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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 TRANSACTIONS  
ACQUISITION OF EQUITY INTERESTS IN  
XINGHUA TECHNOLOGY**

Reference is made to the announcement of the Company dated 3 November 2016, in relation to the proposed transfer of 66% equity interests in Xinghua Technology jointly held by Shanxi Aluminum Plant and Shandong Aluminum (both being wholly-owned subsidiaries of Chinalco) on CBEX by way of public tender by Chinalco and the approval from the Board for participating in the bidding for the aforesaid equity interests by the Company and Chalco Shandong (a wholly-owned subsidiary of the Company). On 5 December 2016, the Company and Chalco Shandong were affirmed as the transferees of the aforesaid equity interests respectively. On the same day, the Company and Chalco Shandong entered into the Equity Transfer Agreements with Shanxi Aluminum Plant and Shandong Aluminum respectively, subject to conditions precedent. Pursuant to the Equity Transfer Agreements, Shanxi Aluminum Plant and Shandong Aluminum respectively agreed to dispose, and the Company and Chalco Shandong respectively agreed to acquire an aggregate of 66% equity interests in Xinghua Technology.

As at the date of this announcement, Chalco Shandong is a wholly-owned subsidiary of the Company and Chinalco is a substantial shareholder of the Company, while Shanxi Aluminum Plant and Shandong Aluminum are both wholly-owned subsidiaries of Chinalco. Therefore, Shanxi Aluminum Plant and Shandong Aluminum are connected persons of the Company. Hence, the Equity Transfer Agreements entered into between the Company and Shanxi Aluminum Plant and between Chalco Shandong and Shandong Aluminum respectively, as well as the transactions contemplated thereunder constitute connected transactions of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the connected transactions contemplated under Equity Transfer Agreements exceeds 0.1% but is less than 5%, the transactions are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 3 November 2016, in relation to the proposed transfer of 66% equity interests in Xinghua Technology jointly held by Shanxi Aluminum Plant and Shandong Aluminum (both being wholly-owned subsidiaries of Chinalco) on CBEX by way of public tender by Chinalco and the approval from the Board for participating in the bidding for the aforesaid equity interests by the Company and Chalco Shandong (a wholly-owned subsidiary of the Company). On 5 December 2016, the Company and Chalco Shandong were affirmed as the transferees of the aforesaid equity interests respectively. On the same day, the Company and Chalco Shandong entered into the Equity Transfer Agreements with Shanxi Aluminum Plant and Shandong Aluminum respectively, subject to conditions precedent. Pursuant to the Equity Transfer Agreements, Shanxi Aluminum Plant and Shandong Aluminum respectively agreed to dispose, and the Company and Chalco Shandong respectively agreed to acquire an aggregate of 66% equity interests in Xinghua Technology.

## **2. EQUITY TRANSFER AGREEMENT BETWEEN THE COMPANY AND SHANXI ALUMINUM PLANT**

### **2.1 Date**

5 December 2016

### **2.2 Parties**

- (1) Shanxi Aluminum Plant (as the seller of its 33% equity interests in Xinghua Technology); and
- (2) the Company (as the purchaser of the 33% equity interests in Xinghua Technology).

### **2.3 Subject of the equity transfer**

Pursuant to this Equity Transfer Agreement, the Company has conditionally agreed to acquire and Shanxi Aluminum Plant has conditionally agreed to dispose its 33% equity interests in Xinghua Technology.

## **2.4 Consideration and payment**

The consideration for the equity transfer under this Equity Transfer Agreement is RMB257,760,700, being the final bidding price of the 33% equity interests in Xinghua Technology, which is determined with references to the relevant requirements of CBEX and the appraised value of the equity interests in Xinghua Technology as set out in the valuation report prepared by CEA based on the income approach as at the Valuation Base Date.

Prior to the execution of this Equity Transfer Agreement, the Company shall pay a deposit of RMB77,320,000 to the account designated by CBEX under the request of Shanxi Aluminum Plant and CBEX as a guarantee of its intention to accept the transfer and to demonstrate its credit status and performance ability. Such deposit shall be used to offset a part of the consideration of the transaction.

The Company shall pay the transaction price (after deducting the aforesaid deposit) in one lump sum to the account designated by CBEX within 5 business days after the effective date of this Equity Transfer Agreement. CBEX shall transfer the total transaction price to the account designated by Shanxi Aluminum Plant within 3 business days after issuance of the transaction voucher.

## **2.5 Conditions precedent**

This Equity Transfer Agreement and the transaction thereunder are subject to the following conditions precedent: the seller has completed the public tender procedures on CBEX regarding the equity transaction under this agreement in accordance with relevant requirements of laws, regulations and policies; both parties have fulfilled internal approval or authorization procedures in respect of the aforesaid equity transaction respectively in accordance with laws and their articles of association; this Equity Transfer Agreement has been signed by authorized representatives of both parties with their official seals affixed; and other reasonable and normal conditions.

## **2.6 Completion**

Within 5 business days after the effective date of this Equity Transfer Agreement, the seller shall cooperate with the purchaser and assist Xinghua Technology in proceeding with the business registration procedures for the change of shareholders as soon as possible. The seller shall procure Xinghua Technology to complete the procedures for the change of business registration with the industrial and commercial administrative authorities within 30 business days after the effective date of this Equity Transfer Agreement.

### **3. EQUITY TRANSFER AGREEMENT BETWEEN CHALCO SHANDONG AND SHANDONG ALUMINUM**

#### **3.1 Date**

5 December 2016

#### **3.2 Parties**

- (1) Shandong Aluminum (as the seller of its 33% equity interests in Xinghua Technology); and
- (2) Chalco Shandong (as the purchaser of the 33% equity interests in Xinghua Technology).

#### **3.3 Subject of the equity transfer**

Pursuant to this Equity Transfer Agreement, Chalco Shandong has conditionally agreed to acquire and Shandong Aluminum has conditionally agreed to dispose its 33% equity interests in Xinghua Technology.

#### **3.4 Consideration and payment**

The consideration for the equity transfer under this Equity Transfer Agreement is RMB257,760,700, being the final bidding price of the 33% equity interests in Xinghua Technology, which is determined with references to the relevant requirements of CBEX and the appraised value of the equity interests in Xinghua Technology as set out in the valuation report prepared by CEA based on the income approach as at the Valuation Base Date.

Prior to the execution of this Equity Transfer Agreement, Chalco Shandong shall pay a deposit of RMB77,320,000 to the account designated by CBEX under the request of Shandong Aluminum and CBEX as a guarantee of its intention to accept the transfer and to demonstrate its credit status and performance ability. Such deposit shall be used to offset a part of the consideration of the transaction.

Chalco Shandong will pay the equity transfer price to Shandong Aluminum in two instalments:

- (i) First instalment: RMB77,328,210, representing 30% of the equity transfer price. Chalco Shandong shall pay the first instalment (after deducting the aforesaid deposit) in one lump sum to the account designated by CBEX within 5 business days after the effective date of this Equity Transfer Agreement. CBEX shall transfer such transaction price to the account designated by Shandong Aluminum within 3 business days after issuance of the transaction voucher;

- (ii) Second instalment: RMB180,432,490, representing 70% of the equity transfer price, plus corresponding interest accrued thereon. Chalco Shandong shall pay the second instalment to the account designated by Shandong Aluminum before 31 December 2017, together with the corresponding interest calculated at the one-year benchmark lending rate promulgated by the People's Bank of China, commencing from the next day after the effective date of this agreement.

### **3.5 Conditions precedent**

This Equity Transfer Agreement and the transaction thereunder are subject to the following conditions precedent: the seller has completed the public tender procedures on CBEX regarding the equity transaction under this agreement in accordance with relevant requirements of laws, regulations and policies; both parties have fulfilled internal approval or authorization procedures in respect of the aforesaid equity transaction respectively in accordance with laws and their articles of association; this Equity Transfer Agreement has been signed by authorized representatives of both parties with their official seals affixed; and other reasonable and normal conditions.

### **3.6 Completion**

Within 5 business days after the effective date of this Equity Transfer Agreement, the seller shall cooperate with the purchaser and assist Xinghua Technology in proceeding with the business registration procedures for the change of shareholders as soon as possible. The seller shall procure Xinghua Technology to complete the procedures for the change of business registration with the industrial and commercial administrative authorities within 30 business days after the effective date of this Equity Transfer Agreement.

## **4. INFORMATION ON XINGHUA TECHNOLOGY**

Xinghua Technology is a limited liability company jointly promoted and established by Chinalco Jinlv Refractories Co. Ltd.\* (中鋁集團晉鋁耐材有限公司) and Du Aizhen, an individual shareholder, in November 2011, with a registered capital of RMB100,000,000. Through equity transfer and capital increase, Shandong Aluminum and Shanxi Aluminum Plant made an investment of RMB89,100,000 respectively in succession from August 2012 to April 2014 to hold 33% and 33% equity interests in Xinghua Technology respectively, while the remaining 34% equity interests were held by Chinalco Jinlv Refractories Co. Ltd.. The business scope of Xinghua Technology includes: development and research of production technology and transfer of achievements in respect of aluminium based new material product series; production of aluminium based new material product series (including double five aluminium hydroxide, low-sodium aluminum hydroxide, low-iron aluminum hydroxide, ultra-white aluminum hydroxide, high-purity aluminum hydroxide, dry aluminum hydroxide,

fine aluminum hydroxide, boehmite, crystallized low-sodium high-temperature alumina, crystallized low-sodium sandy alumina, tabular corundum, fused corundum, high-purity mullite, high-purity 4N alumina, highly active alumina, spherical activated alumina, metal gallium, metal vanadium, metal magnesium, alumina ceramics, refined aluminium, high-purity aluminum-magnesium alloy, red mud-flyash brick, red mud cement flash-setting agent, calcined clay, aluminum silicate refractory fiber, cement activity additives, red mud microcrystalline glass decorative material, red mud-flyash insulation material, red mud refractory insulated castable, red mud dry impervious material) (Items subject to approval as required by law must be approved by the competent authority before carrying out any relevant business activities).

The consideration for the aggregate of 66% equity interests in Xinghua Technology under the two Equity Transfer Agreements is RMB515,521,400. According to the valuation report prepared by CEA using the income approach, as at the Valuation Base Date, the carrying value of total assets, total liabilities and net assets of Xinghua Technology amounted to RMB1,321,221,700, RMB1,054,728,900 and RMB266,492,800 respectively. The appraised value of net assets of Xinghua Technology under the income approach amounted to RMB781,093,000, representing a valuation appreciation of RMB514,600,200, or appreciation rate of 193.10%.

Based on the financial statements prepared by Xinghua Technology under the accounting principles generally accepted in the PRC, the net profits (before and after the taxes and extraordinary items) of Xinghua Technology for the financial years ended 31 December 2014 and 31 December 2015 are set out as follows:

	<b>For the year ended 31 December 2014 (Audited) (RMB)</b>	<b>For the year ended 31 December 2015 (Audited) (RMB)</b>
Net profit before taxes and extraordinary items	0	3,189,800.00
Net profit after taxes and extraordinary items	0	2,917,354.42

Upon completion of the acquisition of equity interests in Xinghua Technology, Xinghua Technology will become a non-wholly owned subsidiary of the Company. The initial purchasing costs of Shanxi Aluminum Plant and Shandong Aluminum for their equity interests in Xinghua Technology are their respective investments of RMB89,100,000 to respectively acquire 33% equity interests in Xinghua Technology in succession from August 2012 to April 2014.

## **5. PROFIT FORECAST IN RELATION TO THE VALUATION METHOD**

As the aforesaid valuation report was prepared by CEA using the income approach, the calculating of the valuation of the equity interests in Xinghua Technology as set out in the valuation report is deemed as a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. Accordingly, the Company discloses the following details of the valuation in accordance with Rule 14.62 of the Hong Kong Listing Rules.

Details of the principal assumptions, including the commercial assumptions, upon which the profit forecast of the equity interests in Xinghua Technology are based, are set out as follows:

Principal assumptions on the valuation of the equity interests in Xinghua Technology provided by the valuer are as follows:

1. it is assumed that there are no material changes to the political, economic and social environments of regions where the valuated entity operates after the Valuation Base Date;
2. it is assumed that there are no material changes to the relevant macro-economic policies, industrial policies or regional development policies in the country after the Valuation Base Date;
3. it is assumed that the valuated entity will be able to continue operating after the Valuation Base Date;
4. it is assumed that the accounting policies adopted by the valuated entity after the Valuation Base Date are consistent in material aspects with those adopted in the preparation of this valuation report;
5. it is assumed that there are no material changes to the interest rates, exchange rates, tax bases, tax rates and policies charges related to the valuated entity after the Valuation Base Date;
6. it is assumed that the management of the valuated entity are responsible and stable, and they have the capability to take on their duties after the Valuation Base Date;
7. it is assumed that the valuated entity assumes to maintain the existing business scope and mode on the basis of the present management mode and level after the Valuation Base Date;
8. it is assumed that the valuated entity assumes to have the even cash outflow and cash inflow after the Valuation Base Date;

9. it is assumed that the products and services of the valuated entity could maintain the present market competitive edge after the Valuation Base Date;
10. it is assumed that the valuated entity maintains its existing research and development capability and technical advancement after the Valuation Base Date;
11. it is assumed that the valuated entity assumes to fully comply with all related laws and regulations;
12. it is assumed that there are no material adverse impacts arising from force majeure or unforeseeable factors after the Valuation Base Date.

Ernst & Young, the reporting accountant of the Company, has reviewed the arithmetical accuracy of the calculations for the relevant forecasts under the income approach, which do not involve the adoption of accounting policies, for the valuation. The Board has confirmed that the profit forecast for the equity interests in Xinghua Technology as set out in the valuation report has been made after due and careful enquiry by the Board. The letters issued by Ernst & Young and the Board are set out in Appendix I and Appendix II to this announcement, respectively. The qualifications of the expert who has given its opinion or advice included in this announcement are set out below:

<b>Name</b>	<b>Qualification</b>	<b>Date of conclusion or opinion</b>
Ernst & Young	Certified Public Accountant	5 December 2016

As at the date of this announcement, as far as the Directors are aware, the aforesaid expert was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for any shares, convertible securities, warrants, options or derivative securities which carry voting rights in any member of the Group.

The aforesaid expert has given and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter or report and/or references to its name.

## **6. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Being highly synergic with the principal business of the Company, Xinghua Technology has relatively advanced concepts and design technology. The Directors believe that, integration of the assets that are in line with the principal business and future strategy of the Company will help the Company to enhance the competitiveness of its principal business and improve its sustainable profitability.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the two Equity Transfer Agreements are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, but are not in the ordinary or usual course of business of the Group due to the nature of such transactions.

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

As at the date of this announcement, Chalco Shandong is a wholly-owned subsidiary of the Company and Chinalco is a substantial shareholder of the Company, while Shanxi Aluminum Plant and Shandong Aluminum are both wholly-owned subsidiaries of Chinalco. Therefore, Shanxi Aluminum Plant and Shandong Aluminum are connected persons of the Company. Hence, the Equity Transfer Agreements entered into between the Company and Shanxi Aluminum Plant and between Chalco Shandong and Shandong Aluminum respectively, as well as the transactions contemplated thereunder constitute connected transactions of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the connected transactions contemplated under Equity Transfer Agreements exceeds 0.1% but is less than 5%, the transactions are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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

## **8. GENERAL INFORMATION**

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; operation of coal and electricity businesses as well as trading and logistics of non-ferrous metal products.

Chalco Shandong is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement. Its principal businesses include production and sale of alumina series products, constructive aluminium profile, aluminium ingot, carbon products, autoclaved fly ash bricks and industrial water vapour, as well as production of industrial electricity and others.

Shandong Aluminum is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Chinalco as at the date of this announcement. Its principal businesses include production and sale of aluminium, aluminium alloy, alumina, gallium, alumina chemicals, carbon products and cement; production, sale, installation and technology development, service of aluminum profile, warehousing, transportation and other.

Shanxi Aluminum Plant is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Chinalco as at the date of this announcement. Its principal businesses include production and sale of alumina, aluminium hydroxide, electrolytic aluminium and highly processed products; construction and installation, development, sale and transportation of clinker and its related products.

## 9. 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, 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 Director(s) of the Company;
“CBEX”	China Beijing Equity Exchange;
“CEA”	China Enterprise Appraisals Co., Ltd, a qualified independent valuer in the PRC;
“Chalco Shandong”	Chalco Shandong Co., Ltd.* (中鋁山東有限公司), a limited liability company incorporated in the PRC and 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 wholly state-owned corporation incorporated in the PRC and the controlling shareholder of the Company, directly and indirectly holding approximately 35.77% of the total issued share capital 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 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;

“Equity Transfer Agreement(s)”	the agreement(s) entered into between the Company and Shanxi Aluminum Plant and/or between Chalco Shandong and Shandong Aluminum respectively on 5 December 2016, pursuant to which Shanxi Aluminum Plant and Shandong Aluminum agreed to dispose, and the Company and Chalco Shandong agreed to acquire an aggregate of 66% equity interests in Xinghua Technology;
“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;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shandong Aluminum”	Shandong Aluminum Company* (山東鋁業公司), a wholly-owned subsidiary of Chinalco as at the date of this announcement;
“Shanxi Aluminum Plant”	Shanxi Aluminum Plant* (山西鋁廠), a wholly-owned subsidiary of Chinalco as at the date of this announcement;
“Share(s)”	A Shares and H Shares;
“Shareholder(s)”	the shareholder(s) of the Company;
“Subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;

“Valuation Base Date”	29 February 2016;
“Xinghua Technology”	Chinalco Shanxi Jiaokou Xinghua Technology Co., Ltd.* (中鋁集團山西交口興華科技股份有限公司), 66% equity interests in which are held indirectly by Chinalco through Shanxi Aluminum Plant and Shandong Aluminum (wholly-owned subsidiaries of Chinalco) before the completion of the acquisition of equity interests;
“%”	percent.

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

Beijing, the PRC  
5 December 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).*

## **APPENDIX I – LETTER FROM ERNST & YOUNG**

The following is the text of the letter dated 5 December 2016 from Ernst & Young, the Certified Public Accountants, which was prepared for inclusion in this announcement.

### **The Board of Directors Aluminum Corporation of China Limited\***

No. 62 North Xizhimen Street,  
Haidian District, Beijing,  
The People’s Republic of China

Dear Sirs,

We have been engaged by Aluminum Corporation of China Limited (the “**Company**” or “**Chalco**”) and performed the work described below, in respect of the arithmetical accuracy of the calculations of the discounted cash flow forecast (hereinafter referred to as the “**Underlying Forecast**”) underlying the business valuation dated 15 April 2016 prepared by Beijing China Enterprise Assets Appraisal Co., Ltd. in respect of 33% and 33% interest of ShanXi Jiaokou XingHua Technology Limited (“**XingHua Technology**”) held by Shandong Aluminum Company and Shanxi Aluminum Plant, respectively, as at 29 February 2016. The Underlying Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS**

It is the responsibility solely of the directors of XingHua Technology to prepare the Underlying Forecast. The Underlying Forecast has been prepared using a set of assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the directors of XingHua Technology.

It is our responsibility to draw a conclusion, based on our work on the arithmetical accuracy of the calculations of the Underlying Forecast and to present our conclusion solely to you, as a body, for the purpose of reporting under paragraph 14.62(2) of the Listing Rules and for no other purpose. We are not reporting on the appropriateness and validity of the bases and Assumptions on which the Underlying Forecast are based and our work does not constitute any valuation of XingHua Technology. The Underlying Forecast does not involve the adoption of accounting policies. The Assumptions used in the preparation of the Underlying Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. We have not

reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and thus express no opinion whatsoever thereon. Our work is more limited than that for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We also accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

## **BASIS OF CONCLUSION**

We conducted our work in accordance with Hong Kong Standards on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of checking the arithmetical accuracy of the calculations, of the Underlying Forecast prepared based on the Assumptions made by the directors of XingHua Technology. Our work has been undertaken solely to assist the Directors of the Company in evaluating whether the Underlying Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the Assumptions made by the directors of XingHua Technology. Our work does not constitute any valuation of XingHua Technology as at 29 February 2016.

## **CONCLUSION**

Based on our work described above, nothing has come to our attention that causes us to believe that the Underlying Forecast, so far as the arithmetical accuracy of the calculations of the Underlying Forecast is concerned, has not been properly compiled on the basis of the Assumptions made by the directors of XingHua Technology.

Yours faithfully,

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

5 December 2016

## APPENDIX II – LETTER FROM THE BOARD

The following is the text of the letter dated 5 December 2016 from the Board, which was prepared for inclusion in this announcement.

Listing Division  
The Stock Exchange of Hong Kong Limited  
11th Floor, One International Finance Centre,  
1 Harbour View Street, Central, Hong Kong

Dear Sir/Madam,

Company: Aluminum Corporation of China Limited\* (the “**Company**”)

Re: Profit forecast – Confirmation letter under the requirements of Rule 14.62(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

Reference is made to the announcement of the Company dated 5 December 2016 in relation to, among other things, the valuation report dated 15 April 2016 of Chinalco Shanxi Jiaokou Xinghua Technology Co., Ltd.\* (the “**Valuation Report**”), which was prepared by China Enterprise Appraisals Co., Ltd. (the “**Valuer**”) using the income approach.

The Board of the Company has reviewed and discussed with the Valuer and Ernst & Young, the reporting accountant of the Company (the “**Reporting Accountant**”) the basis and assumptions of the valuation. The Board of the Company has also considered the confirmation letter issued by the Reporting Accountant on 5 December 2016 in relation to the calculations of the profit forecast in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the Board of the Company confirmed that the profit forecast used in the Valuation Report has been made after due and careful enquiry.

**The Board of  
Aluminum Corporation of China Limited\***

5 December 2016

\* *For identification purpose only*