ALUMINUM CORP OF CHINA LTD
Form 20-F/A
April 08, 2011

As filed with Securities and Exchange Commission on April 8, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F/A

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934
OR
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
OR
[ ] SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-15264

(Exact name of Registrant as specified in its charter)

ALUMINUM CORPORATION OF CHINA LIMITED
(Translation of Registrant's name into English)

People's Republic of China
(Jurisdiction of incorporation or organization)

No. 62 North Xizhimen Street, Haidian District, Beijing
People's Republic of China (100082)

(Address of Principal Executive Offices)

Xiong Weiping
No. 62 North Xizhimen Street, Haidian District, Beijing
People's Republic of China (100082)
Tel: (86) 10 8229 8103
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares*	New York Stock Exchange, Inc.
Class H Ordinary Shares**	

* Evidenced by American Depositary Receipts. Each American Depositary Share represents 25 H Shares.

** Not for trading, but only in connection with the listing of American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act.
None
(Title of Class)
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.
None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2009:

Domestic Shares, par value RMB1.00 per share	9,580,521,924
H Shares, par value RMB1.00 per share	3,943,965,968

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [X] No [ ]

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes [ ] No [X]

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) [ ] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [X] Accelerated filer [ ] Non-accelerated filer [ ]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP [ ] International Financial Reporting Standards as issued by the International Accounting Standards Board [X] Other [ ]

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 [ ] Item 18 [ ]

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

Explanatory Note

This Annual Report on Form 20-F/A ("Form 20-F/A") is being filed by Aluminum Corporation of China Limited (the "Registrant") as an amendment to the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2009 ("Form 20-F"). This Form 20-F/A is filed in its entirety. The Registrant has been requested by the U.S. Securities and Exchange Commission to amend, and hereby amends on page 21 of this Form 20-F/A, the disclosure on page 21 of the original filing of the Form 20-F filed on June 25, 2010.

This Form-20F/A makes no changes to the financial statements of the Registrant. Other than what is stated above, this Form 20-F/A does not, amend, update or restate the information in any other item of the Form 20-F as originally filed on June 25, 2010 or reflect any events that have occurred after the original filing of the Form 20-F on June 25, 2010.

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Forward-Looking Statements

Certain information contained in this annual report, which does not relate to historical financial information, may be deemed to constitute forward-looking statements. The words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "believe," or similar expressions are intended to identify "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected. You should not place undue reliance on any such forward-looking statements, which speak only as of the date made. These forward-looking statements include, without limitation, statements relating to:

* future general economic conditions;

* future conditions in the international and PRC capital markets;

* future conditions in the financial and credit markets;

* future prices and demand for our products;

* future PRC tariff levels for alumina, primary aluminum and aluminum fabrication products;

* sales of our products;

* the extent and nature of, and potential for, future development;

*

production, consumption and demand forecasts of bauxite, alumina, primary aluminum and aluminum fabrication products;

* expansion, consolidation or other trends in the primary aluminum industry;

* the effectiveness of our cost-saving measures;

* future expansion plans and capital expenditures;

* competition;

* changes in legislation, regulations and policies;

* estimates of proven and probable bauxite reserves;

* our research and development plans; and

* our dividend policy.

These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and future developments, as well as other factors we believe are appropriate in particular circumstances. However, whether actual results and developments will meet our expectations and predictions depends on a number of risks and uncertainties, which could cause actual results to differ materially from our expectations. These risks are more fully described in the section headed "Item 3. Key Information - Risk Factors".

Consequently, all of the forward-looking statements made in this annual report are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us or our business or operations.

SPECIAL NOTE ON THE FINANCIAL INFORMATION PRESENTED IN THIS ANNUAL REPORT

Our consolidated financial statements as of January 1, 2008 and December 31, 2008 and 2009 and for the years ended December 31, 2008 and 2009 included in this annual report on Form 20-F have been prepared in accordance with International Financial Reporting Standards, or IFRS, which includes all international accounting standards and interpretations as issued by the International Accounting Standards Board, or the IASB. Pursuant to the requirement under IFRS 1: First-Time Adoption of International Financial Reporting Standards, or IFRS 1, the date of our transition to IFRS was determined to be January 1, 2008, which is the beginning of the earliest period for which we present full comparative information in our consolidated financial statements. We make an explicit and unreserved statement of compliance with IFRS as issued by the IASB, with respect to our consolidated financial statements as of January 1, 2008 and December 31, 2008 and 2009 and for the years ended December 31, 2008 and 2009 included in this annual report on Form 20-F. PricewaterhouseCoopers, our independent registered public accounting firm, has issued an unqualified auditor's report on these consolidated financial statements.

In accordance with rule amendments adopted by the U.S. Securities and Exchange Commission, or the SEC, which became effective on March 4, 2008, we are not required to provide a reconciliation to generally accepted accounting principles in the United States, or U.S. GAAP. Furthermore, pursuant to the transitional relief granted by the SEC in respect of the first-time application of IFRS, no audited statement of comprehensive income, cash flow statement and related financial information prepared under IFRS for the year ended December 31, 2007 and no financial statements prepared under IFRS for the years ended December 31, 2005 and 2006 have been included in this annual report on Form 20-F.

The consolidated financial statements included in our annual reports on Form 20-F previously filed with the SEC were prepared in accordance with Hong Kong Financial Reporting Standards, or HKFRS. There are no significant differences between the statement of financial position as of January 1, 2008 prepared under IFRS and the statement of financial position as of December 31, 2007 prepared under HKFRS. For additional information, please refer to our annual reports on Form 20-F previously filed with the SEC.

Certain Terms and Conventions

"Chalco,"

"the Company," "the Group," "our company," "we," "our" and **"us"** refer to Aluminum Corporation of China Limited and its subsidiaries and, where appropriate, to its predecessors;

"A Shares"

and **"domestic shares"** refer to our domestic ordinary shares, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;

"alumina-to-silica ratio"

refers to the ratio of alumina to silica in bauxite by weight;

"aluminum fabrication"

refers to the process of converting primary aluminum or recycled aluminum materials into plates, strips, bars, tubes and other fabricated products;

"Baotou Aluminum"

refers to Baotou Aluminum Co., Ltd., our wholly-owned subsidiary established under PRC law;

"Baotou Group"

refers to Baotou Aluminum (Group) Co., Ltd., one of our shareholders;

"bauxite"

refers to a mineral ore that is principally composed of aluminum;

"Bayer process"

refers to a refining process that employs a strong solution of caustic soda at an elevated temperature to extract alumina from ground bauxite;

"Chalco Hong Kong"

refers to Chalco Hong Kong Limited, our wholly-owned subsidiary established under Hong Kong law;

"Chalco Kailin"

refers to Shanghai Chalco Kailin Aluminum Co., Ltd.;

"Chalco Mining"

refers to Chalco Mining Co., Ltd, our wholly-owned subsidiary established under PRC law;

"Chalco Nanhai"

refers to Chalco Nanhai Alloy Company, our subsidiary established under PRC law;

"Chalco Qingdao"

refers to Chalco Qingdao Light Metal Company Limited, our subsidiary established under PRC law;

"Chalco Ruimin"

refers to Chalco Ruimin Company Limited, 90.12% of the equity interest of which is owned by us;

"Chalco Southwest Aluminum"

refers to Chalco Southwest Aluminum Company Limited, 60% of the equity interest of which is owned by us;

"Chalco Southwest Aluminum Cold Rolling"

refers to Chalco Southwest Aluminum Cold Rolling Company Limited, our wholly-owned subsidiary established under PRC law;

"Chalco Zunyi"

refers to Chalco Zunyi Alumina Co., Ltd., 67% of the equity interest of which is owned by us;

"China"

and the **"PRC"** refer to the People's Republic of China, excluding for purposes of this annual report, Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan;

"China Nonferrous Metals Technology"

refers to China Nonferrous Metals Processing Technology Co., Ltd.;

"Chinalco"

and **"Chinalco Group"** refer to our controlling shareholder, Aluminum Corporation of China and its subsidiaries (other than Chalco and its subsidiaries) and, where appropriate, to its predecessors;

"CSRC"

refers to the China Securities Regulatory Commission;

"Fushun Aluminum"

refers to Fushun Aluminum Company Limited, our wholly-owned subsidiary established under PRC law;

"Gansu Hualu"

refers to Gansu Hualu Aluminum Company Limited, 51% of the equity interest of which is owned by us;

"Guan Lv"

refers to Shanxi Guan Lv Company Limited;

"Guangxi Huayin"

refers to Guangxi Huayin Aluminum Company Limited, 33% of the equity interest of which is owned by us;

"Guangxi Investment"

refers to Guangxi Investment (Group) Co., Ltd., formerly known as Guangxi Development and Investment Co., Ltd., a PRC state-owned enterprise and one of our promoters and shareholders;

"Guizhou Development"

refers to Guizhou Provincial Materials Development and Investment Corporation, a PRC state-owned enterprise and one of our promoters and shareholders;

"H Shares"

refers to overseas listed foreign shares with a par value RMB1.00 each, which are listed on the Hong Kong Stock Exchange;

"Henan Aluminum"

refers to Chinalco Henan Aluminum Company Limited, 90.03% of the equity interest of which is owned by us;

"Hong Kong Stock Exchange"

refers to The Stock Exchange of Hong Kong Limited;

"Hongrui Chemical"

refers to Jiaozuo Hongrui Chemical Company Limited, which we acquired in October 2009 and made part of our Zhongzhou branch;

"Huasheng Jiangquan"

refers to Huasheng Jiangquan Group Co., Ltd.;

"Huaxi Aluminum"

refers to Huaxi Aluminum Company Limited, 56.86% of the equity interest of which is owned by us;

"Huayu Aluminum"

refers to Shandong Huayu Aluminum and Power Company Limited, 55% of the equity interest of which is owned by us;

"hybrid Bayer-sintering process"

refers to the refining process developed in China that combines the Bayer process and the sintering process to extract alumina from bauxite;

"Jiaozuo Wanfang"

refers to Jiaozuo Wanfang Aluminum Manufacturing Co. Ltd., 29% of the equity interest of which is owned by us. Jiaozuo Wanfang has been our subsidiary since January 1, 2008 after we established de facto control over it;

"Ka"

refers to kiloamperes, a unit for measuring the strength of an electric current, with one kiloampere equaling 1,000 amperes;

"kWh"

refers to kilowatt hours, a unit of electrical power, meaning one kilowatt of power for one hour;

"Lanzhou Aluminum"

refers to Lanzhou Aluminum Co., Ltd.;

"Liancheng branch"

refers to our wholly-owned branch, which was formerly known as Lanzhou Liancheng Longxing Aluminum Company Limited before we acquired 100% of its equity interest;

"Listing Rules"

and **"Hong Kong Listing Rules"** refer to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended;

"LME"

refers to the London Metal Exchange Limited;

"Longmen Aluminum"

refers to Shanxi Longmen Aluminum Co., Ltd., our subsidiary established under PRC law;

"Nanping Aluminum"

refers to Fujian Nanping Aluminum Company Limited;

"NDRC"

refers to the China National Development and Reform Commission;

"Northwest Aluminum"

refers to Northwest Aluminum Fabrication Plant, our wholly-owned branch;

"NYSE"

refers to the New York Stock Exchange Inc.;

"ore-dressing Bayer process"

refers to a refining process that we developed to increase the alumina-to-silica ratio of bauxite;

"Pingguo Aluminum"

refers to Pingguo Aluminum Company;

"refining"

refers to the chemical process used to produce alumina from bauxite;

"Research Institute"

refers to Zhengzhou Research Institute, our wholly-owned branch that conducts our research and development;

"RMB"

refers to Renminbi, the lawful currency of the PRC;

"SASAC"

refers to the State-owned Assets Supervision and Administration Commission of the State Council;

"Shandong Aluminum"

refers to our wholly-owned branch, which was formerly known as Shandong Aluminum Industry Co., Limited before we acquired 100% of its equity interest;

"Shanxi Huasheng"

refers to Shanxi Huasheng Aluminum Company Limited, 51% of the equity interest of which is owned by us;

"Shanxi Huaze"

refers to Shanxi Huaze Aluminum and Power Co., Limited, 60% of the equity interest of which is owned by us;

"sintering process"

refers to a refining process employed to extract alumina from bauxite by mixing ground bauxite with supplemental materials and heating the mixture in a coal-fired kiln;

"smelting"

refers to the electrolytic process used to produce molten aluminum from alumina;

"tonne"

refers to the metric ton, a unit of weight that is equivalent to 1,000 kilograms or 2,204.6 pounds;

"Xinan Aluminum"

refers to Xinan Aluminum (Group) Company Limited;

"Xincheng"

refers to Henan Xincheng Construction Supervisory Services Company Limited, a subsidiary that we acquired in October 2009;

"Yichuan Power"

refers to Yichuan Power Industries Group Company;

"Zhangze Electric Power"

refers to Shanxi Zhangze Electric Power Co., Ltd.;

"Zhongzhou Construction"

refers to Henan Zhongzhou Aluminum Construction Company Limited, a subsidiary that we acquired in October 2009; and

"Zunyi Aluminum"

refers to Zunyi Aluminum Co., Ltd., 62.10% of the equity interest of which is owned by us.

Translations of amounts in this annual report from Renminbi to U.S. dollars and vice versa have been made at the rate of RMB6.8259 to US$1.00, the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board for December 31, 2009. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. See "Item 3. Key Information - Selected Financial Data - Exchange Rate Information" for historical exchange rates between the Renminbi and the U.S. dollar.

Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

Historical Financial Information

The following tables present selected comprehensive income data and cash flow data for the years ended December 31, 2008 and 2009 and selected statement of financial position data as of December 31, 2007, 2008 and 2009. The selected financial information has been derived from, and should be read in conjunction with, the audited consolidated financial statements and their notes included elsewhere in this annual report. As disclosed above under the section headed "Special Note on the Financial Information Presented in this Annual Report", our consolidated financial statements have been prepared and presented in accordance with IFRS.

On October 29, 2009, we acquired the entire equity interest of Zhongzhou Construction, Hongrui Chemical, Xincheng and a limestone mining business from two subsidiaries of Chinalco. On May 30, 2008, we acquired six companies from Chinalco and China Nonferrous Metals Processing Technology Co., Ltd., an entity controlled by Chinalco. Later in the same year, on October 1, 2008, we acquired an aluminum alloy business from Pingguo Aluminum Company, another entity controlled by Chinalco. As our Company and all the foregoing companies and businesses were under the common control of Chinalco immediately before and after the acquisitions, these transactions were accounted for as common control business combinations using the merger accounting method for all periods presented in this annual report as if the acquisitions had been consummated since the inception of common control.

	Year ended December 31		
	2008	2009	2009
	RMB	RMB	US$
	(in thousands, except per share and per ADS data)		
STATEMENT OF COMPREHENSIVE INCOME DATA			
Revenue	76,728,147	70,268,005	10,294,321
Cost of sales	(70,960,668)	(69,079,446)	(10,120,196)
Gross profit	5,767,479	1,188,559	174,125
Selling and distribution expenses	(1,562,841)	(1,264,920)	(185,312)
General and administrative expenses	(2,507,011)	(2,956,506)	(433,130)
Research and development expenses	(177,507)	(177,756)	(26,041)
Impairment loss on property, plant and equipment	(1,334)	(623,791)	(91,386)
Other income	100,781	151,142	22,142
Other gains, net	212,840	403,836	59,162
Operating profit/(loss)	1,832,407	(3,279,436)	(480,440)
Finance costs, net	(1,709,667)	(2,137,825)	(313,194)
Operating profit/(loss) after finance costs	122,740	(5,417,261)	(793,634)

Share of profits /(losses) of jointly controlled entities	1,672	(50,392)	(7,382)
Share of profits of associates	10,045	77,056	11,289
Profit/(loss) before income tax	134,457	(5,390,597)	(789,727)
Income tax benefit	34,172	711,003	104,163
Profit/(loss) for the year	168,629	(4,679,594)	(685,564)
Attributable to:			
Equity holders of the Company	19,485	(4,642,894)	(680,187)
Minority interest	149,144	(36,700)	(5,377)
Total attributable profit/(loss)	168,629	(4,679,594)	(685,564)
Profit/(loss) attributable to the equity holders:			
Basic and diluted net earnings/(loss) per share	0.0014	(0.3433)	(0.0503)

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Basic and diluted net earnings/(loss) per ADS	0.035	(8.5825)	(1.2575)
OPERATING SEGMENT DATA			
Alumina	1,472,491	(2,448,517)	(358,710)
Primary aluminum	515,763	85,898	12,584
Aluminum fabrication	(318,090)	(611,782)	(89,627)
Corporate and others	(103,931)	(191,180)	(28,007)
Elimination	266,174	(113,855)	(16,680)

Total operating profit/(loss)	1,832,407	(3,279,436)	(480,440)

	As of December 31,			
	2007	2008	2009	2009
	RMB	RMB	RMB	US$
		(in thousands)		
STATEMENT OF FINANCIAL POSITION DATA				
Total current assets	30,331,947	42,556,995	36,333,877	5,322,943
Total non-current assets	75,594,525	93,055,157	97,641,312	14,304,533
Total assets	105,926,472	135,612,152	133,975,189	19,627,476
Total current liabilities	23,646,302	38,622,098	40,029,861	5,864,408
Total non-current liabilities	17,812,612	36,808,624	38,364,171	5,620,382
Total liabilities	41,458,914	75,430,722	78,394,032	11,484,790
Net assets	64,467,558	60,181,430	55,581,157	8,142,686

	Year ended December 31,		
	2008	2009	2009
	RMB	RMB	US$
		(in thousands)	
OTHER FINANCIAL DATA			
Net cash generated from/(used in) operating activities	5,023,984	(705,954)	(103,423)
	(22,207,473)	(9,477,193)	(1,388,417)

Net cash used in investing activities			
Net cash generated from financing activities	24,370,350	1,576,713	230,990
Net increase (decrease) in cash and cash equivalents	7,186,861	(8,606,434)	(1,260,850)
CAPITAL EXPENDITURE			
Alumina	9,713,205	5,462,850	800,312
Primary aluminum	10,765,379	2,804,136	410,808
Aluminum fabrication	1,780,709	2,055,058	301,068
Corporate and others	143,013	102,830	15,065
Total capital expenditure	22,402,306	10,424,874	1,527,253

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Exchange Rate Information

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this annual report or will use in the preparation of our periodic reports or any other information to be provided to you. The source of these rates is the Federal Reserve Bank of New York for the periods through December 2008 and the Federal Reserve H.10 Statistical Release for the periods beginning on or after January 1, 2009. On June 18, 2010, the exchange rate for Renminbi was U.S. dollar 1.00 = RMB6.8267.

Period	Period End(1)	Average	Low	High
		(RMB per US$1.00)		
2005	8.0702	8.1826	8.0702	8.2765
2006	7.8041	7.9579	7.8041	8.0702
2007	7.2946	7.5806	7.2946	7.8127

2008	6.8225	6.9192	6.7800	7.2946
2009	6.8259	6.8307	6.8176	6.8470
December	6.8259	6.8275	6.8244	6.8299
2010				
January	6.8270	6.8270	6.8258	6.8295
February	6.8258	6.8285	6.8258	6.8328
March	6.8258	6.8262	6.8254	6.8270
April	6.8247	6.8256	6.8229	6.8275
May	6.8305	6.8275	6.8245	6.8310
June (through June 18, 2010)	6.8267	6.8298	6.8267	6.8323

(1) Annual averages are calculated by averaging the rates on the last business day of each month during the year. Monthly averages are calculated by averaging the rates on each business day during the month.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business, financial condition and results of operations are subject to various changing business, competitive, economic, political and social conditions in China and worldwide. In addition to the factors discussed elsewhere in this annual report, the following are some of the important factors that could cause our actual results to differ materially from those projected in any forward-looking statements.

Demand for our products is sensitive to cyclical fluctuations in our industry and general economic conditions, and a reduction in demand could materially and adversely affect our business, financial condition and results of operations.

Demand for our products is sensitive to cyclical fluctuations in our industry and significantly affected by general economic conditions. From the fourth quarter of 2008 through the second quarter of 2009, demand for our products decreased significantly due to the global recession, which resulted in a significant downturn in a number of our end-user markets. The performance of each of our business segments, in turn, was materially and adversely affected. Although the global economy, together with our production and sales volume, has been recovering since the second half of 2009, there is no assurance that there will not be a renewed decline in the global market for our products or the general economy. Decrease in demand for our products may have material adverse effect on our business, results of operations and financial condition. For example, diminished demand for our products may impair our ability to procure favorable payment terms from customers. To enhance our liquidity, we require our customers to make prepayments or deposits for purchases of alumina and primary aluminum and had a balance of approximately RMB989.7 million in prepayments and deposits as of December 31, 2009. We cannot guarantee that demand for our products will remain sufficiently strong for us to continue procuring favorable payment terms from customers. In addition, current economic conditions and uncertainty about future economic conditions make it challenging for us to forecast our results of operations, make business decisions and identify risks that may affect our business. If we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, financial condition and results of operations may be materially and adversely affected.

Volatility in alumina and primary aluminum prices may adversely affect our business, financial condition and results of operations.

The prices of our key products have been historically volatile and fluctuate in response to general economic conditions, supply and demand and the level of global inventories. We price our alumina and primary aluminum products by reference to international and domestic market prices, the import price of alumina and domestic supply and demand, each of which may fluctuate beyond our control. Because most of our costs are fixed, we may not be able to respond promptly to a sudden decrease in alumina or primary aluminum prices. See " - Failure to maintain optimal utilization of our production facilities will adversely affect our gross and operating margins". Any significant fluctuation in international market prices could materially and adversely affect our business, financial condition and results of operations.

Our business requires substantial capital investments that we may be unable to fulfill.

Our plans to upgrade and expand our production capacity will require capital expenditures of approximately RMB14.6 billion in 2010. See "Item 4. Information on the Company - Property, Plant and Equipment - Our Expansion". We may also need additional funding for debt servicing, working capital, other investments, potential acquisitions and joint ventures and other corporate requirements. We may seek external financing to satisfy our capital needs if cash generated from our operations is insufficient to fund our capital expenditures or if our actual capital expenditures and investments exceed our plans. Our ability to obtain external financing at reasonable costs and on acceptable terms is subject to a variety of uncertainties. Failure to obtain sufficient funding for our development plans could adversely affect our business and prospects.

Our failure to successfully manage our business expansion would have a material adverse effect on our results of operations and prospects.

We may not be able to adequately manage our business growth, which we have achieved through organic growth, acquisitions and joint ventures. Our expansion has created, and will continue to place, substantial demand on our resources. Managing our growth and integrating our acquired businesses will require, among other things:

* complying with the laws, regulations and policies that are applicable to the acquired businesses;

* gaining market acceptance for new products and services and establishing relationships with new customers and suppliers;

* achieving sufficient utilization of new production facilities to recover costs;

* obtaining timely approval for the construction or expansion of alumina refineries, primary aluminum smelters and mining projects as required under PRC law;

* managing relationships with employees, customers and business partners during the course of our business expansion and integration of new businesses;

* attracting, training and motivating members of our management and workforce;

* accessing our debt, equity or other capital resources to fund our business expansion, which may divert financial resources otherwise available for other purposes;

* diverting significant management attention and resources from our other businesses; and

* strengthening our operational, financial and management controls, particularly those of our newly acquired subsidiaries, to maintain the reliability of our reporting processes.

Any difficulty meeting the foregoing or similar requirements could significantly delay or otherwise constrain our ability to undertake our expansion plans, which in turn would limit our ability to increase operational efficiency, reduce marginal manufacturing costs or otherwise strengthen our market position. If we are not able to manage our growth successfully, our business and prospects would be materially and adversely affected.

Failure to maintain optimal utilization of our production facilities will adversely affect our gross and operating margins.

During 2009, we experienced an excess in production capacity at a number of our production facilities due to decreased industry demand for our products through the first half of 2009 and an increase in our purchase of alumina and primary aluminum from third parties pursuant to our flexible sourcing policy to enhance resource planning. We increased our external purchases of alumina and primary alumina for trading purposes to capitalize on volatile market prices in 2009 and to achieve cost savings in our production. We expect this trading business may continue in the future, depending on the market condition. Our increase in external purchases has reduced our utilization of certain production facilities, but has not resulted in an proportionate decrease in fixed costs such as leases and depreciation of plant, property and equipment. Given our high proportion of fixed costs, failure to maintain historical utilization rates may adversely affect our gross and operating margins.

Furthermore, we expect our production capacity expansion in recent years to increase our costs of sales, in particular depreciation and amortization costs. If we are able to maintain satisfactory facility utilization rates and increase our production output, our production capacity expansion will enable us to reduce our unit costs through economies of scale, as fixed costs will be spread over a higher volume of output units. Conversely, underutilization of our existing and newly acquired or constructed production facilities may increase our marginal production costs and prevent us from realizing the intended economic benefits of our expansion.

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Our profitability may decline if energy costs rise or if our energy supplies are interrupted.

Our operations consume substantial amounts of energy. Although we generally expect to meet the energy requirements for our alumina refineries and primary aluminum smelters from a combination of internal and external sources, our results of operations may be materially and adversely affected by significant increases in electricity costs or our inability to extend energy supply contracts upon their expiration.

Electricity is the principal production cost in our primary aluminum operations. Although during 2009, our average cost per kilowatt-hour, or kWh, of electricity decreased by 3.0% from the prior year, we expect electricity prices to increase as the PRC economy continues its strong growth. If we are unable to pass on increases in energy costs to our customers, our operating margin, financial condition and results of operations could be materially adversely affected.

Losses caused by disruptions in the supply of power could materially and adversely affect our business, financial condition, results of operations and cash flows.

The production of primary aluminum requires a substantial and continuous supply of electricity. Interruptions in the supply of power can result in costly production shutdowns, increased costs associated with restarting production and the waste of production in progress. A sudden loss of power, if prolonged, can cause damage to or the destruction of production equipment and facilities. In such an event, we may need to expend significant capital and resources to repair or replace the affected production equipment to restore our production capacity. Various regions across China have experienced shortages and disruptions in electrical power, especially during peak demand in the summer or during severe weather conditions. Our operations in Guizhou Province were disrupted by power blackouts resulting from severe winter conditions in early 2008, and these disruptions damaged some production equipment and temporarily reduced our production capacity.

Our operations may be adversely affected if we are not able to procure sufficient coal or if coal prices rise.

We rely heavily on coal as our energy and fuel source in our production of alumina. As we significantly increase our refining capacity, our consumption of coal will increase accordingly. If our coal suppliers are not able to supply the amount of coal needed for our production due to constraints on coal transportation or any other reason, we may be forced to reduce our production output or suspend a portion of our refining operations, which could materially adversely affect our financial condition and results of operations. Although our average per tonne price of coal decreased by 18.5% from 2008 to 2009, we expect the price of coal to increase as the PRC economy continues its rapid growth. If we are unable to pass on increases in coal prices to our customers or offset price increases through productivity improvements, our operating margin, financial condition and results of operations could be adversely affected.

We may be unable to continue competing successfully in the markets in which we operate.

We face competition from both domestic and international primary aluminum producers. Our principal competitors are domestic smelters, some of which are consolidating and expanding their production capacities. These smelters compete with our primary aluminum operations on the basis of cost, quality and pricing. We also face increasing competition from international alumina and primary aluminum suppliers since the elimination of import tariffs on primary aluminum and alumina in China. Increasing competition in the markets in which we operate may reduce our selling prices or sales volumes, which could have a material adverse effect on our financial condition and results of operations. If we are unable to price our products competitively, maintain or increase our current share of China's alumina and primary aluminum markets or otherwise maintain our competitiveness, our financial condition, results of operations and profitability could be materially and adversely affected.

Our overseas expansion exposes us to political and economic risks and events beyond our control in the countries in which we plan to operate

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We are currently undertaking a number of overseas projects, including our bauxite exploration project in Aurukun, Australia and primary aluminum joint venture projects in Saudi Arabia and Malaysia, which require significant capital investment. See "Item 4. Information on the Company - History and Development of the Company - Overseas Development". As we are new to these overseas markets, we cannot assure you that our overseas expansion or investments will be successful or that we will not suffer foreign exchange losses in connection with our overseas investments.

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Our profitability and operations could be adversely affected if we are unable to obtain a steady supply of raw materials at competitive prices.

The price of bauxite, our most important raw material in alumina production, has been historically volatile. We source bauxite for our operations from three major sources, including mines that we own, our jointly operated mines and third-party suppliers. See "Item 4. Information on the Company - Business Overview - Raw Materials - Alumina - Supply". The extent to which we procure bauxite from each of these sources affect the security of our supply or cost of bauxite. In addition, our results of operations are also affected by increases in the cost of other raw materials. If we cannot obtain a steady supply of bauxite at competitive prices, our financial condition and results of operations could be materially adversely affected.

Transportation interruptions may affect our shipment of raw material and delivery of products.

Our operations require the reliable transportation of raw materials and supplies to our refining, smelting and fabrication sites and the delivery of finished products to our customers. Failure to receive timely shipments of raw materials and supplies could disrupt our operations, which could negatively affect our ability to fulfill our commercial commitments and reduce our profitability. Our alumina products are mainly transported by rail or truck, and our primary aluminum products are delivered to our customers primarily by rail. In 2008, our deliveries were affected by a snow storm in the first quarter of the year and severe earthquakes in Sichuan Province in May. If we are unable to make timely deliveries due to logistical and transportation disruptions, our production, reputation and results of operations may be adversely affected.

We may not successfully develop and implement new production methods and processes.

A main objective of our research and development is to develop new methods and processes to enhance the efficiency of our alumina refineries and increase our production yield from bauxite with low alumina-to-silica ratio. If the supply of high quality bauxite with a high alumina-to-silica ratio in China declines, our failure to develop such methods and processes or incorporate them into our production could diminish our competiveness and impede our efforts to reduce unit costs.

The bauxite reserve data in this annual report are only estimates, which may prove to be inaccurate.

The bauxite reserve data on which we base our production, revenue and expenditure plans are estimates that we have developed internally and may prove inaccurate. There are numerous uncertainties inherent in estimating the recoverable quantities of reserves, including many factors beyond our control. If these estimates are inaccurate or the indicated tonnages are not recovered, our business, financial condition, and results of operations may be materially and adversely affected.

Our significant indebtedness could adversely affect our business, financial condition and results of operations.

We require a significant amount of cash to fund our existing operations and to meet our capital requirements, including the expansion and upgrade of our production capacity and product. As of December 31, 2009, we had approximately RMB25.8 billion in outstanding short-term bonds and bank borrowings (including the current portion of long-term bank and other borrowings) and RMB37.8 billion in outstanding long and medium-term bonds and long-term bank and other borrowings (excluding the current portion of these borrowings). This level of debt could have significant consequences on our operations, including:

* reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

* exposing us to interest rates fluctuations on our borrowings and the risk of being unable to rollover, extend or refinance our borrowings as necessary;

* potentially increasing the cost of additional financing and making it more difficult for us to conduct equity financings in the capital markets or obtain government approvals to seek additional financing; and

* putting pressure on our ADS price due to concerns over our ability to repay our debt.

Our ability to meet our payment and other obligations under our outstanding debt depends on our ability to generate cash flow in the future or to refinance such debt. We cannot assure you that our business will generate sufficient cash flow from operations to satisfy our obligations under our outstanding debt and to fund other liquidity needs. If we are not able to generate sufficient cash flow to meet such obligations, we may need to refinance or restructure our debt, reduce or delay capital investments, or seek additional equity or debt financing. The sale of additional equity securities could result in dilution to our ADS holders. A shortage of financing could in turn impose limitations on our ability to plan for, or react effectively to, changing market conditions or to expand through organic and acquisitive growth, thereby reducing our competitiveness. We cannot assure you that future financing will be available in amounts or on terms acceptable to us, if at all.

We may not realize the economic benefits of our expansion and vertical integration plans.

Cost savings and other economic benefits expected from our expansion and vertical integration plans may not materialize as a result of project delays, cost overruns, or changes in market conditions. Failure to obtain the intended economic benefits from these projects could adversely affect our business, financial condition and results of operations. We may also experience mixed results from our expansion and vertical integration plans while changes are being implemented or before the effects of the changes become evident. For example, in 2008, we acquired five aluminum fabrication plants, which significantly increased our annual aluminum fabrication production capacity and increased our total revenue. However, the change in our product mix resulted in a decrease in our average profit margin as the profit margins of aluminum fabrication products are generally lower than those of our other products.

The interests of our controlling shareholder, who exerts significant influence over us, may conflict with ours.

Our largest shareholder, Chinalco owns effective equity interest of 41.82% of our issued and outstanding share capital, of which 3.26% are indirectly owned through its controlled entities. The interests of Chinalco may conflict or even compete with our interests and those of our public shareholders. Chinalco may take actions that are in the interest of its subsidiaries, associates and other related entities to our detriment. For example, Chinalco may seek to influence our decision as to the amount of dividends we declare and distribute. Any increase in our dividend payout would reduce funds otherwise available for reinvestment in our businesses and thus may adversely affect our future prospects and financial condition.

In addition, Chinalco and a number of its subsidiaries and associates provide a range of services to us, including engineering and construction services, social services, land and property leasing as well as the supply of raw and supplemental materials. It would be difficult to find an alternative source for some services, such as educational and medical care services, that we receive from Chinalco. Our cost of operations may increase if Chinalco, its subsidiaries and associates are unable to continue providing such services to us.

We are subject to, and incur costs to comply with, environmental laws and regulations.

Because we produce air emissions, discharge waste water, and handle hazardous substances at our bauxite mines, alumina refineries, aluminum smelters and fabrication plants, we are subject to, and incur costs to comply with, environmental laws and regulations. Each of our production plants has implemented a system to control emissions and ensure compliance with PRC environmental regulations. We may incur significant additional costs if relevant laws and regulations change or enforcement of existing laws and regulations become more rigorous. Failure to comply with environmental laws and regulations may result in a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations, all of which may adversely affect our business operations.

Our business is subject to unplanned business interruptions that may adversely affect our performance.

We may experience accidents in the course of our operations, which may cause significant property damage and personal injuries. Significant accidents and natural disasters may interrupt our operations or result in property or environmental damage, an increase in operating expenses or loss of revenue. The occurrence of accidents, natural disasters and the resulting consequences may not be covered adequately, or at all, by the insurance policies that we carry. In accordance with customary practice in China, we do not carry any business interruption insurance or third-party liability insurance for personal injury or environmental damage arising from accidents on our property or relating to our operations other than for our automobiles. Losses or payments incurred by us as a result of major accidents or natural disasters may have a material adverse effect on our results of operations if such losses or payments are not fully insured.

We are operating a number of mines without a valid permit.

Our permits to mine bauxite at some of the bauxite mines that we own have expired and lapsed. While we are seeking to renew those expired permits, we may be subject to administrative fines for operating mines without a valid permit, or we may be ordered to cease our mining operations at such mines until we obtain a renewed permit. The failure to renew those expired mining permits may affect our financial condition and results of operations.

We may be subject to product liability claims.

Some of the products we sell or manufacture may expose us to product liability claims relating to property damage or personal injury. The successful assertion of product liability claims against us could result in significant damage payments and harm to our reputation. A successful product liability claim or series of claims brought against us could have a material adverse effect on our business, financial condition and results of operations.

Our H Shares may not be able to maintain its status as a constituent stock of the Hang Seng Index.

Our H Shares is a constituent stock of the Hang Seng Index and, as a result, may attract the interest of tracker funds that maintain investment portfolios intended to track the performance of the Hang Seng Index. We have no control over the selection of the Hang Seng Index constituent stocks and may not be able to maintain our H Shares as a constituent stock. If our H shares are removed from the Hang Seng Index, tracker funds may cease investing in our H shares and our share price may decline.

The interests of the shareholders of Jiaozuo Wanfang may conflict with our interests.

The interests of minority shareholders of Jiaozuo Wanfang, whose A Shares are listed on the Shanghai Stock Exchange, may be inconsistent with our interests in certain circumstances. Jiaozuo Wanfang must comply with a number of PRC regulations designed to protect the interests of minority shareholders. According to the relevant PRC laws, when shareholders of Jiaozuo Wanfang vote by poll on connected transactions, connected parties such as us must abstain from voting. If we are unable to obtain approval of connected transactions from the minority shareholders of Jiaozuo Wanfang, such transactions cannot be implemented, which may affect our overall operational efficiency. Furthermore, we may be subject to legal proceedings initiated by the minority shareholders of Jiaozuo Wanfang challenging our actions as its controlling shareholder. Such legal proceedings could result in significant damage awards payable by us and disruption to our businesses, which in turn could have an adverse effect on our business and financial condition.

Our operations are affected by a number of risks relating to conducting business in the PRC.

As a significant majority of our assets and operations are located in the PRC, we are subject to a number of risks relating to conducting business in the PRC, including the following:

* The central and local PRC government continues to exercise a substantial degree of control and influence over the aluminum industry in China and shape the structure and development of certain industries through the imposition of industry policies governing major project approvals, preferential tax treatment and safety, environmental and quality regulations. If the PRC government changes its current policies or the interpretation of policies that are currently beneficial to us, we may face pressure on profit margins and significant constraints on our ability to expand our business operations.

* Although China has been transitioning from a planned economy to a market-oriented economy, a substantial portion of productive assets in China are still owned by the PRC government. It also exercises significant control over China's economic growth through the allocation of resources, control of payments of obligations denominated in foreign currencies and monetary and tax policies. Some of these measures benefit the overall economy of China, but may have a materially adverse impact on us.

* In 2005, China adopted a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on supply and demand with reference to a basket of currencies. Since then the exchange rate between U.S. dollar and Renminbi has fluctuated and become more unpredictable following the international financial crisis with growing pressure on the Renminbi to appreciate. Any appreciation of the Renminbi will increase the prices of our export sales denominated in foreign currencies and reduce the Renminbi equivalent value of our trade and notes receivable denominated in foreign currencies, which may adversely affect our financial condition and results of operations. Our financial condition and operating performance may also be affected by changes in the value of currencies other than Renminbi in which our earnings and obligations are denominated.

* Although the promulgation of laws and regulations covering general economic matters has increased since 1979, China has not developed an adequately comprehensive legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. The system of laws and the enforcement of existing laws in the PRC may not be as certain in implementation and interpretation as in the United States. The PRC judiciary is relatively inexperienced in enforcing corporate and commercial law, leading to a higher than usual degree of uncertainty as to the outcome of any litigation. The inability to enforce or obtain a remedy under any of our present or future agreements could result in a significant loss of business, business opportunities or capital.

Item 4. Information on the Company

A. History and Development of the Company

We were incorporated as a joint stock limited company under the Company Law of the PRC on September 10, 2001 under the corporate name Aluminum Corporation of China Limited. Our principal executive office and registered office are located in the People's Republic of China at No. 62 North Xizhimen Street, Haidian District, Beijing, China 100082, and our telephone number is (86) 10 8229 8103.

We are a vertically integrated aluminium producer with operations in bauxite mining, alumina refining, primary aluminium smelting and aluminium fabrication. We also provide ancillary products and services derived from or related to our aluminium operations. Pursuant to a reorganization agreement entered into among Chinalco, Guangxi Investment, Guizhou Development and our predecessor in 2001, substantially all of Chinalco's alumina and primary aluminium production operations, as well as a research institute and other related assets and liabilities, were transferred to us upon our formation. We acquired our bauxite mining operations and associated mining rights from Chinalco in a separate mining rights agreement.

We have substantially increased the size and scope of our operations through organic growth as well as selective acquisitions and joint ventures. Our key operating assets include one subsidiary mainly engaged in bauxite mining; four integrated alumina and primary aluminium production plants; three stand-alone alumina refineries,