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中国铝业股份有限公司
ALUMINUM CORPORATION OF CHINA LIMITED*

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

(Stock Code: 2600)

ANNOUNCEMENT
CONNECTED TRANSACTION
ESTABLISHMENT OF A JOINT VENTURE

The Board announces that on 18 December 2023, the Company entered into the Capital Contribution Agreement with Chinalco, China Copper and Chinalco Capital, pursuant to which the parties agreed to jointly contribute to the establishment of the Joint Venture. Upon the establishment of the Joint Venture, Chinalco, the Company, China Copper and Chinalco Capital will hold 30.10%, 30.00%, 30.00% and 9.90% equity interest in the Joint Venture, respectively, and the Joint Venture will not become a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, China Copper and Chinalco Capital are the subsidiaries of Chinalco, and hence Chinalco, China Copper and Chinalco Capital are connected persons of the Company under the Hong Kong Listing Rules. As such, the transaction 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 contemplated under the Capital Contribution Agreement exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

The Board announces that on 18 December 2023, the Company entered into the Capital Contribution Agreement with Chinalco, China Copper and Chinalco Capital, pursuant to which the parties agreed to jointly contribute to the establishment of the Joint Venture. Upon the establishment of the Joint Venture, Chinalco, the Company, China Copper and Chinalco Capital will hold 30.10%, 30.00%, 30.00% and 9.90% equity interest in the Joint Venture, respectively, and the Joint Venture will not become a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

2. CAPITAL CONTRIBUTION AGREEMENT

(1) Date

18 December 2023

(2) Parties

- (i) the Company;
- (ii) Chinalco;
- (iii) China Copper; and
- (iv) Chinalco Capital.

(3) Registered Capital of the Joint Venture and the Capital Contribution from Each of the Parties

Pursuant to the Capital Contribution Agreement, the registered capital of the Joint Venture is RMB2 billion, and the total amount of capital contributed from each of the parties to the Joint Venture, the method of capital contribution and the percentage of shareholding held by each of the parties in the Joint Venture are set out as follows:

Name of Shareholders	Registered Capital Subscribed (RMB0'000)	Shareholding Percentage	Method of Capital Contribution
Chinalco	60,200	30.10%	Cash and assets ^{Note}
The Company	60,000	30.00%	Cash and assets ^{Note}
China Copper	60,000	30.00%	Cash and assets ^{Note}
Chinalco Capital	19,800	9.90%	Cash
Total	200,000	100.00%	

Note: Chinalco and the Company will contribute capital with the appraised value of their respective 50% equity interest held in Chinalco Overseas Development and contribute the remaining capital they have subscribed in cash. China Copper will contribute capital with the appraised value of certain equity interest held by China Copper Resources, a subsidiary of China Copper, and contribute the remaining capital they have subscribed in cash. As at the date of this announcement, the portion of equity interest held by China Copper Resources to be used by China Copper for its capital contribution has not yet been determined and valued, and the equity interest of Chinalco Overseas Development has not yet been valued either, and the Company will calculate its profit or loss from the disposal of 50% equity interest in Chinalco Overseas Development after the aforesaid valuation, and upon completion of the determination and valuation of the aforementioned equity interest, the Company will perform its information disclosure obligations in a timely manner in respect of the valuation results and the final capital contribution by each of the parties.

The amount of capital contribution by each of the parties under the Capital Contribution Agreement was determined after arm's length negotiations among the parties taking into account a number of factors such as the ownership, business nature, working capital requirements and future development plans of the Joint Venture.

The registered capital each of the parties has subscribed shall be paid into the Joint Venture by batches:

- (i) Initial capital contribution: Within 5 days after the Joint Venture has obtained the business licence issued by the Administration of Market Regulation and has completed the opening of a basic bank account, Chinalco shall make a paid-in capital contribution of RMB301 million in cash to the Joint Venture; the Company shall make a paid-in capital contribution of RMB300 million in cash to the Joint Venture; China Copper shall make a paid-in capital contribution of RMB300 million in cash to the Joint Venture; and Chinalco Capital shall make a paid-in capital contribution of RMB99 million in cash to the Joint Venture; and
- (ii) Subsequent capital contribution: Unless otherwise agreed and confirmed among the parties, after the completion of the initial capital contribution, the parties shall perform their capital contribution obligation by batches over a period of two years based on the actual needs of the business of the Joint Venture.

Upon its establishment, the Joint Venture will become a subsidiary of Chinalco and its financial results will be consolidated into the accounts of Chinalco.

(4) Scope of Business of the Joint Venture

The scope of business of the Joint Venture will cover: permitted items: mineral resources exploration, mining of non-coal mining resources, surveying and mapping services; general items: basic geological exploration; mineral processing; mineral washing and processing; sale of metal ores; purchasing agency services; import and export of goods; asset management services by investment with its own funds; investment activities with its own funds; engineering management services; engineering and technical research and experimental development; technology import and export; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; mineral resources reserve evaluation services; information consultation services (excluding permitted information consultation services); leasing of non-residential real estate.

The above scope of business is subject to the scope of business approved by the registration authority of the Joint Venture and recorded in its Business Licence.

(5) Governance Structure of the Joint Venture

The Joint Venture shall have a board of directors, a supervisory committee and a management team. The Joint Venture shall have seven directors, among whom, each of Chinalco, the Company and China Copper shall be entitled to appoint two directors, and the remaining one shall be an employee representative director. The Joint Venture shall have three supervisors, each of Chinalco and Chinalco Capital shall be entitled to appoint one supervisor, and the remaining one shall be an employee representative supervisor. The management team of the Joint Venture shall consist of a general manager, several deputy general managers (including the safety director and the chairman of the labour union) and a finance director.

(6) Effectiveness of the Agreement

The Capital Contribution Agreement shall become effective upon approval by the competent authorities of the parties and the signatures and seals by the legal representatives or authorised delegates of the parties.

3. INFORMATION ON CHINALCO OVERSEAS DEVELOPMENT

Chinalco Overseas Development, a company incorporated in the PRC with limited liability, is a subsidiary of Chinalco as at the date of this announcement and its scope of business covers machinery and equipment leasing; construction machinery and equipment leasing; own real estate operation activities; trade agency; import and export of goods; import and export of technology; business management services; tendering and bidding consulting services; project investment; engineering and technical research and experimental development; investment consulting services; investment of enterprises' own funds; engineering project management services; engineering and technical consulting services; engineering general contracting services; engineering cost consulting services; services of preparation of engineering estimates, budget; engineering settlement services; lead-zinc ore mining; rare earth metal mining; labour dispatch services; iron ore mining; copper ore mining; aluminum ore mining; external labour cooperation; construction labour dispatch; gold ore mining. As at the date of this announcement, each of Chinalco and the Company holds 50% equity interest in Chinalco Overseas Development.

According to the financial report of Chinalco Overseas Development prepared in accordance with the PRC Enterprise Accounting Standards, the carrying value of the total assets and net assets of Chinalco Overseas Development as at 31 December 2022 amounted to RMB179.7233 million and RMB166.9834 million, respectively. According to the financial report of Chinalco Overseas Development prepared in accordance with the PRC Enterprise Accounting Standards, the net profit (before and after taxation and extraordinary items) of Chinalco Overseas Development for the financial years ended 31 December 2021 and 31 December 2022 are set out as follows:

	For the year ended 31 December 2021 (RMB0'000) (Audited)	For the year ended 31 December 2022 (RMB0'000) (Audited)
Net profit before taxation and extraordinary items	586.71	292.13
Net profit after taxation and extraordinary items	418.41	200.02

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The establishment of the Joint Venture will be conducive to the Company's acceleration of its global layout of mineral resources, the enhancement of the acquisition of domestic and overseas mineral resources, and the realisation of strategic mineral resources needs guarantee.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Capital Contribution Agreement is on normal commercial terms, the terms as set out in such agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, but is not in the ordinary or usual course of business of the Group due to the nature of such transaction.

5. IMPLICATIONS UNDER HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, China Copper and Chinalco Capital are the subsidiaries of Chinalco, and hence Chinalco, China Copper and Chinalco Capital are connected persons of the Company under the Hong Kong Listing Rules. As such, the transaction 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 contemplated under the Capital Contribution Agreement exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Dong Jianxiong and Mr. Zhang Jilong, the Directors of the Company, concurrently hold positions in Chinalco, they have abstained from voting on the Board resolution with respect to the transaction. Saved as disclosed above, none of the Directors has any material interest in the transaction contemplated under the Capital Contribution Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

6. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. The Group principally engages in the exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum, aluminum alloy and carbon products; international trade; logistics business; thermal and new energy power generation, etc.

Information on Chinalco

As at the date of this announcement, the Company, China Copper and Chinalco Capital are all subsidiaries of Chinalco. Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering and technical services, etc.

Information on China Copper

China Copper is a company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, whose principal business includes investment and operation management of copper, lead-zinc, aluminum and other non-ferrous metals industries; exploration, mining, smelting, processing and sales of copper, lead-zinc, aluminum and other non-ferrous metals, production and sales of related by-products, and related utilization and development of circular economy, etc. As at the date of this announcement, Chinalco, Yunnan Provincial Energy Investment Group Co., Ltd.* (雲南省能源投資集團有限公司) (ultimately controlled by 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)), Nujiang State-owned Capital Investment and Operation Management Co., Ltd.* (怒江州國有資本投資運營管理有限公司) (ultimately controlled by the Finance Bureau of Nujiang Lisu Autonomous Prefecture (怒江傈僳族自治州財政局)) and the Finance Bureau of Lanping Bai and Pumi Autonomous County of Yunnan Province (雲南省蘭坪白族普米族自治縣財政局) hold approximately 73.31%, 21.98%, 2.36% and 2.35% equity interest in China Copper, respectively.

Information on Chinalco Capital

Chinalco Capital is a company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, which is principally engaged in financial investment and asset management, asset entrusted management, investment planning, consulting services, etc. As at the date of this announcement, the Company and Chinalco hold approximately 14.71% and approximately 85.29% equity interest in Chinalco Capital, respectively.

7. DEFINITIONS

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

“A Share(s)”	the RMB ordinary share(s) issued by the Company and subscribed for in RMB, which are listed on the Shanghai Stock Exchange;
“Board”	the board of Directors of the Company;
“Capital Contribution Agreement”	the capital contribution agreement dated 18 December 2023 entered into by the Company with Chinalco, China Copper and Chinalco Capital, pursuant to which the parties agreed to jointly contribute capital for the establishment of the Joint Venture;
“China Copper”	China Copper Co., Ltd.* (中國銅業有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of Chinalco as at the date of this announcement;
“China Copper Resources”	China Copper Mineral Resources Co., Ltd.* (中銅礦產資源有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of China Copper as at the date of this announcement;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise established in the PRC and the controlling Shareholder of the Company, holding directly and indirectly approximately 32.20% of the total issued share capital of the Company as at the date of this announcement;

“Chinalco Capital”	Chinalco Capital Holdings Co., Ltd.* (中鋁資本控股有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of Chinalco as at the date of this announcement;
“Chinalco Overseas Development”	Chinalco Overseas Development Co., Ltd.* (中鋁海外發展有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of Chinalco as at the date of this announcement;
“Company”	Aluminum Corporation of China Limited* (中國鋁業股份有限公司), a joint stock limited company incorporated in the PRC, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and subscribed for in Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Joint Venture”	Chinalco (Xiong’an) Mining Co., Ltd.* (中鋁(雄安)礦業有限責任公司) (tentative name, subject to the final approval by the industry and commerce registration authority), a limited liability company to be incorporated in the PRC pursuant to the Capital Contribution Agreement;

“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of A Share(s) and holder(s) of H Share(s);
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules; and
“%”	per cent.

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

Beijing, the PRC
18 December 2023

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 purpose only*