	–	–	265,766
Employee share schemes-value of employee services	–	48,258	–	–	–	–	–	48,258
Repayment of senior perpetual securities	–	–	–	–	–	(2,498,429)	–	(2,498,429)
Share of reserves of joint ventures and Associates	–	–	–	2,096	–	–	–	2,096
Other appropriations	–	–	–	8,498	–	–	–	8,498
Appropriation to surplus reserves	–	–	168,254	–	–	–	(168,254)	–
Distribution of other equity instruments	–	–	–	–	–	–	(109,071)	(109,071)
Special funds injection	–	5,080	–	–	–	–	–	5,080
Transfer remeasurements of defined benefit obligation to retained earnings	–	–	–	–	(997)	–	997	–
At 31 December 2022	27,961,440	2,906,739	2,060,540	84,238	4,806	2,000,000	2,203,091	37,220,854
Balance at 31 December 2022	27,961,440	2,906,739	2,060,540	84,238	4,806	2,000,000	2,203,091	37,220,854
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**3,740,362**	**3,740,362**
Equity transactions with subsidiaries	**–**	**(308,686)**	**–**	**–**	**–**	**–**	**–**	**(308,686)**
Changes in fair value of equity investments at fair value through other comprehensive incomes, net of tax	**–**	**–**	**–**	**–**	**6,640**	**–**	**–**	**6,640**
Dividends distribution	**–**	**–**	**–**	**–**	**–**	**–**	**(617,817)**	**(617,817)**
Employee share schemes-value of employee services	**–**	**91,111**	**–**	**–**	**–**	**–**	**–**	**91,111**
Share of reserves of joint ventures and Associates	**–**	**–**	**–**	**11,798**	**–**	**–**	**–**	**11,798**
Other appropriations	**–**	**–**	**–**	**(23,262)**	**–**	**–**	**–**	**(23,262)**
Appropriation to surplus reserves	**–**	**–**	**374,036**	**–**	**–**	**–**	**(374,036)**	**–**
Distribution of other equity instruments	**–**	**–**	**–**	**–**	**–**	**–**	**(55,500)**	**(55,500)**
At 31 December 2023	**27,961,440**	**2,689,164**	**2,434,576**	**72,774**	**11,446**	**2,000,000**	**4,896,100**	**40,065,500**

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2024 and was signed on its behalf.

45 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27 March 2024.

Corporate Information

1.	Registered name	Aluminum Corporation of China Limited
	Abbreviation of Chinese name	中國鋁業
	Name in English	ALUMINUM CORPORATION OF CHINA LIMITED
	Abbreviation of English name	CHALCO
2.	First registration date	10 September 2001
	Place of incorporation	No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC (Postal code: 100082)
	Office address of the Company	No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC (Postal code: 100082)
	Principal place of business in Hong Kong	Room 4501, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong
3.	Legal representative	Dong Jianxiong (Note)
	Joint Company Secretaries	Ge Xiaolei and Ng Ka Man
	Telephone	+86(10) 8229 8322
	Fax	+86(10) 8229 8158
	E-mail	IR@chalco.com.cn
	Contact Address	No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC (Postal code: 100082)
	Representative for the Company's securities related affairs	Gao Lidong
	Telephone	+86(10) 8229 8322
	Fax	+86(10) 8229 8158
	E-mail	IR@chalco.com.cn
	Contact Address	No. 62 North Xizhimen Street, Haidian District, Beijing, the PRC (Postal code: 100082)
	Department for corporate information and inquiry	The Finance Department (Capital Operation Department)
	Telephone for corporate information and inquiry	+86(10) 8229 8322
4.	Share registrar and transfer office	
	H shares:	Hong Kong Registrars Limited 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
	A shares:	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC (Postal code: 200127)

10.

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

Beijing, the PRC
27 March 2024

As at the date of this announcement, the members of the Board comprise Mr. Dong Jianxiong, Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao (Executive Directors); Mr. Zhang Jilong and Mr. Chen Pengjun (Non-executive Directors); Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (Independent Non-executive Directors).

* *For identification purposes only*