

ALUMINUM CORP OF CHINA LTD
Form 20-F
April 15, 2016

As filed with Securities and Exchange Commission on April 15, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-15264

(Exact name of Registrant as specified in its charter)

ALUMINUM CORPORATION OF CHINA LIMITED

(Translation of Registrant's name into English)

People's Republic of China
(Jurisdiction of incorporation or organization)

No. 62 North Xizhimen Street, Haidian District, Beijing
People's Republic of China (100082)
(Address of principal executive offices)

Yu Dehui

No. 62 North Xizhimen Street, Haidian District, Beijing
People's Republic of China (100082)
(86) 10 8229 8560

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares* Class H Ordinary Shares**	New York Stock Exchange, Inc.

* Evidenced by American Depositary Receipts. Each American Depositary Share represents 25 H Shares.

** Not for trading, but only in connection with the listing of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2015:

Domestic Shares, par value RMB1.00 per share	10,959,832,268
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H Shares, par value RMB1.00 per
share

3,943,965,968

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 [] Item 18 []

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [] No [X]

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FORWARD-LOOKING STATEMENTS

Certain information contained in this annual report, which does not relate to historical financial information, may be deemed to constitute forward- looking statements. The words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project", "believe" or similar expressions are intended to identify "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected. You should not place undue reliance on any such forward-looking statements, which speak only as of the date made. These forward-looking statements include, without limitation, statements relating to:

- * future general economic conditions;
- * future conditions in the international and China capital markets;
- * future conditions in the financial and credit markets;
- * future prices and demand for our products;
- * future PRC tariff levels for alumina and primary aluminum;
- * sales of our products;
- * the extent and nature of, and potential for, future development;
- * production, consumption and demand forecasts of bauxite, coal, alumina and primary aluminum;
- * expansion, consolidation or other trends in the primary aluminum industry;
- * the effectiveness of our cost-saving measures;
- * future expansion, investment and acquisition plans and capital expenditures;
- * competition;
- * changes in legislation, regulations and policies;

- * estimates of proven and probable bauxite reserves;
- * our research and development plans; and
- * our dividend policy.

These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and future developments, as well as other factors we believe are appropriate in particular circumstances. However, whether actual results and developments will meet our expectations and predictions depends on a number of risks and uncertainties, which could cause actual results to differ materially from our expectations. These risks are more fully described in the section headed "Item 3. Key Information - D. Risk Factors."

Consequently, all of the forward-looking statements made in this annual report are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us or our business or operations.

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CERTAIN TERMS AND CONVENTIONS

"**Chalco**", "**the Company**", "**the Group**", "**our company**", "**we**", "**our**" and "**us**" refer to Aluminum Corporation of China Limited and its subsidiaries and, where appropriate, to its predecessors;

"**A Shares**" and "**domestic shares**" refer to our domestic ordinary shares, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;

"**alumina-to-silica ratio**" refers to the ratio of alumina to silica in bauxite by weight;

"**aluminum fabrication**" refers to the process of converting primary aluminum or recycled aluminum materials into plates, strips, bars, tubes and other fabricated products;

"**AUD**" or "**Australian dollars**" refers to the lawful currency of the Commonwealth of Australia;

"**Baotou Aluminum**" refers to Baotou Aluminum Company Limited, our wholly-owned subsidiary established under the PRC law;

"**Baotou Group**" refers to Baotou Aluminum (Group) Co., Ltd., one of our shareholders;

"**bauxite**" refers to a mineral ore that is principally composed of aluminum;

"**Bayer process**" refers to a refining process that employs a strong solution of caustic soda at an elevated temperature to extract alumina from ground bauxite;

"**Bayer-sintering combined process**" and "**Bayer-sintering series process**" refer to the two methods of refining process developed in China which involve the combined application of the Bayer process and the sintering process to extract alumina from bauxite;

"**Board**" refers to our board of directors;

"**CBEX**" refers to China Beijing Equity Exchange, an approved equity exchange for the transfer of state-owned assets;

"**Chalco Energy**" refers to Chalco Energy Co., Ltd., our wholly-owned subsidiary established under the PRC law;

"**Chalco Hong Kong**" refers to Chalco Hong Kong Limited, our wholly-owned subsidiary established under Hong Kong Law;

"**Chalco Iron Ore**" refers to Chalco Iron Ore Holding Limited, our subsidiary until December 2013 when we disposed of 65% of its equity interest to Chinalco;

"**Chalco Liupanshui**" refer to Chalco Liupanshui Hengtaihe Mining Co., Ltd., 49% of the equity interest of which is owned by us;

"**Chalco Mining**" refers to Chalco Mining Co., Ltd., our wholly-owned subsidiary established under the PRC law;

"**Chalco Nanhai**" refers to Chalco Nanhai Alloy Company, a wholly-owned subsidiary of our Group established under the PRC law;

"**Chalco Ruimin**" refers to Chalco Ruimin Company Limited, our subsidiary until June 2013 when we disposed of 93.30% of its equity interest to Chinalco;

"**Chalco Shandong**" refers to Chalco Shandong Co., Ltd., 100% of the equity interest of which is owned by us;

"**Chalco Southwest Aluminum**" refers to Chalco Southwest Aluminum Company Limited, our subsidiary until June 2013 when we disposed of 60% of its equity interest to Chinalco;

"**Chalco Southwest Aluminum Cold Rolling**" refers to Chalco Southwest Aluminum Cold Rolling Company Limited, our wholly-owned subsidiary until June 2013 when we disposed of its entire equity interest to Chinalco;

"**Chalco Trading**" or "**CIT**" refers to China Aluminum International Trading Co., Ltd., our wholly owned subsidiary established under the PRC law;

"**Chalco Xing County Alumina Project**" refers to the Bayer process production system and ancillary facilities at Xing County, Lvliang City of Shanxi Province with production capacity of 800,000 tonnes of metallurgical grade alumina per year;

"**Chalco Zhongzhou**" refers to Chalco Zhongzhou Aluminum Co., Ltd., 100% of the equity interest of which is owned by us;

"**China**" and the "**PRC**" refers to the People's Republic of China, excluding for purposes of this annual report, Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan;

"**Chinalco**" and "**Chinalco Group**" refer to our controlling shareholder, Aluminum Corporation of China and its subsidiaries (other than Chalco and its subsidiaries) and, where appropriate, to its predecessors;

"**Chinalco Finance**" refers to Chinalco Finance Co., Ltd.;

"**CSRC**" refers to China Securities Regulatory Commission;

"**Dongdong Coal**" refers to Shaanxi Chengcheng Dongdong Coal Co., Ltd., 45% of the equity interest of which is owned by us;

"**Energy-Saving and Emission Reduction Goals**" refers to the energy-saving and emission reduction goals set out in China's 12th Five-Year Plan for National Economic and Social Development laid out in 2011, by which China expects to cut its per unit GDP energy consumption by 16 percent compared with the 2010 level by the end of 2015;

"**Exchange Act**" refers to the U.S. Securities Exchange Act of 1934, as amended;

"**Euros**" or "**EUR**" refers to the lawful currency of the Euro zone;

"**Fushun Aluminum**" refers to Fushun Aluminum Company Limited, our wholly-owned subsidiary established under the PRC law;

"**Gansu Hualu**" refers to Gansu Hualu Aluminum Company Limited, 51% of the equity interest of which is owned by us;

"**Gansu Huayang**" refers to Gansu Huayang Mining Development Company Limited, 70% of the equity interest of which is owned by us;

"**Guangxi Huayin**" refers to Guangxi Huayin Aluminum Company Limited, 33% of the equity interest of which is owned by us;

"**Guangxi Investment**" refers to Guangxi Investment (Group) Co., Ltd., formerly known as Guangxi Development and Investment Co., Ltd., a PRC state- owned enterprise and one of our promoters and shareholders;

"**Guizhou Development**" refers to Guizhou Provincial Materials Development and Investment Corporation, a PRC state-owned enterprise and one of our promoters and shareholders;

"**Guizhou Huajin**" refers to Guizhou Huajin Aluminum Co., Ltd., 60% of the equity interest of which is owned by us;

"**Guizhou Yuneng**" refers to Guizhou Yuneng Mining Co., Ltd., 25% of the equity interest of which is owned by us;

"**H Shares**" refers to overseas listed foreign shares with a par value RMB1.00 each, which are listed on the Hong Kong Stock Exchange;

"**Henan Aluminum**" refers to Chalco Henan Aluminum Company Limited, our subsidiary until June 2013 when we disposed of 90.03% of its equity interest to Chinalco;

"**HK\$**" and "**HK dollars**" refer to Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;

"**Hong Kong Stock Exchange**" refers to The Stock Exchange of Hong Kong Limited;

"**Huaxi Aluminum**" refers to Huaxi Aluminum Company Limited, our subsidiary until June 2013 when we disposed of 56.86% of its equity interest to Chinalco;

"**Japanese Yen**" refers to the lawful currency of Japan;

"**Jiaozuo Wanfang**" refers to Jiaozuo Wanfang Aluminum Manufacturing Co. Ltd., 2.46% of the equity interest of which was owned by us as of December 31, 2015;

"**Ka**" refers to kiloamperes, a unit for measuring the strength of an electric current, with one kiloampere equaling to 1,000 amperes;

"**kWh**" refers to kilowatt hours, a unit of electrical power, meaning one kilowatt of power for one hour;

"**Lanzhou Aluminum**" refers to Lanzhou Aluminum Co., Ltd., a wholly-owned subsidiary of us since April 2007 and until July 2007 when it was divided into two wholly-owned entities: Lanzhou branch and Northwest Aluminum;

"**Liancheng branch**" refers to our wholly-owned branch, which was formerly known as Lanzhou Liancheng Longxing Aluminum Company Limited, before we acquired 100% of its equity interest;

"**Listing Rules**" and "**Hong Kong Listing Rules**" refer to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended;

"**LME**" refers to the London Metal Exchange Limited;

"**Longmen Aluminum**" refers to Shanxi Longmen Aluminum Co., Ltd., 55% of the equity interest of which is owned by us;

"**MIIT**" refers to Ministry of Industry and Information Technology of the PRC;

"**Nanchu Price**" refers to the independent reference price for aluminum published on ENanchu (<http://www.enanchu.com/>), an nonferrous metal related portal site in PRC;

"**NDRC**" refers to China National Development and Reform Commission;

"**Ningxia Energy**" refers to Chalco Ningxia Energy Group Co., Ltd. (formerly Ningxia Electric Power Group Co., Ltd.) and we acquired 70.82% of its equity interest in January 2013;

"**Northwest Aluminum**" refers to Northwest Aluminum Fabrication Branch, our wholly-owned branch until June 2013 when we disposed of all its assets to a subsidiary of Chinalco;

"NYSE" or "New York Stock Exchange" refers to the New York Stock Exchange Inc.;

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"**ore-dressing Bayer process**" refers to a refining process we developed to increase the alumina-to-silica ratio of bauxite;

"**Qingdao Light Metal**" refers to Chalco Qingdao Light Metal Company Limited, our wholly-owned subsidiary until June 2013 when we disposed of its entire equity interest to Chinalco;

"**Qinghai Energy**" refers to Qinghai Province Energy Development (Group) Co., Ltd., 21% of the equity interest of which is owned by us;

"**refining**" refers to the chemical process used to produce alumina from bauxite;

"**Rio Tinto**" refers to Rio Tinto plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange and the New York Stock Exchange;

"**RMB**" or "**Renminbi**" refers to the lawful currency of the PRC;

"**SASAC**" refers to State-owned Assets Supervision and Administration Commission of the State Council of China;

"**SEC**" refers to the U.S. Securities and Exchange Commission;

"**Securities Act**" refers to the U.S. Securities Act of 1933, as amended;

"**Shandong Aluminum**" refers to Shandong Aluminum Industry Co., Limited, a wholly-owned subsidiary of Chinalco;

"**Shandong Huayu**" refers to Shandong Huayu Alloy Material Co., Ltd, 55% of the equity interest of which is owned by us;

"**Shanxi Jiexiu**" refers to Shanxi Jiexiu Xinyugou Coal Industry Co., Ltd., 34% of the equity interest of which is owned by us;

"**Shanxi Huasheng**" refers to Shanxi Huasheng Aluminum Company Limited, 51% of the equity interest of which is owned by us;

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"**Zhangze Electric Power**" refers to Shanxi Zhangze Electric Power Co., Ltd.;

"**Zhengzhou Institute**" refers to Chalco Zhengzhou Research Institute of Non-ferrous Metal, our wholly-owned subsidiary mainly providing research and development services;

"**Zunyi Alumina**" refers to Chalco Zunyi Alumina Co., Ltd., 73.28% of the equity interest of which is owned by us; and

"**Zunyi Aluminum**" refers to Zunyi Aluminum Co., Ltd., 62.1% of the equity interest of which is owned by us.

Translations of amounts in this annual report from Renminbi to U.S. dollars and vice versa have been made at the rate of RMB6.4778 to US\$1.00, the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board for December 31, 2015. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. See "Item 3. Key Information - Selected Financial Data - Exchange Rate Information" for historical exchange rates between the Renminbi and the U.S. dollar.

Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

Historical Financial Information

Our consolidated financial statements as of December 31, 2014 and 2015 and for the years ended December 31, 2013, 2014 and 2015 included in this annual report on Form 20-F have been prepared in accordance with International Financial Reporting Standards, or IFRSs, which includes all International Accounting Standards and Interpretations, as issued by the International Accounting Standards Board, or the IASB. We disposed of substantially all of our aluminum fabrication operations to Chinalco in June 2013. As a result, the operating results of our aluminum fabrication segment were presented as a discontinued operation in our consolidated statement of comprehensive income for the year ended December 31, 2013. We make an explicit and unreserved statement of compliance with IFRSs with respect to our consolidated financial statements as of December 31, 2014 and 2015 and for the years ended December 31, 2013, 2014 and 2015 included in this annual report. Ernst & Young, our independent registered public accounting firm, has issued an unqualified auditor's report on our

consolidated statements of financial position as of December 31, 2014, and the related consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2013 and 2014. Ernst & Young Hua Ming LLP, which has been appointed as our independent registered public accounting firm for the year 2015, has issued an unqualified auditor's report on our consolidated statements of financial position as of December 31, 2015, and the related consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2015. Details of the change in our certifying accountant is disclosed in ITEM 16F.

The following tables present selected comprehensive income data and cash flows data for the years ended December 31, 2011, 2012, 2013, 2014 and 2015 and selected statements of financial position data as of December 31, 2011, 2012, 2013, 2014 and 2015 that were prepared under IFRSs. As the operating results of the aluminum fabrication segment have been presented as a discontinued operation in our consolidated statement of comprehensive income for the year ended December 31, 2013, the comparative figures for our consolidated statements of comprehensive income for the years ended December 31, 2011 and 2012 are revised to reflect the reclassification between continuing operations and discontinued operation accordingly. The selected financial information for the years ended and as of December 2013, 2014 and 2015 has been derived from, and should be read in conjunction with, the audited consolidated financial statements and their notes included elsewhere in this annual report. As the business combination under common control incurred in the year ended December 31, 2015, the comparative figures for our consolidated statements of comprehensive income for the years ended December 31, 2011, 2012, 2013 and 2014 are revised to reflect the business combination under common control.

Year Ended December 31,

	2011	2012	2013	2014	2015	2015
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>US\$</i>
	(in thousands, except per share and per ADS data)					

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME DATA

C o n t i n u i n g

Operations

Revenue	138,474,717	143,692,381	169,693,800	141,999,830	123,445,872	19,056,759
Cost of sales	(131,066,801)	(143,646,145)	(166,895,282)	(141,328,954)	(120,927,088)	(18,667,926)

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Gross profit	7,407,916	46,236	2,798,518	670,876	2,518,784	388,833
Selling and distribution expenses	(1,500,213)	(1,846,424)	(1,873,180)	(1,763,031)	(1,775,254)	(274,052)
General and administrative expenses	(2,559,710)	(2,756,539)	(2,953,232)	(4,838,387)	(2,334,071)	(360,318)
Research and development expenses	(206,430)	(184,683)	(193,620)	(293,766)	(168,869)	(26,069)
Impairment loss on property, plant and equipment	(279,756)	(19,903)	(501,159)	(5,679,521)	(10,011)	(1,545)
Government grants	159,774	734,852	805,882	823,986	1,768,926	273,075
Other gains/(losses), net	502,462	(16,989)	7,399,252	356,935	5,023,600	775,510
Operating profit/(loss) from continuing operations	3,524,043	(4,043,450)	5,482,461	(10,722,908)	5,023,105	775,434
Finance costs, net	(2,935,642)	(4,076,475)	(5,247,905)	(5,682,990)	(5,137,581)	(793,106)
Operating profit/(loss) from continuing operations less finance costs	588,401	(8,119,925)	234,556	(16,405,898)	(114,476)	(17,672)
Share of profits of joint ventures	122,262	37,040	148,749	89,510	23,238	3,587
Share of profits of associates	400,706	256,081	511,869	350,575	284,531	43,924
Profit/(loss) before income tax from continuing operations	1,111,369	(7,826,804)	895,174	(15,965,813)	193,293	29,839
Income tax (expense)/benefit from continuing operations	(121,175)	371,092	(339,551)	(1,074,910)	230,420	35,571
Profit/(loss) for the year from continuing operations	990,194	(7,455,712)	555,623	(17,040,723)	423,713	65,410
Profit/(loss) per share from continuing operations	0.04	(0.52)	0.05	(1.20)	0.01	0.00
Discontinued operation (Loss)/profit for the year	(299,048)	(1,187,299)	207,144	-	-	-

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from discontinued
operation

Profit/(loss) for the year	691,146	(8,643,011)	762,767	(17,040,723)	423,713	65,410
P r o f i t / (l o s s) Attributable to:						
Owners of the parent	238,616	(8,233,182)	987,179	(16,208,170)	206,319	31,850
Non-controlling interests	452,530	(409,829)	(224,412)	(832,553)	217,394	33,560
Dividends	-	-	-	-	-	-
Basic and diluted earnings/(loss) per share	0.02	(0.61)	0.07	(1.20)	0.01	0.00
Earnings/(loss) per ADS	0.44	(15.22)	1.82	(29.96)	0.35	0.06
Dividends (expressed in RMB and US\$ per share and per ADS)						
Final dividends per share	0.0114	-	-	-	-	-
Final dividends per ADS	0.2850	-	-	-	-	-
Proposed dividends per share	-	-	-	-	-	-
Proposed dividends per ADS	-	-	-	-	-	-

Year Ended December 31,

	2011	2012	2013	2014	2015	2015
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>US\$</i>
	(in thousands, except per share and per ADS data)					

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA

Total current assets	50,162,135	49,217,613	63,174,496	63,596,271	64,169,178	9,906,014
Total non-current	107,291,135	126,115,770	136,544,756	129,247,336	125,100,073	19,312,123

assets						
Total assets	157,453,270	175,333,383	199,719,252	192,843,607	189,269,251	29,218,137
Total current liabilities	62,675,723	84,165,552	96,933,485	104,422,198	80,937,331	12,494,570
Total non-current liabilities	36,619,073	37,392,321	49,067,354	48,767,563	58,034,484	8,958,981
Total liabilities	99,294,796	121,557,873	146,000,839	153,189,761	138,971,815	21,453,551
Net assets	58,158,474	53,775,510	53,718,413	39,653,846	50,297,436	7,764,586
Long-term interest bearing loans and borrowings (excluding current portion)	35,968,526	36,635,652	46,294,828	44,769,211	53,725,670	8,293,814
Capital stock	13,524,488	13,524,488	13,524,488	13,524,488	14,903,798	2,300,750

Year Ended December 31,

2011	2012	2013	2014	2015	2015
<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>US\$</i>
(in thousands)					

OTHER FINANCIAL DATA

Net cash flows generated from operating activities	2,489,756	1,122,352	8,281,407	13,818,759	7,231,450	1,116,344
Net cash flows (used in)/generated from investing activities	(9,714,547)	(23,153,090)	(7,686,069)	(4,921,338)	2,952,550	455,794
Net cash flows generated from/(used in) financing activities	8,842,453	20,428,953	1,728,340	(4,016,451)	(5,814,230)	(897,562)
	1,617,662	(1,601,785)	2,323,678	4,880,970	4,369,770	674,576

Net increase/(decrease) in
cash and cash equivalents

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Exchange Rate Information

The following table sets forth information concerning exchange rates between the Chinese Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this annual report or will use in the preparation of our periodic reports or any other information to be provided to you. The source of these rates is the Federal Reserve H.10 Statistical Release. On April 8, 2016, the exchange rate for Renminbi was US\$1.00 = RMB6.4628.

Period	P e r i o d			
	End	Average ⁽¹⁾	High	Low
	<i>(RMB per US\$1.00)</i>			
2011	6.2939	6.4475	6.6364	6.2939
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015				
September	6.3556	6.3676	6.3836	6.3630
October	6.3180	6.3488	6.3591	6.3180
November	6.3883	6.3636	6.3945	6.3180
December	6.4778	6.4477	6.4896	6.3883
2016				
January	6.5752	6.5726	6.5932	6.5219
February	6.5525	6.5501	6.5785	6.5154
March	6.4480	6.5027	6.5500	6.4480
April (through April 8, 2016)	6.4628	6.4720	6.4780	6.4599

(1) Annual average are calculated by averaging the rates on the last business day of each month during the annual period. Monthly averages are calculated by averaging the rates on each business day during the month.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable

D. RISK FACTORS

Our business and financial condition and results of operations are subject to various changing business, competitive, economic, political and social conditions in China and worldwide. In addition to the factors discussed elsewhere in this annual report, the following are some of the important factors that could cause our actual results to differ materially from those projected in any forward-looking statements.

Our business is vulnerable to downturns in the general economy and industries in which we operate or which we serve. A reduction in demand could materially and adversely affect our business, financial condition and results of operations.

Demand for our products depends on the general economy and level of activity and growth in the industries where we operate or serve. Development of the relevant industries is subject to various factors, including but not limited to market fluctuations of prices of commodities, general political or economic conditions, technology development, government investment plans and regulations, fluctuation in global production capacity and global and regional weather conditions, many of which are beyond our control. Unfavorable and volatile financial or economic conditions, such as those caused by the global financial and economic crisis since 2008, including the sovereign-debt crisis in the European Union in 2011 to 2012 and the continued weakness and uncertainty regarding the durability of the emerging economic recovery, have adversely affected the global economy and resulted in a significant decrease in our sales volumes. If a global recession recurs, demand for our products may continue to decline. In addition, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, unemployment, consumer confidence, declining asset values, capital market volatility and liquidity issues have created difficult operating conditions for us in the past and may continue to do so in the future. Furthermore, the PRC Government has, from time to time, adjusted its monetary, fiscal and other policies and measures to manage the rate of growth of the economy or the overheating and overcapacity in certain industries or markets. As a result, the general economy in the PRC or the world or any particular industry in which we operate or which we serve may grow at a lower-than-expected rate or even experience a downturn. Uncertainty about future economic conditions makes it challenging for us to forecast our results of operations, make business decisions and identify risks that may affect our business. If we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, financial condition and results of operations may be materially and adversely affected.

Volatility in the prices of alumina, primary aluminum, other non-ferrous metal and other commodities may adversely affect our business, financial condition and results of operations.

The prices of the products we produce and trade, including alumina, primary aluminum, other non-ferrous metal and coal products, have historically fluctuated and are expected to continue fluctuating in response to general economic conditions, supply and demand and the level of global inventories, which are beyond our control.

We price our alumina and primary aluminum products by reference to international and domestic market prices, and domestic supply and demand, each of which may fluctuate beyond our control. In 2013, demand for alumina and primary aluminum fluctuated. The Australian FOB spot price of alumina reached a high of US\$351.5 and a low of US\$312.5 per tonne and the international spot price of primary aluminum on the LME reached a high of US\$2,123.0 per tonne and a low of US\$1,694.5 per tonne in 2013. In 2014, the Australian FOB spot price of alumina and the international cash price of primary aluminum on the LME reached a high of US\$357 per tonne and a low of US\$307 per tonne and a high of US\$2,089 per tonne and a low of US\$1,634 per tonne, respectively. As a result of general slowdown of the global economy and overcapacity of global aluminum industry, the market prices for aluminum products were facing downward pressure in 2015. The Australian FOB spot price of alumina and the international cash price of primary aluminum on the LME reached a high of US\$354.5 per tonne and a low of US\$200 per tonne and a high of US\$1,959.1 per tonne and a low of US\$1,423.5 per tonne, respectively in 2015. Our average external selling prices of self-produced alumina and primary aluminum were RMB2,377 per tonne and RMB12,075 per tonne respectively in 2015, which decreased by approximately 3.8% and 10.9%, respectively, from 2014 to 2015. Because most of our costs are fixed, we may not be able to respond promptly to a sudden decrease in alumina or primary aluminum prices. There is no assurance that there will be no further falls in prices of our key products, including alumina and primary aluminum, which may materially and adversely affect our business, financial condition and results of operations.

In addition, as the profit margin of trading is based on price fluctuations in the short term, we need to make the correct prediction of the price fluctuations of the non-ferrous metal products and coal products on the markets to ensure the profit margin. If the price fluctuations on the market do not match our prediction, we may incur substantial losses. In addition, as we generate profit from the differences between the purchasing and sales prices of the non-ferrous metal products we deal in, significant fluctuations in the prices of the commodities we deal in may cause the value of the

outsourced products in transit or in inventory to decline, and if the carrying value of our existing inventories exceeds the market price in the future periods, we may need to make additional provisions for our inventories' value. As a result, any significant fluctuation in international market prices could materially and adversely affect our business, financial condition and results of operations.

Our business requires substantial capital investments that we may be unable to fulfill.

Our plans to upgrade and expand our production capacity will require substantial capital expenditures. See "Item 4. Information on the Company - D. Property, Plants and Equipment - Our Expansion." We may also need additional funding for debt servicing, working capital, other investments, potential acquisitions and joint ventures and other corporate requirements. As a result, we expect to incur total capital expenditures of approximately RMB9 billion in 2016. We may seek external financing to satisfy our capital needs if cash generated from our operations is insufficient to fund our capital expenditures or if our actual capital expenditures and investments exceed our plans. Our ability to obtain external financing at reasonable costs and on acceptable terms is subject to a variety of uncertainties. Failure to obtain sufficient funding for our development plans could adversely affect our business and prospects.

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We incurred losses in the past and may not achieve sustained profitability in the future.

Although we were profitable in 2013 and 2015, we incurred a net loss of approximately RMB17.0 billion in 2014. We may incur losses in the future and we cannot assure you that we will sustain profitability in the future.

In addition, we expect that we will continue relying on, in addition to our cash flows generated from operating activities, bank and other loans as well as proceeds from bond offerings, to fund our business operations and expansions. Our borrowing costs and access to the debt capital markets, and thus our liquidity, depend significantly on our public credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place us on "credit watch", which would have negative implications. A history of net losses may result in a deterioration of our credit ratings, which could increase our borrowing costs and limit our access to the capital markets, which in turn, could reduce our earnings and adversely affect our liquidity.

Our historical results may not be indicative of our future prospects.

We acquired an aggregate of 70.82% of the equity interest in Ningxia Energy on January 23, 2013. Ningxia Energy is an integrated power generation company with coal mines located in Ningxia Autonomous Region. Its principal business includes conventional coal-fire power generation and renewable energy generation. After the acquisition of Ningxia Energy, we have established an energy segment in January 2013 to include (i) operations of Ningxia Energy and (ii) our other energy related operations that were formerly included in our corporate and other operating segment. In November 2015, we acquired relevant assets and liabilities of High-Purity Aluminum and Light Metal of Baotou Aluminum Group. Baotou Aluminum Group is a subsidiary of Chinalco. In addition, in line with our development strategy to focus on the development of our core business of alumina and primary aluminum operations, where we have established leadin