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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**  
**CAPITAL CONTRIBUTION TO YIXIN ALUMINUM**

The Board of the Company hereby announces that on 10 December 2019, the Company entered into the Capital Contribution Agreement with Yunnan Aluminum, Wenshan Aluminum, Yang Wenze, Kong Lingcheng, Duan Xianglong and Yixin Aluminum, pursuant to which the Company agreed to make a capital contribution of RMB850 million in cash to Yixin Aluminum. Upon completion of the Capital Contribution, Yixin Aluminum will be held as to approximately 38.90% by the Company, 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 Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum are subsidiaries of Chinalco. Therefore, Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum are 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 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.

## **1. INTRODUCTION**

The Board of the Company hereby announces that on 10 December 2019, the Company entered into the Capital Contribution Agreement with Yunnan Aluminum, Wenshan Aluminum, Yang Wenze, Kong Lingcheng, Duan Xianglong and Yixin Aluminum, pursuant to which the Company agreed to make a capital contribution of RMB850 million in cash to Yixin Aluminum. Upon completion of the Capital Contribution, Yixin Aluminum will be held as to approximately 38.90% by the Company, and will not become a subsidiary of the Company.

## **2. CAPITAL CONTRIBUTION AGREEMENT**

### **(1) Date**

10 December 2019

### **(2) Parties**

- (i) the Company;
- (ii) Yunnan Aluminum (as a Current Shareholder of Yixin Aluminum and holding 94.60% equity interest of Yixin Aluminum before the Capital Contribution);
- (iii) Wenshan Aluminum (as a Current Shareholder of Yixin Aluminum and holding 3.56% equity interest of Yixin Aluminum before the Capital Contribution);
- (iv) Yang Wenze (as a Current Shareholder of Yixin Aluminum and holding 1.44% equity interest of Yixin Aluminum before the Capital Contribution);
- (v) Kong Lingcheng, (as a Current Shareholder of Yixin Aluminum and holding 0.31% equity interest of Yixin Aluminum before the Capital Contribution);
- (vi) Duan Xianglong (as a Current Shareholder of Yixin Aluminum and holding 0.09% equity interest of Yixin Aluminum before the Capital Contribution); and
- (vii) Yixin Aluminum.

Save Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yang Wenze, Kong Lingcheng, Duan Xianglong and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **(3) Capital Contribution**

The Company has agreed to make a capital contribution of RMB850 million in cash to Yixin Aluminum based on the terms of the Capital Contribution Agreement, while the Current Shareholders have agreed to accept the above capital contribution of the Company and waived the right to subscribe for the capital contribution based on the terms of the Capital Contribution Agreement.

Each of the parties has confirmed that the value of shareholders' equity interest of Yixin Aluminum shall be determined based on the valuation results of the assets valuation report prepared by China United Assets Appraisal using the income approach with 30 April 2019 as the valuation benchmark date.

Upon completion of the Capital Contribution, the registered capital of Yixin Aluminum will be increased from the current RMB1,324.3989 million to RMB2,167.6549 million (RMB843,256,056.65 of the capital contribution of the Company will be included in paid-up capital and the remaining will be included in capital reserve).

Upon completion of the Capital Contribution, Yixin Aluminum will be held as to approximately 38.90% by the Company (the shareholding proportion is determined based on the capital contribution amount subscribed by the Company and the Current Shareholders and the final shareholding proportion will be subject to the valuation report after being filed). After the completion of the Capital Contribution, the Company and the Current Shareholders will enjoy the dividends and other shareholders' interest of Yixin Aluminum based on the proportion of their respective paid-up capital contribution amount after the Capital Contribution.

**(4) Payment**

The Company shall make payment of RMB850 million in one lump sum to the designated bank account of Yixin Aluminum within three days after the Capital Contribution Agreement takes effect.

**(5) Effectiveness of the Agreement**

The Capital Contribution Agreement shall take effect upon being:

- (1) duly signed and affixed with official seal by the legal or authorized representative of each of the parties thereto;
- (2) approved by the internal competent authorities of the Company; and
- (3) approved by the internal competent authorities of the Current Shareholders.

**(6) Completion**

The completion date shall be the effective date of the Capital Contribution Agreement. All parties shall provide proactive cooperation and procure to complete the industrial and commercial registration of changes within 10 working days after the Capital Contribution Agreement takes effect.

**(7) Corporate Governance**

The board of directors and the supervisory committee of Yixin Aluminum comprise 7 members and 5 members, respectively. Upon completion of the Capital Contribution, the Company will participate in the corporate governance of Yixin Aluminum based on its shareholding proportion and recommend 2 directors and 1 supervisor to Yixin Aluminum. The number of directors and supervisors recommended by the Current Shareholders of Yixin Aluminum will remain unchanged.

### 3. INFORMATION ON YIXIN ALUMINUM

Yixin Aluminum is a limited liability company incorporated in the PRC in October 2007. As at the date of this announcement, it is a subsidiary of Yunnan Aluminum and therefore is a subsidiary of Chinalco. The scope of business of Yixin Aluminum includes production and sales of aluminum ingots for remelting and processed aluminum products, calcium aluminate products and fire resistant materials; purchase and sales of metallic and non-metallic mineral products; production and sales of oil fracturing proppant series products and relevant technical consultancy services; import and export trade of oil fracturing proppants.

According to the valuation report prepared by China United Assets Appraisal using the income approach with 30 April 2019 as the valuation benchmark date, the book value and the appraised value of the net assets of Yixin Aluminum as of the above valuation benchmark date are approximately RMB655 million and RMB832 million, respectively. According to the financial report of Yixin Aluminum prepared in accordance with the generally accepted accounting principles of the PRC, the net profit of Yixin Aluminum for the financial years ended 31 December 2017 and 31 December 2018 (before and after taxation and extraordinary items) are set out as follows:

	<b>For the year ended 31 December 2017</b> <i>(RMB0'000)</i> (audited)	<b>For the year ended 31 December 2018</b> <i>(RMB0'000)</i> (audited)
Net profit before taxation and extraordinary items	-221.35	-10,557.34
Net profit after taxation and extraordinary items	-1,265.00	-6,777.52

### 4. REASONS FOR AND BENEFITS OF CAPITAL CONTRIBUTION TO YIXIN ALUMINUM

Based on the strategic development plans of the Company, the Capital Contribution will facilitate the Company in participating in the green development layout on the integration of water, electricity and aluminum in Yunnan Province and obtaining competitive assets for its principal business.

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 Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum are subsidiaries of Chinalco. Therefore, Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum are 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 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. Ao Hong, a Director of the Company, concurrently holds positions in Chinalco, he has 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, 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, coal and other resources; production, sales and technology research of alumina, primary aluminum and aluminum alloy products; international trade; logistics business; thermal and new energy power generation, etc.

## **Information on Yunnan Aluminum**

Yunnan Aluminum is a joint stock limited company incorporated in the PRC, the A shares of which are listed on the Shenzhen Stock Exchange. As at the date of this announcement, it is a subsidiary of Chinalco. The scope of business of Yunnan Aluminum includes processing and sales of aluminum ingots for remelting and processed aluminum products, carbon and carbon products and alumina; wholesale, retail, purchase and sale as an agent for construction materials, decoration materials, metal materials, furniture, ordinary machinery, automobile accessories, hardware & electric materials, chemical products (excluding management products), ceramics, minerals and daily necessities; production of ammonium sulfate fertilizer; manufacturing and installment of motorcycle accessories, industrial chemicals, aluminum doors and windows and construction of the interior decoration projects; import and export of goods, ordinary freight, logistics services (excluding flammable, explosive and dangerous chemicals), design and planning of logistics programs; storage, packaging, transport, loading and unloading of goods; overseas futures hedge business (operating with licenses); professional contracting of steel structure projects and professional contracting of furnace projects. As at the date of this announcement, Yunnan Aluminum is a Current Shareholder of Yixin Aluminum and holds 94.60% equity interest of Yixin Aluminum.

## **Information on Wenshan Aluminum**

Wenshan Aluminum is a limited liability company incorporated in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of Yunnan Aluminum and therefore is a subsidiary of Chinalco. The scope of business of Wenshan Aluminum includes development and mining of bauxite resources; production, processing and sale of aluminum hydroxide, alumina and their augmented products; production and sale of liquid oxygen, liquid nitrogen, sulphur, ammonium sulfate, iron ore concentrate, metal gallium, vapour and red mud; production and sale of aluminium salt; manufacturing of mining and metallurgical machinery; scientific research on mineral resources and technical consultation services for geological exploration; sale of minerals; sale of aluminum ingots and processed aluminum products; trees planting and sale; road transportation; catering services and accommodation; printing and photocopy; and design and construction of green projects. As at the date of this announcement, Wenshan Aluminum is a Current Shareholder of Yixin Aluminum and holds 3.56% equity interest of Yixin Aluminum.

### **Information on Yang WENZE**

Yang WENZE, a Chinese citizen, is a Current Shareholder of Yixin Aluminum and holds 1.44% equity interest of Yixin Aluminum as at the date of this Announcement.

### **Information on Kong Lingcheng**

Kong Lingcheng, a Chinese citizen, is a Current Shareholder of Yixin Aluminum and holds 0.31% equity interest of Yixin Aluminum as at the date of this Announcement.

### **Information on Duan Xianglong**

Duan Xianglong, a Chinese citizen, is a Current Shareholder of Yixin Aluminum and holds 0.09% equity interest of Yixin Aluminum as at the date of this Announcement.

### **Information on Yixin Aluminum**

For information on Yixin Aluminum, please refer to “3. Information on Yixin Aluminum” of this announcement.

### **Information on Chinalco**

As at the date of this announcement, the Company, Yunnan Aluminum, Wenshan Aluminum and Yixin Aluminum are subsidiaries of Chinalco. Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in the production and sales of aluminum, copper, rare earth and related non-ferrous metals mineral products, smelted products, fabrication products and carbon products, etc.

## 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;
“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 made by the Company to Yixin Aluminum in cash under the Capital Contribution Agreement;
“Capital Contribution Agreement”	the agreement entered into between the Company and Yunnan Aluminum, Wenshan Aluminum, Yang Wenze, Kong Lingcheng, Duan Xianglong and Yixin Aluminum on 10 December 2019, pursuant to which the Company agreed to make a capital contribution in cash to Yixin Aluminum;
“China United Assets Appraisal”	China United Assets Appraisal Group Co., Ltd. * (中聯資產評估集團有限公司), a PRC qualified valuer which was jointly engaged by the Company, Yunnan Aluminum and Yixin Aluminum to evaluate the value of the entire shareholders’ equity interest of Yixin Aluminum;
“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 32.06% 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;
“Current Shareholder(s)”	Yunnan Aluminum, Wenshan Aluminum, Yang Wenze, Kong Lingcheng, Duan Xianglong or any of the current shareholder(s) as the context requires;
“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;
“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;
“Wenshan Aluminum”	Yunnan Wenshan Aluminum Co., Ltd.* (雲南文山鋁業有限公司), a limited liability company incorporated in the PRC and a subsidiary of Chinalco as at the date of this announcement;
“Yixin Aluminum”	Heqing Yixin Aluminum Co., Ltd.* (鶴慶溢鑫鋁業有限公司), a limited liability company incorporated in the PRC and a subsidiary of Chinalco as at the date of this announcement;
“Yunnan Aluminum”	Yunnan Aluminum Co., Ltd.* (雲南鋁業股份有限公司), a joint stock limited company incorporated in the PRC, whose A shares are listed on Shenzhen Stock Exchange, and a subsidiary of Chinalco as at the date of this announcement; and
“%”	per cent.

By order of the Board  
**Aluminum Corporation of China Limited\***  
**Wang Jun**  
*Company Secretary*

Beijing, the PRC  
10 December 2019

*As at the date of the publication of this announcement, the members of the board of directors comprise Mr. Lu Dongliang, Mr. He Zhihui, 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 purposes only