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**METALLURGICAL CORPORATION OF CHINA LTD. \***

**中國冶金科工股份有限公司**

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

(Stock Code: 1618)

**FURTHER ANNOUNCEMENT  
DISCLOSEABLE TRANSACTIONS  
INTRODUCTION OF THIRD-PARTY INVESTORS FOR  
CAPITAL INCREASE TO CERTAIN SUBSIDIARIES**

Reference is made to the announcement of Metallurgical Corporation of China Ltd.\* (the “**Company**”) dated 23 September 2024 (the “**Announcement**”) in relation to the entering into of the Investment Agreements by the Company with the Investors, namely ICBC Investment and ABC Investment, as well as each Target Company respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

**COMPLIANCE WITH THE LISTING RULES**

As disclosed in the Announcement, as the income approach has been adopted in the China First Metallurgical Valuation Report, the MCC Engineering Valuation Report, the MCC 19 Valuation Report, the MCC 22 Valuation Report, the Shanghai Baoye Valuation Report and the China Huaye Valuation Report (collectively, the “**Valuation Reports**”), such valuations constitute a profit forecast under Rule 14.61 of the Listing Rules (the “**Profit Forecast**”). This announcement sets out the information required under Rule 14.60A of the Listing Rules in relation to the Profit Forecast.

## **PROFIT FORECAST UNDER THE EVALUATION REPORTS**

Pursuant to the Valuation Reports, details of the principal assumptions are set out as follows:

### **1. Assumptions of the China First Metallurgical Valuation Report**

#### ***A. Basic assumptions***

- (1) Open market assumption: Open market assumption is an assumption about the market conditions into which the assets are proposed to enter and the impact on the assets under such market conditions. Open market refers to adequately developed and sound market conditions, and refers to a competitive market with capable buyers and sellers. In such market, buyers and sellers are equal and have opportunities and time to obtain sufficient market information. Transactions between buyers and sellers are conducted on voluntary, rational, non-mandatory or unrestricted conditions. Open market assumption is based on the fact that the assets can be publicly traded in the market;
- (2) Going concern assumption for the enterprise: Going concern assumption for the enterprise is a valuation assumption made by considering the assets of the enterprise as a whole as the valuation target. That is, the enterprise, as a business entity, continues to operate in accordance with its business objectives in the external environment where it operates. The operator of the enterprise is responsible and competent for assuming responsibilities; and the enterprise operates legally and is able to make appropriate profits to maintain its ability to continue as a going concern;
- (3) Assumption about the use of an asset for an existing purpose: Assumption about the use of an asset for an existing purpose means an assumption about the conditions under which the assets are intended to trading on the market and the status of use of the assets under such market conditions. Firstly, it is assumed that the assets within the scope of valuation are in use. Then it is assumed that the assets will continue to be used for the current purpose and mode of use without considering asset use conversion or optimal utilization conditions;
- (4) Transaction assumption: It is assumed that all assets to be evaluated are already in the process of transaction, and the asset valuers carry out the valuation based on a similar market such as the trading conditions of the assets to be evaluated.

## ***B. General assumptions***

- (1) It is assumed that after the Valuation Benchmark Date, there will be no significant changes in the current national laws, regulations, policies, and macroeconomic conditions, and the political, economic, and social environment of the region where the parties to the transaction are located will not undergo significant changes;
- (2) It is assumed that after the Valuation Benchmark Date, the management team of the appraised entity is responsible, stable, and capable of fulfilling their duties;
- (3) It is assumed that after the Valuation Benchmark Date, there will be no force majeure or unforeseeable factors that have a significant adverse impact on the appraised entity;
- (4) The basic and financial information provided by the trustor and the appraised entity is true, accurate, and complete;
- (5) It is assumed that the financial reports and transaction data of the comparative companies relied upon by the valuation personnel are all true and reliable.

## ***C. Special assumptions***

- (1) It is assumed that after the Valuation Benchmark Date, the appraised entity maintains its business scope and approaches with the current direction based on the existing management style and level;
- (2) It is assumed that the accounting policies used by the appraised entity after the Valuation Benchmark Date remain consistent in material aspects with those used at the time this report was prepared;
- (3) It is assumed that there are no significant changes to the interest rates, exchange rates, tax bases and rates, and policy-related fees relevant to the appraised entity after the Valuation Benchmark Date;
- (4) It is assumed that the appraised entity will receive net cash flow evenly during the year;
- (5) It is assumed that the products or services of the appraised entity after the Valuation Benchmark Date will remain same competitiveness in the market;

- (6) It is assumed that the R&D capability and technological advancement of the appraised entity will remain at the current level after the Valuation Benchmark Date;
- (7) It is assumed that the the lease signed by the appraised entity is legal and valid; the signed lease is actually performed and will not be changed and terminated without cause; and there will be no significant changes in the operating status of the leased buildings;
- (8) It is assumed that the appraised entity will continue to be recognized as a high-tech enterprise.

## **2. Assumptions of the MCC 19 Valuation Report, the MCC 22 Valuation Report and the China Huaye Valuation Report**

### ***A. Basic assumptions***

- (1) Open market assumption: assuming that the parties to an asset traded, or intended to be traded, in a market are on equal footing with each other, and that each party to the asset transaction has had the opportunity and the time to obtain sufficient market information, and that the transaction behavior is voluntary and rational, enabling them to make a reasonable judgment as to the asset's function, use, and its transaction price;
- (2) Transaction assumption: assuming that all targets to be appraised are already in the process of transaction, the valuation professionals perform the valuation based on a simulated market such as the trading conditions of the assets to be evaluated; the transaction assumption is the most basic premise on which asset valuation can be carried out;
- (3) Going concern assumption: assuming that the appraised entity will continue to operate legally and continuously for the duration of the business period based on its existing assets and resource conditions.

### ***B. General assumptions***

- (1) It is assumed that there will be no significant changes in the current national laws, regulations, policies, and macroeconomic conditions, and the political, economic, and social environment of the region where the parties to the transaction are located will not undergo significant changes;

- (2) In view of the actual status of the assets as at the Valuation Benchmark Date, it is assumed that the business will continue in operation <sup>Note 2</sup>;
- (3) It is assumed that there are no significant changes to the interest rates, exchange rates, tax bases and rates, and policy-related fees relevant to the appraised entity after the Valuation Benchmark Date;
- (4) It is assumed that after the Valuation Benchmark Date, the management of the appraised entity is responsible, stable, and capable of fulfilling their duties;
- (5) Unless otherwise stated, it is assumed that the companies fully comply with all relevant laws and regulations <sup>Note 2</sup>;
- (6) It is assumed that the values of various parameters estimated in this valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Benchmark Date <sup>Note 1</sup>;
- (7) It is assumed that after the Valuation Benchmark Date, there will be no force majeure and unforeseeable factors that have a significant adverse impact on the appraised entity.

### ***C. Special assumptions***

- (1) It is assumed that the accounting policies used by the appraised entity after the Valuation Benchmark Date remain consistent in material aspects with those used at the time this asset valuation report was prepared;
- (2) It is assumed that after the Valuation Benchmark Date, the appraised entity maintains its current business scope and approaches based on the existing management style and level <sup>Note 2</sup>;
- (3) It is assumed that the cash inflow and cash outflow of the appraised entity after the Valuation Benchmark Date are average;
- (4) It is assumed that there will be no significant and notable changes in the price standards and market price quotations of the relevant important operating assets of the enterprise to be measured during the validity period of the valuation report <sup>Note 2</sup>;
- (5) It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the trustor and the appraised entity are true and valid <sup>Note 1 and Note 3</sup>;

- (6) It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target is in compliance with relevant national laws and regulations <sup>Note 1 and Note 3</sup>;
- (7) It is assumed that the relevant qualifications required for the operation of the appraised entity can be continuously renewed <sup>Note 3</sup>;
- (8) It is assumed that there will be no major changes in the standards and policies for the recognition of high-tech enterprises, the appraised entity will be able to continue to obtain the qualification of high-tech enterprise and enjoy the relevant tax incentives <sup>Note 3</sup>;
- (9) It is assumed that there are no major technical failures affecting the continued use of the tangible assets associated with the appraised entity, and it is assumed that there are no potentially major quality defects in the key components and materials <sup>Note 1</sup>;
- (10) It is assumed that MCC 19 can maintain its recognized qualification as a high-tech enterprise in future years and enjoy a preferential income tax rate of 15% <sup>Note 1</sup>;
- (11) It is assumed that MCC 19 will still be able to obtain the various qualifications through application in the future years after the expiration of the qualifications <sup>Note 1</sup>.

*Notes:*

1. Such assumptions are additional assumptions in the MCC 19 Valuation Report.
2. Such assumptions are additional assumptions in the China Huaye Valuation Report.
3. Such assumptions are additional assumptions in the MCC 22 Valuation Report.

### **3. Assumptions of the MCC Engineering Valuation Report**

#### ***A. Basic assumptions***

- (1) Transaction assumption assumes that the valuation target and the assets and liabilities within the scope of valuation are already in the process of being traded, and the asset appraiser performs the valuation based on a simulated market such as the trading conditions. The transaction assumption is the most basic premise on which the asset valuation can be carried out;

- (2) Open market assumption assumes that the parties to an asset traded, or intended to be traded, in a market are on equal footing with each other, and that each party to the asset transaction has had the opportunity and the time to obtain sufficient market information, enabling them to make a reasonable judgment as to the asset's function, use, and transaction price. The open market assumption is based on the assumption that the asset is publicly tradable in the market;
- (3) Assumption of continuous use of assets assumes that the assets to be evaluated needs to determine the appraisal method, parameters and basis accordingly, based on the continued use of the appraised assets according to the current purpose, usage mode, scale, frequency, environment and other conditions, or their use on the basis of all changes;
- (4) Going concern assumption for the enterprise means that the appraised entity will remain a going concern and will operate in a manner consistent with its current operations.

***B. General assumptions***

- (1) It is assumed that there are no significant changes in the political, economic, social and other macro environment of the appraised entity and the region where it operates which would affect its operation after the Valuation Benchmark Date;
- (2) Except for those laws and regulations already enacted or enacted but not yet enforced by the government as at the Valuation Benchmark Date which affect the operations of the appraised entity, it is assumed that there are no significant changes in the laws and regulations related to the operations of the appraised entity during the income period;
- (3) It is assumed that ever since the Valuation Benchmark Date, there are no changes to the exchange rates, interest rates, taxes and inflation factors etc. involved in the operations of the appraised entity that will cause material effects on the business condition of the appraised entity during the income period (taking into account changes in interest rates from the Valuation Benchmark Date to the reporting date);
- (4) It is assumed that no irresistible and unforeseeable events affecting the operation of the appraised entity will occur after the Valuation Benchmark Date;
- (5) It is assumed that the appraised entity will continue to operate and its assets will continue to be used in the future income period;

- (6) It is assumed that the accounting policies to be adopted by the appraised entity in future income period are consistent in material aspects with those at the Valuation Benchmark Date, and are continuous and comparable;
- (7) It is assumed that the operations of the appraised entity in the future income period will be in compliance with various national laws and regulations and will not violate any laws;
- (8) It is assumed that the operator of the appraised entity is responsible and the management is capable of undertaking its duties, that there are no significant changes in the future income period to the key management and technical personnel of the appraised entity affecting its operations with reference to the conditions as at the Valuation Benchmark Date, and that the management team will be under stable development without any material change to the management system that would affect its operations;
- (9) It is assumed that the information provided by the trustor and the appraised entity are true, complete and reliable, and there are no other defective or contingent matters that may affect the appraisal conclusion, that are not provided but should be provided, or that the asset valuation professionals have performed the necessary appraisal procedures but still cannot identify;
- (10) It is assumed that no litigations, mortgages, guarantees, etc. will occur in the future income period of the appraised entity that will have a significant impact on its results of operations;
- (11) There are no significant adverse effects of other force majeure and unpredictable factors;
- (12) It is assumed that all targets to be appraised are already in the process of transaction, the asset valuation professionals perform the valuation based on a simulated market such as the trading conditions of the assets to be evaluated;
- (13) It is assumed that the parties to an asset traded, or intended to be traded, in a market are on equal footing with each other, and that each party to the asset transaction has had the opportunity and the time to obtain sufficient market information, and that the transaction behavior is voluntary and rational, enabling them to make a reasonable judgment as to the asset's function, use, and its transaction price.

### ***C. Special assumptions***

- (1) Except for the fixed assets investments for which there is definite evidence as at the Valuation Benchmark Date showing that the production capacity will change subsequently, it is assumed that the appraised entity will not make significant investment activities on fixed assets that will affect its operations during the future income period, and the production capacity of enterprise's products will be estimated based on the status as at the Valuation Benchmark Date;
- (2) In this valuation, the impact of the external equity investments made by the appraised entity following the Valuation Benchmark Date on its value is not considered;
- (3) It is assumed that during the future income period, the appraised entity will maintain a similar turnover situation regarding accounts receivable and accounts payable as that in the historical years, and there will be no delinquent payments that are significantly different from the situations in the historical years;
- (4) It is assumed that the appraised entity will have steady cash inflows and cash outflows during the future income period, without a burst of inflows to be recognized as receipt at a certain point in the year;
- (5) According to the Notice on Further Improvements to the Policy of Weighted Pre-tax Deduction for R&D Expenses (Notice of MoF and SAT [2023] No. 7), since 1 January 2023, the actual R&D expenses occurred during the R&D activities which carried out by the enterprise, which do not form intangible assets and are included in the current profit or loss, can be deducted in accordance with provisions, with 100% of the actual amount deducted before tax additionally; if intangible assets are formed, 200% of intangible asset expenses can be deducted before tax since 1 January 2023. The valuation assumes that the policy can be continued and is measured on the basis of the pre-tax deduction policy for R&D expenses;

- (6) According to the Notice of the Continuation of the Enterprise Income Tax Policy Related with the Western Region Development (MOF Notice 2020 No. 23) by the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission, from 1 January 2011 to 31 December 2030, for enterprises in encouraged industries located in the western region, corporate income tax is levied at a reduced rate of 15%. The term “encouraged industrial enterprises” as mentioned in this article refers to enterprises whose main business is the industrial projects specified in the Catalogue of Encouraged Industries in the Western Region, and whose main business income accounts for more than 60% of the total enterprise income. The appraised entity meets the conditions for enjoying this preferential policy with a corporate income tax rate of 15%. On 12 October 2022, the enterprise obtained the certificate of high-tech enterprise. The valuation assumes that MCC Engineering will be able to continue to pass the qualification of high-tech enterprise in future years as required and that MCC Engineering will enjoy the preferential enterprise income tax rate of 15% for high-tech enterprises after the expiry of the enterprise income tax policy for the Western Region Development;
- (7) It is assumed that the project contracting agreement signed between the appraised entity and the relevant departments and units can be commenced and completed as planned, and that the funds can be recovered in a timely manner as agreed;
- (8) It is assumed that MCC Engineering will still be able to obtain the various qualifications through application in the future years after the expiration of the qualifications.

#### **4. Assumptions of the Shanghai Baoye Valuation Report**

##### ***A. Basic assumptions***

- (1) Going concern assumption: assuming that the assets appraised by Shanghai Baoye will continue to be used in accordance with the original purpose and manner of use after the appraisal purpose has been realized and continue to be used for the production of the original products or similar products;
- (2) Open market assumption: assuming that assets can be traded freely in a fully competitive market, and their prices depend on the value judgment of independent buyers and sellers under the supply situation of a certain market; open market is a fully competitive market with many buyers and sellers. In such market, buyers and sellers are in equal position and have opportunities and time to obtain sufficient market information. Transactions of both parties are conducted on voluntary, rational, non-mandatory or unrestricted conditions;

- (3) Transaction assumption: The source of value of any asset is inseparable from transactions. Regardless of whether the appraised asset being involved in a transaction in an economic activity related to the purpose of the valuation, it is assumed that the valuation target is in the process of being traded, and the valuer conducts the valuation based on the trading conditions of the asset to be appraised and other simulated market conditions.

***B. General assumptions***

- (1) The industry in which the enterprise is located will maintain a stable development trend, and there will be no major changes in the current national and local laws, regulations, systems, and socio-political and economic policies;
- (2) The enterprise will conduct its existing businesses or similar businesses on a going concern basis at its current scale or at a scale attainable by its financing capacity as determined by its current assets, without considering the revenues generated from additional scale of capital;
- (3) There are no material changes in the relationship between the enterprise and its domestic and foreign partners or in their mutual interests;
- (4) There are no material changes in the current national loan interest rates, exchange rates, tax bases and rates, and policy charges;
- (5) There are no other material adverse effects caused by force majeure and unforeseeable factors.

***C. Specific assumptions***

- (1) The assets of the appraised entity will not change their use and will remain in continuous use after the Valuation Benchmark Date;
- (2) The existing and future operators of the appraised entity are responsible, and the enterprise management can steadily push forward the enterprise's development plan and try their best to achieve the expected business outcome;
- (3) The appraised entity complies with the applicable national laws and regulations, and there are no material violations that will affect the development and income realization of the enterprise;

- (4) The accounting policies used in the historical financial information provided by the appraised entity and the accounting policies and accounting methods used in Profit Forecast are basically consistent in all material aspects;
- (5) After the appraisal purpose has been realized, the appraised entity will continue to operate under the existing business model, and will continue to operate its original products or similar products, with the mode of supply and sales of the enterprise, the distribution of benefits with associated enterprises and other operating conditions remaining unchanged;
- (6) The annual cash inflows (income) and outflows (expenditure) are even.
- (7) It is assumed that the enterprise will be able to raise the necessary funds according to operational needs, the normal operation of the enterprise/ process of new projects will not be affected by financing matters;
- (8) The valuer has paid due attention to and disclosed the ownership status of those buildings and vehicles within the valuation scope that are unlicensed or in the process of being licensed, while assuming that the future production and operation of the enterprise will not be affected by such matters;
- (9) It is assumed that the core team of Shanghai Baoye will continue to work for Shanghai Baoye in the coming years and will not engage in any outside business that competes with the business of Shanghai Baoye;
- (10) It is assumed that the relevant business license of Shanghai Baoye can be renewed normally upon expiry;
- (11) Shanghai Baoye was recognized as a high-tech enterprise in 2023, enjoying a preferential enterprise income tax rate of 15% for a period of 3 years. Considering that the Company's current status has passed the recognition of high-tech enterprise and the relevant indicators of the enterprise's future Profit Forecast meet the relevant requirements of high-tech enterprise, it is expected to continue to be obtained in the future. Therefore, it is assumed in the valuation that the qualification of Shanghai Baoye as a high-tech enterprise can be renewed normally upon expiry, and that the enterprise income tax rate will be 15% in future years.

## PROFIT FORECAST – CONFIRMATIONS

Pursuant to Rule 14.60A(2) of the Listing Rules, the Company has engaged Ernst & Young Hua Ming LLP as the reporting accountants (the “**Reporting Accountants**”) to report on the calculation of the discounted cash flows used in the abovementioned Valuation Reports. The Reporting Accountants have reported that so far as the arithmetical accuracy of the calculations are concerned, the discounted cash flows have been properly compiled in all material aspects in accordance with the bases and assumptions determined by the Directors as set out in this announcement.

The text of the report issued by the Reporting Accountants in relation to the arithmetical accuracy of the calculations of the discounted cash flows is set out in Appendix I to this announcement for the purpose under Rule 14.60A(2) of the Listing Rules. The Board confirms that the Profit Forecast in respect of the Target Company as set out in the Valuation Reports has been made after due and careful enquiries. The letter from the Board is set out in Appendix II to this announcement in accordance with Rule 14.60A(3) of the Listing Rules.

## EXPERTS AND CONSENTS

The qualifications of the experts who have provided their opinion and advice in this announcement are as follows:

<b>Name</b>	<b>Qualification</b>	<b>Date of conclusion or advice</b>
Chungrui Worldunion Assets Appraisal Group Co., Ltd.* (中瑞世聯資產評估集團有限公司)	Independent Valuer	29 August 2024
China Enterprise Appraisals Co., Ltd.* (北京中企華資產評估有限責任公司)	Independent Valuer	29 August 2024
Shanghai Lixin Certified Appraisal Co., Ltd.* (上海立信資產評估有限公司)	Independent Valuer	29 August 2024
Vocation (Beijing) International Assets Appraisal Co., Ltd.* (沃克森(北京)國際資產評估有限公司)	Independent Valuer	29 August 2024
Ernst & Young Hua Ming LLP	Certified Public Accountants	16 October 2024

Each of the Independent Valuers and Reporting Accountants has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualifications) in the form and context of this announcement in which they are included.

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, each of the abovementioned Independent Valuers and Reporting Accountants is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, neither the abovementioned Independent Valuers nor Reporting Accountants had any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, neither the abovementioned Independent Valuers nor Reporting Accountants had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2023 (the date to which the latest published annual results of the Group were made up).

By order of the Board  
**Metallurgical Corporation of China Ltd.\***  
**Wang Zhen**  
*Joint Company Secretary*

Beijing, the PRC  
16 October 2024

*As at the date of this announcement, the Board comprises executive Director: Mr. Chen Jianguang; non-executive Directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative director); and independent non-executive Directors: Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny.*

\* *For identification purpose only*

## APPENDIX I – REPORT FROM REPORTING ACCOUNTANTS

*The following is the text of a report received from the Company's Reporting Accountants, Ernst & Young Hua Ming LLP, Certified Public Accountants, Hong Kong, for inclusion in this announcement.*

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF CHINA FIRST METALLURGICAL GROUP CO., LTD., CHINA METALLURGICAL CONSTRUCTION ENGINEERING GROUP CO., LTD., CHINA MCC 19 GROUP CO., LTD., CHINA MCC 22 GROUP CO., LTD., SHANGHAI BAOYE GROUP CORP., LTD., AND CHINA HUAYE GROUP CO., LTD., RESPECTIVELY (COLLECTIVELY REFERRED TO AS THE “**TARGET COMPANIES**”)

*To the Directors of Metallurgical Corporation of China Ltd.*

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 29 August 2024 prepared by Chungrui Worldunion Assets Appraisal Group Co., Ltd., Vocation (Beijing) International Assets Appraisal Co., Ltd., China Enterprise Appraisals Co., Ltd., China Enterprise Appraisals Co., Ltd., Shanghai Lixin Certified Appraisal Co., Ltd. and China Enterprise Appraisals Co., Ltd., respectively, in respect of the Target Companies as at 31 December 2023 is based. The valuation is set out in the announcement of Metallurgical Corporation of China Ltd. (the “**Company**”) dated 16 October 2024 (the “**Announcement**”) in connection with the introduction of third-party investors for capital increase to the Target Companies. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **Directors' Responsibilities**

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed “1. Assumptions of the China First Metallurgical Valuation Report”, “2. Assumptions of the MCC 19 Valuation Report, the MCC 22 Valuation Report and the China Huaye Valuation Report”, “3. Assumptions of the MCC Engineering Valuation Report”, and “4. Assumptions of the Shanghai Baoye Valuation Report” of the Announcement.

### **Our Independence and Quality Control**

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

Our firm applies Quality Control Standards No. 5101 – Quality Control for Accounting Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

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

We conducted our engagement in accordance with Chinese Standard on Assurance Engagements 3101–Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the CICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Chinese Standards on Auditing issued by the CICPA. Accordingly, we do not express an audit opinion.

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

### **Opinion**

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

**Ernst & Young Hua Ming LLP**

16 October 2024

## APPENDIX II – LETTER FROM THE BOARD

*The following is the text of a letter from the Board prepared for inclusion in this announcement.*

Listing Division  
The Stock Exchange of Hong Kong Limited  
12th Floor, Two Exchange Square,  
8 Connaught Place, Central, Hong Kong

Dear Sir or Madam,

### INTRODUCTION OF THIRD-PARTY INVESTORS FOR CAPITAL INCREASE TO CERTAIN SUBSIDIARIES

We refer to the announcement of Metallurgical Corporation of China Ltd.\* (the “**Company**”) dated 23 September 2024 (the “**Announcement**”) in relation to the entering into of the Investment Agreements by the Company with the Investors, namely ICBC Investment and ABC Investment, as well as each Target Company respectively. Unless otherwise defined, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the China First Metallurgical Valuation Report prepared by Chungrui Worldunion, the Independent Valuer, the MCC Engineering Valuation Report prepared by Vocation, the MCC 19 Valuation Report, the MCC 22 Valuation Report and the China Huaye Valuation Report prepared by CEA, and the Shanghai Baoye Valuation Report prepared by Shanghai Lixin (collectively, the “**Valuation Reports**”). The Valuation Reports were all prepared on 29 August 2024. The Valuation Reports adopted the income approach, and such valuations constitute a profit forecast under Rule 14.61 of the Listing Rules.

The Board has reviewed the valuation basis and assumptions set out in the Valuation Reports, for which the abovementioned Independent Valuers are responsible. The Board has also considered the letter issued by Ernst & Young Hua Ming LLP dated 16 October 2024 regarding whether the profit forecasts, so far as the calculations are concerned, have been properly complied with the bases and assumptions set out in the Valuation Reports.

On the basis of the foregoing, pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirms that the valuations prepared by the Independent Valuers have been made after due and careful enquiry.

**Metallurgical Corporation of China Ltd.\***

The Board

16 October 2024

\* *For identification purposes only*