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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
TRANSFER OF 6.68% EQUITY INTERESTS
IN CHINA COPPER RESOURCES

The Board hereby announces that on 27 March 2024, the Company entered into the Equity Transfer Agreement with China Copper, pursuant to which the Company agreed to transfer and China Copper agreed to acquire 6.68% equity interests in China Copper Resources. Upon completion of the aforesaid equity transfer, the Company will cease to hold any equity interests in China Copper Resources.

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, China Copper is a subsidiary of Chinalco, and hence China Copper is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction 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 Equity Transfer Agreement exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

The Board hereby announces that on 27 March 2024, the Company entered into the Equity Transfer Agreement with China Copper, pursuant to which the Company agreed to transfer and China Copper agreed to acquire 6.68% equity interests in China Copper Resources. Upon completion of the aforesaid equity transfer, the Company will cease to hold any equity interests in China Copper Resources.

2. EQUITY TRANSFER AGREEMENT

(1) Date

27 March 2024

(2) Parties

- (i) the Company; and
- (ii) China Copper.

(3) Nature of the transaction

The Company agreed to transfer and China Copper agreed to acquire 6.68% equity interests in China Copper Resources. Upon completion of the aforesaid equity transfer, the Company ceases to hold any equity interests in China Copper Resources.

(4) Transfer consideration and payment

The transfer consideration is RMB327,607,280.08, which was determined after arm's length negotiation between the parties, with reference to the appraised value of the net assets of China Copper Resources set out in the valuation report prepared by China Alliance in accordance with the asset-based approach with 30 November 2023 as the Valuation Benchmark Date.

The transfer consideration shall be remitted by China Copper to the settlement account designated by the Company in one lump sum within 30 days after the Equity Transfer Agreement has become effective.

(5) Completion

Both parties to the agreement shall perform or assist in the performance of the reporting obligations to the approval authorities, and use their best efforts to cooperate with any reasonable requests and inquiries from the approval authorities in order to obtain the approval of the Equity Transfer Agreement and the equity transaction thereunder from the approval authorities.

Within 30 working days after the entering into of the Equity Transfer Agreement, China Copper shall procure China Copper Resources to go through the registration procedures with the registration authority for the change of equity interests in China Copper Resources as soon as possible, and the Company shall provide necessary assistance and cooperation. The date when the registration authority completes the equity change registration shall be deemed to be the date when the equity transaction is completed.

(6) Arrangement during Transitional Period

During the Transitional Period, China Copper has the obligation of proper management of China Copper Resources and its assets. China Copper shall ensure and procure the normal operation of China Copper Resources, and China Copper shall notify the Company in a timely manner of any Material Adverse Effect on China Copper Resources during the Transitional Period and deal with it appropriately.

During the Transitional Period, both parties and China Copper Resources undertake that neither shall they sign, change, modify or terminate any contracts and transactions relating to China Copper Resources, nor shall cause China Copper Resources to assume liabilities or obligations outside the scope of valuation report, transfer or waive its rights, and dispose of the assets of China Copper Resources, except for matters falling within the normal business scope of China Copper Resources.

During the Transitional Period and prior to the completion date, the profits and losses of the relevant assets of China Copper Resources shall be enjoyed and borne by China Copper.

(7) Commitments for equity transfer fee

The transaction fee incurred in the process of equity transfer shall be borne by both parties severally in accordance with relevant regulations.

(8) Effectiveness of the Equity Transfer Agreement

The Equity Transfer Agreement shall become effective upon being signed by the legal representatives or authorised representatives of both parties with their official seals or contract seals affixed thereto.

3. FURTHER INFORMATION ON THE VALUATION

(1) Valuation approach

The approach adopted for the preparation of the valuation report is the asset-based approach for the following reasons: (i) as the purpose of this valuation is for the equity transfer and the assets and liabilities of China Copper Resources, both on and off-balance sheet, as at the Valuation Benchmark Date can be identified and separately appraised using appropriate approaches, the asset-based approach was applicable for this valuation; (ii) for enterprises for which the period and amount of future income is predictable and can be measured by currency and its risks exposure to the expected income is also quantified, the income approach was applicable for this valuation; (iii) since there are no market transaction cases from the same industry for the appraised entity, with similar size and comparability, and there is no objective condition of adopting the market approach in this valuation, thus the market approach was not applicable for this valuation. In view of the foregoing reasons and taking into account the analysis of the business situation, operating conditions, future development expectations and reliability of earnings of China Copper Resources and its subsidiaries, China Alliance has uniformly adopted the asset-based approach as the final valuation conclusion for the valuation results of the headquarters of China Copper Resources and its subsidiaries.

(2) Valuation assumptions

General assumptions

- (i) Transaction assumption: assuming that all assets to be appraised are in the process of transaction, and the valuer conducts the valuation according to simulated market conditions such as trading conditions of the assets to be appraised.
- (ii) Open market assumption: assuming that the parties to the asset transaction or the proposed asset transaction in the market are in equal positions and have opportunities and time to obtain sufficient market information, so as to make a rational decision in respect of the function, usage and transaction price of the assets.
- (iii) Enterprise continuous operation assumption: assuming that the appraised entity fully complies with all relevant laws and regulations, and the enterprise will operate on an on-going concern in the foreseeable future.
- (iv) Sustainable use assumption: assuming that the appraised assets are being used, which includes assets being used and reserved assets; based on relevant data and information, it is assumed that the assets being used will continuously be used.

Special assumptions

- (i) The specific purposes of valuation stated in the valuation report form the basic assumptions to which the valuation is subject;
- (ii) There shall be no significant changes in the relevant laws and regulations prevailing in the State and the macroeconomic situation of the State, and there shall be no unforeseeable significant change in the external economic environment such as interest rates, exchange rates, tax bases and tax rates, and policy-based levies, etc;

- (iii) The valuation assumes that the future management team of the appraised entity will conduct themselves on a best-effort basis, and continue to adopt its current model of operations and management, and continues to maintain its existing operation and management model;
- (iv) Assuming that there is no other unpreventable or unforeseeable element that will cause Material Adverse Effect on the enterprise on the basis of the current management methods and management standards adopted by such company;
- (v) Assuming that the relevant basic information and financial information provided by the appraised entity and the principal are true, accurate and complete;
- (vi) The financial reports and transaction data of the comparable companies that are relied upon by the valuer are true and reliable;
- (vii) The scope of the valuation is subject to the declarations for valuation provided by the principal and the appraised entity, without taking into account the possible contingent assets or contingent liabilities that are not included in the list provided by the principal and the appraised entity;
- (viii) The valuation assumes that the enterprise will have a balanced net cash flow during the year.

(3) Opinion of the Board

The Board has discussed and reviewed the valuation report with China Alliance. Having fully considered the valuation approach adopted by China Alliance as well as the valuation assumptions, the Board is of the view that the results of the valuation by adopting the asset-based approach can reflect the true value of the net assets of China Copper Resources and are fair and reasonable.

4. INFORMATION ON CHINA COPPER RESOURCES

China Copper Resources, a company incorporated in the PRC with limited liability and a subsidiary of China Copper as at the date of this announcement, is principally engaged in the business of geophysical and geochemical surveys, construction of geological surveying projects, engineering geological surveys, geological mapping and engineering survey, geological survey technology consultation and services, mineral geological survey, and mining consultation and technological services. As at the date of this announcement, China Copper and the Company hold 93.32% and 6.68% equity interests in China Copper Resources, respectively.

According to the valuation report prepared by China Alliance using the asset-based approach, the appraised value of the net assets of China Copper Resources as at the Valuation Benchmark Date was RMB4,904.3006 million. According to the financial report of China Copper Resources prepared in accordance with the PRC Accounting Standards for Business Enterprises, the carrying amounts of the total assets and the net assets of China Copper Resources as of 31 December 2023 were RMB1,796.3326 million and RMB446.7584 million, respectively. According to the financial report of China Copper Resources prepared in accordance with the PRC Accounting Standards for Business Enterprises, the net losses (before and after taxes and non-recurring items) of China Copper Resources for the financial years ended 31 December 2022 and 31 December 2023 are set out below:

	For the year ended 31 December 2022 <i>(RMB0'000)</i> (Audited)	For the year ended 31 December 2023 <i>(RMB0'000)</i> (Audited)
Net loss before taxes and non-recurring items	5,040.64	1,617.27
Net loss after taxes and non-recurring items	4,957.72	1,642.96

5. FINANCIAL IMPACT OF THE TRANSACTION

As at the date of this announcement, China Copper Resources is a subsidiary of China Copper, which is held as to 93.32% by China Copper and 6.68% by the Company, respectively. Upon completion of the transaction, the Company will cease to hold any equity interests in China Copper Resources.

It is expected that the Company will obtain an income of approximately RMB123.60 million (before taxes and other fees payable by the Company for the aforesaid disposal) in respect of the disposal of 6.68% equity interests in China Copper Resources, which is calculated based on the appraised value of the net assets and the carrying amount of China Copper Resources as at the Valuation Benchmark Date. Shareholders should note that the actual income from the disposal of 6.68% equity interests in China Copper Resources under the Equity Transfer Agreement will be calculated on relevant figures on the date of completion of the above disposal and be subject to audit, and is therefore likely to vary from the above amount. The proceeds from the disposal are expected to be used to replenish the Company's working capital.

6. REASONS FOR AND BENEFITS OF THE TRANSACTION

The initial purpose of the Company's equity participation in China Copper Resources was to acquire bauxite resources. However, China Copper Resources later adjusted its development focus to the exploration and development of copper, lead, and zinc resources under the direction of Chinalco. Over the years, the support and services provided by China Copper Resources for the Company to obtain bauxite resources have been extremely limited. Additionally, China Copper Resources has poor profitability and an asset-liability ratio exceeding 70%. It is considered an inefficient asset for the Company. As a participating shareholder of China Copper Resources, the Company has not received any financial dividends for many years. Therefore, the Company has decided to transfer all its equity interests in China Copper Resources to China Copper. This move is beneficial for the Company to revitalize inefficient assets, increase working capital, and improve asset utilization efficiency.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Equity Transfer Agreement is on normal commercial terms, the terms as set out in the Equity Transfer Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, but is not in the ordinary or usual course of business of the Group due to the nature of such transaction.

7. IMPLICATIONS UNDER HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, China Copper is a subsidiary of Chinalco, and hence China Copper is a connected person of the Company under the Hong Kong Listing Rules. As such, the transaction 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 Equity Transfer Agreement exceeds 0.1% but is less than 5%, the transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Dong Jianxiong and Mr. Zhang Jilong, the Directors of the Company, concurrently hold positions in Chinalco, they have 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 Equity Transfer Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

8. GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. The Group principally engages in the exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum, aluminum alloy and carbon products; international trade; logistics business; thermal and new energy power generation, etc.

Information on Chinalco

As at the date of this announcement, the Company and China Copper are both subsidiaries of Chinalco. Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering technology, etc.

Information on China Copper

China Copper is a company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, whose principal business includes investment and operation management of copper, lead-zinc and other non-ferrous metals industries; exploration, mining, smelting, processing and sales of copper, lead-zinc and other non-ferrous metals, production and sales of related by-products, and related utilization and development of circular economy, etc. As at the date of this announcement, Chinalco, Yunnan Provincial Energy Investment Group Co., Ltd.* (雲南省能源投資集團有限公司) (ultimately controlled by the State-Owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government (雲南省人民政府國有資產監督管理委員會)), Nujiang State-owned Capital Investment and Operation Management Co., Ltd.* (怒江州國有資本投資運營管理有限公 司) (ultimately controlled by the Finance Bureau of Nujiang Lisu Autonomous Prefecture (怒江傈僳族自治州財政局)) and the Finance Bureau of Lanping Bai and Pumi Autonomous County of Yunnan Province (雲南省蘭坪白族普米族自治縣財政局) hold approximately 73.31%, 21.98%, 2.36% and 2.35% equity interests in China Copper, respectively.

9. 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;
“Board”	the board of Directors of the Company;
“China Alliance”	China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司), a qualified appraisal company, engaged by China Copper and the Company to appraise the value of the net assets of China Copper Resources;
“China Copper”	China Copper Co., Ltd.* (中國銅業有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of Chinalco as at the date of this announcement;
“China Copper Resources”	China Copper Mineral Resources Co., Ltd.* (中銅礦產資源有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of China Copper 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 32.42% 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 and H Shares of which are listed on the Shanghai Stock Exchange and the Hong Kong 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;
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and China Copper on 27 March 2024, pursuant to which the Company agreed to transfer and China Copper agreed to acquire 6.68% equity interests in China Copper Resources;
“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;

“Material Adverse Effect”	events occurring in the financial or business, assets, properties, earnings and prospects of China Copper Resources 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 China Copper Resources, (2) the completion of the transaction contemplated under the Equity Transfer Agreement by both parties to the agreement, (3) the value of China Copper Resources, and (4) the ability of the Company to complete the transaction or to perform its obligations under the Equity Transfer Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of A Share(s) and holder(s) of H Share(s);
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Transitional Period”	the period from Valuation Benchmark Date to the completion date;
“Valuation Benchmark Date”	30 November 2023; and
“%”	per cent.

By order of the Board
Aluminum Corporation of China Limited*
Ge Xiaolei
Joint Company Secretary

Beijing, the PRC
27 March 2024

As at the date of this announcement, the members of the Board comprise Mr. Dong Jianxiong, 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 purpose only