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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 DISPOSAL OF**  
**100% EQUITY INTEREST IN NANHAI ALLOY**  
**AND**  
**CONNECTED TRANSACTIONS PURSUANT TO**  
**RULE 14A.60 OF THE LISTING RULES**

In compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC, the Company and its subsidiary, Chalco International Trading, listed the Nanhai Alloy Interest on SUAEE from 16 November 2015 to 18 December 2015 for public tender. Chinalco Investment, being the only bidder, won the bid for the acquisition of Nanhai Alloy Interest on 22 December 2015. As such, upon completion of the public tender, the Board announces that the Company and Chalco International Trading entered into the Equity Transfer Agreement with Chinalco Investment on 24 December 2015. Pursuant to the Equity Transfer Agreement, the Company and Chalco International Trading agreed to sell and Chinalco Investment agreed to acquire Nanhai Alloy Interest, among which 60% is held by the Company and 40% is held by Chalco International Trading, respectively.

As at the date of the Equity Transfer Agreement, the Indebtedness owed by Nanhai Alloy to the Group was in an aggregate amount of RMB103,426,716.53. Upon completion of the transfer of the Nanhai Alloy Interest, Nanhai Alloy becomes a connected person of the Company and hence the existing loan arrangements constitute financial assistance by the Group under Chapter 14A of the Listing Rules.

As at the date of this announcement, Chinalco is a substantial Shareholder of the Company and hence Chinalco is a connected person of the Company. Chinalco Investment is a wholly-owned subsidiary of Chinalco and is therefore a connected person of the Company. Therefore, the Equity Transfer Agreement entered by the Company and Chalco International Trading constitutes a connected transaction under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Hong Kong Listing Rules) in respect of the Equity Transfer Agreement are more than 0.1% but less than 5%, this connected transaction is subject to the reporting and announcement requirements, but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Upon completion of the transfer of the Nanhai Alloy Interest, Nanhai Alloy becomes wholly-owned subsidiary of Chinalco and hence is a connected person of the Company. The existing loan arrangements between the Group and Nanhai Alloy constitutes financial assistance by the Group under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such connected transactions. The Company will comply in full with all reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 13 November 2015 and 22 December 2015 in relation to the proposed disposal of the 100% equity interest in Nanhai Alloy by the Group 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 and its subsidiary, Chalco International Trading, listed the Nanhai Alloy Interest on SUAEE from 16 November 2015 to 18 December 2015 for public tender. Chinalco Investment, being the only bidder, won the bid for the acquisition of Nanhai Alloy Interest on 22 December 2015. As such, upon completion of the public tender, the Board announces that the Company and Chalco International Trading entered into the Equity Transfer Agreement with Chinalco Investment on 24 December 2015. Pursuant to the Equity Transfer Agreement, the Company and Chalco International Trading agreed to sell and Chinalco Investment agreed to acquire Nanhai Alloy Interest, among which 60% is held by the Company and 40% is held by Chalco International Trading, respectively.

## **EQUITY TRANSFER AGREEMENT**

### **Date**

24 December 2015

### **Parties**

- (1) the Company, as the seller for its 60% equity interest in Nanhai Alloy;
- (2) Chalco International Trading, a wholly-owned subsidiary of the Company, as another seller for its 40% equity interest in Nanhai Alloy; and
- (3) Chinalco Investment, as the purchaser.

### **Consideration**

The consideration is RMB210,718,200, being the initial bidding price of Nanhai Alloy, which is determined with reference to the relevant requirements of SUAEE and the appraised net asset value of Nanhai Alloy as set out in the asset appraisal report prepared by CAA based on the asset-based approach as at the Benchmark Date.

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

The consideration shall be paid by Chinalco Investment in cash in two instalments:

- (1) First instalment: RMB63,215,460, representing 30% of the consideration payable, shall be paid to SUAEE before 29 December 2015. SUAEE shall transfer RMB37,929,276 to the Company and RMB25,286,184 to Chalco International Trading respectively on the Effective Date.
- (2) Second instalment: RMB147,502,740, representing 70% of the consideration payable, in which RMB88,501,644 shall be paid to the Company and RMB59,001,096 to Chalco International Trading within one year after the Effective Date.

Chinalco Investment shall pay interests to the Company and Chalco International Trading with respect to the second instalment of the consideration. Pursuant to the Equity Transfer Agreement, the interest rate payable by Chinalco Investment shall be 4.35%.

## 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; and
- (2) the approval(s) by the relevant governing authorities of each of the Company and Chalco International Trading having been obtained.

## Completion

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

## CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60 OF THE LISTING RULES

As at the date of the Equity Transfer Agreement, the Indebtedness owed by Nanhai Alloy to the Group was in an aggregate amount of RMB103,426,716.53. Upon completion of the transfer of the Nanhai Alloy Interest, Nanhai Alloy becomes a connected person of the Company and hence the existing loan arrangements constitute financial assistance by the Group under Chapter 14A of the Listing Rules.

The Company (for itself and through certain subsidiaries) has certain pre-existing intra-company loan agreements with Nanhai Alloy. The details of such loan agreements and trade amount are summarized in the following table:

No.	Borrower	Lender	Description of the transaction	Outstanding amount as at the date of the Equity Transfer Agreement (RMB)	Interest rate
1.	Nanhai Alloy	Chalco International Trading	Entrusted loan agreements	62,800,000	4.35-5.35% per annum
2.	Nanhai Alloy	Chalco International Trading and its subsidiaries	Trade receivables	40,626,716.53	N/A

Pursuant to the Equity Transfer Agreement, Chinalco Investment undertakes to procure Nanhai Alloy to repay the Indebtedness and the accrued interests within a year after the Effective Date.

In the event that Nanhai Alloy fails to repay the Indebtedness to the Group and relevant accrued interests within a year after the Effective Date, Chinalco Investment shall assume joint liability for the repayment in respect of the Indebtedness and the interest accrued therefrom.

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

The Directors consider that the disposal of the Nanhai Alloy Interest could allow the Group to revitalize the Group's idle assets and increase utilization efficiency of assets, which is consistent with the Group's development strategy in focusing on the main business of aluminum.

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 RMB200 million and the Group intends to utilize the net proceeds towards general working capital of the Group.

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

The gains expected to accrue to the Group from the disposal of the Nanhai Alloy Interest (before deducting taxes and other expenses payable by the Group in respect of the disposal), being the difference between the consideration and the carrying amount of the Group's investment (excluding any profit recognized or loss incurred by the underlying interests before they are acquired by the Group, if any) at the date of 30 September 2015, are approximately RMB100 million. As such, the net asset value of the Group will be increased upon completion of the disposal of the Nanhai Alloy Interest.

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

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Chinalco is a substantial Shareholder of the Company and hence Chinalco is a connected person of the Company. Chinalco Investment is a wholly-owned subsidiary of Chinalco and is therefore a connected person of the Company. Therefore, the Equity Transfer Agreement entered by the Company and Chalco International Trading constitutes a connected transaction under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Hong Kong Listing Rules) in respect of the Equity Transfer Agreement are more than 0.1% but less than 5%, this connected transaction is subject to the reporting and announcement requirements, but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Upon completion of the transfer of the Nanhai Alloy Interest, Nanhai Alloy becomes wholly-owned subsidiary of Chinalco and hence is a connected person of the Company. The existing loan arrangements between the Group and Nanhai Alloy constitutes financial assistance by the Group under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such connected transactions. The Company will comply in full with all reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

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

## **INFORMATION OF NANHAI ALLOY**

Nanhai Alloy is a limited liability company established by the Company in the PRC on 25 June 2007 with a registered capital of RMB184,000,000. On 1 June 2014, the Company transferred 40% equity interests in Nanhai Alloy to Chalco International Trading. As at the date of this announcement, Nanhai Alloy was owned as to 60% by the Company and 40% by Chalco International Trading. Nanhai Alloy is principally engaged in processing and trading of non-ferrous metal.

According to the asset appraisal report prepared by CAA based on the asset-based approach as at the Benchmark Date, the net book value of Nanhai Alloy Interest was RMB103,402,230 and the appraised value of Nanhai Alloy Interest was RMB210,718,200.

Set out below is the audited financial information of the net profits of Nanhai Alloy for the year ended 31 December 2014 and the audited financial information of the net profits for the nine months ended 30 September 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 nine months ended 30 September 2015 (audited) (RMB hundred million)</b>
Net profit before taxation and extraordinary items	-0.18	-0.08
Net profit after taxation and extraordinary items	-0.18	-0.08

## **GENERAL INFORMATION**

Chinalco, established in February 2001, as the controlling Shareholder of the Company. Chinalco is a state-owned enterprise incorporated under the laws of the PRC and its entities and business were contributed into the Company upon the establishment of the Company. The principal business activities of Chinalco include the production and sale of aluminium, copper, rare earth and mineral products of relevant non-ferrous metals, smelted products, fabrication products and carbon products.

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.

Chalco International Trading is a limited liability company established in the PRC, which is a wholly-owned subsidiary of the Company as at the date of this announcement, which mainly engages in the trading of non-ferrous metal products.

## **DEFINITIONS**

“Benchmark Date”	30 September 2015;
“Board”	the board of directors of the Company;
“CAA”	China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司), a qualified independent valuer in the PRC;



“Chalco International Trading”	China Aluminum International Trading Co., Ltd.* (中鋁國際貿易有限公司), a limited liability company established in the PRC, which is a wholly-owned subsidiary of the Company as at the date of this announcement;
“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 Investment”	Chinalco Investment Development Co., Ltd* (中鋁投資發展有限公司), a limited liability company established in the PRC, which is a wholly-owned 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 Listing Rules;
“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, Chalco International Trading and Chinalco Investment on 24 December 2015, pursuant to which the Company and Chalco International Trading agreed to sell and Chinalco Investment agreed to purchase the Nanhai Alloy 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;



“Indebtedness”	the outstanding indebtedness owed by Nanhai Alloy to the Group as at the date of the Equity Transfer Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Nanhai Alloy”	Chalco Nanhai Alloy Co., Ltd.* (中鋁南海合金有限公司), a limited liability company established in the PRC, which is 60% owned by the Company and 40% owned by Chalco International Trading as at the date of this announcement;
“Nanhai Alloy Interest”	the 100% equity interest in Nanhai Alloy, being the subject of disposal pursuant to the Equity Transfer Agreement;
“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;
“Shareholder(s)”	the shareholder(s) of the Company;
“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; 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 Nonexecutive Directors).*

\* For identification purposes only