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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
ACQUISITION OF 100% EQUITY INTERESTS
IN QINGDAO LIGHT METAL

On 28 December 2017, Chalco Shandong, a subsidiary of the Company, entered into the Equity Transfer Agreement with Chinalco, subject to conditions precedent. Pursuant to the Equity Transfer Agreement, Chinalco has agreed to dispose and Chalco Shandong has agreed to acquire the 100% equity interests in Qingdao Light Metal.

As at the date of this announcement, Chinalco is the controlling shareholder of the Company and hence it is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Equity Transfer 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 contemplated under the Equity Transfer 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

On 28 December 2017, Chalco Shandong, a subsidiary of the Company, entered into the Equity Transfer Agreement with Chinalco, subject to conditions precedent. Pursuant to the Equity Transfer Agreement, Chinalco has agreed to dispose and Chalco Shandong has agreed to acquire the 100% equity interests in Qingdao Light Metal.

2. EQUITY TRANSFER AGREEMENT

2.1 Date

28 December 2017

2.2 Parties

- (1) Chinalco (as the seller of 100% equity interests in Qingdao Light Metal); and
- (2) Chalco Shandong (as the acquirer of 100% equity interests in Qingdao Light Metal).

2.3 Nature of transaction

Chinalco has conditionally agreed to dispose and Chalco Shandong has conditionally agreed to acquire the 100% equity interests in Qingdao Light Metal.

2.4 Consideration

RMB300,402,400, being the transfer price as agreed in the Equity Transfer Agreement, which is determined with reference to the appraised value of the equity interests in Qingdao Light Metal as set out in the valuation report prepared by China Alliance based on the asset-based approach as at the Benchmark Date upon negotiation between the parties.

2.5 Payment

The consideration shall be paid within 15 business days from the date of signing of the Equity Transfer Agreement.

2.6 Conditions precedent

Conditions precedent of the Equity Transfer Agreement and transaction thereunder include:

- (1) the Equity Transfer Agreement and transaction thereunder having been approved by the competent internal departments of Chinalco and Chalco Shandong; and
- (2) the Equity Transfer Agreement having been duly signed by Chinalco and Chalco Shandong.

2.7 Completion

Chinalco agrees to procure Qingdao Light Metal to complete the transfer procedures as soon as practicable after signing the Equity Transfer Agreement. Industry and commerce registration in relation to the change in shareholders of Qingdao Light Metal shall be completed within 30 business days after payment of consideration and other matters relating to the change shall be completed within not more than 60 business days after payment of consideration.

3. INFORMATION ON QINGDAO LIGHT METAL

Qingdao Light Metal was established in August 2008 with its registered address at No. 889 North Dazhushan Road, Lingang Economic Development Zone, Huangdao District, Qingdao, Shandong Province. It is mainly engaged in the production and sales of bauxite and magnesite products, smelted products and processed products; carbon products and relevant non-ferrous products; manufacture, installation, maintenance and sales of machinery equipment, spare parts and non-standard equipment; manufacture and sales of special process; installation, repair, verification and sales of telecommunication and measurement and control instruments (excluding the installation of ground receiving facilities for satellite television broadcasting); design, installation and debugging of automatic measurement control, network and software systems; operation of office automation and instruments; import, processing and comprehensive utilization of scrap non-ferrous metals; processing of imported, supplied and entrusted materials as well as compensation trade; commodity import and export; and relevant technological development and technical service.

According to the valuation report prepared by China Alliance based on the asset-based approach on the Benchmark Date, as at the Benchmark Date, the book value and appraised value of the total assets of Qingdao Light Metal were RMB379,457,600 and RMB556,314,400, respectively, and the book value and appraised value of its net assets were RMB123,545,600 and RMB300,402,400, respectively, representing a valuation appreciation of RMB176,856,800 or an appreciation rate of 143.15%.

Set out below are the net profits of Qingdao Light Metal (before and after taxes and extraordinary items) for the financial years ended 31 December 2015 and 31 December 2016 pursuant to the financial reports prepared by Qingdao Light Metal according to the generally accepted accounting principles of the PRC:

	For the year ended 31 December 2015 (Audited) (RMB0'000)	For the year ended 31 December 2016 (Audited) (RMB0'000)
Net profit before taxes and extraordinary items	-1,492.72	-3,095.42
Net profit after taxes and extraordinary items	-3,581.44	-3,076.70

Upon completion of the acquisition of 100% equity interests in Qingdao Light Metal by Chalco Shandong, Qingdao Light Metal will become a wholly-owned subsidiary of the Company. The original cost of Qingdao Light Metal invested by Chinalco amounts to the capital contributions made by Chinalco since the establishment of Qingdao Light Metal. The Directors do not consider the original cost of Qingdao Light Metal to Chinalco directly relevant to the determination of the consideration of the acquisition of 100% equity interests in Qingdao Light Metal by Chalco Shandong.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION OF 100% EQUITY INTERESTS IN QINGDAO LIGHT METAL

The acquisition of 100% equity interests in Qingdao Light Metal by Chalco Shandong is in line with the development plan of the Company and conducive to the Company's prospective strategic layout on the secondary aluminium segment. As the secondary aluminium is classified into the environmental protection industry, developing secondary aluminium business conforms to the national policy orientation and can be a useful supplement to the electrolytic aluminium business. Besides, the acquisition of 100% equity interests in Qingdao Light Metal by Chalco Shandong has synergic effects with the business development of the Company and will be beneficial to the overall planning on the aluminium processing segment of Chalco Shandong.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement is on normal commercial terms, is fair and reasonable and is 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.

6. IMPLICATIONS UNDER HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling shareholder of the Company and hence it is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Equity Transfer 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 contemplated under the Equity Transfer 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. Yu Dehui and Mr. Liu Caiming, 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 Equity Transfer Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

7. GENERAL INFORMATION

The Company is a joint stock limited company incorporated in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively, while its ADSs are listed on the New York Stock Exchange. The Group is principally engaged in the mining of bauxite, coals and other resources; the production, sales and technology research and development of alumina, primary aluminum and aluminum alloy products; international trading; logistics industry and thermal and new energy power generation.

Chalco Shandong is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in production and sales of alumina series products, constructive aluminum profiles, aluminium ingots, carbon products, autoclaved fly ash brick and industrial water and steam, generation of electricity for industrial purposes.

Chinalco is the controlling Shareholder of the Company and it directly and indirectly holds approximately 34.77% of the total issued share capital of the Company as at the date of this announcement. Chinalco is a solely state-owned enterprise with limited liabilities registered and incorporated in the PRC and the sponsoring Shareholder of the Company. Chinalco is principally engaged in mineral resources development, smelting and processing of non-ferrous metal, relevant trading and related engineering and technical services.

8. DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company and subscribed for in Renminbi and which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Shares;
“ADS(s)”	the American Depositary Share(s) issued by the Bank of New York Mellon as the depository bank and listed on the New York Stock Exchange, with each ADS representing 25 H Shares;
“Benchmark Date”	31 July 2017;
“Board”	the board of Directors of the Company;
“Chalco Shandong”	Chalco Shandong Co., Ltd.* (中鋁山東有限公司), a wholly-owned subsidiary of the Company and the acquirer of the 100% equity interests of Qingdao Light Metal;
“China Alliance”	China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司), a qualified valuer in the PRC, appointed by the Chalco Shandong to appraise the value of shareholders’ equity of Qingdao Light Metal;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise with limited liabilities established in the PRC and the controlling shareholder of the Company holding directly and indirectly approximately 34.77% of the total issued share capital of the Company 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, H Shares and ADS(s) of which are listed on the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the New York 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;
“Equity Transfer Agreement”	the agreement entered into between Chinalco and Chalco Shandong on 28 December 2017, pursuant to which, Chinalco agreed to dispose and Chalco Shandong agreed to acquire 100% equity interests in Qingdao Light Metal;
“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;
“H Shareholder(s)”	holder(s) of H Shares;
“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;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and the Taiwan region;
“Qingdao Light Metal”	Chinalco Qingdao Light Metal Co., Ltd.* (中鋁青島輕金屬有限公司), a limited liability company incorporated in the PRC;

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

By order of the Board
Aluminum Corporation of China Limited*
Zhang Zhankui
Company Secretary

Beijing, the PRC
28 December 2017

As at the date of this announcement, the members of the board of directors comprise Mr. Yu Dehui, Mr. Ao Hong, Mr. Lu Dongliang and Mr. Jiang Yinggang (Executive Directors); Mr. Liu Caiming and Mr. Wang Jun (Non-executive Directors); Ms. Chen Lijie, Mr. Hu Shihai and Mr. Lie-A-Cheong Tai Chong, David (Independent Non-executive Directors).

* *For identification purposes only*