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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
PROPOSED CAPITAL CONTRIBUTION TO
CHINALCO FACTORING BY
EACH OF CHALCO INTERNATIONAL TRADING
AND CHALCO LOGISTICS

Reference is made to the announcement of the Company dated 22 January 2019 in relation to the proposed capital contribution to Chinalco Factoring by Chalco International Trading and Chalco Logistics, both of which are wholly-owned subsidiaries of the Company. The Board hereby announces that, on 30 January 2019, Chalco International Trading and Chalco Logistics entered into the Capital Contribution Agreement with Chinalco Factoring and Chinalco Capital, pursuant to which, each of Chalco International Trading and Chalco Logistics will make a capital contribution of RMB100 million in cash to Chinalco Factoring. Upon completion of the Capital Contribution, Chinalco Factoring will be owned as to 17.1915% by each of Chalco International Trading and Chalco Logistics, and will not become a subsidiary of the Company.

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company and Chinalco Capital is a subsidiary of Chinalco, and thus they are both connected persons of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Capital Contribution 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 Capital Contribution 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.

In accordance with the relevant requirements of the Listing Rules of the Shanghai Stock Exchange, the proposed capital contribution to Chinalco Factoring by each of Chalco International Trading and Chalco Logistics, both of which are wholly-owned subsidiaries of the Company, is required to be proposed at the general meeting for consideration, and therefore the Company will seek approval for such issue from the Shareholders at the EGM.

1. INTRODUCTION

Reference is made to the announcement of the Company dated 22 January 2019 in relation to the proposed capital contribution to Chinalco Factoring by Chalco International Trading and Chalco Logistics, both of which are wholly-owned subsidiaries of the Company. The Board hereby announces that, on 30 January 2019, Chalco International Trading and Chalco Logistics entered into the Capital Contribution Agreement with Chinalco Factoring and Chinalco Capital, pursuant to which, each of Chalco International Trading and Chalco Logistics will make a capital contribution of RMB100 million in cash to Chinalco Factoring. Upon completion of the Capital Contribution, Chinalco Factoring will be owned as to 17.1915% by each of Chalco International Trading and Chalco Logistics, and will not become a subsidiary of the Company.

2. CAPITAL CONTRIBUTION AGREEMENT

(1) Date

30 January 2019

(2) Parties

- (i) Chalco International Trading;
- (ii) Chalco Logistics;

- (iii) Chinalco Capital (holding 100% equity interest in Chinalco Factoring prior to the Capital Contribution); and
- (iv) Chinalco Factoring.

(3) Capital Contribution

Each of Chalco International Trading and Chalco Logistics will make a capital contribution of RMB100 million in cash to Chinalco Factoring, and Chinalco Capital has agreed the Capital Contribution and waived the pre-emptive right for subscription of the new equity interests.

The parties concerned have confirmed that the value of the shareholders' equity in Chinalco Factoring shall be determined based on the valuation results of the asset valuation report prepared by China Assets Appraisal using the income approach with 31 May 2018 as the valuation benchmark date. Upon completion of the Capital Contribution, Chinalco Factoring will be owned as to 17.1915%, 17.1915% and 65.6170% by Chalco International Trading, Chalco Logistics and Chinalco Capital, respectively.

Upon completion of the Capital Contribution, the registered capital of Chinalco Factoring will be increased from the current RMB300,000,000 to RMB457,198,678 (RMB157,198,678 of the contribution will be included in paid-up capitals and the remaining RMB42,801,322 will be included in capital reserves).

(4) Effectiveness of the agreement

The Capital Contribution Agreement shall take effect after the parties concerned have gone through their respective approval procedures, including but not limited to the approval of the board of directors, the general meeting and the responsible department of each of the parties concerned and the Capital Contribution Agreement has been signed and affixed with official seal by the legal or authorized representative of each of the parties concerned.

(5) Completion

As agreed among the parties to the Capital Contribution Agreement, Chalco International Trading and Chalco Logistics shall pay their respective consideration as involved in the Capital Contribution to the bank account designated by Chinalco Factoring within 45 working days commencing from the effective date of the Capital Contribution Agreement. The completion date set out in the Capital Contribution Agreement shall be completion date of the industrial and commercial registration for the changes and such completion date of industrial and commercial registration for the changes shall be deemed as the completion date of the Capital Contribution. Chalco International Trading, Chalco Logistics and Chinalco Capital shall provide proactive cooperation and procure Chinalco Factoring to complete the industrial and commercial registration of changes within 45 working days after the Capital Contribution Agreement takes effect.

(6) Corporate Governance

Upon completion of the Capital Contribution, Chinalco Factoring shall establish a board of directors composed of five directors, of which, one, one and three shall be recommended by Chalco International Trading, Chalco Logistics and Chinalco Capital, respectively. The post of chairman of the board of directors shall be held by one of the directors recommended by Chinalco Capital. Chalco International Trading, Chalco Logistics and Chinalco Capital shall have the rights to share the return on assets, participate in making significant decisions and choose the managers, and be obliged to perform their respective duties as shareholders in compliance with the articles of association of Chinalco Factoring as revised upon negotiation.

3. INFORMATION ON CHINALCO FACTORING

Each of Chalco International Trading and Chalco Logistics will make a capital contribution of RMB100 million in cash to Chinalco Factoring. Chinalco Factoring is a limited liability company incorporated in the PRC in May 2016 with a registered capital of RMB300 million. As at the date of this announcement, it is a wholly-owned subsidiary of Chinalco Capital. The scope of business of Chinalco Factoring includes provision of trade financing services by way of acquiring accounts receivable; settlement, management and collection of accounts receivable; management of sales ledger; investigation and evaluation of clients' credits; relevant advisory services. According to the asset valuation report prepared by China Assets Appraisal using the income approach with 31 May 2018 as the valuation benchmark date, the book value and appraised value of the net assets of Chinalco Factoring were RMB321,991,500 and RMB381,682,600, respectively.

According to the financial report of Chinalco Factoring prepared in accordance with the generally accepted accounting principles of the PRC, the net profits of Chinalco Factoring 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	592.68	2,007.48
Net profit after taxation and extraordinary items	444.32	1,505.49

Upon completion of the Capital Contribution, Chinalco Factoring will be owned as to 17.1915% by each of Chalco International Trading and Chalco Logistics and will not become a subsidiary of the Company. Chinalco Capital's original investment in Chinalco Factoring shall be the total capital contributed by Chinalco Capital since the establishment of Chinalco Factoring. The Directors are of the view that Chinalco Capital's original investment in Chinalco Factoring is not directly related to the determination of the consideration under the Capital Contribution Agreement.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT

As an important part of the financial segment of Chinalco, Chinalco Factoring is in possession of advantages in conducting group-wide factoring businesses and certain profitability. The transaction is expected to bring along relatively stable return on investment for the Company. Meanwhile, after the completion of the Capital Contribution, the Company will be able to, leveraging the value-added services provided by Chinalco Factoring, include the upstream and downstream suppliers and the customers in its service scope and thereby establish a supply chain financial and credit system, which is beneficial to facilitating the expansion of trade, procurement and logistics businesses of the Company.

The Directors (including independent non-executive Directors) are of the view that the transaction contemplated under the Capital Contribution Agreement is on normal commercial terms, and the terms under 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 THE HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company and Chinalco Capital is a subsidiary of Chinalco, and thus they are both connected persons of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Capital Contribution 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 Capital Contribution 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 Capital Contribution Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

In accordance with the relevant requirements of the Listing Rules of the Shanghai Stock Exchange, the proposed capital contribution to Chinalco Factoring by each of Chalco International Trading and Chalco Logistics, both of which are wholly-owned subsidiaries of the Company, is required to be proposed at the general meeting for consideration, and therefore the Company will seek approval for such issue from the Shareholders at the EGM.

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 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, etc.

Information on Chalco International Trading

Chalco International Trading is a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company as at the date of this announcement. Its scope of business includes: sales of metal materials and related products, coal, building materials, electronic equipment, air-conditioning equipment, auto parts, hardware and electrical devices, daily necessities, knitwear

and textiles, wood, steel products, electronic products, communications equipment (excluding ground receiving facilities for satellite television broadcasting), chemical raw materials (excluding hazardous chemicals, controlled chemicals, fireworks and firecrackers, civil explosives and precursor chemicals) and automobiles, import and export business of goods and technology, provision of economic information consulting services and corporate management consulting.

Information on Chalco Logistics

Chalco Logistics is a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company as at the date of this announcement. Its scope of business includes: international transportation agency for cargo 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; cargo 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; transportation agency services; ordinary freight; international shipping; international road transport.

Information on Chinalco Capital

Chinalco Capital 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: investment management; projects investment; assets management; investment consulting; and corporate management consulting.

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 Shanghai Stock Exchange;
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“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;
“Capital Contribution”	the capital contribution in the amount of RMB100 million to be made in cash by each of Chalco International Trading and Chalco Logistics to Chinalco Factoring under the Capital Contribution Agreement;
“Capital Contribution Agreement”	the agreement entered into among Chalco International Trading, Chalco Logistics, Chinalco Factoring and Chinalco Capital on 30 January 2019, pursuant to which, each of Chalco International Trading and Chalco Logistics has agreed to make a capital contribution of RMB100 million in cash to Chinalco Factoring;
“Chalco International Trading”	Chalco International Trading Group Co., Ltd.* (中鋁國際貿易集團有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company as at the date of this announcement;
“Chalco Logistics”	Chalco Logistics Group Co., Ltd.* (中鋁物流集團有限公司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of the Company as at the date of this announcement;
“China Assets Appraisal”	China Assets Appraisal Co., Ltd.*(中資資產評估有限公司), a PRC qualified valuer as engaged by Chinalco Capital to carry out the valuation on the value of Chinalco Factoring;
“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;

“Chinalco Capital”	Chinalco Capital Holdings Co., Ltd.* (中 鋁 資 本 控 股 有 限 公 司), a limited liability company incorporated in the PRC, and a non-wholly owned subsidiary of Chinalco as at the date of this announcement;
“Chinalco Factoring”	Chinalco Commercial Factoring (Tianjin) Co., Ltd.* (中 鋁 商 業 保 理 (天 津) 有 限 公 司), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of Chinalco Capital 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;
“EGM”	the 2019 second extraordinary general meeting of the Company to be convened on 28 March 2019 to consider and, if thought fit, among other matters, approve the Capital Contribution;
“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;
“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;
“%”	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