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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
DISCLOSEABLE TRANSACTION
ACQUISITION OF 50% EQUITY INTERESTS
IN SHANXI HUAXING

Reference is made to the announcement of the Company dated 20 November 2018 in relation to the transfer of the 50% equity interests in Shanxi Huaxing by Baotou Transportation Investment Group on the Shanghai United Assets and Equity Exchange by way of public tender and the approval from the Board for participating in the bidding for the aforesaid equity interests by the Company.

Subject to compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC, from 5 November 2018 to 30 November 2018, Baotou Transportation Investment Group listed the 50% equity interests in Shanxi Huaxing on Shanghai United Assets and Equity Exchange for public tender. According to the Property Rights Trading Rules of the Shanghai United Assets and Equity Exchange, the Company was affirmed as the transferee of the 50% equity interests in Shanxi Huaxing on 6 December 2018. The Company entered into the Equity Transfer Agreement with Baotou Transportation Investment Group on 11 December 2018, pursuant to which, Baotou Transportation Investment Group agreed to sell and the Company agreed to acquire the 50% equity interests in Shanxi Huaxing.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 5% but is less than 25%, the acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

1. INTRODUCTION

Reference is made to the announcement of the Company dated 20 November 2018 in relation to the transfer of the 50% equity interests in Shanxi Huaxing by Baotou Transportation Investment Group on the Shanghai United Assets and Equity Exchange by way of public tender and the approval from the Board for participating in the bidding for the aforesaid equity interests by the Company.

Subject to compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC, from 5 November 2018 to 30 November 2018, Baotou Transportation Investment Group listed the 50% equity interests in Shanxi Huaxing on Shanghai United Assets and Equity Exchange for public tender. According to the Property Rights Trading Rules of the Shanghai United Assets and Equity Exchange, the Company was affirmed as the transferee of the 50% equity interests in Shanxi Huaxing on 6 December 2018. The Company entered into the Equity Transfer Agreement with Baotou Transportation Investment Group on 11 December 2018, pursuant to which, Baotou Transportation Investment Group agreed to sell and the Company agreed to acquire the 50% equity interests in Shanxi Huaxing.

2. EQUITY TRANSFER AGREEMENT

2.1 Date

11 December 2018

2.2 Parties

- (1) Baotou Transportation Investment Group (as the seller of its 50% equity interests in Shanxi Huaxing); and
- (2) the Company (as the purchaser of the 50% equity interests in Shanxi Huaxing).

2.3 Subject of the equity transfer

According to the Equity Transfer Agreement, Baotou Transportation Investment Group agreed to sell and the Company agreed to acquire the 50% equity interests in Shanxi Huaxing.

2.4 Consideration

The consideration for the equity transfer under the Equity Transfer Agreement is RMB2,665,204,500. From 5 November 2018 to 30 November 2018, Baotou Transportation Investment Group listed the 50% equity interests in Shanxi Huaxing on Shanghai United Assets and Equity Exchange for public tender. The Company participated in the bidding for the 50% equity interests in Shanxi Huaxing and was affirmed as the transferee of the same on 6 December 2018. According to the Property Rights Trading Rules of the Shanghai United Assets and Equity Exchange, the consideration of RMB2,665,204,500 was determined as the final bidding price of the 50% equity interests in Shanxi Huaxing.

In view of that Shanxi Huaxing, as the target of the acquisition, is a high-quality asset in the principal business of the Company which has bauxite resources, and has competitive advantage in respect of cost, and that its estimated value based on the consideration of the acquisition was at a comparable level when compared with the alumina enterprises with similar business scale inside and outside the Company, the acquisition of the equity interests in Shanxi Huaxing is in line with the Company's strategic development layout and is helpful for the development of the principal business of the Company and conducive to the increase in the profits of the Company. Therefore, the Company believes that the final bidding price for the acquisition of the 50% equity interests in Shanxi Huaxing is fair and reasonable.

2.5 Payment method

Prior to the execution of the Equity Transfer Agreement, the Company shall pay a deposit of RMB500,000,000 to the account designated by Shanghai United Assets and Equity Exchange under the request of Baotou Transportation Investment Group and Shanghai United Assets and Equity Exchange as a guarantee of its intention to accept the transfer and to demonstrate its credit status and performance ability. Such deposit shall be used to offset a part of the consideration.

The Company shall pay the remaining consideration of RMB2,165,204,500 (after deducting the aforesaid deposit) in one lump sum in cash to the account designated by Shanghai United Assets and Equity Exchange within 5 working days after the execution of the Equity Transfer Agreement. Shanghai United Assets and Equity Exchange shall transfer the total consideration to the account designated by Baotou Transportation Investment Group within 1 working day after issuance of the transaction voucher.

2.6 Condition precedent

The Equity Transfer Agreement shall take effect upon execution by the legal representatives or authorized representatives of both parties with their official seals affixed.

2.7 Completion

The completion date of the Equity Transfer Agreement is the effective date of the Equity Transfer Agreement.

Baotou Transportation Investment Group and the Company shall jointly cooperate with Shanxi Huaxing in proceeding with the procedures for registration of the changes in equity interests within 10 working days after obtaining the equity transfer voucher issued by Shanghai United Assets and Equity Exchange, and shall complete the transfer of equity by the equityholder within 10 working days after the industrial and commercial registration of the 50% equity interests in Shanxi Huaxing is transferred under the name of the Company.

3. INFORMATION OF SHANXI HUAXING

Shanxi Huaxing is a limited liability company incorporated in the PRC in July 2010 with a registered capital of RMB1.85 billion. As at the date of this announcement, Shanxi Huaxing was owned as to 10% by the Company, 40% by Chalco Hong Kong, a wholly-owned subsidiary of the Company, and 50% by Baotou Transportation Investment Group. Shanxi Huaxing is principally engaged in the production and sales of aluminium and related mineral products, smelting products, processed products, carbon products and related non-ferrous metals.

As at 30 June 2018, the book value of total assets, total liabilities, and net assets of Shanxi Huaxing amounted to RMB6,918,250,900, RMB4,627,746,400 and RMB2,290,504,500, respectively.

According to the financial statements prepared by Shanxi Huaxing under the accounting principles generally accepted in the PRC, the net profits (before and after taxation and extraordinary items) of Shanxi Huaxing for the financial years ended 31 December 2016 and 31 December 2017 are set out as follows:

	For the year ended 31 December 2016 (audited) (RMB0'000)	For the year ended 31 December 2017 (audited) (RMB0'000)
Net profit before taxation and extraordinary items	10,190.68	53,110.09
Net profit after taxation and extraordinary items	7,230.59	37,377.58

Upon completion of the acquisition of 50% equity interests in Shanxi Huaxing by the Company, Shanxi Huaxing will become a wholly-owned subsidiary of the Group and will be included in the consolidated financial statements of the Group. The original cost invested by Baotou Transportation Investment Group in Shanxi Huaxing is the investment by Baotou Transportation Investment Group for acquisition of the 50% equity interests in Shanxi Huaxing. Directors are of the view that the original cost invested by Baotou Transportation Investment Group in Shanxi Huaxing is not directly related to the determination of the consideration for the acquisition of the equity interests of Shanxi Huaxing by the Company.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

Shanxi Huaxing, located in an area with rich resources and energy, has competitive advantage in respect of cost for the realization of integrated operation of mine and alumina production and is a high-quality alumina asset. The acquisition of the equity interests in Shanxi Huaxing is conducive to the increase in the profits of the Company and returns to shareholders. The acquisition of the equity interests in Shanxi Huaxing, as a major alumina enterprise invested by the Company, is beneficial for the Company to manage Shanxi Huaxing, which is in line with the Company's strategic layout of alumina and helpful for the business development of the Company.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Equity Transfer Agreement is made on normal commercial terms and the terms contained therein are fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

5. IMPLICATIONS UNDER 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 Equity Transfer Agreement exceeds 5% but is less than 25%, the acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Baotou Transportation Investment Group, as the seller of the 50% equity interests in Shanxi Huaxing, is a third party independent of the Company.

6. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company established in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively, while its ADSs are listed on the New York Stock Exchange. The Group is principally engaged in the mining of bauxite, coal and other resources; production, sales and technology research and development of alumina, primary aluminium and aluminium alloy products; international trade; logistics industry and thermal and new energy power generation.

Information on Baotou Transportation Investment Group

Baotou Transportation Investment Group is a limited liability company incorporated in the PRC. Baotou Transportation Investment Group is principally engaged in investment and financing of transport infrastructure projects (including highways, bridges and civil works), related businesses (including modern logistics) and other policy-backed projects, equity investments and business mergers and acquisitions.

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 denominated in Renminbi, 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, each of which represents the entitlement of 25 H Shares;
“Baotou Transportation Investment Group”	Baotou Transportation Investment Group Co., Ltd.* (包頭交通投資集團有限公司), a limited liability enterprise incorporated in the PRC, being the seller of the 50% equity interests in Shanxi Huaxing;
“Board”	the board of Director(s) of the Company;

“Chalco Hong Kong”	Chalco Hong Kong Limited (中國鋁業香港有限公司), a limited liability company incorporated in Hong Kong, which is a wholly-owned subsidiary 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;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and Baotou Transportation Investment Group on 11 December 2018, pursuant to which Baotou Transportation Investment Group agreed to sell and the Company agreed to acquire the 50% equity interests in Shanxi Huaxing;
“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 Huaxing”	Shanxi Huaxing Alumina Co., Ltd.* (山西華興鋁業有限公司), a limited liability company established in the PRC, which is owned as to 10%, 40% and 50% by the Company, Chalco Hong Kong and Baotou Transportation Investment Group, respectively, as at the date of this announcement;
“Share(s)”	A Shares and H Shares;
“Shareholder(s)”	holders of A Shares and holders of H Shares;
“subsidiary”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“%”	per cent.

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

Beijing, the PRC
11 December 2018

As at the date of the publication of this announcement, the members of the board of directors 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