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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 CERTAIN ASSETS OF SHANXI ALUMINUM

Reference is made to the announcement of the Company dated 22 January 2019 in relation to the proposed acquisition of certain assets of Shanxi Aluminum by Shanxi New Material, a subsidiary of the Company, by way of agreement. The Board hereby announces that on 30 January 2019, Shanxi New Material and Shanxi Aluminum entered into the Assets Transfer Agreement, pursuant to which, Shanxi Aluminum has agreed to sell and Shanxi New Material has agreed to acquire the Target Assets.

As at the date of this announcement, Shanxi Aluminum is a subsidiary of Chinalco, the controlling Shareholder of the Company, and Shanxi New Material is a subsidiary of the Company. Therefore, Shanxi Aluminum is a connected person of the Company under the Hong Kong Listing Rules, and the transaction contemplated under the Assets Transfer Agreement constitutes a connected transaction of the Company 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 Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction is subject to reporting and announcement requirements but exempt from independent Shareholder's approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

Reference is made to the announcement of the Company dated 22 January 2019 in relation to the proposed acquisition of certain assets of Shanxi Aluminum by Shanxi New Material, a subsidiary of the Company, by way of agreement. The Board of the Company hereby announces that on 30 January 2019, Shanxi New Material and Shanxi Aluminum entered into the Assets Transfer Agreement, pursuant to which, Shanxi Aluminum has agreed to sell and Shanxi New Material has agreed to acquire the Target Assets.

2. ASSETS TRANSFER AGREEMENT

(1) Date

30 January 2019

(2) Parties

- (i) Shanxi New Material, as purchaser of the Target Assets; and
- (ii) Shanxi Aluminum, as seller of the Target Assets.

(3) Nature of the Transaction

Shanxi Aluminum has agreed to sell and Shanxi New Material has agreed to acquire the Target Assets, namely the 1,501 fixed assets such as buildings and structures and machinery and equipment owned by Shanxi Aluminum. To be specific, these assets include but are not limited to a laboratory building, a company office building, an online monitoring system for total phosphorus used by domestic sewage stations, COD detectors, etc., subject to the list of assets contained in the asset valuation report issued by China Alliance.

(4) Transfer Consideration and Payment

The consideration for the transfer is RMB177,159,400, being the transfer price as agreed under the Assets Transfer Agreement, which is determined through negotiations between the parties concerned with reference to the appraised value of the Target Assets as at 31 August 2018 as shown in the asset valuation report prepared by China Alliance using the cost approach. Shanxi New Material shall pay the transfer consideration in one lump sum to Shanxi Aluminum within 10 days after the Assets Transfer Agreement takes effect.

(5) Conditions Precedent

The Assets Transfer Agreement shall take effect upon being:

- (i) duly signed and affixed with official seal by the legal or authorized representative of each of the parties thereto;
- (ii) approved by the Board of the Company; and
- (iii) approved by Chinalco.

(6) Completion

The Target Assets shall be delivered in accordance with laws subject to the followings:

- (i) the Assets Transfer Agreement having taken effect ;
- (ii) the quantity and integrity of the Target Assets having been checked and verified by the parties; and
- (iii) the assets transfer certificate with regard to the Target Assets having been signed by the parties.

Shanxi Aluminum shall cooperate with Shanxi New Material in going through the procedures for title transfer in respect of the Target Assets, and complete the delivery of the Target Assets within 10 days after the Assets Transfer Agreement takes effect.

3. INFORMATION ON THE TARGET ASSETS

According to the asset valuation report prepared by China Alliance using the cost approach with 31 August 2018 as the valuation benchmark date, the book value and appraised value of the Target Assets under the Assets Transfer Agreement are RMB149,902,300 and RMB177,159,400, respectively, representing an appreciation rate of 18.18%.

According to the financial report of Shanxi Aluminum prepared in accordance with the generally accepted accounting principles of the PRC, the net profits attributable to the Target Assets for the financial years ended 31 December 2016 and 31 December 2017 (before and after taxation and extraordinary items) are set out as follows:

	For the year ended 31 December 2016 (RMB0'000)	For the year ended 31 December 2017 (RMB0'000)
Net profit before taxation and extraordinary items	N/A	N/A
Net profit after taxation and extraordinary items	N/A	N/A

Note: Since no independent accounting was carried out by Shanxi Aluminum in respect of the aforementioned Target Assets, there is no corresponding net profits attributable to the aforementioned Target Assets for the financial years ended 31 December 2016 and 31 December 2017 (before and after taxation and extraordinary items).

Shanxi Aluminum's original costs for the Target Assets represents the amount invested by it in the Target Assets over the years. The Directors are of the view that Shanxi Aluminum's original costs for the Target Assets are not directly related to the determination of the consideration for acquisition of the Target Assets by Shanxi New Material.

4. REASONS FOR AND BENEFITS OF ACQUIRING THE TARGET ASSETS

The Target Assets are all required for the production and operation of Shanxi New Material. Upon completion of the acquisition, unified management will be realised, which will enable the Target Assets to better serve production and operation activities and enhance the management efficiency of Shanxi New Material. In addition, given that the Target Assets are being used by Shanxi New Material, the acquisition of the Target Assets is conducive to streamlining the asset relationship and reducing daily connected transactions.

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

5. IMPLICATIONS UNDER HONG KONG LISTING RULES

As at the date of this announcement, Shanxi Aluminum is a subsidiary of Chinalco, the controlling Shareholder of the Company, and Shanxi New Material is a subsidiary of the Company. Therefore, Shanxi Aluminum is a connected person of the Company under the Hong Kong Listing Rules, and the transaction contemplated under the Assets Transfer Agreement constitutes a connected transaction of the Company 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 Assets Transfer Agreement exceeds 0.1% but is less than 5%, the transaction is subject to reporting and announcement requirements but exempt from independent Shareholder's 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 Assets Transfer Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

6. GENERAL INFORMATION ON THE PARTIES

Information on the Company

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

Information on Chinalco

Chinalco, as the controlling Shareholder of the Company, directly and indirectly, holds approximately 36.62% of the shares of the Company as at the date of this announcement. Chinalco is a wholly state-owned enterprise incorporated in the PRC, whose entities and business were contributed to the Company upon the Company's establishment. 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 Shanxi New Material

Shanxi New Material is a limited liability company incorporated in the PRC, and a subsidiary of the Company as at the date of this announcement. Its scope of business includes: manufacturing and sales of aluminum ore products and limestone products; manufacturing and sales of aluminum hydroxide, aluminum oxide, electrolytic aluminum and other aluminum smelting products, aluminum alloy and aluminum processing products; manufacturing and sales of cogeneration, carbon products and other non-ferrous metal products; manufacturing and sales of industrial water, electricity and gas; manufacturing and sales of coal ash residues, red mud and comprehensive utilization products; recovery of valuable metals from red mud; manufacturing and sales of coal desulfurization by-products; manufacturing, installation and maintenance of mechanical equipment, spare parts and non-standard equipment; exploration design; road cargo transportation; technical consultation and training (without certificates) on the smelting process of aluminum hydroxide, aluminum oxide, electrolytic aluminum, aluminum alloy and aluminum processing; relevant technology development and technical services; manufacturing and sales of raw and auxiliary materials for industry and scientific research; sales of waste materials produced by the company; leasing of auxiliary production plant, equipment, office building and shops.

Information on Shanxi Aluminum

Shanxi Aluminum is a limited liability company incorporated in the PRC, and a subsidiary of Chinalco as at the date of this announcement. Its scope of business includes: manufacturing and sales of aluminum oxide, aluminum hydroxide, electrolytic aluminum and highly processed products; mining of mineral resources: mining and sales of bauxite, limestone (stone) and associated mines; production and sale of wear-resistant materials, filter materials, PP woven bags, flocculants, chemical products (excluding hazardous chemicals), treatment agents for industrial water (excluding hazardous chemicals); research and development and sales of new wall materials; technical services for sewage and wastewater treatment; sales of iron, non-ferrous metals (excluding rare metals), coke, industrial and mining equipment and spare parts, hardware, electricity and chemical products, steel, building materials (excluding wood); construction engineering; production, installation and sales of electrical equipment and provision of energy-saving technical services; production and processing of mechanical parts, machining castings, metal molds and roller; design, installation, commissioning and maintenance of environmental protection equipment, automatic control equipment, instruments and apparatus, video surveillance system, air conditioning, frequency converter; printing; internet services: website design, software and network technology development, transfer and consulting services; network promotion and advertising; design, production, installation, commissioning, sales and services of information system integration; sales of computer hardware and software and accessory equipment, electronics,

communication equipment and office supplies and provision of information technology services; production and sales of clothing and labor protection products (excluding special labor protection products); maintenance of industrial and mining equipment (except for special equipment) and motor vehicles; road cargo transportation; cargo handling (except for hazardous chemicals); undertaking of installation, repair and commissioning of power facilities; electricity business and power supply and technical services; mining technology consulting, surveying and mapping; geological exploration; property services; leasing of self-owned property; import and export: import and export of goods and technologies; development and sales of fly ash slag products; distribution: PVC, resin (except for hazardous chemicals), lubricating oil; maintenance, operation, cleaning, overhaul, processing and debugging, sales and technical consultation of electromechanical, chemical and smelting equipment; special equipment: installation and maintenance of pressure vessel and pipeline equipment; hotel management. Sales of corrosives: sodium sulfide (including crystal water $\geq 30\%$), sodium hydroxide, sodium hydroxide solution; oxidant and organic peroxide: hydrogen peroxide ($20\% \leq \text{content} \leq 60\%$).

7. 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 RMB, which are listed on the Shanghai Stock Exchange;
“Assets Transfer Agreement”	the agreement entered into between Shanxi New Material and Shanxi Aluminum on 30 January 2019, pursuant to which, Shanxi Aluminum has agreed to sell and Shanxi New Material has agreed to acquire the Target Assets;
“Board”	the board of Directors of the Company;
“China Alliance”	China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司), a PRC qualified valuer engaged by Shanxi Aluminum to carry out the valuation on the Target Assets;

“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 36.62% 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;
“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;
“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;

“Shanxi Aluminum”	Chinalco Shanxi Aluminum Co., Ltd.* (中 鋁 山 西 鋁 業 有 限 公 司), a limited liability company incorporated in the PRC, and a subsidiary of Chinalco as at the date of this announcement;
“Shanxi New Material”	Chalco Shanxi New Material Co., Ltd.* (中 鋁 山 西 新 材 料 有 限 公 司), a limited liability company incorporated in the PRC, and a subsidiary of the Company as at the date of this announcement;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of A Shares and holder(s) of H Shares;
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Target Assets”	certain assets of Shanxi Aluminum to be acquired by Shanxi New Material under the Assets Transfer Agreement, details of which are set out in the section headed “Nature of the Transaction” in this announcement;
“%”	percent.

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

Beijing, the PRC
30 January 2019

As at the date of the publication of this announcement, the members of the Board comprise Mr. Yu Dehui, Mr. Lu Dongliang, Mr. Jiang Yinggang and Mr. Zhu Runzhou (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