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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**

**INSIDE INFORMATION  
DISCLOSEABLE TRANSACTION**

**DISPOSAL OF 50% EQUITY INTEREST IN SHANXI HUAXING**

In compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC, the Company listed the Shanxi Huaxing Interest on SUAEE from 25 November 2015 to 23 December 2015 for public tender. Shenzhen CR Yuanta, being the only bidder, won the bid for the acquisition of Shanxi Huaxing Interest on 24 December 2015. As such, upon completion of the public tender, the Board announces that the Company entered into the Equity Transfer Agreement with Shenzhen CR Yuanta on the same day. Pursuant to the Equity Transfer Agreement, the Company agreed to sell and Shenzhen CR Yuanta agreed to acquire the Shanxi Huaxing Interest.

As the applicable percentage ratio (as defined in the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

**INTRODUCTION**

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcements of the Company dated 25 November 2015 and 8 December 2015 in relation to the proposed disposal of the 50% equity interest in Shanxi Huaxing by the Company by way of public tender.

In compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC, the Company listed the Shanxi Huaxing Interest on SUAEE from 25 November 2015 to 23 December 2015 for public tender. Shenzhen CR Yuanta, being the only bidder, won the bid for the acquisition of Shanxi Huaxing Interest on 24 December 2015. As such, upon completion of the public tender, the Board announces that the Company entered into the Equity Transfer Agreement with Shenzhen CR Yuanta on the same day. Pursuant to the Equity Transfer Agreement, the Company agreed to sell and Shenzhen CR Yuanta agreed to acquire the Shanxi Huaxing Interest.

## **EQUITY TRANSFER AGREEMENT**

### **Date**

24 December 2015

### **Parties**

- (1) the Company, as the seller; and
- (2) Shenzhen CR Yuanta, as the purchaser.

### **Consideration**

The consideration is RMB2,351,478,800, being the initial bidding price of Shanxi Huaxing, which is determined with reference to the relevant requirements of SUAEE and the appraised value of Shanxi Huaxing as set out in the Valuation Report prepared by CUAAG based on the income approach as at the Benchmark Date.

As the discounted cash flow method was applied in the aforesaid Valuation Report prepared by CUAAG, the calculations of the appraised value of Shanxi Huaxing as set out in the Valuation Report is regarded as a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. Further announcement will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A and Rule 14.62 of the Hong Kong Listing Rules.

### **Settlement and Payment of the Consideration**

The consideration shall be paid by Shenzhen CR Yuanta in cash in two instalments:

- (1) First instalment: RMB705,443,640, representing 30% of the consideration payable, shall be paid to SUAEE before 29 December 2015. SUAEE shall transfer such sum to the Company on the Effective Date.

- (2) Second instalment: RMB1,646,035,160, representing 70% of the consideration payable, shall be paid to the Company within one year after the Effective Date.

Shenzhen CR Yuanta shall pay interests to the Company with respect to the second instalment of the consideration. Pursuant to the Equity Transfer Agreement, the interest rate payable by Shenzhen CR Yuanta shall be the one-year benchmark lending rates of the People's Bank of China.

### **Conditions Precedents**

The Equity Transfer Agreement is effective upon:

- (1) the Equity Transfer Agreement having been signed by the legal representative or authorized representative of each parties with the company seal affixed;
- (2) the shareholders' approval having been obtained by the Company; and
- (3) if necessary, the approval(s) by the relevant governing authorities of Shenzhen CR Yuanta having been obtained.

### **Completion**

The completion of the Equity Transfer Agreement shall take place on the Effective Date.

The parties shall cooperate so as to complete the relevant registrations of transfer of the 50% equity interest in Shanxi Huaxing with the competent business registration authority within 90 working days after the Effective Date.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Directors consider that the disposal of the Shanxi Huaxing Interest could allow the Group to introduce strategic investors for the joint investment and cooperation in the establishment of a new pattern for the integrated development of coal, electricity and aluminium in light of the overall strategic arrangement of the Company to develop the Shanxi aluminium recycle industrial park.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Equity Transfer Agreement is made on normal commercial terms and the terms contained therein are fair and reasonable, and are in the interest of the Group and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE TRANSACTION**

After deducting expenses related to the Equity Transfer Agreement, there will be net proceeds of approximately of RMB2.35 billion and the Company intends to utilize the net proceeds towards permanent replenishment of liquidity required for the operation of the Company.

## **POSSIBLE FINANCIAL EFFECT OF THE TRANSACTION**

The gains expected to accrue to the Company from the disposal of the Shanxi Huaxing Interest (before deducting taxes and other expenses payable by the Company in respect of the disposal), being the difference between the consideration and the carrying amount of the Company's investment (excluding any profit recognized or loss incurred by the underlying interests before they are acquired by the Company, if any) at the date of 30 September 2015, are approximately RMB1.2 billion.

Upon the completion of the Equity Transfer Agreement, Shanxi Huaxing will cease to be a subsidiary of the Group. Accordingly, the financial results and position of Shanxi Huaxing will cease to be consolidated into the financial statements of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratio (as defined in the Hong Kong Listing Rules) exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the purchaser of the Shanxi Huaxing Interest, being CR Yuanta, is an independent third party to the Company.

The Directors (including the independent non-executive Directors) are of the view that the Disposal is made on normal commercial terms and the terms contained therein are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF SHANXI HUAXING**

Shanxi Huaxing is a limited liability company established by the Company in the PRC on 5 July 2010 with a registered capital of RMB1.85 billion. As at the date of this announcement, Shanxi Huaxing was owned as to 60% by the Company and 40% by Chalco Hong Kong, a wholly-owned subsidiary of the Company. Shanxi Huaxing is principally engaged in bauxite mining and alumina production.

According to the Valuation Report prepared by CUAAG based on the income approach as at the Benchmark Date, the net book value of the assets of Shanxi Huaxing was RMB2,109,014,300 and the appraised value of Shanxi Huaxing was RMB4,702,957,600, whereas the corresponding Shanxi Huaxing Interest was approximately RMB2,351,478,800.

Set out below is the audited financial information of the net profits of Shanxi Huaxing for the year ended 31 December 2014 and the audited financial information of the net profits for the ten months ended 31 October 2015, which was prepared in accordance with PRC GAAP:

	<b>For the year ended 31 December 2014 (audited) (RMB hundred million)</b>	<b>For the ten months ended 31 October 2015 (audited) (RMB hundred million)</b>
Net profit before taxation and extraordinary items	1.09	3.06
Net profit after taxation and extraordinary items	0.76	2.33

## **INFORMATION OF THE PARTIES**

The Company is a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange and its ADSs are listed on the New York Stock Exchange. The Group is principally engaged in the mining of bauxite, the production and sale of alumina and primary aluminium, the operating of coal and iron ore businesses as well as the trading of other non-ferrous metal products.

Shenzhen CR Yuanta is a limited liability company established in Qianhai, Shenzhen in the PRC, which is a wholly-owned subsidiary of CR Yuanta Fund Management Company Limited. Shenzhen CR Yuanta is a professional asset management company established under the approval of the China Securities Regulatory Commission, which is principally engaged in the asset management services for secondary market and derivative products, non-listed equity interests, debts and other property rights and other businesses approved by the China Securities Regulatory Commission.

## **DEFINITIONS**

“Benchmark Date”	31 October 2015;
“Board”	the board of directors of the Company;

“Chalco Hong Kong”	Chalco Hong Kong Limited (中國鋁業香港有限公司), a limited liability company incorporated in Hong Kong, which is a wholly-owned subsidiary 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 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;
“CUAAG”	China United Assets Appraisal Group Limited* (中聯資產評估集團有限公司), a qualified independent valuer in the PRC;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date when the Equity Transfer Agreement becomes effective after satisfaction of the condition precedents as disclosed in this announcement;
“Equity Transfer Agreement”	the agreement entered into between the Company and Shenzhen CR Yuanta on 24 December 2015, pursuant to which the Company agreed to sell and Shenzhen CR Yuanta agreed to purchase the Shanxi Huaxing Interest;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“PRC GAAP”	the generally accepted accounting principles of the PRC;

“Shanxi Huaxing”	Shanxi Huaxing Alumina Co., Ltd.* (山西華興鋁業有限公司), a limited liability company established in the PRC, which is 60% owned by the Company and 40% owned by Chalco Hong Kong as at the date of this announcement;
“Shanxi Huaxing Interest”	the 50% equity interest in Shanxi Huaxing owned by the Company, being the subject of disposal pursuant to the Equity Transfer Agreement;
“Shareholder(s)”	the shareholder(s) of the Company;
“Shenzhen CR Yuanta”	Shenzhen CR Yuanta Asset Management Co., Ltd* (深圳華潤元大資產管理有限公司), a limited liability company established in the PRC, acting as the asset manager of the CR Yuanta Asset Huaxing No.1 Asset Management Plan* (華潤元大資產華興1號專項資產管理計劃);
“SUAEE”	Shanghai United Assets and Equity Exchange (上海聯合產權交易所);
“subsidiary”	has the same meaning ascribed thereto under the Listing Rules;
“Valuation Report”	the valuation report of Shanxi Huaxing prepared by CUAAG dated 24 November 2015; and
“%”	per cent.

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

Beijing, the PRC  
24 December 2015

*As at the date of this announcement, the members of the board of directors comprise Mr. Ge Honglin, 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