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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)

## Placing of H Shares and Resumption of Trading

### Joint Global Coordinators, Joint Placing Agents and Joint Bookrunners



J.P. Morgan Securities Ltd.



CLSA Limited



China International Capital Corporation  
Hong Kong Securities Limited

On 9 May 2006, Aluminum Corporation of China Limited (the “Company”) entered into a placing agreement (the “**Placing Agreement**”) with J.P. Morgan Securities Ltd., CLSA Limited and China International Capital Corporation Hong Kong Securities Limited (the “**Joint Placing Agents**”) in relation to the placing (the “**Placing**”), on a fully underwritten basis, of an aggregate of 644,100,000 overseas listed foreign invested shares of RMB1.00 each (“**H Shares**”) in the share capital of the Company (the “**Placing Shares**”) at a price of HK\$7.25 per H Share (the “**Placing Price**”).

The Placing Shares comprise (1) 600,000,000 H Shares (the “**New Shares**”) to be allotted and issued by the Company and (2) 44,100,000 H Shares (the “**Sale Shares**”) to be converted from the same number of existing State-owned domestic shares that are to be allocated from Aluminum Corporation of China to the National Social Security Fund Council (the “**NSSF**”) of the PRC.

The Placing Shares represent approximately 5.83% of the existing issued share capital of the Company and approximately 5.53% of the issued share capital of the Company as enlarged by the issue of the New Shares.

The Placing Shares will be sold to no less than six independent professional and institutional investors on a fully underwritten basis subject to termination in certain events, set out below under the heading “**Conditions of the Placing**”.

The net proceeds of the Placing of the New Shares will be approximately HK\$4,247 million. The Company intends to use the net proceeds from the Placing of the New Shares for the funding of any possible acquisitions of domestic primary aluminum projects and for general corporate purposes.

The New Shares will be issued under the general mandate granted to the directors of the Company (the “**Directors**”) at the annual general meeting of the Company held on 9 June 2005.

The Company requested for suspension of trading in the H Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from 12:25 p.m. on 8 May 2006 pending the release of this announcement, and will request for resumption of trading in the H Shares on the Stock Exchange with effect from 9:30 a.m. on 10 May 2006.

## THE PLACING AGREEMENT

Date: 9 May 2006

Parties: (i) The Company  
(ii) The Joint Placing Agents

## PLACING

The Joint Placing Agents agree as agents for the Company to severally procure, on a fully underwritten basis, institutional and other investors to subscribe for and purchase an aggregate of 644,100,000 Placing Shares. The Placing Shares comprise of (1) 600,000,000 New Shares to be allocated and issued by the Company; and (2) 44,100,000 Sale Shares to be converted from the same number of existing State-owned domestic shares that are to be allocated from Aluminum Corporation of China to NSSF.

## INDEPENDENCE OF THE JOINT PLACING AGENTS

The Joint Placing Agents are not connected persons (as defined in the Listing Rules) of the Company or the NSSF and each of them is independent of and not connected with any promoter, supervisor, director, chief executive or substantial shareholder of the Company or the NSSF or any of their respective subsidiaries or associates (as defined in the Listing Rules).

## NUMBER OF PLACING SHARES

The 644,100,000 H Shares represent approximately 19.52 per cent. and 5.83 per cent. respectively of the existing H Shares in issue and the registered capital of the Company prior to the Placing, and approximately 16.33 per cent. and 5.53 per cent. respectively of the H Shares in issue and the registered capital of the Company as enlarged by the issue of the New Shares.

## PLACING PRICE

HK\$7.25 per Placing Share, representing a discount of approximately 2.68 per cent to the closing price of HK\$7.45 per H Share on the Stock Exchange on the previous trading day prior to suspension on 8 May 2006, being the date immediately preceding the date of the Placing Agreement and representing a discount of approximately 3.33 per cent to the average closing price of HK\$7.50 per H Share of the last 5 trading days on the Stock Exchange immediately

preceding 8 May 2006, and a discount of approximately 5.10 per cent to the average closing price of HK\$7.64 per H Share of the last 10 trading days on the Stock Exchange immediately preceding 8 May 2006. The Placing Price was agreed after arm's length negotiation between the Company and the Joint Placing Agents.

The effective net placing price is estimated to be about HK\$7.08 per H Share.

## CONDITIONS OF THE PLACING

The Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares on or before 12:00 noon on 25 May 2006 (or such later time and date the Company and the Joint Placing Agents may agree in writing) and the Placing Agreement not having been terminated by the Joint Placing Agents in accordance with the terms thereof, such as on the grounds of material breach of the representations, warranties and undertakings of the Company given in the Placing Agreement or the occurrence of certain force majeure events.

## SALE BY NSSF

Pursuant to the approval of the State-owned Assets Supervision and Administration Commission (“SASAC”) dated 3 April 2006, SASAC has approved, as part of the Placing, the allocation of the Sale Shares from Aluminum Corporation of China to the NSSF in accordance with the requirements of the Provisional Administrative Measures for the Reduction of State Shares and the Raising of the Social Security Fund (the “**Regulations for the Reduction of State-owned Shares**”) of the PRC. By another approval document dated 11 April 2006, the NSSF entrusted the Company to effect a sale of the Sale Shares (to be converted into H Shares) as part of the Placing, and to remit the entire net proceeds of the sale to the NSSF. NSSF is not an existing shareholder of the Company. Pursuant to the Regulations for the Reduction of State-owned Shares, the holders of the State-owned domestic shares of the Company have to sell such number of State-owned domestic shares equivalent to 10 per cent of the proceeds to be raised in the Placing. Aluminum Corporation of China is selling the Sale Shares for itself and for Guangxi Investment (Group) Co., Ltd., Guizhou Provincial Materials Development and Investment Corporation and China Construction Bank. The other holders of State-owned domestic shares of the Company have obtained an exemption from the Ministry of Finance and are not required to sell their relevant percentage of State-owned domestic shares in the Placing.

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### COMPLETION OF THE PLACING

Completion is expected to take place on or before 25 May 2006 or such other time or date as the Company and the Joint Placing Agents shall agree (the "Placing Completion Date").

Shareholding Structure of the Company on the date of the Placing Agreement and on the Placing Completion Date

Holder of Domestic Shares or H Shares	As at the date of the Placing Agreement		On the Placing Completion Date	
	No. of shares (in millions)	Percentage of issued share capital (%)	No. of shares (in millions)	Percentage of issued share capital (%)
<b>Holders of Domestic Shares</b>				
Aluminum Corporation of China	4,656.3 <sup>(1)</sup>	42.14	4,612.2 <sup>(2)</sup>	39.59
China Cinda Asset Management Corporation	900.6	8.15	900.6	7.73
China Construction Bank	709.8	6.42	709.8	6.09
China Orient Asset Management Corporation	602.2	5.45	602.2	5.17
China Development Bank	554.9	5.02	554.9	4.76
Guangxi (Group) Investment Co., Ltd.	196.8	1.78	196.8	1.69
Guizhou Provincial Materials Development and Investment Corporation	129.4	1.17	129.4	1.11
<b>Holders of H Shares</b>				
Alcoa International (Asia) Limited	884.2	8.00	884.2	7.59%
Other public investors	2,415.7	21.87	3,059.8	26.26%
	<u>11,049.9</u>	<u>100.00</u>	<u>11,649.9</u>	<u>100.00</u>

Notes:

(1) Includes the 44,100,000 Sale Shares.

(2) After allocation of the 44,100,000 Sale Shares as approved by SASAC.

### GENERAL MANDATE TO ISSUE THE NEW SHARES

The New Shares will be allotted and issued under the general mandate (the "General Mandate") granted to the Directors of the Company at the last annual general meeting of the Company held on 9 June 2005. The issue of the Placing Shares was approved by the China Securities Regulatory Commission ("CSRC") on 28 April 2006.

### REGULATORY APPROVALS

The Company has obtained all relevant PRC regulatory approvals for the Placing, being approvals from the CSRC, SASAC, NSSF, as well as the General Mandate and board approval.

### UNITED STATES SELLING RESTRICTIONS

The Placing Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to U.S. Persons unless the Placing Shares are registered under the Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. During the 40 days immediately following the Placing Completion Date, no H Shares will be accepted for deposit in the American Depositary Shares programme of the Company.

### RANKING

The Placing Shares will rank pari passu in all respects with the existing H Shares in issue on the Placing Completion Date, including the right to receive all dividends and distributions declared, paid or made after the Placing Completion Date.

### REASONS FOR THE PLACING

In view of current market conditions, the Directors consider that the Placing represents a good opportunity for the Company to raise further financing and also broaden the shareholder and capital base. The Directors consider that the current environment is favourable for the Company to make acquisitions of domestic primary aluminum projects for which funding will be required. As stated in the Company's 2005 annual report, the Company has entered into letters of intent for the acquisition or formation of several investment projects. However, the Company currently has not entered into any definitive agreement relating to such acquisitions or new investments.

### USE OF PROCEEDS

The amount to be raised by the Company from the Placing of the New Shares will be approximately HK\$4,247 million, after deducting the commission and expenses of the Placing payable by the Company. The Company will not receive any proceeds from the placing of the Sale Shares. The net proceeds of the Sale Shares will be paid to the NSSF.

The Company intends to use the net proceeds from the Placing of the New Shares for the funding of any possible acquisitions of domestic primary aluminum projects and for general corporate purposes.

The Company has not raised funds by way of issue of shares in the 12 months immediately preceding the date of this announcement.

### SUSPENSION OF TRADING

The Company requested for suspension of trading in the H Shares on the Stock Exchange from 12:25 p.m. on 8 May 2006 pending the release of this announcement, and will request for resumption of trading in the H Shares on the Stock Exchange with effect from 9:30 a.m. on 10 May 2006.

### APPLICATION FOR LISTING

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

### GENERAL

As at the date of this announcement, the Board of Directors comprises Mr. Xiao Yaqing, Mr. Xiong Weiping, Mr. Luo Jianchuan, Mr. Chen Jihua (executive Directors), Mr. Shi Chungui and Mr. Joseph C. Muscari (non-executive Directors) and Mr. Poon Yiu Kin, Samuel, Mr. Wang Dianzuo and Mr. Kang Yi (independent non-executive Directors).

By Order of the Board of Directors  
Aluminum Corporation of China Limited  
Liu Qiang  
Company Secretary

9 May 2006  
Beijing, PRC

\* for identification only