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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)

CONNECTED TRANSACTIONS
(A) DISPOSAL OF CERTAIN ASSETS BY CHALCO
SHANDONG TO SHANDONG ALUMINUM;
(B) DISPOSAL OF CERTAIN ASSETS BY HENAN BRANCH TO
GREAT WALL ALUMINUM;
AND
(C) DISPOSAL OF CERTAIN ASSETS BY SHANXI BRANCH
TO SHANXI ALUMINUM PLANT

The Board hereby announces that (i) the Shandong Assets Transfer Agreement; (ii) the Henan Assets Transfer Agreement; and (iii) the Shanxi Assets Transfer Agreement were respectively entered into between certain subsidiaries of the Company and certain subsidiaries of Chinalco in respect of the disposal of certain assets owned by certain subsidiaries of the Company on 30 March 2016.

As of the date of this announcement, Chalco Shandong, Henan Branch and Shanxi Branch are the subsidiaries of the Company, and Chinalco is the substantial shareholder of the Company, while Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant are the subsidiaries of Chinalco. Therefore, Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant are connected persons of the Company. As such, each of the transactions contemplated under the assets transfer agreements entered into by Chalco Shandong, Henan Branch and Shanxi Branch with Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant respectively constitutes a connected transaction of the Company 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 transactions contemplated under the assets transfer agreements, on an aggregated basis, exceed 0.1% but are less than 5%, the connected transactions are only subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

INTRODUCTION

The Board hereby announces that (i) the Shandong Assets Transfer Agreement; (ii) the Henan Assets Transfer Agreement; and (iii) the Shanxi Assets Transfer Agreement were respectively entered into between certain subsidiaries of the Company and certain subsidiaries of Chinalco in respect of the disposal of certain assets owned by certain subsidiaries of the Company on 30 March 2016.

(A) Disposal of certain assets by Chalco Shandong to Shandong Aluminum

The Board announces that Chalco Shandong and Shandong Aluminum entered into the Shandong Assets Transfer Agreement on 30 March 2016, pursuant to which Chalco Shandong agreed to sell and Shandong Aluminum agreed to purchase certain assets owned by Chalco Shandong.

Date

30 March 2016

Parties

- (1) Chalco Shandong (as the seller); and
- (2) Shandong Aluminum (as the purchaser)

Consideration

RMB76,623,800 thousand which is determined after arm's length negotiations between the parties with reference to the appraisal value of the assets to be disposed of on the Appraisal Benchmark Date, as set out in the Special Asset Valuation Report (Zhong Tong Hua Ping Bao Zi (2016) No. 169) issued by China Alliance.

Settlement and payment of consideration

Consideration shall be paid in instalments:

- (1) First instalment of the transfer price: Shandong Aluminum shall pay Chalco Shandong 30% of the total transfer price, being RMB22,987,140, within 30 days after the agreement has become effective;
- (2) Second instalment of the transfer price: Shandong Aluminum shall pay Chalco Shandong 70% of the total transfer price, being RMB536,366,600, within one year after the agreement has become effective.

Completion

Upon the fulfilment of the following conditions, the completion of the proposed disposal of the assets shall take place: (i) the Shandong Assets Transfer Agreement has become effective; (ii) both parties have checked and verified the quantity and integrity of the assets to be disposed of; and (iii) the Certificate for Asset Transfer has been entered into by the parties in respect of the asset transfer.

(B) Disposal of certain assets by Henan Branch to Great Wall Aluminum

The Board announces that Henan Branch and Great Wall Aluminum entered into the Henan Assets Transfer Agreement on 30 March 2016, pursuant to which Henan Branch agreed to sell and Great Wall Aluminum agreed to purchase certain assets owned by Henan Branch.

Date

30 March 2016

Parties

- (1) Henan Branch (as the seller); and
- (2) Great Wall Aluminum (as the purchaser)

Consideration

RMB170,086,900 thousand which is determined after arm's length negotiations between the parties with reference to the appraisal value of the assets to be disposed of on the Appraisal Benchmark Date, as set out in the Special Asset Valuation Report (Zhong Tong Hua Ping Bao Zi (2016) No. 171) issued by China Alliance.

Settlement and payment of consideration

Consideration shall be paid in instalments:

- (1) First instalment of the transfer price: Great Wall Aluminum shall pay Henan Branch 30% of the total transfer price, being RMB51,026,070, within 30 days after the agreement has become effective;
- (2) Second instalment of the transfer price: Great Wall Aluminum shall pay Henan Branch 70% of the total transfer price, being RMB119,060,830, within one year after the agreement has become effective.

Completion

Upon the fulfilment of the following conditions, the completion of the proposed disposal of the assets shall take place: (i) the Henan Assets Transfer Agreement has become effective; (ii) both parties have checked and verified the quantity and integrity of the assets to be disposed of; and (iii) the Certificate for Asset Transfer has been entered into by the parties in respect of the asset transfer.

(C) Disposal of certain assets by Shanxi Branch to Shanxi Aluminum Plant

The Board announces that Shanxi Branch and Shanxi Aluminum Plant entered into the Shanxi Assets Transfer Agreement on 30 March 2016, pursuant to which Shanxi Branch agreed to sell and Shanxi Aluminum Plant agreed to purchase certain assets owned by Shanxi Branch.

Date

30 March 2016

Parties

- (1) Shanxi Branch (as the seller); and
- (2) Shanxi Aluminum Plant (as the purchaser)

Consideration

RMB227,907,900 thousand which is determined after arm's length negotiations between the parties with reference to the appraisal value of the assets to be disposed of on the Appraisal Benchmark Date, as set out in the Special Asset Valuation Report (Zhong Tong Hua Ping Bao Zi (2016) No. 172) issued by China Alliance.

Settlement and payment of consideration

Consideration shall be paid in instalments:

- (1) First instalment of the transfer price: Shanxi Aluminum Plant shall pay Shanxi Branch 30% of the total transfer price, being RMB68,372,370, within 30 days after the agreement has become effective;
- (2) Second instalment of the transfer price: Shanxi Aluminum Plant shall pay Shanxi Branch 70% of the total transfer price, being RMB159,535,530, within one year after the agreement has become effective.

Completion

Upon the fulfilment of the following conditions, the completion of the assets to be disposed of shall take place: (i) the Shanxi Assets Transfer Agreement has become effective; (ii) both parties have checked and verified the quantity and integrity of the assets to be disposed of; and (iii) the Certificate for Asset Transfer has been entered into by the parties in respect of the asset transfer.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors believe that the above-mentioned transactions are favourable to the Company in vitalizing ancillary business, reducing continuing connected transactions and improving the operating efficiency of the assets of the Company, and are in the interest of the Company as a whole. According to the valuation results on these assets, it is expected to generate gains from the disposals of the assets.

The Directors (including the independent non-executive Directors) are of the view that such transactions contemplated under these assets transfer agreements are made on normal commercial terms and the terms contained therein are fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECT OF THE TRANSACTIONS AND USE OF PROCEEDS

In respect of the disposal of certain assets by Chalco Shandong to Shandong Aluminum, the Company expects to record an estimated book value gain of approximately RMB32 million, which is calculated based on the audited carrying value and the appraisal value of the net assets attributable to the assets to be disposed of on the Appraisal Benchmark Date, taking into account the estimated tax payable of the relevant disposal (subject to the final determination by the relevant PRC tax authorities). Shareholders should note that the actual proceeds from the disposal under

the Shandong Assets Transfer Agreement will be calculated based on the relevant figures on the date when such disposal is completed and shall be audited, which therefore may differ from the amount set out above. The proceeds from this disposal are expected to be set aside as the general working capital of the Company or be used for future investment opportunities.

In respect of the disposal of certain assets by Henan Branch to Great Wall Aluminum, the Company expects to record an estimated book value gain of approximately RMB81 million, which is calculated based on the audited carrying value and the appraisal value of the net assets attributable to the assets to be disposed of on the Appraisal Benchmark Date, taking into account the estimated tax payable of the relevant disposal (subject to the final determination by the relevant PRC tax authorities). Shareholders should note that the actual proceeds from the disposal under the Henan Assets Transfer Agreement will be calculated based on the relevant figures on the date when such disposal is completed and shall be audited, which therefore may differ from the amount set out above. The proceeds from this disposal are expected to be set aside as the general working capital of the Company or be used for future investment opportunities.

In respect of the disposal of certain assets by Shanxi Branch to Shanxi Aluminum Plant, the Company expects to record an estimated book value gain of approximately RMB81 million, which is calculated based on the audited carrying value and the appraisal value of the net assets attributable to the assets to be disposed of on the Appraisal Benchmark Date, taking into account the estimated tax payable of the relevant disposal (subject to the final determination by the relevant PRC tax authorities). Shareholders should note that the actual proceeds from the disposal under the Shanxi Assets Transfer Agreement will be calculated based on the relevant figures on the date when such disposal is completed and shall be audited, which therefore may differ from the amount set out above. The proceeds from this disposal are expected to be set aside as the general working capital of the Company or be used for future investment opportunities.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As of the date of this announcement, Chalco Shandong, Henan Branch and Shanxi Branch are the subsidiaries of the Company, and Chinalco is the substantial shareholder of the Company, while Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant are the subsidiaries of Chinalco. Therefore, Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant are connected persons of the Company. As such, each of the transactions contemplated under the assets transfer agreements entered into by Chalco Shandong, Henan Branch and Shanxi Branch with Shandong Aluminum, Great Wall Aluminum and Shanxi Aluminum Plant respectively constitutes a connected transaction of the Company 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 transactions contemplated under the assets transfer agreements, on an aggregated basis, exceed 0.1% but are less than 5%, the connected transactions are only subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Liu Caiming, a Director, concurrently holds positions in Chinalco, he has abstained from voting on the Board resolutions in respect of the above-mentioned connected transactions. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under such assets transfer agreements, and therefore none of the other Directors has abstained from voting on such Board resolutions.

INFORMATION ON THE ASSETS TO BE DISPOSED OF

(A) Disposal of certain assets by Chalco Shandong to Shandong Aluminum

The assets disposed of by Chalco Shandong to Shandong Aluminum mainly are limestone production line, ore concentrate plant and supporting facilities, fly ash brick production lines in thermal power plant, water plant, office buildings, 3-supplies and 1-management (i.e. water/power/air supply and property management) and other related assets as well as asset-related liabilities owned by Chalco Shandong.

According to the Special Asset Valuation Report prepared by China Alliance using the asset-based approach, the net book value and the appraisal value of the assets to be disposed of under the Shandong Assets Transfer Agreement on the Appraisal Benchmark Date amounted to RMB45 million and RMB77 million, respectively.

According to the financial report prepared by Chalco Shandong in accordance with the PRC GAAP, for the financial years ended 31 December 2014 and 31 December 2015, the net profits attributable to the above-mentioned assets to be disposed of (before and after taxation and extraordinary items) are set out as below:

	For the year ended 31 December 2015 (Audited) (RMB)	For the year ended 31 December 2014 (Audited) (RMB)
Net profit before taxation and extraordinary items	0	0
Net profit after taxation and extraordinary items	0	0

(B) Disposal of certain assets by Henan Branch to Great Wall Aluminum

The assets disposed of by Henan Branch to Great Wall Aluminum mainly are monitoring station, certain mechanical and electrical equipment, sewage treatment plant, premises and other assets owned by Henan Branch.

According to the Special Asset Valuation Report prepared by China Alliance using the asset-based approach, the net book value and the appraisal value of the assets to be disposed of under the Henan Assets Transfer Agreement on the Appraisal Benchmark Date amounted to RMB89 million and RMB170 million, respectively.

According to the financial report prepared by Henan Branch in accordance with the PRC GAAP, for the financial years ended 31 December 2014 and 31 December 2015, the net profits attributable to the above-mentioned assets to be disposed of (before and after taxation and extraordinary items) are set out as below:

	For the year ended 31 December 2015 (Audited) (RMB)	For the year ended 31 December 2014 (Audited) (RMB)
Net profit before taxation and extraordinary items	0	0
Net profit after taxation and extraordinary items	0	0

(C) Disposal of certain assets by Shanxi Branch to Shanxi Aluminum Plant

The assets disposed of by Shanxi Branch to Shanxi Aluminum Plant are mainly computer control information centre, hydropower plant, maintenance service plant, mine service plant, repair plant, gas station and other related assets owned by Shanxi Branch.

According to the Special Asset Valuation Report prepared by China Alliance using the asset-based approach, the net book value and the appraisal value of the assets to be disposed of under the Shanxi Assets Transfer Agreement on the Appraisal Benchmark Date amounted RMB147 million and RMB228 million, respectively.

According to the financial report prepared by Shanxi Branch in accordance with the PRC GAAP, for the financial years ended 31 December 2014 and 31 December 2015, the net profit attributable to the above-mentioned assets to be disposed of (before and after taxation and extraordinary items) are set out as below:

	For the year ended 31 December 2015 (Audited) (RMB)	For the year ended 31 December 2014 (Audited) (RMB)
Net profit before taxation and extraordinary items	0	0
Net profit after taxation and extraordinary items	0	0

GENERAL INFORMATION

Chinalco, established in February 2001, is the controlling shareholder of the Company. Chinalco is a state-owned enterprise incorporated under the laws of the PRC and its entities and businesses were contributed into the Company upon the establishment of the Company. Chinalco is mainly engaged in the production and sale of aluminum, copper, rare earth and mineral products of relevant non-ferrous metals, smelted products, fabrication products and carbon products.

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

Chalco Shandong is a wholly-owned subsidiary of the Company. It is mainly engaged in businesses including alumina products, architectural aluminum, aluminum ingots and carbon products, etc.

Shandong Aluminum is a wholly-owned subsidiary of Chinalco. It is mainly engaged in businesses including the production and sale of ammonium metavanadate, sodium hydroxide solution, hydrochloric acid, liquid chlorine, sodium hypochlorite, hydrogen and sulfuric acid, etc.

Henan Branch of the Company is mainly engaged in businesses including the production and sale of aluminum and magnesite ore products, smelted products, fabrication products, carbon products and relevant non-ferrous metal products.

Great Wall Aluminum is a wholly-owned subsidiary of Chinalco. It is mainly engaged in businesses including cement production, export business of self-produced products and relevant technologies.

Shanxi Branch of the Company is mainly engaged in the businesses including the production and sale of alumina products.

Shanxi Aluminum Plant is a wholly-owned subsidiary of Chinalco. It is mainly engaged in businesses including the production and sale of cement and relevant products, chemical products (quasi-boehmite), construction and installation, and the development, sale and transportation of ash and relevant products.

DEFINITIONS

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

“A Shares”	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;
“Appraisal Benchmark Date”	29 February 2016;
“Board”	the board of Directors;
“Chalco Shandong”	Chalco Shandong Co., Ltd* (中鋁山東有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement;
“China Alliance”	China Alliance Appraisal Co., Ltd (中同華資產評估有限公司), the independent professional valuer;

“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 35.77% of the total issued share capital of the Company as at the date of this announcement;
“connected persons”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“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;
“Director(s)”	the director(s) of the Company;
“Great Wall Aluminum”	China Great Wall Aluminum Corporation* (中國長城鋁業公司), a wholly-owned subsidiary of Chinalco as at the date of this announcement;
“Henan Assets Transfer Agreement”	the assets transfer agreement entered into between Henan Branch and Great Wall Aluminum on 30 March 2016, pursuant to which, Henan Branch agreed to sell and Great Wall Aluminum agreed to purchase certain assets owned by Henan Branch;
“Henan Branch”	Henan Branch of the Company;
“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, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“PRC GAAP”	the generally accepted accounting principles of the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shandong Aluminum”	Shandong Aluminum Industry Co., Ltd* (山東鋁業公司), a wholly-owned subsidiary of Chinalco as at the date of this announcement;
“Shandong Assets Transfer Agreement”	the assets transfer agreement entered into between Chalco Shandong and Shandong Aluminum on 30 March 2016, pursuant to which, Chalco Shandong agreed to sell and Shandong Aluminum agreed to purchase certain assets owned by Chalco Shandong;
“Shanxi Aluminum Plant”	Shanxi Aluminum Plant affiliated to Chinalco* (中鋁公司山西鋁廠), a wholly-owned subsidiary of Chinalco as of the date of this announcement;
“Shanxi Assets Transfer Agreement”	the assets transfer agreement entered into between Shanxi Branch and Shanxi Aluminum Plant on 30 March 2016, pursuant to which, Shanxi Branch agreed to sell and Shanxi Aluminum Plant agreed to purchase certain assets owned by Shanxi Branch;
“Shanxi Branch”	Shanxi Branch of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“subsidiary”	has the meaning ascribed to it under the Hong Kong Listing Rules; and

“%”

per cent.

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

Beijing, the PRC
30 March 2016

As at the date of this announcement, the members of the board of directors comprise Mr. Ao Hong, Mr. Liu Xiangmin and Mr. Jiang Yinggang (Executive Directors); 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 purposes only*