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## Chinalco plans to buy back H-shares

*Friday, 14 Nov, 2008*

China's largest alumina producer Chinalco, the parent of Chalco, announced last week that a plan to buy back part of its H shares, which still need to be approved by temporary shareholders meetings and China's foreign exchange regulator.

The company also said that the total book value of the H shares to be bought back won't exceed 10% of the originally issued.

Analysts said that the buy back move indicates that Chinalco is optimistic about its own growth, and it has been undervalued on the market after the sharp fall of share price.

From November 7th 2008, the company had adjusted down the spot price of alumina from CNY 2900 per tonne to CNY 2600 per tonne. Earlier it has announced that affected by the production cut of electrolytic aluminum and the low price of alumina, it would reduce the alumina output in some of its subsidiaries of high costs.

By November 5th 2008, Chinalco had a combined annual production capacity of 4.11 million tonnes lying idle, about 38% of its total included are 640,000 tonnes in Zhongzhou Branch, 1.1 million tonnes in Shanxi Branch, 1.17 million tonnes in Shandong Branch and 1.2 million tonnes in Henan Branch.

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