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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 TRANSACTIONS**  
**CAPITAL CONTRIBUTION TO LOGISTICS ZHONGZHOU**

The Board of the Company hereby announces that on 26 March 2020, Chalco Logistics, Zhongzhou Aluminum Plant, Logistics Zhongzhou and Zhongzhou Aluminum entered into the Capital Contribution Agreement, pursuant to which, Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum agreed to make a capital contribution of RMB78.3903 million, RMB11.7169 million and RMB95.2111 million in cash (or bank's acceptance bill) to Logistics Zhongzhou, respectively. Upon completion of the Capital Contribution, Logistics Zhongzhou will be held as to 46.36%, 39.58% and 14.06% by Chalco Logistics and Zhongzhou Aluminum, both being a wholly-owned subsidiary of the Company, and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco, respectively. Accordingly, Logistics Zhongzhou will remain a subsidiary of the Company.

As at the date of this announcement, Zhongzhou Aluminum Plant is a wholly-owned subsidiary of Chinalco, the controlling Shareholder of the Company, and Chalco Logistics and Zhongzhou Aluminum are wholly-owned subsidiaries of the Company. Logistics Zhongzhou is held as to 60% and 40% by Chalco Logistics, a wholly-owned subsidiary of the Company, and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco, respectively. Therefore, Zhongzhou Aluminum Plant is a connected person of the Company and Logistics Zhongzhou is a connected subsidiary of the Company under the Hong Kong Listing Rules. As such, the transactions contemplated under the Capital Contribution Agreement constitute connected transactions 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 transactions contemplated under the Capital Contribution Agreement exceeds 0.1% but is less than 5%, the transactions are 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 26 March 2020, Chalco Logistics, Zhongzhou Aluminum Plant, Logistics Zhongzhou and Zhongzhou Aluminum entered into the Capital Contribution Agreement, pursuant to which, Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum agreed to make a capital contribution of RMB78.3903 million, RMB11.7169 million and RMB95.2111 million in cash (or bank's acceptance bill) to Logistics Zhongzhou, respectively. Upon completion of the Capital Contribution, Logistics Zhongzhou will be held as to 46.36%, 39.58% and 14.06% by Chalco Logistics and Zhongzhou Aluminum, both being a wholly-owned subsidiary of the Company, and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco, respectively. Accordingly, Logistics Zhongzhou will remain a subsidiary of the Company.

## **2. CAPITAL CONTRIBUTION AGREEMENT**

### **(1) Date**

26 March 2020

### **(2) Parties**

- (i) Chalco Logistics;
- (ii) Zhongzhou Aluminum Plant;
- (iii) Logistics Zhongzhou; and

(iv) Zhongzhou Aluminum.

### (3) Capital Contribution

Chalco Logistics, Zhongzhou Aluminum Plant, Zhongzhou Aluminum agreed to make a capital contribution of RMB78.3903 million, RMB11.7169 million and RMB95.2111 million in cash (or bank's acceptance bill) to Logistics Zhongzhou, respectively, based on the terms of the Capital Contribution Agreement. Upon completion of the Capital Contribution, Logistics Zhongzhou will be held as to 46.36%, 14.06% and 39.58% by Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum, respectively.

Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum confirmed that the value of shareholders' equity interest of Logistics Zhongzhou shall be determined based on the amount after deduction of the dividend distribution, aggregated to RMB11.2478 million, a part of the distributable profits formed before the valuation benchmark date which were distributed by Logistics Zhongzhou to Chalco Logistics and Zhongzhou Aluminum Plant by the appraised value of the net assets of Logistics Zhongzhou, amounted to RMB66.4857 million, which is set out in the valuation report prepared by Jinggang Assets Evaluation using the asset-based approach with 30 June 2019 as the valuation benchmark date. The capital contribution amount of each party under the Capital Contribution Agreement is determined with reference to the capital needs of Logistics Zhongzhou, future development plans and other factors and after arm's length negotiation.

The shareholding structures of Logistics Zhongzhou (i) as at the date of this announcement, and (ii) upon completion of the Capital Contribution are set out in the following table.

| Shareholders             | As at the date of the announcement |                               |                                | Upon completion of the Capital Contribution |                               |                                |
|--------------------------|------------------------------------|-------------------------------|--------------------------------|---|-------------------------------|--------------------------------|
|                          | Registered capital<br>(RMB0'000)   | Capital reserve<br>(RMB0'000) | Shareholding proportion<br>(%) | Registered capital<br>(RMB0'000)            | Capital reserve<br>(RMB0'000) | Shareholding proportion<br>(%) |
| Chalco Logistics         | 1,200.00                           | –                             | 60                             | 4,038.28                                    | 5,000.75                      | 46.36                          |
| Zhongzhou Aluminum Plant | 800.00                             | –                             | 40                             | 1,224.23                                    | 747.46                        | 14.06                          |
| Zhongzhou Aluminum       | –                                  | –                             | –                              | 3,447.31                                    | 6,073.80                      | 39.58                          |
| <b>Total</b>             | <b>2,000.00</b>                    | <b>–</b>                      | <b>100</b>                     | <b>8,709.82</b>                             | <b>11,822.01</b>              | <b>100</b>                     |

#### **(4) Payment**

Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum shall make payment of all capital contribution in one lump sum to the designated bank account of Logistics Zhongzhou within twenty working days after the Capital Contribution Agreement takes effect.

#### **(5) Effectiveness of the Agreement**

The Capital Contribution 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; and
- (ii) considered and approved by the competent authorities of the parties.

#### **(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 45 working days after the Capital Contribution Agreement takes effect.

### **3. INFORMATION ON LOGISTICS ZHONGZHOU**

Logistics Zhongzhou is a limited liability company incorporated in the PRC in November 2014. As at the date of this announcement, it is held as to 60% and 40% by Chalco Logistics, a wholly-owned subsidiary of the Company and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco. Therefore, Logistics Zhongzhou is a subsidiary of the Company. The scope of business of Logistics Zhongzhou includes general road freight transportation; freight stations operating (transportation and loading and unloading, warehousing services, freight agency); railway transportation machinery lease; wholesales of coal, coke, heavy oil, petroleum coke (exclusive of warehousing), metal materials and scrap metal; sales of construction materials, metal and ore products, hardware and electrical equipment, general merchandise, knitwear and textile, mechanical and electronic equipment, refrigeration and air conditioning equipment, office automation equipment, chemical products and chemical raw materials (exclusive of hazardous chemicals), automobile accessory parts, communication equipment and primary agricultural products; import and export of goods, and import and export of technology.

According to the valuation report prepared by Jinggang Assets Evaluation using the asset-based approach with 30 June 2019 as the valuation benchmark date, the book value and the appraised value of the net assets of Logistics Zhongzhou as of the above valuation benchmark date are RMB63.5932 million and RMB66.4857 million, respectively. According to the financial report of Logistics Zhongzhou prepared in accordance with the generally accepted accounting principles of the PRC, the net profit of Logistics Zhongzhou for the financial years ended 31 December 2018 and 31 December 2019 (before and after taxation and extraordinary items) are set out as follows:

|  | <b>For the<br/>year ended<br/>31 December<br/>2018<br/>(RMB0'000)<br/>(audited)</b> | <b>For the<br/>year ended<br/>31 December<br/>2019<br/>(RMB0'000)<br/>(audited)</b> |
|--|---|---|
| Net profit before taxation and extraordinary items | 3,198.31  | 2,923.46  |
| Net profit after taxation and extraordinary items  | 2,386.10  | 2,020.01  |

Upon completion of the Capital Contribution, Logistics Zhongzhou will be held as to 46.36%, 39.58% and 14.06% by Chalco Logistics and Zhongzhou Aluminum, both being a wholly-owned subsidiary of the Company, and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco, respectively. Accordingly, Logistics Zhongzhou will remain a subsidiary of the Company. The original cost invested by Chalco Logistics and Zhongzhou Aluminum Plant in Logistics Zhongzhou is the investment amount of Chalco Logistics and Zhongzhou Aluminum Plant since the establishment of Logistics Zhongzhou. The Directors are of the view that the original cost invested by Chalco Logistics and Zhongzhou Aluminum Plant in Logistics Zhongzhou has no direct connection with the determination of the consideration under the Capital Contribution Agreement.

#### **4. REASONS FOR AND BENEFITS OF CAPITAL CONTRIBUTION TO LOGISTICS ZHONGZHOU AND THE PLAN TO FURTHER INTEGRATE LOGISTICS ASSETS IN THE FUTURE**

The Company proposes to conduct the integration of logistics assets of Zhongzhou-enterprise with Logistics Zhongzhou as its main body, which is conducive to realize the unified management of logistics business in Zhongzhou-enterprise, give full play to the integrated profit and overall advantage in logistic platform by driving the increment by stock, reduce the operating costs of Logistics Zhongzhou and improve profitability.

Upon the completion of the Capital Contribution, Logistics Zhongzhou intends to conduct absorption and merger of Henan Zhongzhou Logistics Co., Ltd.\*(河南中州物流有限公司), a wholly-owned subsidiary of Zhongzhou Aluminum Plant, through entering into an agreement (the “**Merger and Absorption**”), which will result in an increase of the proportion of shareholding by Zhongzhou Aluminum Plant in Logistics Zhongzhou. Nevertheless, Logistics Zhongzhou is expected to remain a subsidiary of the Company. Upon the Merger and Absorption, Logistics Zhongzhou intends to acquire the logistics assets and relevant liabilities of Zhongzhou Aluminum through entering into an agreement.

As at the date of this announcement, no specific plan or agreement has been finalized by the Company in respect of the above-mentioned subsequent integration issues. The Company will perform its compliance obligation in accordance with the applicable requirements of the Hong Kong Listing Rules as and when appropriate.

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, Zhongzhou Aluminum Plant is a wholly-owned subsidiary of Chinalco, the controlling Shareholder of the Company, and Chalco Logistics and Zhongzhou Aluminum are wholly-owned subsidiaries of the Company. Logistics Zhongzhou is held as to 60% and 40% by Chalco Logistics, a wholly-owned subsidiary of the Company, and Zhongzhou Aluminum Plant, a wholly-owned subsidiary of Chinalco, respectively. Therefore, Zhongzhou Aluminum Plant is a connected person of the Company and Logistics Zhongzhou is a connected subsidiary of the Company under the Hong Kong Listing Rules. As such, the transactions contemplated under the Capital Contribution Agreement constitute connected transactions 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 transactions contemplated under the Capital Contribution Agreement exceeds 0.1% but is less than 5%, the transactions are 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 Chalco Logistics**

Chalco Logistics is a limited liability company incorporated in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of the Company. The scope of business of Chalco Logistics includes international forwarding 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; 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 Zhongzhou Aluminum Plant**

Zhongzhou Aluminum Plant is a limited liability company incorporated in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of Chinalco. The scope of business of Zhongzhou Aluminum Plant includes sales of alumina and aluminum hydroxide; production and sales of new materials

such as aluminum-based materials, calcium-based materials and mineral floating materials; technology development, technology transfer, technology consulting and service of alumina and special alumina; research and development of products and technology for comprehensive utilization of red mud; separation of iron and sand from red mud, production and sales of red mud, powdered iron concentrates, high iron content sand and their chemical compounds; labour export, labour outsourcing; import and export of goods and technologies; housing and equipment lease, repairment of housing; advertising business; energy conservation technology service and other business.

### **Information on Logistics Zhongzhou**

For information on Logistics Zhongzhou, please refer to “3. Information on Logistics Zhongzhou” of this announcement.

### **Information on Zhongzhou Aluminum**

Zhongzhou Aluminum is a limited liability company incorporated in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of the Company. The scope of business of Zhongzhou Aluminum includes production and sales of alumina and chemical alumina series products; sales of ores; production and sales of water, electricity, steam and industrial gas; design, installation and maintenance of machinery and equipment, spare parts, non-standard equipment, electromechanical equipment, transportation equipment, industrial and mining equipment, and environmental protection equipment and other business.

### **Information on Chinalco**

As at the date of this announcement, the Company, Chalco Logistics, Zhongzhou Aluminum Plant, Logistics Zhongzhou and Zhongzhou 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 Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum to Logistics Zhongzhou in cash (or bank’s acceptance bill) under the Capital Contribution Agreement;  |
| “Capital Contribution Agreement” | the agreement entered into between Chalco Logistics, Zhongzhou Aluminum Plant, Logistics Zhongzhou and Zhongzhou Aluminum on 26 March 2020, pursuant to which, Chalco Logistics, Zhongzhou Aluminum Plant and Zhongzhou Aluminum agreed to make a capital contribution in cash (or bank’s acceptance bill) to Logistics Zhongzhou; |
| “Chalco Logistics”               | China Aluminum Logistics Group Corporation 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;  |
| “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;  |
| “Jinggang Assets Evaluation” | Beijing Jinggang Baijian Assets Evaluation Co., Ltd.* (北京京港柏鑒資產評估有限公司), a qualified Chinese appraisal company, commissioned by Chalco Logistics to evaluate the value of the net assets of Logistics Zhongzhou;   |
| “Logistics Zhongzhou”        | China Aluminum Logistics Group Zhongzhou Co., Ltd.* (中鋁物流集團中州有限公司), a limited liability company incorporated in the PRC and a connected subsidiary of the Company as at the date of this announcement;  |
| “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;  |
| “Zhongzhou Aluminum”       | Chalco Zhongzhou Aluminum Co., Ltd.* (中 鋁 中 州 鋁 業 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;       |
| “Zhongzhou Aluminum Plant” | Henan Zhongzhou Aluminum Plant Co., Ltd.* (河 南 中 州 鋁 廠 有 限 公 司), a limited liability company incorporated in the PRC and a wholly-owned 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  
26 March 2020

*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*