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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)

INSIDE INFORMATION ANNOUNCEMENT
MAJOR AND CONNECTED TRANSACTION IN RESPECT OF
ACQUISITION OF 19% EQUITY INTERESTS IN YUNNAN ALUMINUM

The Board hereby announces that, on 24 July 2022, as considered and approved at the second meeting of the eighth session of the Board, the Company entered into the Shares Transfer Agreement with Yunnan Metallurgical, pursuant to which, the Company has agreed to acquire and Yunnan Metallurgical has agreed to dispose of 658,911,907 shares in Yunnan Aluminum, representing approximately 19% of the total issued share capital of Yunnan Aluminum. Upon the completion of aforesaid shares transfer, the Company will hold 1,009,202,685 shares in Yunnan Aluminum, representing approximately 29.10% of the total issued share capital of Yunnan Aluminum. The financial results of Yunnan Aluminum will be consolidated into the financial statements of the Company, and Yunnan Aluminum will become a subsidiary of the Company.

As at the date of this announcement, Chinalco is the controlling shareholder of the Company, and Yunnan Metallurgical is a subsidiary of Chinalco. Therefore, Yunnan Metallurgical is a connected person of the Company under 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 Transfer Agreement exceeds 25% but is less than 100%, the Transaction constitutes a major transaction under Chapter 14 of the Hong Kong Listing Rules and a connected transaction under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Transaction is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

The Company will convene the EGM to seek the approval of the Independent Shareholders in respect of the Transaction contemplated under the Shares Transfer Agreement. A circular containing, among other things, a resolution in relation to the Transaction contemplated under the Shares Transfer Agreement will be despatched by the Company to the shareholders on or before 9 September 2022. As the Company needs more time to prepare and finalize certain information to be contained in the supplemental circular for the shareholders to make informed decisions at the EGM, the Company will despatch a supplemental circular to its shareholders on or prior to 10 October 2022 whereas such supplemental circular contains, inter alia, (i) the details about the Transaction contemplated under the Shares Transfer Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of opinion from the independent financial advisor to the Independent Board Committee and the Independent Shareholders.

1. INTRODUCTION

The Board hereby announces that, on 24 July 2022, as considered and approved at the second meeting of the eighth session of the Board, the Company entered into the Shares Transfer Agreement with Yunnan Metallurgical, pursuant to which, the Company has agreed to acquire and Yunnan Metallurgical has agreed to dispose of 658,911,907 shares in Yunnan Aluminum, representing approximately 19% of the total issued share capital of Yunnan Aluminum. Upon the completion of aforesaid shares transfer, the Company will hold 1,009,202,685 shares in Yunnan Aluminum, representing approximately 29.10% of the total issued share capital of Yunnan Aluminum. The financial results of Yunnan Aluminum will be consolidated into the financial statements of the Company, and Yunnan Aluminum will become a subsidiary of the Company.

2. SHARES TRANSFER AGREEMENT

2.1 Date

24 July 2022

2.2 Parties

- (1) Yunnan Metallurgical (as the transferor of 658,911,907 shares in Yunnan Aluminum); and
- (2) the Company (as the transferee of 658,911,907 shares in Yunnan Aluminum).

2.3 Shares Transfer

Pursuant to the Shares Transfer Agreement, the Company has agreed to acquire and Yunnan Metallurgical has agreed to dispose of 658,911,907 shares in Yunnan Aluminum, representing approximately 19% of the total issued share capital of Yunnan Aluminum. The ownership of the Target Shares is clear, and Yunnan Metallurgical has legal, effective and complete rights in the disposal of the Target Shares.

2.4 Consideration

The transfer price per share of the Target Shares shall be determined at the higher of:

- (1) the arithmetic average of the daily weighted average price of the shares of the Target Company for the 30 trading days preceding the date of the indicative announcement (i.e. 25 July 2022) published by the Target Company for the Transaction, being RMB10.11;
- (2) the audited net asset value per share of the Target Company for the latest accounting year, being RMB5.25.

Based on the above pricing principle, the transfer price of the Target Shares shall be RMB10.11 per share and the total transfer price shall be RMB6,661,599,379.77.

During the period from the date of entering into of the Shares Transfer Agreement to the Completion Date, in the event of any ex-rights or ex-dividend events of the Target Company, such as the payment of stock dividends, bonus shares, capital reserve or surplus reserve being converted into capital, the number of Target Shares shall be adjusted accordingly, and the adjusted Target Shares shall remain at 19% of the adjusted total issued share capital of the Target Company, and the total transfer price of the Target Shares shall remain unchanged.

If, during the Transition Period, Yunnan Metallurgical receives cash dividends from the Target Company or it is resolved to distribute cash dividends to Yunnan Metallurgical at the general meeting of the Target Company, such portion of the cash dividends corresponding to the Target Shares shall be compensated by Yunnan Metallurgical to the Company in equal amounts or shall be deducted directly by the Company from the consideration for the transfer of the Target Shares.

2.5 Payment

The Company shall pay the consideration for the shares transfer to Yunnan Metallurgical in cash, and the specific methods of payment shall be:

The Company shall pay 30% of the consideration for the shares transfer, i.e. RMB1,998,479,813.93, to Yunnan Metallurgical within five working days after the effectiveness of the Shares Transfer Agreement and all the remaining balance, i.e. RMB4,663,119,565.84, to Yunnan Metallurgical before the completion of the transfer registration of the Target Shares.

2.6 Completion

Both parties to the agreement shall cooperate actively in completing the transfer registration procedures of the Target Shares upon full payment of the consideration for the transfer of the Target Shares. Both parties to the agreement have agreed to unconditionally cooperate and be responsible for all matters that need to be handled jointly in the name of both parties to the agreement in the course of the transfer registration procedures.

Upon the completion of the transfer registration procedures of the Target Shares with the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited (Shenzhen Branch) and the registration of the Target Shares under the name of the Company, the transfer of the Target Shares shall be deemed to be completed.

From the Completion Date, the rights and obligations of the shareholders corresponding to the Target Shares shall be enjoyed and assumed by the Company.

Upon the completion, Yunnan Metallurgical has agreed to reduce the number of directors whom it can nominate in the Target Company accordingly in accordance with its latest shareholding ratio, and the Company has agreed to increase the number of directors whom it can nominate in the Target Company accordingly in accordance with its latest shareholding ratio. Both parties to the agreement have agreed to commence the election of members of a new session of the board of directors of the Target Company within one month from the Completion Date. Upon the completion of the election of the new session of the board of directors of the Target Company, the number of directors whom the Company can nominate in the Target Company will be more than half of the total and the Company will then have actual control over the Target Company.

2.7 Arrangements in the Transition Period

During the Transition Period, the profits and losses arising from the operation of the Target Company shall be enjoyed and borne by Yunnan Metallurgical and the Company in proportion to their respective shareholdings in the Target Company after the completion.

During the Transition Period, Yunnan Metallurgical shall have bona fide management obligations in respect of the Target Company and its assets. Yunnan Metallurgical shall ensure and facilitate the normal operation of the Target Company and shall promptly notify the Company of any Material Adverse Effect on the Target Company during the Transition Period and deal with it in an appropriate manner.

During the Transition Period, Yunnan Metallurgical and the Target Company guarantee that they shall not transfer or relinquish any rights of or in relation to the Target Company or make any disposal of the assets of the Target Company, except for that which is within the normal scope of business of the Target Company.

2.8 Accumulated Undistributed Profit

The retained earnings and accumulated profits of the Target Company prior to the completion of the Transaction shall be shared by the shareholders of the Target Company in proportion to their respective shareholdings upon the completion of the Transaction.

2.9 Taxes and Transfer Expenses

Taxes incurred by the parties to the Transaction shall be borne by the parties to the Transaction in accordance with the relevant PRC laws, regulations of the regulatory authorities and clearing companies. If there are no clear regulations on the matter by the PRC laws, regulatory authorities and clearing companies, the parties shall resolve such matter through negotiation by reference to market practice.

The parties will apply to the competent tax authorities individually or jointly for tax relief in respect of the Transaction in accordance with the manner and content stipulated in the relevant laws and regulations.

The Transfer Expenses arising from the Transaction shall be borne by both parties to the agreement respectively in accordance with the relevant regulations.

2.10 Establishment and Effectiveness of the Agreement

The Shares Transfer Agreement shall be established on the date when it is signed by the legal representatives or authorised representatives of both parties to the agreement and sealed with their respective official seals and become effective on the date when all the following conditions are satisfied:

- (1) The Transaction has been approved by the board of directors, the general meeting and other internal competent departments of Yunnan Metallurgical.
- (2) The Transaction has been approved by the Board, the general meeting and other internal competent departments of the Company.
- (3) The Transaction has been approved by Chinalco, a state-funded enterprise.

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 (stock code: 000807). As at the date of this announcement, Yunnan Metallurgical holds 1,109,818,170 shares in Yunnan Aluminum, representing approximately 32.00% of the total issued share capital of Yunnan Aluminum, and is the controlling shareholder of Yunnan Aluminum; the Company holds 350,290,778 shares in Yunnan Aluminum, representing approximately 10.10% of the total issued share capital of Yunnan Aluminum. The cost of 1,109,818,170 shares held by Yunnan Metallurgical in Yunnan Aluminum represents the amount which Yunnan Metallurgical has invested over the years, amounting to approximately RMB4.165 billion. 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 reports of Yunnan Aluminum prepared in accordance with the generally accepted accounting standards of the PRC, the carrying amount of the total assets and the carrying amount of the net assets of Yunnan Aluminum as of 31 December 2021 are RMB37.837 billion and RMB20.910 billion, respectively, and the net profit (before and after taxes and non-recurring items) of Yunnan Aluminum for the financial years ended 31 December 2020 and 31 December 2021 is set out as follows:

	For the financial year ended 31 December 2020 (RMB0'000) (Audited)	For the financial year ended 31 December 2021 (RMB0'000) (Audited)
Net profit before taxes and non-recurring items	135,650.52	468,813.09
Net profit after taxes and non-recurring items	108,025.18	420,382.64

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction is conducive to further solving the issue of horizontal competition between the Company and Yunnan Aluminum and effectively reducing the daily related party transactions of the Company; the incorporation of Yunnan Aluminum into the Company will help further enhance the industry position and profitability of the Company, and further increase the percentage of green aluminium production capacity of the Company by relying on the advantages of Yunnan Aluminum in clean energy, which is conducive to promoting the green, low-carbon and high-quality development of the Company; at the same time, it can better exploit the synergy between the Company and Yunnan Aluminum in business and management, realize the integration and intensive management of aluminium industry, thus bringing sustainable investment returns for the Company. In recent years, Yunnan Aluminum has been performing well and the Company's acquisition of the equity interests in Yunnan Aluminum is also conducive to optimising the financial indicators of the Company and enhancing the core competitiveness and value of the Company, which is in the interests of the Company and its shareholders as a whole.

The Directors (including independent non-executive Directors) are of the view that the Transaction contemplated under the Shares Transfer Agreement is on normal commercial terms, and the terms under the agreement are fair and reasonable and in the interests of the Company and its 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 Metallurgical is a subsidiary of Chinalco. Therefore, Yunnan Metallurgical is a connected person of the Company under 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 Transfer Agreement exceeds 25% but is less than 100%, the Transaction constitutes a major transaction under Chapter 14 of the Hong Kong Listing Rules and a connected transaction under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Transaction is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

As Mr. Liu Jianping and Mr. Zhang Jilong, Directors of the Company, concurrently hold positions in Chinalco, they have abstained from voting on the Board resolution. Saved as disclosed above, none of the Directors has any material interest in the Board resolution and therefore none of the other Directors has abstained from voting on such Board resolution.

The Company will establish the Independent Board Committee to advise the Independent Shareholders in respect of the Transaction contemplated under the Shares Transfer Agreement. VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will convene the EGM to seek the approval of the Independent Shareholders in respect of the Transaction contemplated under the Shares Transfer Agreement. A circular containing, among other things, a resolution in relation to the Transaction contemplated under the Shares Transfer Agreement will be despatched by the Company to the shareholders on or before 9 September 2022. As the Company needs more time to prepare and implement certain information to be contained in the supplemental circular for the shareholders to make informed decisions at the EGM, the Company will despatch a supplemental circular to its shareholders on or prior to 10 October 2022 whereas such supplemental circular contains, inter alia, (i) the details about the Transaction contemplated under the Shares Transfer Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of opinion from the independent financial advisor to the Independent Board Committee and the Independent Shareholders.

6. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company incorporated in the PRC, the H Shares and 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 Metallurgical

Yunnan Metallurgical is a joint stock limited company incorporated in the PRC, and the scope of its business includes mineral products, metallurgical products, by-products and extended products as well as contracting of overseas non-ferrous metallurgical projects and domestic international bidding projects, contracting of survey, consultation, design and supervision projects of the above overseas projects; export of equipment and materials required for the above overseas projects; dispatch of labourers required for the implementation of the above overseas projects; metallurgical technology development, transfer and training; operation of materials and equipment required for metallurgical production and construction; instrument and apparatus testing and technical services. As at the date of this announcement, Yunnan Metallurgical is held as to 99.99% by China Copper Co., Ltd. (“**China Copper**”) and 0.01% by Yunnan Construction Materials Co., Ltd.* (雲南省建設物資有限公司), a subsidiary of China Copper, which is principally engaged in metal materials, building materials, decoration materials, glass, building machinery and component and other business.

As at the date of this announcement, China Copper is a subsidiary of Chinalco, which is held as to 72.9175%, 9.5139%, 5.2752%, 3.6754%, 3.3998%, 2.8700% and 2.3482% by Chinalco, Yunnan Provincial Energy Investment Group Co., Limited (a state-owned capital investment and operation company controlled by the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government), Yunnan Industrial Investment Holdings Group Co., Ltd. (a state-owned capital investment and operation company controlled by the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government), the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government, Yunnan Yuntou Innovation Investment Centre (Limited Partnership) (a state-owned capital investment partnership ultimately controlled by the State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government), the Finance Bureau of Lanping Baizu Pumizu Autonomous County of Yunnan Province and Nujiang State-owned Capital Investment and Operation Management Co. Ltd. (which is 100% owned by the Finance Bureau of Nujiang Lisuzu Autonomous Prefecture), respectively. China Copper is principally engaged in the exploration, mining, smelting, processing, sales of copper, lead, zinc, aluminium and other non-ferrous metal and other business.

Information on 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 31.95% 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;
“Completion Date”	the date on which the Shenzhen Stock Exchange and the China Securities Depository and Clearing Corporation Limited (Shenzhen Branch) have completed the transfer registration procedures of the Target Shares and the Target Shares have been registered under the name of the Company;
“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 2022 second extraordinary general meeting to be held by the Company for considering and approving, among other things, the Transaction contemplated under the Shares Transfer Agreement;
“Group”	the Company and its subsidiaries;
“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, as amended from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Independent Board Committee”	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the Transaction contemplated under the Shares Transfer Agreement;
“Independent Shareholder(s)”	the shareholder(s) (other than Chinalco and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM to approve the Transaction contemplated under the Shares Transfer Agreement;
“Material Adverse Effect”	events occurring in the financial or business, assets, properties, earnings and prospects of the Target Company that, based on reasonable expectations, would, individually or collectively, result in any change or effect that would have a material adverse effect on, among other things, (1) the historical, near-term or long-term planned business, assets, properties, results of operations, the condition (financial or otherwise) and prospects of the Target Company, (2) the completion of the Transaction contemplated under the Shares Transfer Agreement by both parties to the agreement, (3) the value of the Target Company, and (4) the ability of Yunnan Metallurgical to complete the Transaction or to perform its obligations under the Shares Transfer Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares Transfer Agreement”	the shares transfer agreement dated 24 July 2022 entered into between the Company and Yunnan Metallurgical, pursuant to which the Company has agreed to acquire and Yunnan Metallurgical has agreed to dispose of 658,911,907 shares in Yunnan Aluminum (representing approximately 19% of the total issued share capital of Yunnan Aluminum);
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Target Company”	Yunnan Aluminum Co., Ltd.* (雲南鋁業股份有限公司);

“Target Shares”	658,911,907 shares in the Target Company legally held by Yunnan Metallurgical (representing approximately 19% of the total issued share capital of the Target Company) and all shareholders’ interests derived therefrom;
“Transaction”	the transfer of the Target Shares held by Yunnan Metallurgical to the Company pursuant to the Shares Transfer Agreement;
“Transfer Expenses”	the expenses and expenditure incurred by the transferor and/or the transferee or the Target Company in connection with the transfer of the Target Shares or the negotiation, preparation, execution of the Shares Transfer Agreement and/or any document under the Shares Transfer Agreement, or the performance or completion of the transaction under the Shares Transfer Agreement, including obtaining any waiver, consent or approval from any governmental authority or third party as may be necessary or appropriate;
“Transition Period”	the period from the date of entering into of the Shares Transfer Agreement to the Completion Date;
“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, the A Shares of which are listed on Shenzhen Stock Exchange (stock code: 000807), and a subsidiary of Yunnan Metallurgical as at the date of this announcement;

“Yunnan Metallurgical” Yunnan Metallurgical Group Co., Ltd.* (雲南冶金集團股份有限公司), a joint stock limited company incorporated in the PRC 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*
Ge Xiaolei
Joint Company Secretary

Beijing, the PRC
24 July 2022

As at the date of this announcement, the members of the Board comprise Mr. Liu Jianping, Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao (Executive Directors); Mr. Zhang Jilong and Mr. Chen Pengjun (Non-executive Directors); Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (Independent Non-executive Directors).

** For identification purposes only*