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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
SUBSCRIPTION FOR A SHARES OF YUNNAN
ALUMINUM TO BE ISSUED THROUGH NON-PUBLIC OFFERING

References are made to the announcement of the Company dated 21 November 2019, the supplemental circular dated 25 November 2019 and the announcement on the poll results of the 2019 third extraordinary general meeting dated 10 December 2019, in relation to, among others, the Company's proposed subscription for the A shares of Yunnan Aluminum to be issued through non-public offering. The Board of the Company hereby announces that on 19 December 2019, the Company and Yunnan Aluminum entered into the Shares Subscription Agreement, pursuant to which the Company agreed to subscribe for 314,050,688 A shares of Yunnan Aluminum at a price of RMB4.10 per share with the total subscription amount of RMB1,287,607,820.80. Upon completion of the Subscription, Yunnan Aluminum 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 is a subsidiary of Chinalco. Therefore, Yunnan Aluminum is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Shares Subscription 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 Shares Subscription 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 under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Company's proposed subscription for the A shares of Yunnan Aluminum to be issued through non-public offering is required to be proposed at the general meeting for consideration. The Company has obtained approval for such matter from the Shareholders at the extraordinary general meeting of the Company convened on 10 December 2019. Chinalco and its associates have abstained from voting on the resolution on the transaction at the general meeting.

1. INTRODUCTION

References are made to the announcement of the Company dated 21 November 2019, the supplemental circular dated 25 November 2019 and the announcement on the poll results of the 2019 third extraordinary general meeting dated 10 December 2019, in relation to, among others, the Company's proposed subscription for the A shares of Yunnan Aluminum to be issued through non-public offering. The Board of the Company hereby announces that on 19 December 2019, the Company and Yunnan Aluminum entered into the Shares Subscription Agreement, pursuant to which the Company agreed to subscribe for 314,050,688 A shares of Yunnan Aluminum at a price of RMB4.10 per share with the total subscription amount of RMB1,287,607,820.80. Upon completion of the Subscription, Yunnan Aluminum will not become a subsidiary of the Company.

2. SHARES SUBSCRIPTION AGREEMENT

(1) Date

19 December 2019

(2) Parties

- (i) the Company (as the subscriber); and
- (ii) Yunnan Aluminum (as the issuer).

(3) Subscription

As approved by China Securities Regulatory Commission, Yunnan Aluminum proposes to issue no more than 521,367,759 A shares through non-public offering. Pursuant to the Shares Subscription Agreement, the Company agreed to subscribe for 314,050,688 A shares of Yunnan Aluminum at a price of RMB4.10 per share with the total subscription amount of RMB1,287,607,820.80. Upon completion of the Subscription, the Company will hold approximately 10.04% of the total share capital of Yunnan Aluminum after the non-public offering and Yunnan Aluminum will not become a subsidiary of the Company.

(4) Consideration

The subscription price for the Subscription is RMB4.10 per A share, which is determined through bidding based on the minimum issuance price of the non-public offering by Yunnan Aluminum, representing 90% of the average trading price of the shares in the 20 trading days prior to the first day of the issuance period, namely 13 December 2019. According to the plan on the non-public offering of Yunnan Aluminum, the Company, as a connected person of Yunnan Aluminum, shall not participate in the bidding but shall subscribe for the shares at the same price as other target subscribers based on the bidding results.

(5) Payment

The Company shall make payment of RMB1,287,607,820.80 in cash in one lump sum to the designated bank account of Yunnan Aluminum before 17:30 on 19 December 2019 after receiving the written payment notice from Yunnan Aluminum.

(6) Lock-up Period

Pursuant to the Shares Subscription Agreement, the A shares of Yunnan Aluminum subscribed by the Company shall not be transferred within 36 months from the listing date.

(7) Effectiveness of the Agreement

The Shares Subscription Agreement shall take effect upon being duly signed and affixed with official seal by the legal or authorized representative of the parties to the Shares Subscription Agreement.

(8) Completion

After the Company made full payment of the subscription amount, Yunnan Aluminum will register the 314,050,688 shares of Yunnan Aluminum actually subscribed by the Company under the name of the Company through the securities registration system of China Securities Depository and Clearing Corporation Limited Shenzhen Branch in accordance with the procedures as provided in relevant laws and regulations to facilitate the completion.

3. 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.

According to the financial report of Yunnan Aluminum prepared in accordance with the generally accepted accounting principles of the PRC, the book value of the net assets of Yunnan Aluminum as at 30 June 2019 is RMB8,442 million. The net profit of Yunnan 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:

	For the year ended 31 December 2017 (RMB0'000) (audited)	For the year ended 31 December 2018 (RMB0'000) (audited)
Net profit before taxation and extraordinary items	80,204.78	-179,814.98
Net profit after taxation and extraordinary items	62,880.33	-149,321.86

4. REASONS FOR AND BENEFITS OF SUBSCRIPTION OF YUNNAN ALUMINUM

As a subsidiary of Chinalco, Yunnan Aluminum competes with the Company in the business segments of alumina and electrolytic aluminum, etc. The Company's subscription for the A shares of Yunnan Aluminum to be issued through non-public offering is conducive to resolving business competitions between the Company and Yunnan Aluminum and is in line with the development strategies and in the whole interests of the Company.

The Directors (including independent non-executive Directors) are of the view that the transaction contemplated under the Shares Subscription 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 is a subsidiary of Chinalco. Therefore, Yunnan Aluminum is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction contemplated under the Shares Subscription 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 Shares Subscription 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 Shares Subscription Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

In accordance with the relevant requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Company's proposed subscription for the A shares of Yunnan Aluminum to be issued through non-public offering is required to be proposed at the general meeting for consideration. The Company has obtained approval for such matter from the Shareholders at the extraordinary general meeting of the Company convened on 10 December 2019. Chinalco and its associates have abstained from voting on the resolution on the transaction at the general meeting.

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

For information on Yunnan Aluminum, please refer to “3. Information on Yunnan Aluminum” in this announcement.

Information on Chinalco

As at the date of this announcement, the Company and Yunnan 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 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;
“Board”	the board of Directors of the Company;

“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;
“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;

“Shares Subscription Agreement”	the agreement entered into between the Company and Yunnan Aluminum on 19 December 2019, pursuant to which the Company agreed to subscribe for 314,050,688 A shares of Yunnan Aluminum at a price of RMB4.10 per share with the total subscription amount of RMB1,287,607,820.80;
“Subscription”	the Company’s subscription for 314,050,688 A shares of Yunnan Aluminum at a price of RMB4.10 per share under the Shares Subscription Agreement;
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“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
19 December 2019

As at the date of this announcement, the members of the Board 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