

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
CONTINUING CONNECTED TRANSACTION
ENTERING INTO THE NEW FINANCE LEASE FRAMEWORK
AGREEMENT WITH CHINALCO LEASE AND
THE PROPOSED CAP THEREUNDER**

References are made to the announcement of the Company dated 27 August 2015, in relation to the Original Finance Lease Framework Agreement entered into between the Company and Chinalco Lease, and the announcement of the Company dated 8 September 2015, in relation to the revision of the proposed cap under the Original Finance Lease Framework Agreement.

On 13 November 2015, the Company and Chinalco Lease entered into the New Finance Lease Framework Agreement, pursuant to which, the agreed term, the methods of finance lease and the financing amount under the Original Finance Lease Framework Agreement were revised by both parties.

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company and Chinalco Lease is a subsidiary of Chinalco. As such, Chinalco Lease is a connected person of the Company. Therefore, the New Finance Lease Framework Agreement entered into between the Company and Chinalco Lease constitutes a continuing connected transaction of the Company under the Hong Kong Listing Rules.

As one or more applicable percentage ratios (as defined in Rule 14A.06 under the Hong Kong Listing Rules) in respect of the transaction contemplated under the New Finance Lease Framework Agreement exceeds 5%, the transaction shall be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Company will convene the EGM to seek the Independent Shareholders' approval of entering into the New Finance Lease Framework Agreement and the proposed cap thereunder. The Company will dispatch a circular to the Shareholders on 13 November 2015 which contains, inter alia, the resolution in relation to the New Finance Lease Framework Agreement and the proposed cap thereunder. Since the Company needs more time to prepare and finalize certain information to be contained in the supplementary circular for Shareholders to make informed decisions at the EGM, the Company will dispatch a supplementary circular to the Shareholders on or before 14 December 2015 which contains, inter alia, (i) details of the New Finance Lease Framework Agreement and the proposed cap thereunder; (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. BACKGROUND

References are made to the announcement of the Company dated 27 August 2015, in relation to the Original Finance Lease Framework Agreement entered into between the Company and Chinalco Lease, and the announcement of the Company dated 8 September 2015, in relation to the revision of the proposed cap under the Original Finance Lease Framework Agreement.

On 27 August 2015, the Company and Chinalco Lease entered into the Original Finance Lease Framework Agreement, pursuant to which, Chinalco Lease provided finance lease services to the Group with an effective term from 27 August 2015 to 31 December 2016. According to the Original Finance Lease Framework Agreement, at any time within the effective term of the agreement, the financing balance acquired by the Group from Chinalco Lease shall not exceed RMB1.5 billion. On 8 September 2015, both parties adjusted the proposed cap under the Original Finance Lease Framework Agreement to not more than RMB1.4 billion.

2. THE NEW FINANCE LEASE FRAMEWORK AGREEMENT

On 13 November 2015, the Company and Chinalco Lease entered into the New Finance Lease Framework Agreement, pursuant to which, the agreed term, the methods of finance lease and the financing amount under the Original Finance Lease Framework Agreement were revised by both parties. The principal terms of the New Finance Lease Framework Agreement are set out below:

2.1 Parties

- (1) the Company; and
- (2) Chinalco Lease

2.2 Term

Three years from 1 January 2016 to 31 December 2018

2.3 Methods and Arrangements of Finance Lease

The Group proposed to obtain the financing by way of sale-and-leaseback arrangements or direct leasing arrangements: (1) under the sale-and-leaseback arrangements, the Group will sell its own assets to Chinalco Lease to obtain financing, and then the Group will lease back the sold assets from Chinalco Lease and pay rental to Chinalco Lease. Upon expiry of the lease term, the Group will repurchase the assets from Chinalco Lease after the rental has been fully paid to Chinalco Lease in accordance with corresponding operative agreements; (2) under the direct leasing arrangements, Chinalco Lease will directly purchase the new equipment as required by the Group and lease the same to the Group for its use. The Group will pay rental to Chinalco Lease accordingly. Upon expiry of the lease term, the Group will purchase the assets from Chinalco Lease at a specific price after the rental has been fully paid to Chinalco Lease in accordance with corresponding operative agreements. The scope of the assets under the finance lease includes production equipment in relation to alumina, electrolytic aluminum, mining and energy power, etc.

2.4 Financing Amount

At any time within the effective term of the New Finance Lease Framework Agreement, the financing balance acquired by the Group from Chinalco Lease shall not exceed RMB10 billion. The financing balance represents the aggregate principal amount outstanding plus lease interest, commission fees and other expenses under the New Finance Lease Framework Agreement.

2.5 Financing Cost

The costs of finance lease services provided by Chinalco Lease shall not be higher than the financing costs of services of similar nature provided by third party finance lease companies in the PRC. The financing cost mainly includes lease interest and commission fees, etc.

2.6 Legal Title of the Leased Assets and Repurchase

During the term of the finance lease operated under the New Finance Lease Framework Agreement, the legal title of the leased assets shall vest in Chinalco Lease. Upon expiry of such term, the Group will repurchase all the leased assets together with the corresponding legal titles from Chinalco Lease at a nominal price.

2.7 Effectiveness of the Agreement

The New Finance Lease Framework Agreement shall be subject to the approval of the Independent Shareholders at the EGM.

Under the premise of compliance with the New Finance Lease Framework Agreement, the Group and Chinalco Lease shall further enter into separate operative contracts or agreements in respect of providing the specific finance lease service and determine the specific terms of the transaction. Such separate operative contracts or agreements shall be in accordance with the principles and terms of the agreement as well as requirements of the applicable laws.

3. PROPOSED CAP UNDER THE NEW FINANCE LEASE FRAMEWORK AGREEMENT AND THE BASIS FOR DETERMINING THE PROPOSED CAP

Taking into account the Group's future business development plans and its needs for the finance lease services provided by Chinalco Lease arising from the Group's daily operation and development, the Company proposes to set the financing balance (i.e. the proposed cap) under the New Finance Lease Framework Agreement at RMB10 billion, which means that at any time within the effective term of the New Finance Lease Framework Agreement (from 1 January 2016 to 31 December 2018), the financing balance acquired by the Group from Chinalco Lease shall not exceed RMB10 billion. The financing balance represents the aggregate principal amount outstanding plus lease interest, commission fees and other expenses under the New Finance Lease Framework Agreement.

The proposed cap was determined by the Company with reference to the following factors: (i) the Group's future business development plans and its demand for the finance lease services provided by Chinalco Lease arising from the Group's daily operation and development; (ii) the current financing market conditions, the interest rate and the potential adjustments to be made by the People's Bank of China in the RMB benchmark lending rate in the future; (iii) the nature, value and expected useful life of the leased assets; and (iv) provision of buffer for unexpected fluctuations in the growth each year. In conclusion, the Board is of the view that the proposed cap of the transaction contemplated under the New Finance Lease Framework Agreement is fair and reasonable, and is in the interest of the Company and its Shareholders as a whole.

According to the information provided by the Group, the maximum financing balance acquired by the Group from Chinalco Lease amounted to approximately RMB850 million from 27 August 2015 to the date of this announcement. The Board confirmed that as at the date of this announcement, the financing balance acquired by the Group from Chinalco Lease did not exceed the proposed cap under the Original Finance Release Framework Agreement.

The Company has adopted a set of effective internal control policies to supervise the continuing connected transactions of the Company. Prior to entering into operative agreements, the authorized departments of the Group will review and assess the specific terms and conditions of the transactions to ensure their consistency with the New Finance Lease Framework Agreement and determine the lease interest and commission fees with reference to the current market conditions and the prices charged or quoted by at least two independent third parties providing services of similar nature with comparable scale under normal trading conditions around that time. The financial department of the Company traces, monitors and checks the progress of the continuing connected transactions of the Company on a monthly basis. Meanwhile, the Audit Committee of the Board of the Company will continuously conduct strict review on the continuing connected transactions to ensure the completeness and effectiveness of the internal control measures regarding the continuing connected transactions.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCE LEASE FRAMEWORK AGREEMENT

In the finance lease services provided to the Group by Chinalco Lease, the financing costs are not higher than the financing costs of services of similar nature provided by third party finance lease companies in the PRC. In the meantime, Chinalco Lease is able to design the repayment method based on the actual conditions of the Group in a flexible manner and provide timely and convenient financing funds, which allow the Company to optimize its financial management, improve its capital usage efficiency, decrease the financing cost and the financing risks, which is in favor of the business development and will smooth the progress of the operation of the Company.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the New Finance Lease Framework Agreement were negotiated on arm's length basis and entered into in the ordinary course of business of the Group and on normal commercial terms or better. The terms of the New Finance Lease Framework Agreement, transaction contemplated thereunder and the proposed cap are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

5. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company and Chinalco Lease is a subsidiary of Chinalco. As such, Chinalco Lease is a connected person of the Company. Therefore, the New Finance Lease Framework Agreement entered into between the Company and Chinalco Lease constitutes a continuing connected transaction of the Company under the Hong Kong Listing Rules.

As one or more applicable percentage ratios (as defined in Rule 14A.06 under the Hong Kong Listing Rules) in respect of the transaction contemplated under the New Finance Lease Framework Agreement exceeds 5%, the transaction shall be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Ge Honglin, Mr. Luo Jianchuan and Mr. Liu Caiming, all Directors of the Company, concurrently hold positions in Chinalco, they have abstained from voting on the Board resolution in respect of approving such transaction. Save as disclosed above, none of the Directors has any material interest in the transaction contemplated under the New Finance Lease Framework Agreement, and therefore none of the other Directors has abstained from voting on such Board resolution.

The Company will convene the EGM to seek the Independent Shareholders' approval of entering into the New Finance Lease Framework Agreement and the proposed cap thereunder. The Company will dispatch a circular to the Shareholders on 13 November 2015 which contains, inter alia, the resolution in relation to the New Finance Lease Framework Agreement and the proposed cap thereunder. Since the Company needs more time to prepare and finalize certain information to be contained in the supplementary circular for Shareholders to make informed decisions at the EGM, the Company will dispatch a supplementary circular to the Shareholders on or before 14 December 2015 which contains, inter alia, (i) details of the New Finance Lease Framework Agreement and the proposed cap thereunder; (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. INFORMATION OF THE PARTIES

Information on the Company

The Company is a joint stock limited company established in the PRC, the Shares and ADSs of which are listed on the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the New York Stock Exchange, respectively. The Group is principally engaged in the mining of bauxite, the production and sales of alumina and primary aluminum, the operation of coal and iron ore businesses as well as the trading of other non-ferrous metal products.

Information on Chinalco Lease

Chinalco Lease is principally engaged in finance leasing business; leasing business; purchasing leased assets from abroad and domestic vendors, salvage value disposal and maintenance of the leased assets; and lease transaction consultation and guarantee.

7. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“ADS(s)”	the American depository share(s) issued by The Bank of New York Mellon as the depository bank and listed on the New York Stock Exchange, each of which represents the entitlement of 25 H Shares;
“Board”	the board of Directors;
“Chinalco”	Aluminum Corporation of China* (中國鋁業公司), a solely state-owned corporation and the controlling Shareholder of the Company, directly and indirectly, holding approximately 34.45% of the total issued share capital of the Company as at the date of this announcement;
“Chinalco Lease”	Chinalco Finance Lease Co., Ltd.* (中鋁融資租賃有限公司), a subsidiary of Chinalco 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 established in the PRC, the A Shares, H Shares and ADSs of which are listed on the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the New York 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;
“EGM”	the 2015 second extraordinary general meeting to be held by the Company for considering and approving, among other things, the continuing connected transaction contemplated under the New Finance Lease Framework Agreement and the proposed cap thereunder;
“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;
“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 continuing connected transaction under the New Finance Lease Framework 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 continuing connected transaction under the New Finance Lease Framework Agreement and the proposed cap for the three years ending 31 December 2018;
“New Finance Lease Framework Agreement”	the finance lease framework agreement entered into between the Company and Chinalco Lease on 13 November 2015, pursuant to which, Chinalco Lease proposed to provide finance lease services to the Group with an effective term from 1 January 2016 to 31 December 2018;
“Original Finance Lease Framework Agreement”	the finance lease framework agreement entered into between the Company and Chinalco Lease on 27 August 2015, pursuant to which, Chinalco Lease proposed to provide finance lease services to the Group with an effective term from 27 August 2015 to 31 December 2016;
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“subsidiary”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“%”	per cent.

By order of the Board
Aluminum Corporation of China Limited*
Xu Bo
Company Secretary

Beijing, the PRC
13 November 2015

As at the date of this announcement, the members of the board of directors comprise Mr. Ge Honglin, Mr. Luo Jianchuan, Mr. Liu Xiangmin and Mr. Jiang Yinggang (Executive Directors); Mr. Liu Caiming and Mr. Wang Jun (Non-executive Directors); Mr. Ma Si-hang, Frederick, Ms. Chen Lijie and Mr. Hu Shihai (Independent Non-executive Directors).

* For identification purpose only