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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)

**DISCLOSEABLE TRANSACTION**  
**GOLD LEASING FINANCING**

The Board of the Company hereby announces that, on 6 June 2016, the Company entered into one Gold Leasing Operational Agreement, four Gold Leasing Agreements and one General Hedging Agreement with BOCOM, pursuant to which the Company will develop gold leasing business for working capital financing purpose.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) for transactions under the Gold Leasing Agreements and the General Hedging Agreement exceeds 5% but is less than 25% on an aggregated basis, the transactions under the Gold Leasing Agreements and the General Hedging Agreement constitute discloseable transactions of the Company on an aggregated basis under Chapter 14 of the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

**INTRODUCTION**

The Board (the “**Board**”) of Aluminum Corporation of China Limited (the “**Company**”) hereby announces that, in order to sufficiently satisfy the capital demand of the Company arising from its usual production and operation and expand its sources of financing, on 6 June 2016, the Company entered into one Gold Leasing Operational Agreement, four Gold Leasing Agreements and one General Hedging Agreement with BOCOM, pursuant to which the Company will develop gold leasing business for working capital financing purpose.

# **GOLD LEASING AGREEMENTS AND GOLD LEASING OPERATIONAL AGREEMENT**

## **Date**

6 June 2016

## **Parties**

- (1) The Company (as the Lessee); and
- (2) BOCOM (as the Lessor).

## **Subject Matter**

BOCOM agreed to provide the Company Standard Gold with a fineness of Au99.99. The market value calculated in accordance with the settlement price as agreed by both parties, amounted to RMB3 billion.

## **Term of Leasing**

The term of leasing is 12 months as from the commencement dates of the leasing, i.e., 6 June and 7 June 2016 as the case may be.

## **Leasing Fees**

The Company shall pay BOCOM leasing fees <sup>Note</sup>, three instalments of which are to be paid as soon as possible within the reasonable period upon the signing of the agreements and one of which is to be paid on the maturity date of the leasing.

*Note:* The annual fees shall include the leasing fee, the charges for futures contracts and other transaction expenses arising from this gold leasing and the hedging arrangement shall not in aggregate exceed the benchmark interest rate for one-year loan set by the People's Bank of China.

## **Delivery and Recovery of Standard Gold**

Standard Gold can be legally delivered upon the satisfaction of the following conditions: (1) BOCOM has completed statutory procedures including relevant government permit(s), approval(s) and registration and other procedures as required for BOCOM, where the aforementioned permit(s), approval(s) or registration shall remain valid; (2) the guarantee contract (if any) under this agreement has become effective and the title of the underlying security have been established in respect of the guarantee contract system involving mortgage contract and/or pledge contract; (3) the operation and financial position of the Company have not been materially and adversely changed; and (4) the Company has not breached the terms and conditions of the agreements.

The Company and BOCOM shall separately file applications for gold leasing through the membership service system of the Shanghai Gold Exchange. The delivery of Standard Gold shall be transferred to the accounts of the Company with the amount subject to the BOCOM's Standard Gold by the Shanghai Gold Exchange.

Upon the expiry of the term of leasing, the Company shall complete the gold repayment application through the membership service system of the Shanghai Gold Exchange and return the Standard Gold with same quality as those under the Gold Lease Agreements or the gold with different fineness from those under the lease as agreed in the Gold Leasing Agreements to BOCOM, and shall be responsible for the settlement of relevant fees.

## **GENERAL HEDGING AGREEMENT**

### **Date**

6 June 2016

### **Parties**

- (1) The Company; and
- (2) BOCOM.

## **Main Contents**

As the Company is cooperating with BOCOM in gold leasing financing business, in order to hedge the risks arising from gold price fluctuations, the Company and BOCOM proposed to carry out RMB-denominated gold hedging business. Both parties agreed that BOCOM shall purchase the Au99.99 Standard Gold from the Company or sell Standard Gold to the Company at an agreed consideration on 6 June 2016 and 7 June 2016 and settle on 7 June and 8 June 2017 (being the settlement date) pursuant to the settlement methods as agreed by both parties.

## **Security Deposit Arrangement**

In respect of the lease of Au99.99 Standard Gold by BOCOM to the Company, BOCOM shall, from 6 June 2016 to 5 June 2017, freeze the Company's working capital credit facility in an amount of RMB3.3 billion, as an alternative for the security deposit. During the aforementioned period, the Company shall not apply for withdrawal from the frozen working capital credit facility. Save for this arrangement, the Company has not separately provided any other security deposit, guarantee or pledges in favour of BOCOM.

## **REASONS AND BENEFITS OF THE TRANSACTION AND RISK CONTROL**

According to the capital needs of the Company, in the financing plan for the year of 2016, the Company proposed to replenish its current capital through short-term gold leasing from the bank(s) in an amount not exceeding RMB3 billion. The term of financing shall be no more than one year and the financing cost will not exceed the benchmark interest rate of one-year loan set by the People's Bank of China. The gold leasing financing arrangement, which is agreed by the Company and the bank(s) and is subject to the preset financing cost, requires the Company to firstly take lease on gold from the bank(s) and immediately entrust the bank(s) to sell all the leased gold to acquire the financed funds. The Company and the bank(s) then enter into a forward transaction agreement which stipulates that the same price be adopted for purchasing the same quantity and the same type of gold after one year and that the quantity and amount of the gold to be repaid at maturity shall be fixed. Upon the completion of the leasing, the Company will return the same quantity and the same type of gold to the bank(s).

Financing costs incurred from this financing which include the gold leasing fees, the charges for futures contracts and other transaction expenses, shall not, on an annual basis, exceed the benchmark interest rate of one-year loan set by the People's Bank of China. The funds raised from the gold leased by the Company will be used as working capital for production and operation.

While the Company enters into the Gold Leasing Agreements and the General Hedging Agreement with BOCOM, and entrusts BOCOM to conduct corresponding forward hedging in accordance with the agreed terms and price in terms of the type and quantity of the leased gold, the Company is not subject to any risks arising from the gold price fluctuations during the financing period.

Directors are of view that the quick acquisition of capital by the Company by way of gold leasing and the business of purchasing and selling of gold with the same price through BOCOM is free from the risks of gold price fluctuations, and broadens financing channels for the Company to satisfy the Company's capital needs for production and operation as well as effectively lower the financing cost of the Company.

## **HONG KONG LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) for transactions under the Gold Leasing Agreements and the General Hedging Agreement exceeds 5% but is less than 25% on an aggregated basis, the transactions under the Gold Leasing Agreements and the General Hedging Agreement constitute discloseable transactions of the Company on an aggregated basis under Chapter 14 of the Hong Kong Listing Rules and are subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, BOCOM is an independent third party to the Company.

The Directors (including independent non-executive Directors) considered that transactions contemplated under the Gold Leasing Agreements and the General Hedging Agreement are entered into on normal commercial terms, and the terms set out in the aforementioned agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION**

The Company is a joint stock limited company established in the PRC. Its 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 sales of alumina, primary aluminum and alloy products and operating of coal and electricity businesses as well as the trading of non-ferrous metal products and logistics business.

BOCOM is one of the major financial service providers in the PRC. Its business scope includes commercial banking, securities services, trust services, financial leasing, fund management, insurance and offshore financial services.

## DEFINITIONS

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

“A Share(s)”	the 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, with each ADS representing 25 H Shares;
“Board”	the board of Directors of the Company;
“BOCOM”	Beijing Municipal Branch, Bank of Communications Co., Ltd.*;
“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;
“Gold Leasing Agreements”	four agreements in relation to the gold leasing entered into by the Company and BOCOM on 6 June 2016, details of which are set out in this announcement;
“Gold Leasing Operational Agreement”	the agreement in relation to the operation of gold leasing and financing arrangement entered into by the Company and BOCOM on 6 June 2016, details of which are set out in this announcement;
“General Hedging Agreement”	the general agreement in relation to the gold hedging business entered into by the Company and BOCOM on 6 June 2016, details of which are set out in this announcement;

“Standard Gold”	the standard gold in Au99.99 fineness which is traded on the Shanghai Gold Exchange, the subject matter under the Gold Leasing Agreements;
“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;
“Shareholder(s)”	the shareholder(s) of the Company;
“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 Zhankui**  
*Company Secretary*

Beijing, the PRC  
6 June 2016

*As at the date of this announcement, the members of the Board comprise Mr. Ao Hong, Mr. Liu Xiangmin 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*