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**Aluminum Corporation of
China Overseas Holdings Limited**

(中 鋁 海 外 控 股 有 限 公 司)

*(Incorporated under the laws of Hong Kong
with limited liability)*



CHINALCO-CMC

**Chinalco Mining
Corporation International**

(中 鋁 礦 業 國 際)

*(Incorporated under the laws of the Cayman Islands
with limited liability)*

(Stock Code: 3668)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF CMC BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)**

(2) PROPOSED WITHDRAWAL OF LISTING OF CMC SHARES

(3) SPECIAL DEAL RELATING TO SPOT SALES ARRANGEMENT

AND

(4) RESUMPTION OF TRADING IN CMC SHARES

Financial Adviser to the Offeror

Morgan Stanley

INTRODUCTION

The respective directors of the Offeror and CMC jointly announce that on 14 September 2016, the Offeror requested the board of directors of CMC to put forward the Proposal to the Scheme Shareholders regarding the proposed privatisation of CMC by way of a scheme of arrangement under Section 86 of the Companies Law.

TERMS OF THE PROPOSAL

Under the Proposal, the Scheme Shares will be cancelled in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$1.39 in cash for each Scheme Share. The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

The Cancellation Price represents:

- a premium of approximately 32.4% over the closing price of HK\$1.05 per CMC Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 33.7% over the average closing price of approximately HK\$1.04 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 33.7% over the average closing price of approximately HK\$1.04 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 61.6% over the average closing price of approximately HK\$0.86 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 65.5% over the average closing price of approximately HK\$0.84 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the one year up to and including the Last Trading Day; and
- a premium of approximately 239.0% over the unaudited consolidated net asset value per CMC Share of approximately HK\$0.41 as at 30 June 2016.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will be conditional upon the fulfillment or waiver, as applicable, of all the Conditions on or before the Long Stop Date (or such later date as the Offeror and CMC may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will not proceed or lapse, as the case may be.

REASONS FOR AND EXPECTED BENEFITS OF THE PROPOSAL

The Offeror wishes to privatise CMC in order to ensure the continued normal operation of the Toromocho Project given the significant financial pressures facing CMC as an independent listed company.

Since CMC's initial public offering in January 2013, copper prices as quoted by the LME have decreased approximately 43% from US\$3.77/lb on 31 January 2013 to US\$2.15/lb on the Last Trading Day. This has had a negative impact on the trading prices of CMC Shares, together with other copper producers and similar companies, and has also decreased the ability of CMC to raise equity funding for operations.

During the same period, CMC has and continues to experience several operational challenges resulting in (i) inefficiencies in both the mining and processing operations with lower recovery rates for copper and the production of copper concentrates, (ii) the production of copper concentrates with more than 0.5% arsenic content and other penalty elements (which make the sale of such products being subject to higher than industry standard penalties and renders such products unfit for sale to certain buyers) and (iii) a high rate of oxidation of ores mined (which affects ore recovery rates).

In June 2013, the board of directors of CMC approved the Project Expansion with an anticipated capital expenditure of US\$1.32 billion. The completion of the Project Expansion will enhance the operation efficiency of the Toromocho Project significantly. However, as at the Announcement Date, a substantial part of such future capital expenditure remains unfunded.

Meanwhile, CMC has financed its continued operations and expansion using loans (including shareholder loans) and borrowings which total US\$4.30 billion as at 30 June 2016. As at 30 June 2016, CMC's unaudited current liabilities exceeded its current assets by over US\$1.0 billion. The CMC Group continued to adopt the going concern basis in preparing its financial statements after taking into consideration the debt funding secured by CMC and the fact that the Offeror has agreed not to demand the repayment of the shareholder loans due from the CMC Group until the CMC Group is financially capable to do so. The Offeror believes that it may be challenging for CMC to fund its expansion given the financial pressure CMC is under and the difficulty it faces in raising further equity funding in the current environment.

The Offeror believes that it is unsustainable in the long-term for the Offeror to maintain continuing financial support to CMC by way of shareholder loans and there are significant challenges in securing additional debt financing required for the Project Expansion under the current capital structure. By privatising CMC, the Offeror will be able to exercise greater flexibility in reorganising the capital structure of CMC and in increasing funding to CMC. The Proposal would also provide current shareholders with a reasonable exit of their investment in CMC that is attractive in light of current market conditions.

IRREVOCABLE UNDERTAKINGS

On 21 September and 22 September 2016, the Offeror received the Irrevocable Undertakings from the Committed Shareholders, pursuant to which each of the Committed Shareholders has undertaken to, amongst other things, exercise (or procure the exercise) of all voting rights attached to the CMC Shares held or owned by it at the Court Meeting and the extraordinary general meeting to be convened by CMC in connection with the Proposal in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal. The total number of CMC Shares held by the Committed Shareholders which are the subject of the Irrevocable Undertakings are 745,382,000, representing approximately 44.27% of the CMC Shares held by the Independent CMC Shareholders and approximately 6.31% of the total issued share capital of CMC as at the Announcement Date.

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Shareholders under their respective Irrevocable Undertakings shall lapse and terminate if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by the Offeror and/or CMC at the same time.

Tongling Nonferrous Metals Group Holdings Co., Ltd. (though not being a party to the Irrevocable Undertakings) has confirmed its intention to exercise all voting rights attached to the 221,516,000 CMC Shares (representing approximately 1.87% of the total issued share capital of CMC as at the Announcement Date) held or owned by it at the Court Meeting and the extraordinary general meeting to be convened by CMC in connection with the Proposal in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal.

Taking into account the Irrevocable Undertakings and the confirmation of intention received by the Offeror, five Independent CMC Shareholders holding an aggregate of 966,898,000 CMC Shares, representing approximately 57.43% of the CMC Shares held by all the Independent CMC Shareholders and approximately 8.18% of the issued share capital of CMC, have undertaken or indicated their intention to vote in favour of the Proposal. However, given the Committed Shareholders and Tongling Nonferrous Metals Group Holdings Co., Ltd. are also the Offtake Shareholders, they will be required to abstain from voting on the proposal for the Spot Sales Mechanism at the extraordinary general meeting of CMC.

SHAREHOLDING STRUCTURE OF CMC AND SCHEME SHARES

As at the Announcement Date, the authorised share capital of CMC was US\$1,000,000,000 divided into 25,000,000,000 CMC Shares of US\$0.04 each, and the issued share capital of CMC was US\$472,711,297.12 divided into 11,817,782,428 CMC Shares of US\$0.04 each.

As at the Announcement Date, the Offeror held, owned, controlled or had directions over 10,001,171,428 CMC Shares, representing approximately 84.63% of the issued share capital of CMC. Such CMC Shares will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. As at the Announcement Date, the Offeror Concert Parties held in aggregate 132,910,000 CMC Shares, representing approximately 1.12% of the issued share capital of CMC. All of the CMC Shares held by the Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

SPOT SALES ARRANGEMENTS

In the course of its normal business operation, CMC has been engaged in sales of copper concentrates to the Offtake Shareholders and/or their respective affiliates. Such sales are made under (i) offtake sales contracts with terms that are within the parameters set out in the existing offtake agreements which were entered into between 2012 and 2014, and (ii) spot sales contracts with terms that are outside the scope of the relevant offtake agreements. Prior to the Proposal and the Scheme are reasonably contemplated by CMC, it has entered into several Existing Spot Sales Contracts. It is expected that CMC will continue to engage in sales with the Offtake Shareholders and/or their respective affiliates under offtake sales contracts and spot sales contracts.

Sales under any offtake sales contracts to be entered into between CMC and any Offtake Shareholder and/or their respective affiliates would not be considered a special deal in view of the fact that (i) they will be entered into within the parameters set out in the existing offtake agreements, and (ii) they are an implementation of the relevant existing offtake agreement. In order to ensure that any offtake sales contract will be entered into within the parameters set out in the relevant existing offtake agreement, sales under offtake sales contracts would be supervised and overseen by the independent non-executive directors of CMC from the Announcement Date until six months after completion of the Proposal.

The Existing Spot Sales Contracts would not be considered a special deal in view of the fact that (i) they were entered into prior to the Proposal and the Scheme are reasonably contemplated by CMC, and (ii) they are merely an implementation of the existing contracts. Any Future Spot Sales Contract constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code, as they are not entered into pursuant to existing offtake agreements and will be only entered into by and between CMC and the Offtake Shareholders and/or their respective affiliates without involving or being offered to all the CMC Shareholders. The Offeror will make an application for consent from the Executive in relation to the Future Spot Sales Contracts within the Spot Sales Mechanism conditional on (i) the CMC Independent Financial Adviser confirming that the Spot Sales Mechanism is fair and reasonable, and (ii) the passing of ordinary resolution(s) by the CMC Shareholders who are not involved in or interested in the Future Spot Sales Contracts at an extraordinary general meeting of CMC to approve the Spot Sales Mechanism. All of the Offtake Shareholders and the Offeror will be required to abstain from voting on the proposal for the Spot Sales Mechanism at the extraordinary general meeting of CMC.

Upon obtaining the consent of the Executive under Rule 25 of the Takeovers Code, any spot sales contract to be entered into between CMC and the Offtake Shareholders and/or their respective affiliates from the Announcement Date until six months after completion of the Proposal would be considered to have complied with the requirements under the Takeovers Code if terms of the spot sales contract are within the Spot Sales Mechanism. Independent non-executive directors of CMC will (i) review the Spot Sales Mechanism to ensure it is fair and reasonable and (ii) supervise and oversee the entering into of any spot sales contract by CMC to ensure that material terms of such contract would be within the Spot Sales Mechanism for a period of six months after the completion of the Proposal.

FINANCIAL RESOURCES

The Offeror intends to finance the cash required for the Proposal from existing cash in a bank account.

The amount of cash required to implement the Proposal would be approximately HK\$2,526,000,000.

Morgan Stanley, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the payment in full of the cash consideration payable under the Proposal in accordance with its terms.

WITHDRAWAL OF LISTING OF CMC SHARES

CMC will apply to the Stock Exchange for the withdrawal of the listing of CMC Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, immediately following the Effective Date. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the fulfilment of the Conditions and in the event that the Scheme is not approved or the Proposal otherwise lapses, the listing of CMC Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for CMC, except with the consent of the Executive.

CMC INDEPENDENT BOARD COMMITTEE

The board of directors of CMC has established the CMC Independent Board Committee, comprising all the independent non-executive directors, being Mr. Scott McKee Hand, Mr. Ronald Ashley Hall, Mr. Lai Yat Kwong Fred and Mr. Francisco Augusto Baertl Montori, to advise the Independent CMC Shareholders as to (i) whether the Proposal and the Spot Sales Mechanism are, or are not, fair and reasonable and (ii) whether to vote in favour of the Scheme and the Spot Sales Mechanism at the Court Meeting and/or the extraordinary general meeting of CMC.

The CMC Independent Financial Adviser will be appointed (with the approval of the CMC Independent Board Committee) to advise the CMC Independent Board Committee in connection with the Proposal and the Spot Sales Mechanism. A further announcement will be made after the appointment of CMC Independent Financial Adviser.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding CMC, recommendations from the CMC Independent Board Committee with respect to the Proposal and the Spot Sales Mechanism, and the advice of the CMC Independent Financial Adviser, the Spot Sales Mechanism, a notice of the Court Meeting and a notice of an extraordinary general meeting of CMC, together with proxies in relation thereto, will be despatched to CMC Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable laws and regulations.

SUSPENSION AND RESUMPTION OF TRADING IN CMC SHARES

At the request of CMC, trading in CMC Shares on the Stock Exchange was suspended from 9:00 a.m. on 15 September 2016 pending issuance of this announcement. An application has been made by CMC to the Stock Exchange for the resumption of trading in CMC Shares on the Stock Exchange with effect from 9:00 a.m. on 26 September 2016.

WARNINGS

CMC Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. CMC Shareholders and potential investors should therefore exercise caution when dealing in the securities of CMC. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of CMC in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a Cayman Islands company by means of a scheme of arrangement provided for under the Companies Law. The financial information included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and CMC are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with the Takeovers Code and Rule 14e-5(b) of the US Securities Exchange Act of 1934, Morgan Stanley and its respective affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the Securities and Futures Commission and, to the extent made public by the Securities and Futures Commission, will be available on the website of the Securities and Futures Commission at <http://www.sfc.hk>.

1. INTRODUCTION

On 14 September 2016, the Offeror requested the board of directors of CMC to put forward the Proposal to the Scheme Shareholders regarding the proposed privatisation of CMC by way of a scheme of arrangement under Section 86 of the Companies Law.

If the Proposal is approved and implemented,

- (i) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled in exchange for the payment of HK\$1.39 per Scheme Share in cash to each Scheme Shareholder by the Offeror;
- (ii) the issued share capital of CMC will, on the Effective Date, be reduced by cancelling the Scheme Shares. Immediately upon such reduction, the issued share capital of CMC will be increased to its former amount by the issue at par to the Offeror, credited as fully paid, of the same number of CMC Shares as the number of Scheme Shares cancelled. The reserve created in the books of accounts of CMC as a result of the capital reduction will be applied in paying up in full at par the new CMC Shares so issued to the Offeror;
- (iii) the Offeror will then hold 100% issued share capital in CMC; and
- (iv) CMC will apply to the Stock Exchange for the withdrawal of the listing of CMC Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

2. TERMS OF THE PROPOSAL

Cancellation Price

Under the Scheme, the Scheme Shareholders will receive from the Offeror the Cancellation Price of HK\$1.39 in cash for every Scheme Share as consideration for the cancellation of the Scheme Shares held as at the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

Comparison of value

The Cancellation Price of HK\$1.39 per Scheme Share represents:

- a premium of approximately 32.4% over the closing price of HK\$1.05 per CMC Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 33.7% over the average closing price of approximately HK\$1.04 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 33.7% over the average closing price of approximately HK\$1.04 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 61.6% over the average closing price of approximately HK\$0.86 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 65.5% over the average closing price of approximately HK\$0.84 per CMC Share based on the daily closing prices as quoted on the Stock Exchange for the one year up to and including the Last Trading Day; and
- a premium of approximately 239.0% over the unaudited consolidated net asset value per CMC Share of approximately HK\$0.41^(note) as at 30 June 2016.

Note: The unaudited consolidated net asset value per CMC Share is calculated based on the unaudited net asset value provided in the interim results announcement for the six months ended 30 June 2016 of CMC dated 23 August 2016. The translation between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.75 to US\$1.00.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day, the highest closing price of CMC Shares was HK\$1.05 on 14 September 2016, 30 August 2016 and 6 July 2016 and the lowest closing price of CMC Shares was HK\$0.70 on 16 May 2016.

During the two-year period ended on and including the Last Trading Day, the highest closing price of CMC Shares was HK\$1.16 on 12 June 2015, 8 June 2015, 29 May 2015, 26 May 2015, 19 May 2015 and 14 May 2015 and the lowest closing price of CMC Shares was HK\$0.64 on 25 February 2016.

Conditions of the Proposal and the Scheme

The Proposal is, and the Scheme will become, effective and binding on CMC and all CMC Shareholders, subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Independent CMC Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by Independent CMC Shareholders;
- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by CMC Shareholders present and voting in person or by proxy at an extraordinary general meeting of CMC to approve and give effect to the reduction of the issued share capital of CMC by cancelling the Scheme Shares, and (ii) the passing of an ordinary resolution by CMC Shareholders at an extraordinary general meeting of CMC to increase immediately thereafter the issued share capital of CMC to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new CMC Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, the Grand Court's confirmation of the reduction of the share capital of CMC, and the registration of a copy of the Court Orders by the Registrar of Companies in the Cayman Islands;
- (d) compliance by CMC, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of CMC;

- (e) all Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities of the PRC, Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in any relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (g) all necessary consents (including consents from the relevant lenders) in connection with the Proposal and the withdrawal of listing of CMC Shares from the Stock Exchange which may be required under any existing contractual obligations of CMC being obtained and remaining in effect;
- (h) if required, the obtaining by the Offeror of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms);
- (j) since the Announcement Date, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of CMC Group (to an extent which is material in the context of CMC Group taken as a whole or in the context of the Proposal); and
- (k) since the Announcement Date, there not having been instituted or remaining outstanding any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of CMC Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of CMC Group taken as a whole or in the context of the Proposal.

The Offeror reserves the right to waive conditions (e), (f), (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c) and (d) cannot be waived in any event. In respect of condition (e), as at the Announcement Date, the Offeror does not reasonably foresee any necessary Authorisations required for the Proposal from, with or by (as the case may be) the Relevant Authorities of the PRC, Cayman Islands, Hong Kong and any other relevant jurisdictions, save for the Authorisations already set out above as a condition, the sanction of the Grand Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the orders of the Grand Court. In respect of Condition (h), as at the Announcement Date, the Offeror is not aware of any consent, approval, authorisation, permission, waiver or exemption to be obtained by the Offeror from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and CMC may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse. CMC has no right to waive any of the Conditions.

Warnings:

CMC Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. CMC Shareholders and potential investors should therefore exercise caution when dealing in the securities of CMC. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

3. IRREVOCABLE UNDERTAKINGS

On 21 September and 22 September 2016, the Offeror received the Irrevocable Undertakings from the Committed Shareholders, pursuant to which each of the Committed Shareholders has undertaken to, amongst other things, exercise (or procure the exercise) of all voting rights attached to the CMC Shares held or owned by it at the Court Meeting and the extraordinary general meeting to be convened by CMC in connection with the Proposal in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal. The total number of CMC Shares held by the Committed Shareholders which are the subject of the Irrevocable Undertakings are 745,382,000, representing approximately 44.27% of the CMC Shares held by the Independent CMC Shareholders and approximately 6.31% of the total issued share capital of CMC as at the Announcement Date.

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Shareholders under their respective Irrevocable Undertakings shall lapse and terminate if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by the Offeror and/or CMC at the same time.

Tongling Nonferrous Metals Group Holdings Co., Ltd. (though not being a party to the Irrevocable Undertakings) has confirmed its intention to exercise all voting rights attached to the 221,516,000 CMC Shares (representing approximately 1.87% of the total issued share capital of CMC as at the Announcement Date) held or owned by it at the Court Meeting and the extraordinary general meeting to be convened by CMC in connection with the Proposal in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal.

Taking into account the Irrevocable Undertakings and the confirmation of intention received by the Offeror, five Independent CMC Shareholders holding an aggregate of 966,898,000 CMC Shares, representing approximately 57.43% of the CMC Shares held by all the Independent CMC Shareholders and approximately 8.18% of the issued share capital of CMC, have undertaken or indicated their intention to vote in favour of the Proposal. However, given the Committed Shareholders and Tongling Nonferrous Metals Group Holdings Co., Ltd. are also the Offtake Shareholders, they will be required to abstain from voting on the proposal for the Spot Sales Mechanism at the extraordinary general meeting of CMC.

4. SHAREHOLDING STRUCTURE OF CMC AND THE SCHEME SHARES

On the assumption that there is no other change in shareholding of CMC before completion of the Proposal, the table below sets out the shareholding structure of CMC as at the Announcement Date and immediately upon completion of the Proposal:

CMC Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal (Note 4)	
	Number of CMC Shares	% (Note 6)	Number of CMC Shares	% (Note 6)
Offeror (Note 1)	10,001,171,428	84.63	11,817,782,428	100.00
Offeror Concert Parties				
CMC Shares held subject to the Scheme:				
— Rio Tinto International Holdings Limited (Note 2)	<u>132,910,000</u>	<u>1.12</u>	<u>—</u>	<u>—</u>
Total number of CMC Shares held by the Offeror and the Offeror Concert Parties	<u>10,134,081,428</u>	<u>85.75</u>	<u>11,817,782,428</u> (Note 5)	<u>100.00</u>
Independent CMC Shareholders	<u>1,683,701,000</u>	<u>14.25</u>	<u>—</u>	<u>—</u>
Total number of CMC Shares	<u>11,817,782,428</u>	<u>100.00</u>	<u>11,817,782,428</u>	<u>100.00</u>
Total number of Scheme Shares (Note 3)	<u>1,816,611,000</u>	<u>15.37</u>	<u>—</u>	<u>—</u>

Notes:

- CMC Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled. The number 10,001,171,428 excludes a 0.58 fractional CMC Share held by the Offeror which is non-tradable and which will also not form part of the Scheme Shares and will not be cancelled.
- Rio Tinto Group (including Rio Tinto International Holdings Limited) owns or controls more than 20% of the voting rights in joint ventures with Chinalco. Therefore, Rio Tinto International Holdings Limited will be presumed to be acting in concert with the Offeror in relation to CMC in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code.
- The total number of CMC Shares (assuming that there is no other change in shareholding of CMC before completion of the Proposal) minus the aggregate number of CMC Shares held by the Offeror equals the total number of Scheme Shares (on the same assumptions).

4. Under the Scheme, the issued share capital of CMC will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that there is no other change in shareholding of CMC before completion of the Proposal, forthwith upon such reduction, the issued share capital of CMC will be increased to its former amount by the issue at par to the Offeror, credited as fully paid, of the same number of CMC Shares as the number of the Scheme Shares cancelled. The reserve created in CMC's books of account as a result of the capital reduction will be applied in paying up in full at par the new CMC Shares so issued to the Offeror.
5. All of the CMC Shares held by the Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. Accordingly, immediately upon completion of the Proposal, the Offeror will then hold all the issued share capital in CMC.
6. All percentages in the above table are approximations.

Following the Effective Date and the withdrawal of listing of CMC Shares on the Stock Exchange, the Offeror will hold 100% of the issued share capital of CMC on the assumption that there is no other change in shareholding in CMC before completion of the Proposal.

As at the Announcement Date, the authorised share capital of CMC was US\$1,000,000,000 divided into 25,000,000,000 CMC Shares of US\$0.04 each, and the issued share capital of CMC was US\$472,711,297.12 divided into 11,817,782,428 CMC Shares of US\$0.04 each.

As at the Announcement Date, the Offeror holds, owns, controls or has direction over 10,001,171,428 CMC Shares representing approximately 84.63% of the issued share capital of CMC. Such CMC Shares will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. As at the Announcement Date, the Offeror Concert Parties held in aggregate 132,910,000 CMC Shares, representing approximately 1.12% of the issued share capital of CMC. All of the CMC Shares held by the Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

As at the Announcement Date, (i) neither the Offeror nor any of the Offeror Concert Parties holds, owns, controls or has direction over any options, warrants or convertible securities in respect of CMC Shares, (ii) there are no outstanding derivatives in respect of CMC Shares entered into by the Offeror or the Offeror Concert Parties, and (iii) CMC did not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into CMC Shares as at the Announcement Date.

5. OVERSEAS CMC SHAREHOLDERS

The making of the Proposal to the Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due from such Scheme Shareholders in such jurisdiction. Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to CMC, the Offeror, and their respective advisers, including Morgan Stanley, the financial adviser to the Offeror, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of CMC regard as unduly onerous or burdensome (or otherwise not in the best interests of CMC or CMC Shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders. For that purpose, CMC may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasised that none of the Offeror, CMC and Morgan Stanley or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

6. FINANCIAL RESOURCES

The amount of cash required to implement the Proposal would be approximately HK\$2,526,000,000.

The Offeror intends to finance the cash required for the Proposal from existing cash in a bank account.

Morgan Stanley, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for the payment in full of the cash consideration payable under the Proposal in accordance with its terms.

7. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

The Offeror wishes to privatise CMC in order to ensure the continued normal operation of the Toromocho Project given the significant financial pressures facing CMC as an independent listed company.

Since CMC's initial public offering in January 2013, copper prices as quoted by the LME have decreased approximately 43% from US\$3.77/lb on 31 January 2013 to US\$2.15/lb on the Last Trading Day. This has had a negative impact on the trading prices of CMC Shares, together with other copper producers and similar companies, and has also decreased the ability of CMC to raise equity funding for operations.

During the same period, CMC has and continues to experience several operational challenges resulting in (i) inefficiencies in both the mining and processing operations with lower recovery rates for copper and the production of copper concentrates, (ii) the production of copper concentrates with more than 0.5% arsenic content and other penalty elements (which make the sale of such products being subject to higher than industry standard penalties and renders such products unfit for sale to certain buyers) and (iii) a high rate of oxidation of ores mined (which affects ore recovery rates).

In June 2013, the board of directors of CMC approved the Project Expansion with an anticipated capital expenditure of US\$1.32 billion. The completion of the Project Expansion will enhance the operation efficiency of the Toromocho Project significantly. However, as at the Announcement Date, a substantial part of such future capital expenditure remains unfunded.

Meanwhile, CMC has financed its continued operations and expansion using loans (including shareholder loans) and borrowings which total US\$4.30 billion as at 30 June 2016. As at 30 June 2016, CMC's unaudited current liabilities exceeded its current assets by over US\$1.0 billion. The CMC Group continued to adopt the going concern basis in preparing its financial statements after taking into consideration the debt funding secured by CMC and the fact that the Offeror has agreed not to demand the repayment of the shareholder loans due from the CMC Group until the CMC Group is financially capable to do so. The Offeror believes that it may be challenging for CMC to fund its expansion given the financial pressure CMC is under and the difficulty it faces in raising further equity funding in the current environment.

The Offeror believes that it is unsustainable in the long-term for the Offeror to maintain continuing financial support to CMC by way of shareholder loans and there are significant challenges in securing additional debt financing required for the Project Expansion under the current capital structure. By privatising CMC, the Offeror will be able to exercise greater flexibility in reorganising the capital structure of CMC and in increasing funding to CMC. The Proposal would also provide current shareholders with a reasonable exit of their investment in CMC that is attractive in light of current market conditions.

8. SPOT SALES ARRANGEMENTS

In the course of its normal business operation, CMC has been engaged in sales of copper concentrates to the Offtake Shareholders and/or their respective affiliates. Such sales are made under (i) offtake sales contracts with terms that are within the parameters set out in the existing offtake agreements which were entered into between 2012 and 2014, and (ii) spot sales contracts with terms that are outside the scope of the relevant offtake agreements. Prior to the Proposal and the Scheme are reasonably contemplated by CMC, it has entered into several Existing Spot Sales Contracts. It is expected that CMC will continue to engage in sales with the Offtake Shareholders and/or their respective affiliates under offtake sales contracts and spot sales contracts.

Sales under any offtake sales contracts to be entered into between CMC and any Offtake Shareholder and/or their respective affiliates would not be considered a special deal in view of the fact that (i) they will be entered into within the parameters set out in the existing offtake agreements, and (ii) they are an implementation of the relevant existing offtake agreement. Furthermore, should entering into such offtake sales contracts be deemed as special deals, CMC would be subject to certain restrictions on the performance of its obligations under the existing offtake agreements, which might lead to potential breach of certain terms of such agreements by CMC. In order to ensure that any offtake sales contract will be entered into within the parameters set out in the relevant existing offtake agreement, sales under offtake sales contracts would be supervised and overseen by the independent non-executive directors of CMC from the Announcement Date until six months after completion of the Proposal.

The Existing Spot Sales Contracts would not be considered a special deal in view of the fact that (i) they were entered into prior to the Proposal and the Scheme are reasonably contemplated by CMC, and (ii) they are merely an implementation of the existing contracts. Any Future Spot Sales Contract constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code, as they are not entered into pursuant to existing offtake agreements and will be only entered into by and between CMC and the Offtake Shareholders and/or their respective affiliates without involving or being offered to all the CMC Shareholders. The Offeror will make an application for consent from the Executive in relation to the Future Spot Sales Contracts within the Spot Sales Mechanism conditional on (i) the CMC Independent Financial Adviser confirming that the Spot Sales Mechanism is fair and reasonable, and (ii) the passing of ordinary resolution(s) by the CMC Shareholders who are not involved in or interested in the Future Spot Sales Contracts at an extraordinary general meeting of CMC to approve the Spot Sales Mechanism. All of the Offtake Shareholders and the Offeror will be required to abstain from voting on the proposal for the Spot Sales Mechanism at the extraordinary general meeting of CMC.

Upon obtaining the consent of the Executive under Rule 25 of the Takeovers Code, any spot sales contract to be entered into between CMC and the Offtake Shareholders and/or their respective affiliates from the Announcement Date until six months after completion of the Proposal would be considered to have complied with the requirements under the Takeovers Code if terms of the spot sales contract are within the Spot Sales Mechanism. Independent non-executive directors of CMC will (i) review the Spot Sales Mechanism to ensure it is fair and reasonable and (ii) supervise and

oversee the entering into of any spot sales contract by CMC to ensure that material terms of such contract would be within the Spot Sales Mechanism for a period of six months after the completion of the Proposal.

Details of the Spot Sales Mechanism will be included in the Scheme Document.

9. INFORMATION ON CMC

CMC is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since January 2013 with the stock code 3668.

CMC is the core platform of Chinalco for the future acquisition, investment, development and operation of non-ferrous and non-aluminum mineral resources and projects outside the PRC with unaudited consolidated total assets of approximately US\$5,398.9 million as at 30 June 2016.

Currently, CMC focuses on developing the Toromocho Project through Minera Chinalco Peru S.A. (“**Chinalco Peru**”), a wholly owned subsidiary of CMC in Peru. The Toromocho Project is located in the central Peru in the core of the Morococha mining district. The Environmental Impact Assessment of the Toromocho Project was approved by the Peruvian government in December 2010. Chinalco Peru obtained the construction permit and began the construction for the Toromocho Project in July 2011. The commissioning of Toromocho Project commenced in December 2013. The Toromocho Project has commenced commercial production since June 2015.

10. INFORMATION ON THE OFFEROR

The Offeror was incorporated in Hong Kong on 18 July 2007 as a limited liability company. It is an investment holding company and a wholly owned subsidiary of Chinalco, which is a state-owned enterprise administered by the SASAC. Chinalco principally engages in the mining, smelting and processing of non-ferrous metals and related trading, engineering and technological services.

11. WITHDRAWAL OF LISTING OF CMC SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

CMC will apply to the Stock Exchange for the withdrawal of the listing of CMC Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, immediately following the Effective Date. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in CMC Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of CMC Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

12. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of CMC Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for CMC, except with the consent of the Executive.

If the CMC Independent Board Committee or the CMC Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by CMC in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

13. SCHEME SHARES, MEETING OF SCHEME SHAREHOLDERS AND EXTRAORDINARY GENERAL MEETING OF CMC

As at the Announcement Date, the Offeror held 10,001,171,428 CMC Shares representing approximately 84.63% of the issued share capital of CMC. Such CMC Shares will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective. As the Offeror is not a Scheme Shareholder, it will not vote on the Scheme at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will be subject to the terms and conditions of the Scheme.

By reason of being the financial adviser to the Offeror, Morgan Stanley is presumed to be acting in concert with the Offeror in relation to CMC. As at the Announcement Date, and so far as the Offeror is aware taking into account Note 1 to Rule 3.5 of the Takeovers Code, members of the Morgan Stanley group (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) which are presumed to be acting in concert with the Offeror in relation to CMC held no position in CMC Shares.

As at the Announcement Date, the Offeror Concert Parties held in aggregate 132,910,000 CMC Shares, representing approximately 1.12% of the issued share capital of CMC. All of the CMC Shares held by the Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

All CMC Shareholders will be entitled to attend the extraordinary general meeting of CMC and vote on (i) the special resolution to approve and give effect to the reduction of the issued share capital of CMC by cancelling the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of CMC to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new CMC Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issue to the Offeror. The Offeror has indicated that if the Scheme is approved at the Court Meeting, those CMC Shares held by it will be voted in favour of the resolutions to be proposed at the extraordinary general meeting of CMC.

14. CMC INDEPENDENT BOARD COMMITTEE

The board of directors of CMC has established the CMC Independent Board Committee, comprising all the independent non-executive directors, being Mr. Scott McKee Hand, Mr. Ronald Ashley Hall, Mr. Lai Yat Kwong Fred and Mr. Francisco Augusto Baertl Montori, to advise the Independent CMC Shareholders as to (i) whether the Proposal and the Spot Sales Mechanism are, or are not, fair and reasonable and (ii) whether to vote in favour of the Scheme and the Spot Sales Mechanism at the Court Meeting and/or the extraordinary general meeting of CMC.

As Mr. Liu Jianping, Mr. Luan Shuwei, Dr. Liu Hongjun and Dr. Wang Dongbo are also personnel or senior management of Chinalco and/or its subsidiaries, all non-executive directors of CMC are regarded as being interested in the Proposal and therefore do not form part of the CMC Independent Board Committee.

CMC Independent Financial Adviser will be appointed (with the approval of the CMC Independent Board Committee) to advise the CMC Independent Board Committee in connection with the Proposal and the Spot Sales Mechanism. A further announcement will be made after the appointment of the CMC Independent Financial Adviser.

15. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding CMC, recommendations from the CMC Independent Board Committee with respect to the Proposal and the Spot Sales Mechanism, and the advice of the CMC Independent Financial Adviser, the Spot Sales Mechanism, a notice of the Court Meeting and a notice of an extraordinary general meeting of CMC, together with proxies in relation thereto, will be despatched to CMC Shareholders as soon as practicable and in

compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable laws and regulations. The aggregate percentage holding in CMC Shares of the Offeror and the Offeror Concert Parties will also be disclosed in the Scheme Document, together with information on their dealings for value in CMC Shares (if any) during the period commencing six months prior to the Announcement Date and ending with the latest practicable date for ascertaining information in the Scheme Document.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the extraordinary general meeting of CMC. Any acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

16. DISCLOSURE OF DEALINGS

Associates of the Offeror, Chinalco and CMC (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, Chinalco and CMC) are hereby reminded to disclose their dealings in any securities of CMC under Rule 22 of the Takeovers Code during the offer period. Neither the Offeror nor any of the Offeror Concert Parties had any dealings for value in CMC Shares during the period commencing six months prior to the Announcement Date.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

17. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or CMC (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements about the expected effects on CMC of the Proposal, the expected timing and scope of the Proposal, and all other statements in this announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or CMC Group operate or other countries which have an impact on the Offeror and/or CMC Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or CMC Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or CMC Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or CMC Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, CMC or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date.

18. GENERAL

The Offeror has appointed Morgan Stanley as its financial adviser in connection with the Proposal.

All of the non-executive directors of CMC (being Mr. Liu Jianping, Mr. Luan Shuwei, Dr. Liu Hongjun and Dr. Wang Dongbo) and all of the executive director of CMC (being Mr. Liu Yuewei and Mr. Gao Lidong), who are also personnel or senior management of Chinalco and/or its subsidiaries, are regarded as being interested in the Proposal, and therefore have abstained and will continue to abstain from voting in respect of the board resolutions of CMC in relation to the Proposal. The directors of CMC (excluding members of the CMC Independent Board Committee) believe that the terms of the Proposal are fair and reasonable and in the interests of CMC Shareholders as a whole.

Save for the Proposal and sales as disclosed in the section headed “Spot Sales Arrangements” of this announcement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the CMC Shares or the Offeror’s shares between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal.

There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

The Offeror and the Offeror Concert Parties have not borrowed or lent any CMC Shares or any other securities of CMC as at the Announcement Date.

19. SUSPENSION AND RESUMPTION OF TRADING IN CMC SHARES

At the request of CMC, trading in CMC Shares on the Stock Exchange was suspended from 9:00 a.m. on 15 September 2016 pending issuance of this announcement. An application has been made by CMC to the Stock Exchange for the resumption of trading in CMC Shares on the Stock Exchange with effect from 9:00 a.m. on 26 September 2016.

20. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement Date”	23 September 2016, being the date of this announcement
“associate”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals required in connection with the Proposal
“Beneficial Owner”	any beneficial owner of CMC Shares whose CMC Shares are registered in the name of a Registered Owner
“Cancellation Price”	the cancellation price of HK\$1.39 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Chinalco”	Aluminum Corporation of China (中國鋁業公司), the parent of the Offeror

“CMC”	Chinalco Mining Corporation International (中鋁礦業國際), a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 3668)
“CMC Group”	CMC and its subsidiaries
“CMC Independent Board Committee”	the independent board committee of CMC, comprising all the independent non-executive directors, being Mr. Scott McKee Hand, Mr. Ronald Ashley Hall, Mr. Lai Yat Kwong Fred and Mr. Francisco Augusto Baertl Montori, established by the board of directors of CMC to make a recommendation to the Independent CMC Shareholders in respect of the Proposal and the Spot Sales Mechanism
“CMC Independent Financial Adviser”	the independent financial adviser to the CMC Independent Board Committee in connection with the Proposal and the Spot Sales Mechanism
“CMC Share(s)”	ordinary share(s) of US\$0.04 each in the share capital of CMC
“CMC Shareholder(s)”	registered holder(s) of CMC Shares
“Committed Shareholders”	Louis Dreyfus Company Metals Investments Limited, Urion Holdings (Malta) Limited, Hongfan International Limited and Guangxi Non-ferrous International Investment Limited
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as described in the section headed “2. Terms of the Proposal — Conditions of the Proposal and the Scheme” of this announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Court Orders”	the orders of Grand Court confirming the sanction of the Scheme as required by the Companies Law and confirming the reduction of capital of CMC as required by the Companies Law
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Existing Spot Sales Contracts”	spot sales contracts entered into between CMC and Trafigura Pte. Ltd. and Louis Dreyfus Company Metals Trading S.A.C. and/or their respective affiliates prior to the Proposal and the Scheme are reasonably contemplated by CMC, which have not been fully performed
“Future Spot Sales Contract(s)”	spot sale contract(s) to be entered into between CMC and any Offtake Shareholders and/or their respective affiliates from the Announcement Date until six months after completion of the Proposal
“Grand Court”	the Grand Court of the Cayman Islands
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent CMC Shareholder(s)”	CMC Shareholder(s) other than the Offeror and the Offeror Concert Parties. For the avoidance of doubt, Independent CMC Shareholders include any member of the Morgan Stanley group acting in its capacity as a Registered Owner of Scheme Shares held on behalf of a Beneficial Owner where the Beneficial Owner (i) controls the voting rights attaching to those CMC Shares; (ii) if CMC Shares are voted, gives instructions as to how those CMC Shares are to be voted; and (iii) is not the Offeror or an Offeror Concert Party
“Irrevocable Undertakings”	the irrevocable undertakings given by Louis Dreyfus Company Metals Investments Limited, Hongfan International Limited and Guangxi Non-ferrous International Investment Limited, each dated 21 September 2016 and Urion Holdings (Malta) Limited dated 22 September 2016 in respect of an aggregate of 745,382,000 CMC Shares in favour of the Offeror
“Last Trading Day”	14 September 2016, being the last trading day of CMC Shares prior to the issuance of this announcement
“lb”	pound, a measurement unit used for determining the mass of copper
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“LME”	London Metal Exchange
“Long Stop Date”	the date which is 180 days after the Announcement Date
“Morgan Stanley”	Morgan Stanley Asia Limited, a registered institution under the SFO licensed to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which is the financial adviser to the Offeror in connection with the Proposal
“Offeror”	Aluminum Corporation of China Overseas Holdings Limited (中鋁海外控股有限公司)
“Offeror Concert Parties”	parties acting in concert with the Offeror in relation to CMC including Morgan Stanley (except members of the Morgan Stanley group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) and Rio Tinto International Holdings Limited which is presumed to be acting in concert with the Offeror in relation to CMC
“Offtake Shareholders”	Urion Holdings (Malta) Limited (an affiliate of Trafigura Beheer B.V.), Hongfan International Limited (an affiliate of Hongfan Group Holdings Limited), Tongling Nonferrous Metals Group Holdings Co., Ltd. (an affiliate of Tongling Nonferrous Metals Group Co., Ltd.), Louis Dreyfus Company Metals Investments Limited (an affiliate of Louis Dreyfus Company Group) and Guangxi Non-ferrous International Investment Limited who have interest in CMC Shares and have been engaged in sales of copper concentrates (either directly or through their respective affiliates) with CMC, each an “Offtake Shareholder”
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and the Republic of Taiwan)
“Project Expansion”	the expansion of the Toromocho Project as described in the announcement of CMC dated 17 June 2013
“Proposal”	the proposal for the privatisation of CMC by the Offeror by way of the Scheme

“Registered Owner”	any owner of CMC Shares (including, without limitation, a nominee, trustee, depository or any other authorised custodian or other party) whose name is entered in the register of members of CMC
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“SASAC”	State-owned Assets Supervision and Administration Commission of the PRC
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares and the restoration of the share capital of CMC to the amount immediately before the cancellation of the Scheme Shares
“Scheme Document”	the composite scheme document to be issued by CMC and the Offeror containing, among other things, further details of the Proposal together with the additional information specified in the section headed “15. Despatch of Scheme Document” of this announcement
“Scheme Share(s)”	CMC Share(s) other than those held by the Offeror
“Scheme Shareholder(s)”	holder(s) of Scheme Shares as at the Effective Date
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Spot Sales Mechanism”	a mechanism with a set of parameters with respect to quality, pricing and other material terms for spot sales between CMC and the Offtake Shareholders under the Future Spot Sales Contracts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers in Hong Kong
“Toromocho Project”	a copper mineral deposit located in central Peru in the core of the Morococha mining district, being the unique mining asset operated by CMC

“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“US”	United States of America
“US\$”	US dollar(s), the lawful currency of the US

By Order of the Board of
**Aluminum Corporation of
China Overseas Holdings Limited**
Ge Honglin
Director

By Order of the Board of
Chinalco Mining Corporation International
Liu Jiaping
Chairman

Hong Kong, 23 September 2016

As at the Announcement Date, the directors of the Offeror are Mr. Ge Honglin, Mr. Liu Caiming, Mr. Wang Jun, Mr. Cai Chun and Ms. Yu Weihong.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to CMC Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by CMC Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the Announcement Date, the directors of Chinalco are Mr. Ge Honglin, Mr. Yu Dehui, Mr. Zhang Fusheng, Mr. Sun Youqi, Ms. Zhang Xiaolu, Mr. Zhao Xiaogang and Mr. Yuan Li. The directors of Chinalco accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to CMC Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by CMC Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to CMC Group) misleading.

As at the Announcement Date, the executive directors of CMC are Mr. Liu Yuewei and Mr. Gao Lidong, the non-executive directors of CMC are Mr. Liu Jianping (Chairman), Mr. Luan Shuwei, Dr. Liu Hongjun and Dr. Wang Dongbo, and the independent non-executive directors of CMC are Mr. Scott McKee Hand, Mr. Ronald Ashley Hall, Mr. Lai Yat Kwong Fred and Mr. Francisco Augusto Baertl Montori.

The directors of CMC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to CMC Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by CMC Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.