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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 51% EQUITY INTERESTS
IN DONGQING LONGHUA LOGISTICS**

On 17 September 2018, Chalco Logistics, a subsidiary of the Company, entered into the Equity Transfer Agreement with Northeast Light Alloy, pursuant to which, Northeast Light Alloy agreed to sell and Chalco Logistics agreed to acquire 51% equity interests in Dongqing Longhua Logistics.

As at the date of this announcement, Northeast Light Alloy is a subsidiary of Chinalco, 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 17 September 2018, Chalco Logistics, a subsidiary of the Company, entered into the Equity Transfer Agreement with Northeast Light Alloy, pursuant to which, Northeast Light Alloy agreed to sell and Chalco Logistics agreed to acquire 51% equity interests in Dongqing Longhua Logistics.

2. EQUITY TRANSFER AGREEMENT

2.1. Date

17 September 2018

2.2. Parties

- (1) Northeast Light Alloy (being the seller of the 51% equity interests in Dongqing Longhua Logistics); and
- (2) Chalco Logistics (being the acquirer of the 51% equity interests in Dongqing Longhua Logistics).

2.3. Nature of transaction

Northeast Light Alloy has agreed to dispose of and Chalco Logistics has agreed to acquire the 51% equity interests in Dongqing Longhua Logistics in accordance with the terms and procedures under the Equity Transfer Agreement.

2.4. Consideration

RMB3,303,616.98, being the transfer price as agreed under the Equity Transfer Agreement, which is determined with reference to the appraised value of the equity interests in Dongqing Longhua Logistics as set out in the valuation report prepared by Zhongming International using the asset-based approach as at the Valuation Benchmark Date upon negotiation between the parties.

2.5. Payment

The consideration shall be paid off in one lump sum within 10 business days upon the effectiveness of the Equity Transfer Agreement.

2.6. Conditions precedent

The Equity Transfer Agreement shall take effect after being signed by each party.

2.7. Completion

Northeast Light Alloy agrees to procure Dongqing Longhua Logistics to complete the transfer formalities as soon as practicable after signing the Equity Transfer Agreement. The transfer formalities shall be deemed complete when Dongqing Longhua Logistics completes the filing for registration of the change in shareholders and obtains new industrial and commercial registration certificate. The completion date of the transfer formalities is such date as set out in the industrial and commercial registration certificate. Industrial and commercial registration in relation to the change in shareholders of Dongqing Longhua Logistics shall be completed within 60 business days after the payment of consideration, and other matters relating to the change shall be completed within not more than 120 business days after the payment of consideration.

3. INFORMATION ON DONGQING LONGHUA LOGISTICS

Dongqing Longhua Logistics was established in January 2017 with registered capital of RMB4 million and it is a wholly-owned subsidiary of Northeast Light Alloy as at the date of this announcement. Principal activities of Dongqing Longhua Logistics include road freight operation, warehousing (excluding hazardous articles and inflammable and explosive goods), information consultancy (excluding agency), handling operation, import and export trade, research and development of new energy technology and relevant products, research and development of railway transit equipment, transportation technology consultancy, labour despatch, online trading agency, vehicle repair and adornment, vehicle leasing, and sale of metal materials and metal mines, aluminium alloy products, mechanical equipment, electromechanical products, hardware and electrical devices, building materials, chemical products (excluding hazardous chemicals and precursor chemicals in category I), lubricating oil, timbering, fertilizer, general merchandise, auto spare parts, etc.

According to the valuation report prepared by Zhongming International using the asset-based approach on the Valuation Benchmark Date, as at the Valuation Benchmark Date, the book value and appraised value of the total assets of Dongqing Longhua Logistics were RMB10,926,000 and RMB10,928,400, respectively, representing an appreciation rate of 0.02%; the book value and appraised value of the total liabilities were consistent, both amounting to RMB4,450,700; and the book value and appraised value of its total net assets (the total shareholders' equity) were RMB6,475,300 and RMB6,477,700, respectively, representing an appreciation rate of 0.04%.

Dongqing Longhua Logistics was established in January 2017. According to the financial report prepared by Dongqing Longhua Logistics in accordance with the generally accepted accounting principles of the PRC, the net profits before and after taxes and extraordinary items of Dongqing Longhua Logistics for the financial year ended 31 December 2017 were RMB3,600,200 and RMB3,600,200 (audited), respectively.

Upon completion of the acquisition of 51% equity interests in Dongqing Longhua Logistics by Chalco Logistics, Dongqing Longhua Logistics will become a non-wholly-owned subsidiary of the Group and be consolidated into the combined financial statements of the Group. The original cost that Northeast Light Alloy invested in Dongqing Longhua Logistics amounts to the capital contributions made by Northeast Light Alloy since the establishment of Dongqing Longhua Logistics. The Directors do not consider that the original cost of Dongqing Longhua Logistics contributed by Northeast Light Alloy is directly related to the determination of the consideration for the acquisition of equity interests in Dongqing Longhua Logistics by Chalco Logistics.

4. REASONS FOR AND BENEFITS OF ACQUISITION OF EQUITY INTERESTS IN DONGQING LONGHUA LOGISTICS

The acquisition of equity interests in Dongqing Longhua Logistics is conducive to the integration of the Group's logistics businesses in Northeast China. In virtue of the advantageous external environment and market conditions of the localities, the Group will be able to expand its external logistics services in Northeast China, reduce operating costs of the enterprises, facilitate benefit making from the external perspective, improve corporate competitiveness and enhance the profitability.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Equity Transfer Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, but is not conducted 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, Northeast Light Alloy is a subsidiary of Chinalco, 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. Ao Hong, 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.

6. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company incorporated in the PRC, whose H Shares, A Shares and ADSs are listed on the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the New York Stock Exchange, respectively. 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.

Information on Chalco Logistics

Chalco Logistics is a wholly-owned subsidiary of the Company as at the date of this announcement, and its principal activities include: international forwarding agency for goods importing and exporting by sea, air and land, including canvassing, booking, warehousing, transit shipment, vanning and devanning, freight settlement, customs declaration, application for inspection, insurance, and relevant short haul transportation services and transportation consultancy businesses; warehousing services; packaging services; sale of metal ores, non-metallic ores, hardware and electrical devices, building materials, mechanical equipment, auto spare parts, metal materials and chemical products (excluding hazardous chemicals and precursor chemicals in category I); lease of commercial housing properties; lease of mechanical equipment (excluding vehicle leasing); vehicle leasing (excluding passenger vehicles with more than 9 seats); technological development, transfer and consultancy; economic and trading consultancy; transportation consultancy; import and export of goods and technology as well as importing and exporting agency; forwarding agency services; ordinary freight; international shipping; international road transport.

Information on Chinalco

Chinalco is the controlling shareholder of the Company, and it directly and indirectly holds 36.27% of the shares of the Company as at the date of this announcement. Chinalco is a solely state-owned enterprise incorporated in the PRC, who contributed entities and business to the Company upon the Company's establishments. The principal activities of Chinalco include the production and sales of aluminum, copper, rare earth and related non-ferrous metals mineral products, smelted products, fabrication products and carbon products.

Information on Northeast Light Alloy

Northeast Light Alloy is a controlled subsidiary of Chinalco as at the date of this announcement, and its principal activities include: road transportation of general cargo, repair of measuring instruments; casting of aluminium, magnesium and their alloys as well as the wrought products thereof; manufacturing, installation, maintenance and repair of aluminium products and equipment; technological development and consultancy services in respect of aluminium and magnesium; domestic trading and import and export trading (excluding those otherwise regulated by the government).

7. DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company and subscribed for in RMB, which are listed on the SSE;
“ADS(s)”	the American Depository 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;
“Board”	the board of Directors of the Company;
“Chalco Logistics”	Chalco Logistics Group Co., Ltd.* (中鋁物流集團有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement, being the acquirer of the 51% equity interests in Dongqing Longhua Logistics;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise with limited liability established in the PRC and the controlling shareholder of the Company holding directly and indirectly approximately 36.27% 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;
“Dongqing Longhua Logistics”	Harbin Dongqing Longhua Logistics Company Limited* (哈爾濱東輕龍華物流有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Northeast Light Alloy as at the date of this announcement;
“Equity Transfer Agreement”	the agreement entered into between Chalco Logistics and Northeast Light Alloy on 17 September 2018, pursuant to which Northeast Light Alloy agreed to sell and Chalco Logistics agreed to acquire 51% equity interests in Dongqing Longhua Logistics;
“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;
“Northeast Light Alloy”	Northeast Light Alloy Corporation Limited* (東北輕合金有限責任公司), a company incorporated in the PRC with limited liability and a subsidiary of Chinalco as at the date of this announcement, being the seller of the 51% equity interests in Dongqing Longhua Logistics;

“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Shares and H Shares;
“Shareholder(s)”	holders of A Shares and holders of H Shares;
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Valuation Benchmark Date”	31 October 2017;
“Zhongming International”	Zhongming International Assets Appraisal (Beijing) Co., Ltd* (中銘國際資產評估(北京)有限責任公司), a PRC qualified assets valuer, which is engaged by Chalco Logistics to carry out valuation on the equity interests of Dongqing Longhua Logistics;
“%”	per cent.

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

Beijing, the PRC
17 September 2018

As at the date of the publication of this announcement, the members of the board of directors comprise Mr. Yu Dehui, Mr. Lu Dongliang and Mr. Jiang Yinggang (Executive Directors); Mr. Ao Hong 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 purpose only*