

*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**  
**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION**  
**PROPOSED ACQUISITION OF 60% EQUITY INTEREST**  
**IN CHINALCO SHANGHAI**

On 5 August 2016, the Company submitted the letter of intent in respect of the equity acquisition to SUAEE. On 8 August 2016, the Company was affirmed as the acquirer of the equity interest in Chinalco Shanghai, with the final bidding price of RMB2,113,760.8 thousand. On the same day, the Company officially entered into an Equity Transfer Agreement with Chinalco, subject to conditions precedent.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Chinalco is the controlling shareholder of the Company and hence it is a connected person of the Company under the Hong Kong Listing Rules. As such, the Proposed Acquisition also constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the transaction is 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 for purposes of, among other matters, seeking approval from the Independent Shareholders with respect to the Proposed Acquisition. On 22 July 2016, the Company has dispatched a circular to its Shareholders whereas the circular contains, inter alia, the resolution with respect to the Proposed Acquisition. Since the Company needs some more time to prepare and implement certain information to be contained in the supplemental circular for the Shareholders to make informed decisions at the EGM, the Company will dispatch a supplemental circular to its Shareholders on or prior to 23 August 2016 whereas such supplemental circular contains, inter alia, (i) the details about the Proposed Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of opinion from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required to be disclosed under the Hong Kong Listing Rules.

## **INTRODUCTION**

References are made to the announcement of the Company dated 28 June 2016 and the circular of the Company dated 22 July 2016, in relation to, among other things, the proposed participation in the bidding for the 60% equity interest in Chinalco Shanghai.

On 5 August 2016, the Company submitted the letter of intent in respect of the equity acquisition to SUAEE. On 8 August 2016, the Company was affirmed as the acquirer of the equity interest in Chinalco Shanghai, with the final bidding price of RMB2,113,760.8 thousand. On the same day, the Company officially entered into an Equity Transfer Agreement with Chinalco, subject to conditions precedent.

## **EQUITY TRANSFER AGREEMENT**

**Date:** 8 August 2016

**Parties:** Chinalco, as the seller; and  
the Company, as the purchaser

**Nature of transaction:** Chinalco has conditionally agreed to dispose and the Company has conditionally agreed to acquire the 60% equity interest in Chinalco Shanghai.

<b>Consideration:</b>	RMB2,113,760.8 thousand, being the final bidding price of the Proposed Acquisition, which is determined with references to the relevant requirements of SUAEE and 60% of the appraised net asset value of the equity interest in Chinalco Shanghai as set out in the asset appraisal report prepared by GZL based on the asset-based approach as at the Benchmark Date.
<b>Payment:</b>	<p>The consideration will be financed from the Group's internal cash reserves and shall be paid by the Company in cash in two instalments:</p> <ol style="list-style-type: none"> <li>(1) First instalment: RMB634,128.24 thousand, representing 30% of the consideration payable, shall be paid to SUAEE on the date of SUAEE's confirmation of the Company's acquirer qualification, which will be transferred to Chinalco directly as part of the consideration upon effectiveness of the Equity Transfer Agreement.</li> <li>(2) Second instalment: RMB1,479,632.56 thousand, representing 70% of the consideration payable, shall be paid to Chinalco in lump sum within three business days from the next day upon effectiveness of the Equity Transfer Agreement.</li> </ol>
<b>Conditions precedent:</b>	<p>The Equity Transfer Agreement is effective upon:</p> <ol style="list-style-type: none"> <li>(a) the Equity Transfer Agreement having been duly signed by both parties;</li> <li>(b) the Proposed Acquisition having been approved at a general meeting of the Company; and</li> <li>(c) the Equity Transfer Agreement having been approved by the competent authority of Chinalco (if applicable).</li> </ol>
<b>Completion:</b>	<p>Both parties shall complete the equity transfer within 15 business days upon effectiveness of the Equity Transfer Agreement.</p> <p>After obtaining the certificate of equity transaction issued by SUAEE, both parties shall cooperate with Chinalco Shanghai in proceeding with the procedures for equity transfer registration within 15 business days.</p>

## INFORMATION ON CHINALCO SHANGHAI

Chinalco Shanghai was incorporated in April 2012 with registered address at Room A328, No. 551 West Gaoke Road, Pudong New Area, Shanghai. The principal businesses of Chinalco Shanghai include: domestic trade (except for special approval); import and export of cargo and technology; real estate development and operation; management of engineering projects; construction; sale of metal materials and relevant products; freight forwarding agency; warehousing (except for dangerous goods); commercial consultancy (except for brokerage); asset management; industrial investment; property management; exhibition service and others. Chinalco Shanghai holds two 5A office buildings in the business zone at the Shanghai Expo Park.

According to the asset appraisal report prepared by GZL based on the asset-based approach as at the Benchmark Date, the book value and the appraised value of the net assets in Chinalco Shanghai are RMB968,266.2 thousand and RMB3,522,934.5 thousand, respectively.

Set out below are the net profits of Chinalco Shanghai (before and after taxes and extraordinary items) for the financial years ended 31 December 2014 and 2015 pursuant to the financial reports prepared according to generally accepted accounting principles in the PRC by Chinalco Shanghai.

	<b>The year ended 31 December 2015</b> (audited) (RMB)	<b>The year ended 31 December 2014</b> (audited) (RMB)
Net profit before taxes and extraordinary items	13,766.57	-46,193.74
Net profit after taxes and extraordinary items	13,766.57	-46,193.74

Upon completion of the Proposed Acquisition, Chinalco Shanghai will become a non-wholly owned subsidiary of the Company. The original cost of Chinalco Shanghai invested by Chinalco amounts to the capital contributions made by Chinalco since the establishment of Chinalco Shanghai. The Directors do not consider the original cost of Chinalco Shanghai to Chinalco directly relevant to the determination of the consideration of the Proposed Acquisition.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

The acquisition of 60% equity interest in Chinalco Shanghai is in line with the strategic development plan of the Company and is beneficial for the Company to take the advantages of the functions of Shanghai as a financial center, to enjoy the preferential policies of Shanghai Free Trade Zone and to accelerate the transformation of the Company's trade and logistics businesses with the help of the investment and development platforms in Shanghai. At the same time, through the acquisition of the equity interest in Chinalco Shanghai, the Company can get the control over the properties held by Chinalco Shanghai at the Shanghai Expo Park, which can be utilized as the Company's development base in Shanghai. Therefore, the Company proposes to acquire the 60% equity interest in Chinalco Shanghai.

The Directors (including the independent non-executive Directors) are of the view that the Proposed Acquisition is on normal commercial terms or better, is fair and reasonable and is in the interest of the Company and the Shareholders as a whole, but is not in the ordinary or usual course of business of the Group due to the nature of such transaction.

## **IMPLICATIONS UNDER HONG KONG LISTING RULES**

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

As at the date of this announcement, Chinalco is the controlling shareholder of the Company and hence it is a connected person of the Company under the Hong Kong Listing Rules. As such, the Proposed Acquisition also constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the transaction is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Yu Dehui and Mr. Liu Caiming, the Directors of the Company, concurrently hold positions in Chinalco, they have abstained from voting on the Board resolution with respect to the Proposed Acquisition. Saved as disclosed above, none of the Directors has any material interest in the transaction and therefore none of the other Directors has abstained from voting on such Board resolution.

The Company will convene the EGM for purposes of, among other matters, seeking approval from the Independent Shareholders with respect to the Proposed Acquisition. On 22 July 2016, the Company has dispatched a circular to its Shareholders whereas the circular contains, inter alia, the resolution with respect to the Proposed Acquisition. Since the Company needs some more time to prepare and implement certain information to be contained in the supplemental circular for the Shareholders to make informed decisions at the EGM, the Company will dispatch a supplemental circular to its Shareholders on or prior to 23 August 2016 whereas such supplemental circular contains, inter alia, (i) the details about the Proposed Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of opinion from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required to be disclosed under the Hong Kong Listing Rules.

## **INFORMATION ON THE PARTIES**

The Company is a joint stock limited company established in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively, while its ADSs are listed on the New York Stock Exchange. The Group is principally engaged in the mining of bauxite; the production and sales of alumina, primary aluminum and aluminum alloy products; operating of coal and electricity businesses as well as trading and logistics of non-ferrous metal products.

Chinalco is the controlling Shareholder of the Company and it directly and indirectly holds approximately 35.77% of the total issued share capital of the Company as at the date of this announcement. Chinalco is a solely state-owned enterprise registered and incorporated in the PRC and the sponsoring shareholder of the Company. Chinalco is principally engaged in mineral resources development, smelting and processing of non-ferrous metal, relevant trading and related engineering and technical services.

**Completion of the Proposed Acquisition is subject to conditions. Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.**

## **DEFINITIONS**

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

“A Share(s)”	the domestic share(s) issued by the Company and denominated in Renminbi and which are listed on the Shanghai Stock Exchange;
--------------	--

“A Shareholder(s)”	holder(s) of A Shares;
--------------------	------------------------

“ADS(s)”	the American Depositary Share(s) issued by the Bank of New York Mellon as the depository bank and listed on the New York Stock Exchange, with each ADS representing 25 H Shares;
“associate”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Benchmark Date”	31 May 2016;
“Board”	the board of Directors of the Company;
“Chinalco”	Aluminum Corporation of China* (中國鋁業公司), a wholly state-owned enterprise established in the PRC and the controlling shareholder of the Company holding directly and indirectly approximately 35.77% of the total issued share capital of the Company as at the date of this announcement;
“Chinalco Shanghai”	Chinalco (Shanghai) Co., Ltd.* (中鋁（上海）有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Chinalco prior to the completion of the Proposed Acquisition;
“Company”	Aluminum Corporation of China Limited*(中國鋁業股份有限公司), a joint stock limited company incorporated in the PRC, the A Shares, H Shares and ADS(s) 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 2016 second extraordinary general meeting of the Company to be convened on 6 September 2016 to consider and, if thought fit, among other matters, approve the Proposed Acquisition;
“Equity Transfer Agreement”	the agreement entered into between Chinalco and the Company on 8 August 2016, pursuant to which, the Company proposes to acquire the 60% equity interest in Chinalco Shanghai held by Chinalco;
“Group”	the Company and its subsidiaries;
“GZL”	Guo Zhong Lian Land and Real Estate Asset Evaluation Co., Ltd.* (國眾聯資產評估土地房地產估價有限公司), as the PRC qualified valuer engaged by Chinalco in appraising the value of the 60% equity interest in Chinalco Shanghai with reference to the relevant requirements of SUAEE;
“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;
“H Shareholder(s)”	holder(s) of H Shares;
“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 (as amended from time to time);
“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 Proposed Acquisition;
“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 Proposed Acquisition;



“PRC”	The People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and the Taiwan region;
“Proposed Acquisition”	the proposed acquisition of 60% equity interest in Chinalco Shanghai from Chinalco pursuant to the terms and conditions of the Equity Transfer Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Shares and H Shares;
“Shareholder(s)”	A Shareholders and H Shareholders;
“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 Hong Kong Listing Rules; and
“%”	per cent.

By order of the Board  
**Aluminum Corporation of China Limited\***  
**Zhang Zhangkui**  
*Company Secretary*

Beijing, the People’s Republic of China  
8 August 2016

*As at the date of this announcement, the members of the board of directors comprise Mr. Ao Hong, Mr. Lu Dongliang and Mr. Jiang Yinggang (Executive Directors); Mr. Yu Dehui, Mr. Liu Caiming and Mr. Wang Jun (Non-executive Directors); Ms. Chen Lijie, Mr. Hu Shihai and Mr. Lie-A-Cheong Tai Chong, David (Independent Non-executive Directors).*

*\* For identification purpose only*