

ALUMINUM CORP OF CHINA LTD
Form 6-K
April 06, 2016

1934 ACT FILE NO. 001-15264

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of April 2016

Aluminum Corporation of China Limited

(Translation of Registrant's name into English)

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

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in papers as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in papers as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aluminum Corporation of China
Limited
(Registrant)

Date April 6, 2016

By /s/ **Zhang Zhankui**

Name: Zhang Zhankui
Title: Company Secretary

Ling Wu Power, which is considered a material associate of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Ling Wu Power:

| | 2015 | 2014 |
|---------------------------|-----------|-----------|
| Cash and cash equivalents | 73,001 | 59,718 |
| Other current assets | 1,278,209 | 1,536,117 |
| Current assets | 1,351,210 | 1,595,835 |
| Non-current assets | 9,669,618 | 9,472,756 |
| Financial liabilities | 2,359,825 | 1,784,353 |
| Other current liabilities | 10,556 | 19,553 |
| Current liabilities | 2,370,381 | 1,803,906 |
| Non-current liabilities | 5,043,634 | 5,513,160 |

| | | |
|---|-----------|-----------|
| Net assets | 3,606,813 | 3,751,525 |
| Non-controlling interests | - | - |
| Reconciliation to the Group's interest in the associate: | | |
| Proportion of the Group's ownership | 35% | 35% |
| Group's share of net assets of the associate | 1,262,385 | 1,313,034 |
| Carrying amount of the investment | 1,262,385 | 1,313,034 |
| Revenue | 4,319,345 | 4,938,969 |
| Gross profit | 1,190,966 | 1,395,909 |
| Interest income | 2,140 | 2,240 |
| Depreciation and amortisation | 610,910 | 599,728 |
| Interest expenses | 312,128 | 387,620 |
| Profit before income tax | 629,564 | 704,363 |
| Income tax | 75,404 | 106,440 |
| Profit and total comprehensive income for the year | 554,160 | 597,923 |
| Other comprehensive income | - | - |
| Dividend received | 289,605 | - |

Ning Dong Power, which is considered a material associate of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Ning Dong Power:

| | |
|------|------|
| 2015 | 2014 |
|------|------|

| | | |
|---|-----------|-----------|
| Cash and cash equivalents | 132,881 | 88,301 |
| Other current assets | 303,979 | 394,069 |
| Current assets | 436,860 | 482,370 |
| Non-current assets | 3,781,254 | 4,002,002 |
| Financial liabilities | 794,007 | 842,324 |
| Other current liabilities | 163,571 | 153,723 |
| Current liabilities | 957,578 | 996,047 |
| Non-current liabilities | 1,809,171 | 2,032,785 |
| Net assets | 1,451,365 | 1,455,540 |
| Non-controlling interests | - | - |
| Reconciliation to the Group's interest in the joint venture: | | |
| Proportion of the Group's ownership | 35% | 35% |
| Group's share of net assets of the associate | 507,978 | 509,439 |
| Carrying amount of the investment | 507,978 | 509,439 |
| Revenue | 1,741,041 | 1,848,982 |
| Gross profit | 554,860 | 619,062 |
| Interest income | 585 | 1,560 |
| Depreciation and amortisation | 264,634 | 258,407 |
| Interest expenses | 139,161 | 170,366 |
| Profit before income tax | 265,123 | 301,122 |
| Income tax | 17,213 | - |
| | 247,910 | 301,122 |

Profit and total comprehensive income
for the year

| | | |
|----------------------------|--------|--------|
| Other comprehensive income | - | - |
| Dividend received | 88,230 | 58,953 |

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

| | 2015 | 2014 |
|--|-----------|-----------|
| Share of the associates' profits and losses | 3,806 | 35,909 |
| Share of the associates' total comprehensive income | 4,658 | - |
| Aggregate carrying amount of the Group's investments in the associates | 3,832,338 | 3,018,495 |

As at 31 December 2015, the proportionate interests of the Group in the associates' capital commitments amounted to RMB2 million (31 December 2014: RMB18 million).

There were no material contingent liabilities relating to the Group's interests in the associates and the associates themselves.

9. AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

| 31 December 2015 | 31 December 2014 |
|---------------------|---------------------|
|---------------------|---------------------|

Current portion

| | | |
|---|---------|-----------|
| Stated at fair value: | | |
| Short-term investments, at fair value | 224,820 | 4,635,600 |
| <i>(Note (i))</i> | | |
| <hr/> | | |
| Non current portion | | |
| Stated at fair value: | | |
| Listed equity investments <i>(Note (ii))</i> | 59,940 | - |
| Stated at cost: | | |
| Unlisted equity investments <i>(Note (iii))</i> | 73,211 | 75,211 |
| <i>(iv)</i> | | |
| Less: provision for impairment <i>(Note (iv))</i> | 2,711 | 361 |
| <i>(iv)</i> | | |
| <hr/> | | |
| | 70,500 | 74,850 |
| <hr/> | | |
| | 130,440 | 74,850 |
| <hr/> | | |

Notes:

- i. The short-term investments stated at fair value as at 31 December 2015 represented financial products issued by banks. The fair values of the short-term investments have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.
- ii. The long-term investment stated at fair value as at 31 December 2015 represented the Group's investment in Dongxing Securities Corporation Limited (), which is a listed company with its shares listed on the Shanghai Stock Exchange.
- iii. As at 31 December 2015, unlisted equity investments with a carrying amount of RMB71 million (31 December 2014: RMB75 million) were stated at cost less impairment. The directors of the Company are of the opinion that as these available-for-sale financial investments do not have a quoted market price in an active market and their fair value cannot be reliably measured, and therefore, the available-for-sale financial investments are stated as cost.
- iv. As at 31 December 2015, Ningxia Energy has made a full impairment provision amounting to RMB2 million of the equity investment in Western Electric Commercial Co., Ltd. ().

10. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same tax authority.

The movements in deferred tax assets and liabilities during the year ended 31 December 2015, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Movements in deferred tax assets:

| | Provision for impairment | Accrued expenses | Tax losses | Unrealised profit at consolidation | Others | Total |
|---|--------------------------------|---------------------|------------|--|----------|-----------|
| As at 1 January 2014 | 504,281 | 76,923 | 1,008,091 | 74,821 | 227,514 | 1,891,630 |
| Write-off of deferred tax assets | | | | | | |
| previously recognised | - | - | (314,156) | - | (69,158) | (383,314) |
| Credited/(charged) to profit or loss | 548,001 | 280,678 | 14,739 | 63,209 | (11,849) | 894,778 |
| As at 31 December 2014 | 1,052,282 | 357,601 | 708,674 | 138,030 | 146,507 | 2,403,094 |
| As at 1 January 2015 | 1,052,282 | 357,601 | 708,674 | 138,030 | 146,507 | 2,403,094 |
| Disposal of subsidiary (note 39(a)) | - | (3,057) | - | - | - | (3,057) |
| (Charged)/credited to profit or loss | (62,759) | (139,047) | 94,466 | (36,571) | 73,588 | (70,323) |
| Other Changes | - | - | - | - | (51,167) | (51,167) |
| As at 31 December 2015 | 989,523 | 215,497 | 803,140 | 101,459 | 168,928 | 2,278,547 |

Movements in deferred tax liabilities:

| Interest capitalisation of | Fair value changes of | Depreciation and amortisation | Unrealised losses of consolidation | Assets of rehabilitation obligation | Fair value adjustments arising from acquisition | Investment in a subsidiary | Investment in an associate | To |
|----------------------------------|--------------------------------|-------------------------------------|---|---|--|----------------------------------|----------------------------------|----|
|----------------------------------|--------------------------------|-------------------------------------|---|---|--|----------------------------------|----------------------------------|----|

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| | financial assets | | | | of subsidiaries | | | | |
|--|------------------|----------|-------|---------|-----------------|-----------|-----------|-----------|----------|
| As at 1 January 2014 | 82,283 | 56 | 6,952 | 9,085 | 5,080 | 1,083,014 | - | - | -1,186,4 |
| Exchange realignment (Credited)/charged to profit or loss | (3,272) | 29,533 | 369 | (9,085) | 9,773 | (23,070) | 1,086,686 | 234,719 | 1,325,6 |
| As at 31 December 2014 | 79,011 | 29,589 | 7,321 | - | 14,853 | 1,060,123 | 1,086,686 | 234,719 | 2,512,3 |
| As at 1 January 2015 | 79,011 | 29,589 | 7,321 | - | 14,853 | 1,060,123 | 1,086,686 | 234,719 | 2,512,3 |
| Exchange realignment | - | - | - | - | - | 1,836 | - | - | 1,8 |
| Disposal of subsidiaries (note 39(b)) (Credited)/charged to profit or loss | (8,002) | (28,678) | 333 | 4,889 | (14,853) | (24,903) | (286,046) | (198,782) | (556,04 |
| As at 31 December 2015 | 71,009 | 911 | 7,654 | 4,889 | - | 1,000,667 | 800,640 | 35,937 | 1,921,7 |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | 31 December 2015 | 31 December 2014 |
|------------------------------|------------------|------------------|
| Net deferred tax assets | 1,362,995 | 952,057 |
| Net deferred tax liabilities | 1,006,155 | 1,061,265 |

As at 31 December 2015, no deferred tax liability was recognised for taxable temporary differences which amounted to RMB1,407 million.

As at 31 December 2015, the Group has not recognised deferred tax assets of RMB5,582 million (31 December 2014: RMB5,641 million) in respect of accumulated tax losses amounting to RMB22,328 million (31 December 2014: RMB22,564 million) arising in Mainland China that can be carried forward for offsetting against future taxable income, and deferred tax assets of RMB2,057 million (31 December 2014: RMB1,922 million) in respect of deductible temporary differences amounting to RMB8,227 million (31 December 2014: RMB7,686 million) as it was not considered probable that those assets would be realised. The above tax losses will expire in one to five years if unused.

As at 31 December 2015, the expiry profile of these tax losses was analysed as follows:

| | 31 December 2015 | 31 December 2014 |
|-------------|---------------------|---------------------|
| Expiring in | | |
| 2015 | - | 106,146 |
| 2016 | 63,812 | 369,627 |
| 2017 | 3,812,061 | 4,840,206 |
| 2018 | 8,463,049 | 9,066,562 |
| 2019 | 8,299,794 | 8,181,448 |
| 2020 | 1,688,920 | N/A |
| | 22,327,636 | 22,563,989 |

As at 31 December 2015, deferred tax assets amounting to RMB1,363 million (31 December 2014: RMB952 million) were recognised for tax losses and deductible temporary differences carried forward to the extent that the realisation of the related tax benefit is probable. The recognition of these deferred tax assets is supported by forecast of future taxable profits available to the Group.

11. OTHER NON-CURRENT ASSETS

| 31 December 2015 | 31 December 2014 |
|---------------------|---------------------|
|---------------------|---------------------|

| | | |
|--|-----------|------------|
| Financial assets | | |
| - Receivables from disposal of subsidiaries, business and assets | 4,252,776 | 8,195,904 |
| - Receivables from disposal of Guizhou Branch's aluminum plant and buildings | 1,203,239 | - |
| - Other long-term receivables | 601,446 | 197,218 |
| | 6,057,461 | 8,393,122 |
| Advances and deposits paid to suppliers | 1,153,948 | 2,463,700 |
| Prepayment for mining rights | 773,113 | 811,184 |
| Long-term prepaid expenses | 313,000 | 317,275 |
| Deferred losses for sales and lease back transactions | 1,131,018 | 90,019 |
| Others (<i>Note</i>) | 403,165 | 403,904 |
| | 3,774,244 | 4,086,082 |
| | 9,831,705 | 12,479,204 |

Note: As disclosed in note 20, the Group entered into several sales and lease back agreements which constitute finance leases during the year. The deferred losses resulted from the sale are classified as other non-current assets and were amortized over the useful lives of the assets leased back.

As at 31 December 2015, except for an amount included in receivables from disposal of subsidiaries, business and assets amounting to RMB2,684 million (31 December 2014: RMB5,058 million), an amount included in advances and deposits paid to suppliers amounting to RMB1,115 million (31 December 2014: RMB1,836 million) which were denominated in USD, all amounts in other non-current assets were denominated in RMB (31 December 2014: all in RMB).

As at 31 December 2015 and 31 December 2014, except for receivables from disposal of subsidiaries, business and assets, a prepayment paid to a supplier and a loan to Shanxi Huaxing which were interest-bearing assets, all amounts in other non-current assets were non-interest-bearing (31

December 2014: all non-interest-bearing).

12. INVENTORIES

| | 31 December 2015 | 31 December 2014 |
|---|---------------------|---------------------|
| Raw materials | 8,719,067 | 9,575,425 |
| Work-in-progress | 5,675,679 | 6,624,732 |
| Finished goods | 7,274,774 | 7,461,754 |
| Spare parts | 836,102 | 879,755 |
| Packaging materials and others | 41,490 | 45,977 |
| | 22,547,112 | 24,587,643 |
| Less: provision for impairment of inventories | (2,370,084) | (2,044,297) |
| | 20,177,028 | 22,543,346 |

Movements in the provision for impairment of inventories are as follows:

| | 2015 | 2014 |
|--|------------------|-----------|
| As at 1 January | 2,044,297 | 1,377,901 |
| Provision for impairment of inventories | 1,997,719 | 1,746,351 |
| Reversal arising from increase in net recoverable amount | (228,673) | (358,750) |
| Reversal upon sales of inventories | (1,152,179) | (721,205) |
| Disposal of subsidiaries | (270,741) | - |
| Transfer to assets of a disposal group classified as held for sale | (20,339) | - |
| As at 31 December | 2,370,084 | 2,044,297 |

As at 31 December 2015, the Group had no pledged inventories (31 December 2014: RMB50 million) for bank and other borrowings as set out in note 24 to the financial statements.

13. TRADE AND NOTES RECEIVABLES

| | 31 December 2015 | 31 December 2014 (restated) |
|--------------------------------|---------------------|-----------------------------------|
| Trade receivables | 4,394,814 | 3,702,007 |
| Less: provision for impairment | (510,336) | (719,992) |
| | 3,884,478 | 2,982,015 |
| Notes receivable | 1,266,561 | 2,350,519 |
| | 5,151,039 | 5,332,534 |

As at 31 December 2015, except for trade and notes receivables of the Group amounting to RMB1,451 million which were denominated in USD (31 December 2014: RMB901 million in USD), all trade and notes receivables were denominated in RMB (31 December 2014: all in RMB).

Trade receivables are non-interest-bearing and are generally on terms of 3 to 12 months. Certain of the Group's sales were on advanced payments or documents against payment. In some cases, these terms are extended for qualifying long term customers that have met specific credit requirements. As at 31 December 2015, the ageing analysis of trade and notes receivables was as follows:

| | 31 December 2015 | 31 December 2014 (restated) |
|-----------------------|---------------------|-----------------------------------|
| Within 1 year | 3,881,858 | 4,425,910 |
| Between 1 and 2 years | 326,631 | 678,508 |
| Between 2 and 3 years | 667,601 | 120,418 |
| Over 3 years | 785,285 | 827,690 |

| | | |
|--------------------------------|-----------|-----------|
| | 5,661,375 | 6,052,526 |
| Less: provision for impairment | (510,336) | (719,992) |
| | 5,151,039 | 5,332,534 |

The credit quality of trade and notes receivables that are neither past due nor impaired is assessed by reference to the counterparties' default history. As at 31 December 2015, there was no history of default for these customers.

As at 31 December 2015, the ageing analysis of past due but not impaired trade and notes receivables was as follows:

| | 31 December 2015 | 31 December 2014 (restated) |
|---------------------------|---------------------|-----------------------------------|
| Past due for 1 year | 172,597 | 668,467 |
| Past due for 1 to 2 years | 651,928 | 55,029 |
| Past due for over 2 years | 445,587 | 346,851 |
| | 1,270,112 | 1,070,347 |
| Not past due | 3,880,927 | 4,262,187 |
| | 5,151,039 | 5,332,534 |

The balances of trade and notes receivables that were past due but not impaired relate to a number of individual customers for whom there was no recent history of default. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered recoverable within 12 months as at 31 December 2015.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB28 million (31 December 2014: RMB8

million), which are repayable on credit terms similar to those offered to the major customers of the Group.

As at 31 December 2015, the Group had pledged trade receivables amounting to RMB360 million (31 December 2014: RMB270 million) and notes receivable amounting to RMB27 million (31 December 2014: RMB98 million) for bank and other borrowings as set out in note 24 to the financial statements.

As at 31 December 2015, trade and notes receivables of RMB695 million (31 December 2014: RMB988 million) of the Group were impaired and provisions of RMB510 million (31 December 2014: RMB720 million) were made. The individually impaired receivables mainly relate to customers which are in unexpected difficult economic situations and it was expected that only a portion of these receivables would be recovered. The ageing analysis of these trade receivables is as follows:

| | 31 December 2015 | 31 December 2014 |
|--------------------------|---------------------|---------------------|
| Within 1 year | 1,348 | 2,815 |
| Between 1 and 2 years | 22,052 | 242,846 |
| Between 2 and 3 years | 275,330 | 97,317 |
| Over 3 years | 396,088 | 645,002 |
| | 694,818 | 987,980 |
| Provision for impairment | (510,336) | (719,992) |
| | 184,482 | 267,988 |

Movements in the provision for impairment of trade and notes receivables are as follows:

| | 2015 | 2014 |
|--------------------------|-----------|----------|
| As at 1 January | 719,992 | 611,510 |
| Provision for impairment | 6,847 | 135,682 |
| Written off | (11,452) | (3,625) |
| Reversal | (179,193) | (23,575) |

| | | |
|---|----------|---------|
| Disposal of subsidiaries (<i>Note</i>) | 15,644 | - |
| Transfer to assets of a disposal group classified | | |
| as held for sale | (1,980) | - |
| Others | (39,522) | - |
| <hr/> | | |
| As at 31 December | 510,336 | 719,992 |
| <hr/> | | |

Note: As set out in note 39 (b), the Group lost control of Ningxia photovoltaic subsidiaries and the trade receivables due from these companies eliminated previously become receivables due from third parties, which have been fully impaired.

As at 31 December 2015, the Group derecognised discounted notes receivables accepted by banks in the PRC to financial institutions with a carrying amount in aggregate of RMB1,021 million (31 December 2014: RMB1,374 million), and endorsed notes receivables accepted by banks in the PRC to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB13,052 million (31 December 2014: RMB12,741 million). The above discounted notes and endorsed notes are collectively referred to as the "Derecognised Notes". The Derecognised Notes have a maturity from one to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes, including the financial institutions and the suppliers, have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors of the Company, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and has derecognised the associated trade payables for the endorsed notes or has not recognised any short-term loans for the discounted notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

For the years ended 31 December 2015 and 2014, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

As at 31 December 2015, the Group has not derecognised notes receivable accepted by banks in the PRC endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount of RMB937 million (31 December 2014: RMB1,074 million). In the opinion

of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such endorsed notes, and accordingly, it continued to recognise the full carrying amounts of the endorsed notes and recognised the associated trade payables settled for the endorsed notes. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed notes, including the sale, transfer or pledge of the endorsed notes to any other third parties. None of the endorsed notes settled during the year has been recouped as at 31 December 2015 (31 December 2014: nil).

14. OTHER CURRENT ASSETS

| | 31 December 2015 | 31 December 2014 (restated) |
|--|---------------------|-----------------------------------|
| <hr/> | | |
| Financial assets | | |
| - Advances and deposits paid to suppliers | 504,179 | 248,070 |
| - Dividends receivable | 118,061 | 125,159 |
| - Receivables from sales of non-core businesses | 286,415 | 152,753 |
| - Entrusted loans and loans receivable from third parties | 1,657,849 | 275,091 |
| - Entrusted loans and loans receivable from related parties | 1,111,954 | 1,152,022 |
| - Receivables from disposals of subsidiaries, business and assets | 4,321,024 | 4,307,951 |
| - Receivable from disposal of Shanxi Huaxing (<i>note 39(a)</i>) | 1,646,035 | - |
| - Receivable from disposal of Hong Kong Properties (<i>note 35(a)(xiii)</i>) | 218,130 | - |
| - Interest receivable | 95,304 | 103,060 |
| - Recoverable reimbursement for freight charges | 147,420 | 203,649 |
| - Other financial assets | 752,110 | 660,435 |
| | <hr/> | <hr/> |
| | 10,858,481 | 7,228,190 |
| Less: provision for impairment | (1,666,394) | (407,198) |
| | <hr/> | <hr/> |
| | 9,192,087 | 6,820,992 |

| | | |
|---|------------|------------|
| Receivable of value-added tax refund | 53,458 | 18,891 |
| Advances to employees | 107,857 | 94,364 |
| Value-added tax recoverable | 2,079,039 | 2,355,758 |
| Deposits for investment projects | 27,515 | 40,136 |
| Prepaid income tax | 238,916 | 248,903 |
| Prepayments to related parties for purchases | 113,319 | 157,988 |
| Prepayments to suppliers for purchases and others | 3,633,301 | 3,306,921 |
| Others | 413,813 | - |
| | 6,667,218 | 6,222,961 |
| Less: provision for impairment | (11,972) | (12,253) |
| | 6,655,246 | 6,210,708 |
| Total other current assets | 15,847,333 | 13,031,700 |

As at 31 December 2015, except for an amount included in receivables from disposal of subsidiaries, business and assets amounting to RMB2,683 million, an amount included in advances and deposits paid to suppliers amounting to RMB540 million and an amount included in other items amounting to RMB280 million, which were denominated in USD, and a receivable from disposal of Hong Kong Properties amounting to RMB218 million in HKD (31 December 2014: RMB4,091 million in USD, RMB0.1 million in HKD, RMB0.2 million in AUD), all amounts in other current assets were denominated in RMB (31 December 2014: all in RMB).

As at 31 December 2015 and 31 December 2014, except for entrusted loans and loans receivable and receivables from disposal of subsidiaries, business and assets which were interest-bearing assets, all amounts in other current assets were non-interest-bearing (31 December 2014: all non-interest-bearing).

Included in the Group's other current assets are amounts due from the Group's joint ventures and associates of RMB1,439 million (31 December 2014: RMB1,310 million) and RMB0 million (31 December 2014: RMB91 million) (note 35(b)), respectively, which are repayable according to the loan agreement.

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As at 31 December 2015, the ageing analysis of financial assets included in other current assets was as follows:

| | 31 December 2015 | 31 December 2014 |
|--------------------------------|---------------------|---------------------|
| Within 1 year | 3,610,577 | 2,041,011 |
| Between 1 and 2 years | 970,569 | 4,433,345 |
| Between 2 and 3 years | 4,748,951 | 94,759 |
| Over 3 years | 1,528,384 | 659,075 |
| | 10,858,481 | 7,228,190 |
| Less: provision for impairment | (1,666,394) | (407,198) |
| | 9,192,087 | 6,820,992 |

As at 31 December 2015, the ageing analysis of past due but not impaired financial assets included in other current assets was as follows:

| | 31 December 2015 | 31 December 2014 |
|---------------------------|---------------------|---------------------|
| Past due for 1 year | 848,338 | 334,976 |
| Past due for 1 to 2 years | 53,745 | 75,159 |
| Past due for over 2 years | 345,172 | 279,301 |
| | 1,247,255 | 689,436 |
| Not past due | 7,944,832 | 6,131,556 |
| | 9,192,087 | 6,820,992 |

The credit quality of other current assets that were not impaired is assessed by reference to the counterparties' default history. Based on past experience, the directors of the Company are of the opinion that no

provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered recoverable within the credit terms.

As at 31 December 2015, other current assets of RMB2,133 million (31 December 2014: RMB436 million) of the Group were impaired and provisions of RMB1,678 million (31 December 2014: RMB419 million) were made. The ageing analysis of these current assets is as follows:

| | 31 December 2015 | 31 December 2014 |
|--------------------------------|---------------------|---------------------|
| Within 1 year | 278,094 | 22,059 |
| Between 1 and 2 years | 265,415 | 5,729 |
| Between 2 and 3 years | 378,985 | 24,802 |
| Over 3 years | 1,210,774 | 383,755 |
| | 2,133,268 | 436,345 |
| Less: provision for impairment | (1,678,366) | (419,451) |
| | 454,902 | 16,894 |

Movements in the provision for impairment of other current assets are as follows:

| | 2015 | 2014 |
|--|-----------|----------|
| As at 1 January | 419,451 | 467,491 |
| Provision for impairment | - | 43,133 |
| Reversal | (59,804) | (12,976) |
| Disposal of subsidiaries (<i>Note</i>) | 1,321,712 | - |
| Transfer to non-current assets held for sale | (21) | - |
| Others | (2,972) | (78,197) |
| As at 31 December | 1,678,366 | 419,451 |

Note: As set out in note 39 (b), the Group lost control of Ningxia photovoltaic subsidiaries and the receivables due from these companies eliminated previously become receivables due from third parties, which have been fully impaired.

15. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND TIME DEPOSITS

| | 31 December 2015 | 31 December 2014 |
|-----------------------------------|---------------------|---------------------|
| Restricted cash | 1,734,739 | 1,655,090 |
| Time deposits | - | 8,500 |
| Restricted cash and time deposits | 1,734,739 | 1,663,590 |
| Cash and cash equivalents | 20,753,136 | 16,268,600 |
| | 22,487,875 | 17,932,190 |

Restricted cash mainly represented deposits held for use in issued notes payable and letters of credit.

As at 31 December 2015, the Group had no time deposits (31 December 2014: the Group had RMB8.5 million time deposits, of which the annual effective interest rate was 3.06% with average maturity of three months to one year).

As at 31 December 2015, bank balances and cash on hand of the Group were denominated in the following currencies:

| | 31 December 2015 | 31 December 2014 |
|-----|---------------------|---------------------|
| RMB | 20,987,018 | 14,862,816 |
| USD | 1,492,849 | 3,055,287 |
| HKD | 2,968 | 4,889 |
| EUR | 753 | 6,387 |
| AUD | 2,476 | 2,751 |

| | | |
|-------|------------|------------|
| IDR | 1,811 | 60 |
| <hr/> | | |
| | 22,487,875 | 17,932,190 |
| <hr/> | | |

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances, time deposit and restricted cash are deposited with creditworthy banks with no recent history of default.

16. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND NON-CURRENT ASSETS HELD FOR SALE

(a) Assets and liabilities of a disposal group classified as held for sale

Certain assets and liabilities of Chalco Shandong Co., Ltd.* () ("Chalco Shandong") have been presented as held for sale following the assets exchange agreement signed on 25 June 2015 to exchange certain assets and liabilities with Shandong Aluminum Corporation* () ("Shandong Aluminum"), a subsidiary of Chinalco. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the assets and liabilities of Chalco Shandong to be exchanged under the assets exchange agreement are classified as assets and liabilities of a disposal group held for sale, respectively.

The major classes of assets and liabilities of Chalco Shandong classified as held for sale as at 31 December 2015 are as follows:

| | Carrying amount after classification as held for sale |
|--|---|
| <hr/> | |
| Property, plant and equipment (<i>note 6</i>) | 66,615 |
| Other assets | 133,572 |
| <hr/> | |
| Assets of a disposal group classified as held for sale | 200,187 |
| <hr/> | |
| Trade payables | 22,522 |

| | |
|---|---------|
| Other liabilities | 1,343 |
| <hr/> | |
| Liabilities of a disposal group classified as held for sale | 23,865 |
| <hr/> | |
| Net carrying amount of a disposal group | 176,322 |
| <hr/> | |

* The English names represent the best effort by the management of the Group in translating their Chinese names as they do not have any official English names.

(b) Non-current assets held for sale

In November 2015, the Company, Chinalco and Chinalco Capital Holdings Co., Ltd.* () ("Chinalco Capital") which was wholly-owned subsidiary of Chinalco, entered into the Capital Contribution Agreement (the "Chinalco Capital Capital Increase Agreement"), pursuant to which, the Company made a capital injection to Chinalco Capital by way of 15% equity interest held by the Company in ABC-CA Fund Management Co., Ltd. () (hereinafter referred to as "ABC-CA") and cash of RMB150 million in return for equity interest in Chinalco Capital. The appraised value of equity interest in ABC-CA is RMB1,888 million, 15% of which is valued at RMB283 million.

As of 31 December, 2015, the directors of the Company consider the capital injection will be completed during 2016. Hence, the Company reclassified 15% equity interest in ABC-CA as held-for-sale non-current assets based on its carrying value as of 31 December 2015.

17. SHARE CAPITAL

| | Number of shares in issue | | Share capital | Share premium |
|-------------------|---------------------------|-----------|---------------|---------------|
| | A shares | H shares | | |
| At 1 January 2014 | 9,580,522 | 3,943,966 | 3,524,488 | 13,098,082 |

At 31 December 2014

| | | | | |
|--|------------|-----------|------------|------------|
| and 1 January 2015 | 9,580,522 | 3,943,966 | 13,524,488 | 13,098,082 |
| Issuance of A shares (Note) | 1,379,310 | - | 1,379,310 | 6,518,162 |
| Business combination under common control (note 38) | - | - | - | (37,662) |
| <hr/> | | | | |
| At 31 December 2015 | 10,959,832 | 3,943,966 | 14,903,798 | 19,578,582 |
| <hr/> | | | | |

Note:

As at 31 December 2015 and 2014, all issued shares are registered and fully paid. Both A shares and H shares rank pari passu with each other.

The Company completed the non-public issuance of 1,379,310,344 A shares on 15 June 2015 pursuant to the specific mandate as approved at the annual general meeting of the Company on 27 June 2014. Upon completion of the non-public issuance, the total number of shares of the Company increased from 13,524,487,892 shares to 14,903,798,236 shares. According to the "Capital Verification Report of Ernst & Young Hua Ming (2015) Yan Zi No.N0968352-A02" (the "Capital Verification Report") issued by Ernst & Young Hua Ming LLP on the receipt of proceeds raised under the non-public issuance of the Company, as of 21 May 2015, total proceeds of RMB8,000 million and net proceeds of RMB7,897 million after deducting all relevant expenses in respect of this non-public issuance of RMB103 million were transferred to the designated account of the Company.

The Company had completed the relevant procedures of registration and custody for the non-public issuance at Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 15 June 2015. As a result of the non-public issuance, the Company's share capital increased by RMB1,379 million, and the share premium increased by RMB6,518 million.

18. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 134 to 135 of the financial statements.

19. INTEREST-BEARING LOANS AND BORROWINGS

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| | 31 December 2015 | 31 December 2014 (restated) |
|--|---------------------|-----------------------------------|
| <hr/> | | |
| Long-term loans and borrowings | | |
| Finance lease payables (<i>note 20</i>) | 6,656,038 | 1,429,446 |
| <hr/> | | |
| Bank and other loans (<i>Note (a)</i>) | | |
| - Secured (<i>Note (f)</i>) | 14,202,953 | 15,301,820 |
| - Guaranteed (<i>Note (e)</i>) | 1,791,207 | 1,652,737 |
| - Unsecured | 16,373,473 | 14,991,787 |
| <hr/> | | |
| | 32,367,633 | 31,946,344 |
| <hr/> | | |
| Medium-term notes and bonds and long-term bonds (<i>Note (b)</i>) | | |
| - Guaranteed (<i>Note (e)</i>) | 1,996,270 | 1,993,821 |
| - Unsecured | 25,715,582 | 20,237,772 |
| <hr/> | | |
| | 27,711,852 | 22,231,593 |
| <hr/> | | |
| Total long-term loans and borrowings | 66,735,523 | 55,607,383 |
| Current portion of finance lease payables (<i>note 20</i>) | (1,511,161) | (269,548) |
| Current portion of medium-term notes | (6,896,181) | (3,995,762) |
| Current portion of long-term bank and other loans | (4,602,511) | (6,572,862) |
| <hr/> | | |
| Non-current portion of long-term loans and borrowings | 53,725,670 | 44,769,211 |
| <hr/> | | |
| Short-term loans and borrowings | | |
| Bank and other loans (<i>Note (c)</i>) | | |
| - Secured (<i>Note (f)</i>) | 2,201,584 | 2,653,200 |
| - Guaranteed (<i>Note (e)</i>) | 400,000 | 1,247,159 |
| - Unsecured | 32,147,703 | 37,084,037 |
| <hr/> | | |

| | | |
|---|------------|------------|
| | 34,749,287 | 40,984,396 |
| Short-term bonds, unsecured (<i>Note (d)</i>) | 6,663,722 | 23,536,390 |
| Current portion of finance lease payables (<i>note 20</i>) | 1,511,161 | 269,548 |
| Current portion of medium-term notes | 6,896,181 | 3,995,762 |
| Current portion of long-term bank and other loans | 4,602,511 | 6,572,862 |
| <hr/> | | |
| Total short-term borrowings and current portion of long-term loans and borrowings | 54,422,862 | 75,358,958 |
| <hr/> | | |

As at 31 December 2015, except for loans and borrowings of the Group amounting to RMB23 million (31 December 2014: RMB24 million) and RMB3,711 million (31 December 2014: RMB4,957 million) which were denominated in JPY and USD, respectively, all loans and borrowings were denominated in RMB.

As at 31 December 2015, interest-bearing loans and borrowings of RMB4,849 million including a finance lease payable of RMB220 million (31 December 2014: interest-bearing loans and borrowings of RMB1,333 million including a finance lease payable of RMB304 million) and a finance lease payable of RMB1,221 million (31 December 2014: none) were due to Chinalco Finance Company Limited ("Chinalco Finance")

() and Chinalco Financial Leasing Co., Ltd.* ("Chinalco Financial Leasing") (), subsidiaries of Chinalco, respectively, as set out in note 35(b).

- * The English name represents the best effort by the management of the Group in translating its Chinese names as it does not have any official English names.

Notes:

(a) Long-term bank and other loans

- (i) The maturity of long-term bank and other loans is set out below:

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| | Loans from banks and other financial institutions | | Other loans | | Total of long-term bank and other loans | |
|-----------------------|---|------------------|------------------|------------------|---|------------------|
| | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 |
| Within 1 year | 4,600,619 | 6,558,565 | 1,892 | 14,297 | 4,602,511 | 6,572,862 |
| Between 1 and 2 years | 4,863,465 | 3,316,593 | 2,020 | 14,467 | 4,865,485 | 3,331,060 |
| Between 2 and 5 years | 13,779,643 | 11,770,086 | 6,060 | 14,018 | 13,785,703 | 11,784,104 |
| Over 5 years | 9,100,933 | 10,244,278 | 13,001 | 14,040 | 9,113,934 | 10,258,318 |
| | 32,344,660 | 31,889,522 | 22,973 | 56,822 | 32,367,633 | 31,946,344 |

(ii) Other loans were provided by local bureaus of the Ministry of Finance to the Group. The weighted average annual interest rate of long-term bank and other loans for the year ended 31 December 2015 was 5.51% (2014: 5.64%).

(b) Medium-term notes and bonds and long-term bonds

Outstanding long-term bonds and medium-term notes of the Group as at 31 December 2015 are summarised as follows:

| | Face value/ maturity | Effective interest rate | 31 December | 31 December |
|------------------------|-------------------------|-------------------------|-------------|-------------|
| | | | 2015 | 2014 |
| 2007 long-term bonds | 2,000,000/2017 | 4.64% | 1,996,270 | 1,993,821 |
| 2010 medium-term notes | 1,000,000/2015 | 4.34% | - | 998,249 |
| 2010 medium-term notes | 1,000,000/2015 | 4.20% | - | 998,040 |
| 2011 medium-term notes | 4,900,000/2016 | 6.03% | 4,898,376 | 4,896,842 |
| 2015 medium-term notes | 3,000,000/2018 | 5.53% | 2,981,028 | - |
| 2015 medium-term notes | 1,500,000/2018 | 5.01% | 1,487,994 | - |
| 2012 Ningxia Energy | | | | |

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| | | | | |
|------------------------|----------------|-------|------------|------------|
| medium-term bonds | 400,000/2017 | 6.06% | 400,000 | 400,000 |
| 2012 medium-term bonds | 2,000,000/2015 | 5.13% | - | 1,999,473 |
| 2012 medium-term bonds | 3,000,000/2017 | 5.77% | 2,992,788 | 2,989,167 |
| 2013 medium-term bonds | 3,000,000/2018 | 5.99% | 2,987,271 | 2,981,609 |
| 2013 medium-term bonds | 2,000,000/2016 | 5.99% | 1,997,805 | 1,994,753 |
| 2014 medium-term bonds | 3,000,000/2017 | 7.35% | 2,988,140 | 2,979,639 |
| 2015 medium-term bonds | 3,000,000/2018 | 6.11% | 2,993,630 | - |
| 2015 medium-term bonds | 2,000,000/2018 | 6.08% | 1,988,550 | - |
| | | | 27,711,852 | 22,231,593 |

Long-term bonds and medium-term notes and bonds were issued for capital expenditure purposes, operating cash flows and bank loan re-financing.

(c) Short-term bank and other loans

Other loans were entrusted loans provided by state-owned companies to the Group.

The weighted average annual interest rate of short-term bank and other loans for the year ended 31 December 2015 was 5.12% (2014: 5.48%).

(d) Short-term bonds

Outstanding short-term bonds as at 31 December 2015 are summarised as follows:

| | Face value/ maturity | Effective interest rate | 31 December 2015 | 31 December 2014 |
|-----------------------|-------------------------|-------------------------|---------------------|---------------------|
| 2014 short-term bonds | 2,000,000/2015 | 6.45% | - | 2,092,959 |
| | 3,000,000/2015 | 5.40% | - | 3,049,586 |

| | | | | |
|-----------------------|----------------|-------|-----------|------------|
| 2014 short-term bonds | | | | |
| 2014 short-term bonds | 3,000,000/2015 | 5.85% | - | 3,115,170 |
| 2014 short-term bonds | 3,000,000/2015 | 5.94% | - | 3,116,780 |
| 2014 short-term bonds | 3,000,000/2015 | 5.80% | - | 3,102,335 |
| 2014 short-term bonds | 3,000,000/2015 | 4.99% | - | 3,028,864 |
| 2014 short-term bonds | 3,000,000/2015 | 4.75% | - | 3,022,213 |
| 2014 short-term bonds | 3,000,000/2015 | 5.00% | - | 3,008,483 |
| 2015 short-term bonds | 3,000,000/2016 | 4.15% | 3,045,981 | - |
| 2015 short-term bonds | 3,000,000/2016 | 3.85% | 3,017,741 | - |
| 2015 short-term bonds | 600,000/2016 | 3.35% | 600,000 | - |
| | | | 6,663,722 | 23,536,390 |

All the above short-term bonds were issued for working capital needs.

(e) Guaranteed interest-bearing loans and borrowings

Details of the interest-bearing loans and borrowings in which the Group received guarantees are set out as follows:

| Guarantors | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| Long-term bonds | | |
| Bank of Communications () | 1,996,270 | 1,993,821 |
| Long-term loans | | |
| Lanzhou Aluminum Factory () (Note (i)) | 12,000 | 16,000 |
| The Company | 749,207 | - |
| Yinxing Energy (Note (ii)) | 202,400 | 136,000 |
| Ningxia Energy (Note (ii)) | 827,600 | 277,400 |
| Agricultural Bank of China Limited, Head Office, | | |

Amounts payable:

| | | | | |
|--|-----------|---------|-----------|---------|
| Within one year | 1,815,657 | 318,103 | 1,511,161 | 269,548 |
| In the second year | 1,803,103 | 444,022 | 1,533,730 | 390,768 |
| In the third to fifth years, inclusive | 3,751,049 | 910,926 | 3,611,147 | 769,130 |

| | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Total minimum finance lease payment | 7,369,809 | 1,673,051 | 6,656,038 | 1,429,446 |
|-------------------------------------|-----------|-----------|-----------|-----------|

| | | | | |
|------------------------|-----------|-----------|--|--|
| Future finance charges | (713,771) | (243,605) | | |
|------------------------|-----------|-----------|--|--|

| | | | | |
|--|-------------|-----------|--|--|
| Total net finance lease payables (<i>note 19</i>) | 6,656,038 | 1,429,446 | | |
| Portion classified as current liabilities (<i>note 19</i>) | (1,511,161) | (269,548) | | |

| | | | | |
|---------------------|-----------|-----------|--|--|
| Non-current portion | 5,144,877 | 1,159,898 | | |
|---------------------|-----------|-----------|--|--|

During 2015, the Group entered into various sale and leaseback agreements with Shenzhen Haotian Financial Leasing Co., Ltd.* (), CCB Financial Leasing Co., Ltd.* (), Ruize International Financial Leasing Co., Ltd.* (), Pingan International Financial Leasing Co., Ltd. ("Pingan") *(), Guohong Financial Leasing Co., Ltd.* (), Caterpillar Financial Leasing Co., Ltd.* (), Chongqing Transportation Equipment Financing Lease Co., Ltd.* (), JIC Leasing (Shanghai) Co., Ltd.* (), and Chinalco Financial Leasing, which is a related party of the Group, respectively, under which the Group sold the machinery and construction in progress and leased the assets back. Set out below are the particulars of these transactions with third-party financial leasing companies and Chinalco Financial Leasing:

- i. Sale and leaseback transactions with third-party financial leasing companies:

During the year 2015, the Group and several finance lease companies entered into eight sales and lease back agreements under which the lease terms range from 2015 to 2020 and the lease rentals are payable by instalments with interest charged at prevailing lending rates. Upon the expiry of the lease period, the Group is entitled to purchase the leased assets at nominal amount. Below is the summary of sales and lease back arrangements during the year.

| | Machinery | Construction in Progress | Total |
|--|-----------|-----------------------------|-----------|
| Original costs of the leased assets sold | 7,287,627 | 700,000 | 7,987,627 |
| Net carrying amounts of the leased assets sold | 4,491,368 | 700,000 | 5,191,368 |
| Consideration | 3,833,960 | 700,000 | 4,533,960 |
| Minimum lease payments | 4,497,289 | 894,618 | 5,391,907 |
| Initial recognition amount of leased assets | | | |
| under sales and lease back agreement | 3,833,970 | 700,000 | 4,533,970 |

ii. Sale and leaseback transactions with related-party financing leasing company:

During the year 2015, the Group and Chinalco Financial Leasing, entered into six sales and lease back agreements under which the lease terms range from 2015 to 2018 and the lease rentals are payable by instalments with interest bearing charged at prevailing lending rates. Upon the expiry of the lease period, the Group is entitled to purchase the leased assets at nominal amount. Below is the summary of sales and lease back arrangements during the year.

| | Machinery | Construction in Progress | Total |
|--|-----------|-----------------------------|-----------|
| Original costs of the leased assets sold | 1,692,907 | 265,180 | 1,958,087 |
| Net carrying amounts of the leased assets sold | 1,201,671 | 265,180 | 1,466,851 |
| Consideration | 1,150,000 | - | 1,150,000 |
| Minimum lease payments | 1,264,760 | - | 1,264,760 |
| Initial recognition amount of leased assets | | | |

| | | | |
|--------------------------------------|---------|---------|-----------|
| under sales and lease back agreement | 962,250 | 187,814 | 1,150,064 |
|--------------------------------------|---------|---------|-----------|

The Group disposed of the assets under the aforementioned sales and lease back arrangements and incurred gains and losses of RMB92 million and RMB1,066 million, respectively, which were amortized over their respective useful lives of the assets. Besides, the Group also entered sales and lease back agreements with Chinalco Finance during 2014.

21. OTHER NON-CURRENT LIABILITIES

| | 31 December 2015 | 31 December 2014 |
|--|---------------------|---------------------|
| Financial liabilities | | |
| - Long-term payables for mining rights | 797,694 | 757,185 |
| - Other financial liabilities | 300 | 14,109 |
| | 797,994 | 771,294 |
| Obligations in relation to early retirement schemes (<i>Note (i)</i>) | 827,305 | 1,128,572 |
| Deferred government grants | 1,384,865 | 824,631 |
| Deferred gain relating to sales and lease back agreements (<i>Note (ii)</i>) | 88,955 | - |
| Deferred government subsidies (<i>Note (iii)</i>) | 96,780 | 104,080 |
| Provision for rehabilitation | 100,285 | 94,195 |
| Others | 6,475 | 14,315 |
| | 2,504,665 | 2,165,793 |
| | 3,302,659 | 2,937,087 |

Notes:

- (i) Obligations in relation to early retirement schemes

During the years ended 31 December 2010 and 2014, certain subsidiaries and branches implemented certain early retirement benefit schemes which allow qualified employees to early retire on a voluntary basis. The Group undertakes obligation to pay the early retirement employees' living expenses for no more than 5 years in the future on a monthly basis according to early retirement benefit schemes, together with social insurance and housing fund pursuant to the regulation of the local Social Security Office. Living expenses, social insurance and housing fund are together referred to as "the Payments". The Payments are forecasted to increase by 3% per annum with reference to the inflation rate and adjusted based on the average death rate of China. The Payments are discounted by treasury bond rate of 31 December 2015. As at 31 December 2015, the current portion of the Payments within one year is reclassified to "other payables and accrued liabilities".

As at 31 December 2015, obligations in relation to retirement benefits under the Group's early retirement schemes are as follows:

| | 2015 | 2014 |
|--|-----------|-----------|
| As at 1 January | 1,374,101 | 80,040 |
| Provision made during the year (<i>note 26(b) and note 29</i>) | 34,893 | 1,360,284 |
| Interest costs | 14,007 | 3,868 |
| Payment during the year | (275,681) | (70,091) |
| As at 31 December | 1,147,320 | 1,374,101 |
| Non-current | 827,305 | 1,128,572 |
| Current (<i>note 22</i>) | 320,015 | 245,529 |
| | 1,147,320 | 1,374,101 |

- (ii) As disclosed in note 20, the Group entered into several sales and lease back agreements which were finance leases during the year. The deferred gains resulting from the sale were classified under other non-current liabilities and were amortized over the useful lives of the assets leased back.

- (iii) Deferred government subsidies represent certain national debt fund reserve and other subsidies granted by governmental units to support various qualified technical projects of the Group. These subsidies are deferred at the time they were received and are released when certain pre-determined conditions are met.

22. OTHER PAYABLES AND ACCRUED LIABILITIES

| | 31 December 2015 | 31 December 2014 (restated) |
|--|---------------------|-----------------------------------|
| <hr/> | | |
| Financial liabilities | | |
| - Payable for capital expenditures | 5,119,061 | 5,599,870 |
| - Accrued interest | 1,112,528 | 923,930 |
| - Payables withheld as guarantees and deposits | 1,040,315 | 960,935 |
| - Dividends payable by subsidiaries to non-controlling shareholders | 233,036 | 187,228 |
| - Consideration payable for investment projects | 98,966 | 89,569 |
| - Current portion of payables for mining rights | 218,158 | 519,990 |
| - Others | 1,002,727 | 920,101 |
| | <hr/> | <hr/> |
| | 8,824,791 | 9,201,623 |
| | <hr/> | |
| Sales and other deposits from customers | 1,654,058 | 2,689,453 |
| Taxes other than income taxes payable (<i>Note</i>) | 385,554 | 374,721 |
| Accrued payroll and bonus | 179,580 | 277,239 |
| Staff welfare payables | 276,435 | 251,587 |
| Current portion of obligation in relation to early retirement schemes (<i>note 21</i>) | 320,015 | 245,529 |
| Contribution payable for pension insurance | 123,331 | 51,266 |
| Others | 15,646 | 111,756 |
| | <hr/> | <hr/> |
| | 2,954,619 | 4,001,551 |
| | <hr/> | |
| | 11,779,410 | 13,203,174 |

Note: Taxes other than income taxes payable mainly comprise accruals for value-added tax, resource tax, city construction tax and education surcharge.

As at 31 December 2015, except for other payables and accrued liabilities of the Group amounting to RMB22 million and RMB0.311 million which were denominated in USD and HKD, respectively (31 December 2014: RMB365 million in USD, RMB0.004 million in HKD), all payables and accrued liabilities were denominated in RMB (31 December 2014: all in RMB).

23. TRADE AND NOTES PAYABLES

| | 31 December 2015 | 31 December 2014 (restated) |
|----------------|---------------------|-----------------------------------|
| Trade payables | 7,785,562 | 10,517,159 |
| Notes payable | 6,720,576 | 5,234,103 |
| | 14,506,138 | 15,751,262 |

As at 31 December 2015, except for trade and notes payables of the Group amounting to RMB228 million which were denominated in USD (31 December 2014: RMB1,450 million in USD, RMB0.2 million in EUR), all trade and notes payables were denominated in RMB (31 December 2014: all in RMB).

The ageing analysis of trade and notes payables is as follows:

| | 31 December 2015 | 31 December 2014 (restated) |
|-----------------------|---------------------|-----------------------------------|
| Within 1 year | 14,014,456 | 15,215,869 |
| Between 1 and 2 years | 248,509 | 293,832 |

| | | |
|-----------------------|------------|------------|
| Between 2 and 3 years | 55,067 | 62,882 |
| Over 3 years | 188,106 | 178,679 |
| | | |
| | 14,506,138 | 15,751,262 |

The trade and notes payables are non-interest-bearing and are normally settled within one year.

24. PLEDGE OF ASSETS

The Group has pledged various assets as collateral against certain secured borrowings as set out in note 19. As at 31 December 2015, a summary of these pledged assets was as follows:

| | 31 December 2015 | 31 December 2014 |
|---|---------------------|---------------------|
| Property, plant and equipment (<i>note 6</i>) | 6,102,859 | 9,249,127 |
| Land use rights (<i>note 7(b)</i>) | 257,610 | 409,181 |
| Intangible assets (<i>note 5</i>) | 1,241,057 | 1,124,726 |
| Inventories (<i>note 12</i>) | - | 50,000 |
| Investment in an associate (<i>note 8(b)</i>) | 421,270 | 450,611 |
| Notes receivable (<i>note 13</i>) | 26,500 | 98,000 |
| Trade receivables (<i>note 13</i>) | 360,000 | 270,084 |
| | | |
| | 8,409,296 | 11,651,729 |

As at 31 December 2015, in addition to the loans and borrowings which were pledged by the above assets, the current portion of long-term loans and borrowings amounting to RMB882 million (31 December 2014: RMB874 million) and the non-current portion of long-term loans and borrowings amounting to RMB10,384 million (31 December 2014: RMB11,572 million) were secured by the contractual right to charge users for electricity generated in the future. As at 31 December 2015, no short-term loans and borrowings (31 December 2014: RMB241 million) were secured by letters of credit. As at 31 December 2015, the current portion of long-term loans and borrowings amounting to RMB10 million and non-current portion of long-term loans and borrowings amounting to RMB1,667 million were secured by the investment in a 70.82% owned

subsidiary of the Company, Ningxia Energy. As at 31 December 2015, the balance of investment in Ningxia Energy of the Company was RMB5,895 million. In addition, as at 31 December 2015, a short-term loan amounting to RMB80 million (31 December 2014: nil) was secured by the note receivables in the Group which had been eliminated.

25. PROFIT/(LOSS) BEFORE INCOME TAX

An analysis of profit or loss before income tax is as follows:

| | 2015 | 2014 (restated) |
|---|------------|--------------------|
| Purchase of inventories in relation to trading activities | 60,318,158 | 71,647,273 |
| Raw materials and consumables used | 28,903,325 | 34,949,449 |
| Changes in work-in-progress and finished goods | 594,799 | 1,014,376 |
| Power and utilities | 15,826,259 | 17,740,895 |
| Depreciation and amortisation | 7,294,988 | 7,482,802 |
| Employee benefit expenses (<i>Note</i>) | 6,056,960 | 7,866,845 |
| Repair and maintenance | 1,797,181 | 1,857,471 |
| Transportation expenses | 1,149,261 | 1,055,912 |

Note: For the year ended 31 December 2015, employee benefit expenses include early retirement benefit expenses and termination benefit expenses amounting to RMB35 million (2014: RMB1,360 million) and RMB27 million (2014: RMB176 million), respectively.

26. OPERATING EXPENSES

(a) Selling and distribution expenses

An analysis of selling and distribution expenses is as follows:

| | 2015 | 2014 (restated) |
|--|------|--------------------|
|--|------|--------------------|

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| | | |
|---|-----------|-----------|
| Transportation and loading expenses | 1,149,261 | 1,055,912 |
| Packaging expenses | 268,244 | 249,843 |
| Port expenses | 61,212 | 61,707 |
| Employee benefit expenses | 67,247 | 70,418 |
| Sales commissions and other handling fees | 12,838 | 36,553 |
| Warehouse and other storage fees | 74,207 | 52,113 |
| Marketing and advertising expenses | 4,467 | 7,011 |
| Depreciation of non-production property, plant and equipment (<i>note 6</i>) | 22,731 | 31,896 |
| Others | 115,047 | 197,578 |
| | <hr/> | <hr/> |
| | 1,775,254 | 1,763,031 |
| | <hr/> | <hr/> |

(b) General and administrative expenses

An analysis of general and administrative expenses is as follows:

| | 2015 | 2014 (restated) |
|---|-----------|--------------------|
| | <hr/> | <hr/> |
| Early retirement benefit expenses (<i>note 21</i>) | 34,893 | 1,360,284 |
| Termination benefit expenses (<i>note 29</i>) | 26,753 | 176,002 |
| Employee benefit expenses | 954,402 | 1,050,384 |
| Taxes other than income tax expense (<i>Note (i)</i>) | 560,842 | 519,979 |
| Travelling and entertainment | 72,446 | 89,833 |
| Depreciation of non-production property, plant and equipment (<i>note 6</i>) | 172,337 | 179,813 |
| (Reversal)/provision for impairment of receivables, net | (232,150) | 142,264 |
| Operating lease rental expenses | 115,440 | 118,831 |
| Legal and other professional fees | 38,741 | 51,164 |
| Amortisation of land use rights and leasehold land (<i>note 7</i>) | 86,969 | 84,608 |
| Utilities and office supplies | 30,283 | 34,697 |
| Repairs and maintenance expenses | 40,462 | 39,134 |
| Insurance expense | 17,910 | 33,433 |
| Pollutants discharge fees | 17,141 | 28,984 |
| Auditors' remuneration (<i>Note (ii)</i>) | 23,666 | 25,176 |
| Amortisation of intangible assets (<i>note 5</i>) | 32,030 | 42,105 |
| Water and electricity expenses | 25,427 | 24,176 |

| | | |
|---|-----------|-----------|
| Property management fees | 37,314 | 40,693 |
| Bank charges and others | 95,047 | 110,969 |
| Impairment of intangible assets and land use rights and leasehold land | - | 249,228 |
| Others | 184,118 | 436,630 |
| | <hr/> | |
| | 2,334,071 | 4,838,387 |
| | <hr/> | |

Notes:

- (i) Taxes other than income tax expense mainly comprise business tax, surcharges, land use tax, property tax and stamp duty.
- (ii) During the year ended 31 December 2015, auditors' remuneration include audit and non-audit services provided by Ernst & Young, including Ernst & Young Hong Kong and Ernst & Young Hua Ming LLP amounting to RMB22.9 million (2014: RMB22.2 million), and services provided by other auditors.

27. GOVERNMENT GRANTS AND OTHER GAINS, NET

(a) Government grants

For the year ended 31 December 2015, government grants amounting to RMB1,769 million (2014: RMB824 million) were recognised as income for the year necessary to compensate the costs and facilitate the Group's development. There are no unfulfilled conditions or contingencies attached to the grants.

(b) Other gains, net

| | 2015 | 2014 |
|--|-----------|---------|
| | <hr/> | <hr/> |
| Partial disposal of Jiaozuo Wanfang (<i>note 8(b)</i>) | 832,369 | - |
| Gain on disposal of Shanxi Huaxing (<i>note 39(a)</i>) | 2,588,134 | - |
| Realised (loss)/gains on futures, forward and option contracts, net (<i>Note</i>) | (477,733) | 156,617 |

| | | |
|---|-----------|----------|
| Unrealised (loss)/gains on futures, forward and option contracts, net (<i>Note</i>) | (213,085) | 110,250 |
| Gain on disposal of aluminum plants and buildings of Guizhou Branch (<i>note 6</i>) | 1,364,821 | - |
| Gain on disposal of Hong Kong properties (<i>note 35(a)(xiii)</i>) | 209,735 | - |
| Gain on disposal of urban properties and land use rights for capital injection (<i>note 8(b)</i>) | 350,218 | - |
| Gain on disposal of Gansu Hualu land use right (<i>note 7(b)</i>) | 375,025 | - |
| Gain/(losses) on disposal of other property, plant and equipment and land use rights, net | 18,075 | (44,144) |
| Gain on investments in financial products | 38,469 | 71,023 |
| Others | (62,428) | 63,189 |
| | <hr/> | |
| | 5,023,600 | 356,935 |
| | <hr/> | |

Note: None of these futures, forward and option contracts is designated for hedge accounting.

28. FINANCE INCOME/FINANCE COSTS

An analysis of finance income/finance costs are as follows:

| | 2015 | 2014 (restated) |
|---|-----------|--------------------|
| Finance income - interest income | (812,084) | (1,047,607) |
| Interest expense | 6,045,011 | 7,128,947 |
| Less: interest expense capitalised in property, plant and equipment (<i>note 6</i>) | (476,032) | (532,695) |
| Interest expense, net of capitalised interest | 5,568,979 | 6,596,252 |
| Amortisation of unrecognized finance expenses | 284,835 | 123,881 |
| Exchange losses, net | 95,851 | 10,464 |

| | | |
|---|-------------------|-------------------|
| Finance costs | 5,949,665 | 6,730,597 |
| <hr/> | | |
| Finance costs, net | 5,137,581 | 5,682,990 |
| <hr/> | | |
| Capitalisation rate during the year (<i>note 6</i>) | 4.90% to 6.55% | 5.80% to 7.10% |

29. EMPLOYEE BENEFIT EXPENSES

An analysis of employee benefit expenses is as follows:

| | 2015 | 2014 |
|--|-----------|-----------|
| <hr/> | | |
| Salaries and bonus | 3,930,088 | 4,314,247 |
| Housing fund | 395,203 | 424,238 |
| Staff welfare and other expenses (<i>Note</i>) | 1,670,023 | 1,879,197 |
| Employment expense in relation to early retirement schemes (<i>note 21 and note 26(b)</i>) | 34,893 | 1,360,284 |
| Employment expenses in relation to termination benefit (<i>note 26(b)</i>) | 26,753 | 176,002 |
| <hr/> | | |
| | 6,056,960 | 8,153,968 |
| <hr/> | | |

Note: Staff welfare and other expenses include staff welfare, staff union expenses, staff education expenses, unemployment insurance expenses and pension insurance expenses, etc.

Employee benefit expenses include remuneration payables to directors, supervisors and senior management as set out in note 30.

30. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' and supervisors' remuneration

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The aggregate amounts of remuneration payables to directors and supervisors of the Company during the year are as follows:

| | 2015 | 2014 |
|---|-------|-------|
| Fees | 653 | 622 |
| Basic salaries, housing fund, other allowances and benefits in kind | 1,143 | 2,590 |
| Discretionary bonus | - | - |
| Pension cost | 140 | 316 |
| | 1,936 | 3,528 |

The remuneration of each director and supervisor of the Company for the year ended 31 December 2015 is set out below:

| Name of directors and supervisors | Fees | Salary | Discretionary Bonus | Pension | Total |
|---|------|--------|---------------------|---------|-------|
| Directors: | | | | | |
| Ge Honglin (<i>Note (i)</i>) | - | - | - | - | - |
| Ao Hong (<i>Note (ii)</i>) | - | - | - | - | - |
| Luo Jianchuan (<i>Note (ii)</i>) | - | - | - | - | - |
| Liu Xiangmin | - | - | - | - | - |
| Jiang Yinggang | - | 643 | - | 70 | 713 |
| Liu Caiming (<i>Note (iii)</i>) | - | - | - | - | - |
| Wang Jun | 150 | - | - | - | 150 |
| Ma Si-hang, Frederick (<i>Note (iv)</i>) | 192 | - | - | - | 192 |
| L i e - A - C h e o n g Tai-Chong, David (<i>Note (iv)</i>) | - | - | - | - | - |
| Chen Lijie (<i>Noted (v)</i>) | 162 | - | - | - | 162 |
| Hu Shihai (<i>Noted (vi)</i>) | 102 | - | - | - | 102 |
| Wu Zhenfang (<i>Noted (ix)</i>) | 47 | - | - | - | 47 |
| Wu Jianchang (<i>Noted (x)</i>) | - | - | - | - | - |

| | | | | | |
|-------------------------------------|-----|-------|---|-----|-------|
| | 653 | 643 | - | 70 | 1,366 |
| <hr/> | | | | | |
| Supervisors: | | | | | |
| Zhao Zhao | - | - | - | - | - |
| Yuan Li | - | 500 | - | 70 | 570 |
| Zhang Zhankui (<i>Note (vii)</i>) | - | - | - | - | - |
| Wang Jun (<i>Note (viii)</i>) | - | - | - | - | - |
| <hr/> | | | | | |
| | - | 500 | - | 70 | 570 |
| <hr/> | | | | | |
| Total | 653 | 1,143 | - | 140 | 1,936 |
| <hr/> | | | | | |

Notes:

- (i) Mr. Ge Honglin was elected as an executive director of the Company at the 2015 first extraordinary general meeting of the Company and he was elected as the chairman of the Board of the Company at the sixteenth meeting of the fifth session of the Board of the Company. On 16 February 2016, Mr. Ge proposed to resign as an executive Director, the chairman of the Board and from each of his positions in relevant special committees under the Board of the Company due to his work commitment.
- (ii) On 20 November 2015, due to work arrangement, Mr. Luo Jianchuan resigned from the Executive Director and President of the Company, along with all the duties of various special committees. Mr. Ao Hong was elected to be the Executive Director in the second extraordinary shareholders' meeting in 2015 of the fifth session of the board of directors.
- (iii) Mr. Liu Caiming was elected as a non-executive director of the fifth session of the Board of the Company at the 2015 first extraordinary general meeting of the Company.
- (iv) On 12 November 2015, due to other work arrangement, Mr Ma Si-hang resigned as an independent non-executive director and relevant duties of various special committees of the board of directors. Through the review of the election nomination committee of the fifth session of the board of directors and discussion of board of directors' 23th meeting, Mr. Lie-A-Cheong Tai-Chong, David was nominated to be the candidate of Non-executive Director. In the second

extraordinary shareholders meeting in 2015, he was elected to be independent non-executive director of the fifth session of the board of directors.

- (v) Ms. Chen Lijie was elected as an independent non-executive director of the fifth session of the Board of the Company at the 2015 first extraordinary general meeting of the Company.
- (vi) Mr. Hu Shihai was elected as an independent non-executive director of the fifth session of the Board of the Company at the 2015 annual general meeting of the Company.
- (vii) On 13 November 2015, due to other work arrangement, Mr. Zhang Zhankui resigned as a supervisor of the Group. On 13 November 2015, Mr. Zhang Zhankui was appointed as Chief Financial Officer by the Company with effect from 13 November 2015.
- (viii) The controlling shareholder, Chinalco nominated Mr. Wang Jun as the candidate for the supervisor of the fifth session of the board of supervisors. Mr. Wang Jun was elected to be supervisor of the fifth session of the board of supervisors.
- (ix) On 2 April 2015, due to the investigation by the competent authority, Mr. Wu Zhenfang resigned as an independent non-executive Director and from relevant positions in the special committees under the Board of the Company by submitting a resignation to the Board.
- (x) Due to his age, Mr. Wu Jianchang resigned from the position of independent Non-executive Director of the Company, with effect from 26 February 2015.

The remuneration of each director and supervisor of the Company for the year ended 31 December 2014 is set out below:

| Name of directors and supervisors | Fees | Salary | Discretionary bonus | Pension | Total |
|-----------------------------------|------|--------|---------------------|---------|-------|
| Directors: | | | | | |
| Xiong Weiping | - | 606 | - | 63 | 669 |
| Luo Jianchuan | - | 528 | - | 63 | 591 |
| Liu Xiangmin | - | 515 | - | 63 | 578 |
| Jiang Yinggang | - | 491 | - | 63 | 554 |
| Wu Jianchang | 94 | - | - | - | 94 |
| Ma Si-hang, Frederick | 189 | - | - | - | 189 |

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| | | | | | |
|---------------|-----|-------|---|-----|-------|
| Wu Zhenfang | 189 | - | - | - | 189 |
| Wang Jun | 150 | - | - | - | 150 |
| Liu Caiming | - | - | - | - | - |
| Sun Zhaoxue | - | - | - | - | - |
| | 622 | 2,140 | - | 252 | 3,014 |
| Supervisors: | | | | | |
| Zhao Zhao | - | - | - | - | - |
| Yuan Li | - | 450 | - | 64 | 514 |
| Zhang Zhankui | - | - | - | - | - |
| | - | 450 | - | 64 | 514 |
| Total | 622 | 2,590 | - | 316 | 3,528 |

The remuneration of the directors and supervisors of the Company fell within the following band:

| | Number of individuals | |
|---------------------|-----------------------|------|
| | 2015 | 2014 |
| Nil to RMB1,000,000 | 16 | 13 |

During the year, no options were granted to the directors or the supervisors of the Company (2014: nil).

During the year, no emoluments were paid to the directors or the supervisors of the Company (among which included the five highest paid employees) as an inducement to join or upon joining the Company or as compensation for loss of office (2014: nil).

No directors or supervisors of the Company waived any remuneration during the years 2015 and 2014.

(b) Five highest paid individuals

During the year ended 31 December 2015, the five highest paid employees of the Group include a director and a supervisor (2014: four directors) whose remuneration is reflected in the analysis presented above. The remuneration payable to the remaining three individuals during 2015 (2014: one) is as follows:

| | 2015 | 2014 |
|---|-------|------|
| <hr/> | | |
| Basic salaries, housing fund, other allowances and benefits in kind | 1,875 | 491 |
| Discretionary bonus | - | - |
| Pension cost | 204 | 63 |
| <hr/> | | |
| | 2,079 | 554 |
| <hr/> | | |

The number of the remaining three individual during 2015 (2014: 1) whose remuneration fell within the following band is as follows:

| | Number of employees | |
|---------------------|---------------------|------|
| | 2015 | 2014 |
| <hr/> | | |
| Nil to RMB1,000,000 | 3 | 1 |
| <hr/> | | |

31. INCOME TAX BENEFIT/(EXPENSE)

| | 2015 | 2014 |
|---------------------------------------|-----------|-----------|
| <hr/> | | |
| Current income tax expenses: | | |
| - PRC corporate income tax | (255,299) | (260,721) |
| Deferred income tax benefit/(expense) | 485,719 | (814,189) |
| <hr/> | | |

230,420 (1,074,910)

In general, the Group's PRC entities are subject to PRC corporate income tax at the standard rate of 25% (2014: 25%) on their respective estimated assessable profits for the year. Certain branches and subsidiaries of the Company located in the western regions of the PRC are granted tax concessions including a preferential tax rate of 15% (2014: 15%).

The reconciliation between the actual income tax expense of the Group and the theoretical tax amount that would arise using the PRC standard income tax rate applied to profit or loss before income tax of the Group is as follows:

| | 2015 | 2014 (restated) |
|---|-----------|--------------------|
| Profit/(loss) before income tax | 193,293 | (15,965,813) |
| Tax expense/(benefit) calculated at the standard income tax rate of 25% (2014: 25%) | 48,323 | (3,991,453) |
| Tax effects of: | | |
| Preferential income tax rates applicable to certain branches and subsidiaries | 21,442 | (19,631) |
| Impact of change in income tax rate | 4,538 | (53,490) |
| Tax losses of which no deferred tax assets recognised | 422,230 | 2,045,362 |
| Deductible temporary differences of which no deferred tax assets recognised | 241,812 | 1,223,707 |
| Utilisation of previously unrecognised tax losses | (358,106) | (9,477) |
| Tax incentive in relation to deduction limits of certain expenses | (2,502) | (4,949) |
| Non-taxable income and deductible interest | (149,084) | (205,539) |
| Expenses not deductible for tax purposes | 30,280 | 417,544 |
| Write-off of unrecoverable deferred tax assets previously recognized | 76,775 | 383,314 |
| Recognition of deferred tax assets related to previously | | |

| | | |
|---|-----------|-----------|
| unrecognized deductible temporary differences and tax losses | (238,728) | - |
| Unrecognized taxable temporary differences relating to equity investments | (351,846) | - |
| Recognition of taxable temporary differences relating to equity investments previously unrecognized | - | 1,321,405 |
| True up adjustments in respect of prior year's annual income tax filings and others | 24,446 | (31,883) |
| <hr/> | | |
| Income tax (benefit)/expense | (230,420) | 1,074,910 |
| <hr/> | | |
| Effective tax rate | (119%) | (6.73%) |
| <hr/> | | |

Share of income tax expense of associates and joint ventures of RMB41 million (2014: RMB52.0 million) and RMB21 million (2014: RMB20.4 million) is included in "share of profits and losses of associates" and "share of profits and losses of joint ventures", respectively.

32. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

The basic earnings/(loss) per share is calculated by dividing the earnings/(loss) attributable to equity holders of the parent by the weighted average number of shares in issue during the year.

| | 2015 | 2014 (restated) |
|---|--------------|--------------------|
| <hr/> | | |
| Profit/(loss) attributable to owners of the parent (<i>RMB</i>) | 206,318,673 | (16,208,169,006) |
| Other equity instruments' distribution | (19,287,671) | - |
| <hr/> | | |
| | 187,031,002 | (16,208,169,006) |

Weighted average number of ordinary shares in issue 14,272,716,517 13,524,487,892

Basic earnings/(loss) per share (RMB) 0.01 (1.20)

(b) Diluted

The diluted earnings/(loss) per share for the years ended 31 December 2015 and 2014 are the same as the basic earnings/(loss) per share as there were no dilutive potential shares during those years.

33. DIVIDENDS

According to the articles of association of the Company, the Company considers the maximum limit of profit appropriation to its shareholders is the lowest of:

- (i) the sum of the current period net profit and opening retained earnings in accordance with IFRSs;
- (ii) the sum of the current period net profit and opening retained earnings in accordance with the PRC Accounting Standards for Business Enterprises; and
- (iii) the amount limited by the Company Law of the PRC.

According to the resolution at the annual shareholders' meeting dated 25 June 2015, no dividend would be distributed for the year ended 31 December 2014. Thus, no dividend was paid in 2015 (2014: nil).

According to the resolution of the Board of Directors dated 17 March 2016, the directors did not propose any final dividend for the year ended 31 December 2015, which is to be approved by the shareholders.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

| Notes | 2015 | 2014 (restated) |
|-------|------|--------------------|
|-------|------|--------------------|

Cash flows generated from operating activities

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| | | | |
|---|-------|-------------|--------------|
| Profit/(loss) before income tax | | 193,293 | (15,965,813) |
| Adjustments for: | | | - |
| Share of profits and losses of joint ventures | 8(a) | (23,238) | (89,510) |
| Share of profits and losses of associates | 8(b) | (284,531) | (350,575) |
| Depreciation of property, plant and equipment | 6 | 6,868,929 | 6,967,819 |
| (Gain)/loss on disposal of other property, plant and equipment and land use rights, net | 27(b) | (18,075) | 44,144 |
| Impairment losses of property, plant and equipment | 6 | 10,011 | 5,679,521 |
| Impairment losses of intangible assets | 5 | - | 108,424 |
| Impairment losses of land use rights and leasehold land | 7 | - | 140,804 |
| Amortisation of intangible assets | 5 | 255,098 | 288,249 |
| Amortisation of land use rights and leasehold land | 7 | 86,969 | 84,608 |
| Amortisation of prepaid expenses included in other non-current assets | 11 | 83,992 | 142,126 |
| Realised and unrealised gains on futures, option and forward contracts | 27(b) | 690,818 | (266,867) |
| Gain on disposal of Shanxi Huaxing photovoltaic subsidiaries | 27(b) | (2,588,134) | - |
| Loss on disposal of Ningxia photovoltaic subsidiaries | | 18,873 | - |
| Gain on disposal of Jiaozuo Wanfang | 27(b) | (832,369) | - |
| Gain on disposal aluminum production buildings and plants of Guizhou Branch | 27(b) | (1,364,821) | - |
| Gain on disposal of land use right of Gansu Hualu | 27(b) | (375,025) | - |
| Gain on disposal of urban properties for capital injection | 27(b) | (350,218) | - |
| Gain on disposal of Hong Kong Properties | 27(b) | (209,735) | - |
| Receipt from government subsidies | | (280,535) | (154,726) |
| Interest income | | (340,278) | (605,385) |
| Interest expense | | 5,949,665 | 6,720,132 |
| Gain on financial products | 27(b) | (38,469) | 71,023 |
| Change in special reserve | | (103,364) | 65,450 |
| Others | | (3,085) | - |
| | | 7,345,771 | 2,879,424 |

| | | |
|--|-----------|------------|
| Changes in working capital: | | |
| Decrease in inventories | 1,954,192 | 1,132,087 |
| (Increase)/decrease in trade and notes receivables | (44,771) | 841,622 |
| (Increase)/decrease in other current assets | (769,218) | 3,158,148 |
| Increase in restricted cash | (126,364) | (615,432) |
| Increase in other non-current assets | (566,664) | (23,834) |
| (Decrease)/increase in trade and notes payables | (841,662) | 3,296,851 |
| Increase in other payables and accrued liabilities | 1,019,266 | 2,745,679 |
| Increase in other non-current liabilities | (461,995) | 712,929 |
| <hr/> | | |
| Cash generated from operations | 7,508,555 | 14,127,474 |
| <i>(Note(i))</i> | | |
| PRC corporate income taxes paid | (277,105) | (308,715) |
| <hr/> | | |
| Net cash generated from operating activities | 7,231,450 | 13,818,759 |
| <hr/> | | |
| Non-cash transactions of investing activities and financing activities | | |
| Debt to equity swap <i>(Note (ii))</i> | 74,800 | 121,200 |
| Capital injection in an associate by properties and land use right <i>(Note (iii))</i> | 565,627 | - |
| <hr/> | | |

Note:

- i. The cash inflows from the derecognised notes receivable which are discounted to banks are included in the cash flows generated from operating activities.
- ii. As disclosed in note 8(a), Guizhou Mining Company Co., Ltd converted its receivables amounting to RMB74.8 million due from Hengtaihe Mining Corporation Co., Ltd into capital injection.
- iii. As disclosed in note 8(b) in 2015, the Company together with its two subsidiaries, Chalco International Trading and Shanghai Kelin made capital contributions to Chinalco Property Development by

way of injecting certain urban property assets.

- iv. In 2015, the Group had endorsed notes receivables from selling products and providing services amounting to RMB6,971 million.

35. SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

The Company is controlled by Chinalco, the parent company and a state-owned enterprise established in the PRC. Chinalco itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 Related Party Disclosures government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include Chinalco and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("other state-owned enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence and key management personnel of the Company and Chinalco as well as their close family members.

For the purposes of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered in the ordinary course of business between the Group and its related parties during the year.

(a) Significant related party transactions

| | Notes | 2015 | 2014 |
|---|-------|------------|-----------|
| <hr/> | | | |
| Sales of goods and services rendered: | | | |
| Sales of materials and finished goods to: | (i) | | |
| Chinalco and its subsidiaries | (ix) | 11,085,064 | 7,040,457 |
| Associates of Chinalco | | 703,628 | 170,338 |
| Joint ventures of Chinalco | | - | 142 |
| Joint ventures | | 79,034 | 48,903 |
| Associates | | 2,165,445 | 2,146,870 |

14,033,171 9,406,710

 Provision of engineering, construction and

| | | | |
|-------------------------------|-------|--------|--------|
| supervisory services to: | (iii) | | |
| Chinalco and its subsidiaries | (ix) | 62,375 | 68,634 |

| | | | |
|-----------------------------------|------|---------|---------|
| Provision of utility services to: | (ii) | | |
| Chinalco and its subsidiaries | (ix) | 302,571 | 390,046 |
| Associates of Chinalco | | 14,803 | 17,750 |
| Joint ventures | | - | 113 |
| Associates | | 553 | 1,977 |

| | | | |
|--|--|---------|---------|
| | | 317,927 | 409,886 |
|--|--|---------|---------|

| | | | |
|--|-------|---|-------|
| Provision of product processing services to: | (vii) | | |
| Chinalco and its subsidiaries | (ix) | - | 3,169 |

| | | | |
|---|------|--------|--------|
| Rental revenue of land use rights and buildings to: | (vi) | | |
| Chinalco and its subsidiaries | | 34,281 | 34,887 |
| Associates of Chinalco | | 249 | - |

| | | | |
|--|--|--------|--------|
| | | 34,530 | 34,887 |
|--|--|--------|--------|

Purchases of goods and services:

Purchases of engineering, construction and

| | | | |
|-------------------------------|-------|-----------|---------|
| supervisory services from: | (iii) | | |
| Chinalco and its subsidiaries | (ix) | 1,610,428 | 987,706 |

Purchases of key and auxiliary materials,

| | | | |
|------------------------------------|------|-----------|-----------|
| equipment and finished goods from: | (iv) | | |
| Chinalco and its subsidiaries | (ix) | 1,710,841 | 3,009,894 |
| Associates of Chinalco | | - | 386,609 |

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| | | | |
|---|--------------|-----------|-----------|
| Joint ventures | | 1,276,078 | 1,268,123 |
| Associates | | 414,539 | 762,003 |
| | | <hr/> | |
| | | 3,401,458 | 5,426,629 |
| <hr/> | | | |
| Provision of social services and logistics services by: | (v) | | |
| Chinalco and its subsidiaries | (ix) | 324,872 | 312,626 |
| | | <hr/> | |
| Provision of utility services by: | (ii) | | |
| Chinalco and its subsidiaries | (ix) | 643,597 | 414,745 |
| | | <hr/> | |
| Provision of product processing services by: | | | |
| Chinalco and its subsidiaries | (vii) | | |
| | (ix) | 62,623 | 76,075 |
| | | <hr/> | |
| Rental expenses for buildings and land use | | | |
| rights charged by Chinalco and its subsidiaries | (vi), (ix) | 590,657 | 561,528 |
| | | <hr/> | |
| Other significant related party transactions: | | | |
| Borrowing from a subsidiary of Chinalco | (viii), (ix) | 5,929,000 | 1,429,000 |
| | | <hr/> | |
| Interest expense on a borrowing from a subsidiary of Chinalco | | 137,777 | 38,772 |
| | | <hr/> | |
| Entrusted loan from a subsidiary of Chinalco | | - | 70,000 |
| | | <hr/> | |
| Entrusted loans and other borrowings to: | | | |
| Joint ventures | | 140,000 | 764,000 |
| | | <hr/> | |

| | | | |
|--|------------|-----------|---------|
| Interest income on entrusted loans and other borrowings: | | | |
| Joint ventures | | 14,061 | 60,459 |
| An associate | | - | 88 |
| Chinalco and its subsidiaries | | - | 2,027 |
| | | 14,061 | 62,574 |
| Interest income from the unpaid disposal proceeds from: | | | |
| Chinalco and its subsidiaries | | 326,217 | 542,811 |
| Disposal of assets under a sale and leaseback | | | |
| contract to a subsidiary of Chinalco | (xi) | 1,150,000 | 300,000 |
| Finance lease under a sale and leaseback | | | |
| contract from a subsidiary of Chinalco | (xi), (ix) | 1,150,064 | 304,239 |
| Provision of financial guarantees to: | | | |
| Joint ventures | (x) | 340,900 | 345,760 |
| An associate | (x) | 17,470 | 23,710 |
| | | 358,370 | 369,470 |
| Financial guarantees provided by: | | | |
| Subsidiaries of Chinalco | 19(e) | 12,000 | 138,000 |
| Discounted notes receivables to | | | |
| a subsidiary of Chinalco | | 122,000 | 118,757 |

All transactions with related parties are conducted at prices and on terms mutually agreed by the parties involved, which are determined as follows:

(i)

Sales of materials and finished goods comprised sales of alumina, primary aluminum, copper and scrap materials. Transactions entered into are covered by general agreements on mutual provision of production supplies and ancillary services. The pricing policy is summarised below:

- (1) The price prescribed by the PRC government ("state-prescribed price") is adopted;
 - (2) If there is no state-prescribed price, state-guidance price is adopted;
 - (3) If there is neither state-prescribed price nor state-guidance price, then the market price (being price charged to and from independent third parties) is adopted; and
 - (4) If none of the above is available, then the adoption of a contractual price (being reasonable costs incurred in providing the relevant services plus not more than 5% of such costs is adopted).
- (ii) Utility services, including electricity, gas, heat and water, are provided at the state-prescribed price.
 - (iii) Engineering, project construction and supervisory services were provided for construction projects of the Group. The state-guidance price or prevailing market price (including the tender price where by way of tender) is adopted for pricing purposes.
 - (iv) The pricing policy for purchases of key and auxiliary materials (including bauxite, limestone, carbon, cement and coal) is the same as that set out in (i) above.
 - (v) Social services and logistics services provided by Chinalco Group cover public security, fire services, education and training, school and hospital services, cultural and physical education, newspaper and magazines, broadcasting and printing as well as property management, environmental and hygiene, greenery, nurseries and kindergartens, sanatoriums, canteens and offices, public transport and retirement management and other services. Provisions of these services are covered by the Comprehensive Social and Logistics Services Agreement. The pricing policy is the same as that set out in (i) above.
 - (vi) Pursuant to the Land Use Rights Lease Agreements entered into between the Group and Chinalco Group, operating leases for industrial or commercial land are charged at the market rent rate. The Group also entered into a building rental agreement with Chinalco

Group and pays rent based on the market rate for its lease of buildings owned by Chinalco.

- (vii) The pricing policy for product processing services is the same as that set out in (i) above.
- (viii) Chinalco Finance, a wholly-owned subsidiary of Chinalco and a non-bank financial institution incorporated in the PRC, provide deposit services, credit services and miscellaneous financial services to the Group. The terms for the provision of financial services to the Group are no less favourable than those of the same type of financial services provided by Chinalco Finance to Chinalco and other members of its group or those of the same type of financial services that may be provided to the Group by other financial institutions.
- (ix) The related party transactions in respect of these items above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (x) The Group provided guarantees to Xinyugou Coal and Ningxia Tian Jing Shen Zhou Wind Power Co., Ltd., joint ventures of the Group, and Xingshengyuan Coal, an associate of the Group, for their bank loans amounting to RMB311 million, RMB30 million and RMB17 million, respectively.
- (xi) As disclosed in note 20, the Company and its subsidiaries have entered into several sales and lease back agreements with Chinalco Finance and Chinalco Finance Leasing, respectively. Under these agreements, the Company and its subsidiaries sold certain assets and construction in progress to Chinalco Finance and Chinalco Finance Leasing, and leased back the assets and construction in progress under finance lease terms.
- (xii) As disclosed in note 8(b), the Group transferred certain urban properties and cash to Chinalco Property Development as capital injection which constituted a connected transaction.
- (xiii) Transfer of the Property Assets of Chalco Hong Kong to Chinalco Assets Holdings

In November 2015, Chalco Hong Kong and Chinalco Assets Holdings entered into an asset transfer agreement, pursuant to which, Chalco Hong Kong agreed to dispose of the property assets ("HK Property") of Chalco Hong Kong to Chinalco Assets Holdings. The appraised value of the properties was HKD372 million (equivalent to RMB311 million) as at the Benchmark Date of 30 September 2015. According to the asset transfer agreement, 30% of the total consideration, i.e. HKD112 million (equivalent to RMB93 million), shall be paid to Chalco Hong Kong by Chinalco Assets Holdings in December 2015, and the remaining 70% of the total consideration

shall be paid before 30 June 2016. The transaction between the Group and Chinalco Assets Holdings constituted a connected transaction.

The Group disposed of the Hong Kong Properties with carrying value of RMB102 million and recognised a gain of RMB210 million. In December 2015, the Group received the first batch of the asset transfer consideration of RMB93 million.

- (xiv) As disclosed in note 38, the Group acquired relevant assets and liabilities of High-Purity Aluminum Plant and Light Metal Material Plant ("High-Purity Aluminum and Light Metal") from Baotou Group which also constituted a connected transaction.
- (xv) As disclosed in note 8(b), the capital injection to Chalco Resource constituted a connected transaction.
- (xvi) As disclosed in note 8(b), the capital injection to China Rare Earth constituted a connected transaction.

During the years ended 31 December 2015 and 2014, the Group's significant transactions with other state-owned enterprises (excluding Chinalco and its subsidiaries) constituted a large portion of its sales of goods and purchases of raw materials, electricity, property, plant and equipment and services. In addition, substantially all restricted cash, time deposits, cash and cash equivalents and borrowings as at 31 December 2015 and 2014 and the relevant interest earned or paid during the year were transacted with banks and other financial institutions which are controlled by the PRC government.

- * The English names represent the best effort by the management of the Group in translating their Chinese names as they do not have any official English names.

(b) Balances with related parties

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related entities at the year end are as follows:

| | 31 December | 31 December |
|--|-------------|-------------|
| | 2015 | 2014 |

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| | | |
|--|-----------|-----------|
| Cash and cash equivalents deposited with | | |
| A subsidiary of Chinalco (<i>Note</i>) | 7,585,515 | 4,889,705 |
| <hr/> | | |
| Trade and notes receivables | | |
| Chinalco and its subsidiaries | 857,742 | 886,532 |
| Associates of Chinalco | 23 | 1,922 |
| Associates | - | 229 |
| Joint ventures | 28,268 | 8,213 |
| <hr/> | | |
| | 886,033 | 896,896 |
| Provision for impairment of receivables | (125,694) | (167,799) |
| <hr/> | | |
| | 760,339 | 729,097 |
| <hr/> | | |

Note: On 26 August 2011, the Company entered into an agreement with Chinalco Finance, pursuant to which, Chinalco Finance agreed to provide deposit services, credit services and other financial services to the Group. On 24 August 2012 and 28 April 2015, the Company renewed the financial service agreement with Chinalco Finance with a validation term of three years ending 25 August 2018.

| | | |
|--|-------------|-------------|
| | 31 December | 31 December |
| | 2015 | 2014 |
| <hr/> | | |
| Other current assets | | |
| Chinalco and its subsidiaries | 4,852,181 | 4,841,266 |
| Associates | - | 90,977 |
| Joint ventures | 1,438,938 | 1,310,499 |
| <hr/> | | |
| | 6,291,119 | 6,242,742 |
| Less: Provision for impairment of other current assets | (49,014) | (54,516) |
| <hr/> | | |
| | 6,242,105 | 6,188,226 |
| <hr/> | | |

| | | |
|--|-----------|-----------|
| Other non-current assets | | |
| Chinalco and its subsidiaries | 4,252,776 | 8,195,904 |
| Joint ventures | 409,251 | - |
| An associate | 111,846 | 111,846 |
| | <hr/> | |
| | 4,773,873 | 8,307,750 |
| | <hr/> | |
| Borrowings and finance lease payable | | |
| Subsidiaries of Chinalco | 6,070,364 | 1,402,639 |
| | <hr/> | |
| Trade and notes payables | | |
| Chinalco and its subsidiaries | 481,006 | 429,809 |
| Associates of Chinalco | - | 4 |
| Associates | - | 15,520 |
| Joint ventures | 160,215 | 81,988 |
| | <hr/> | |
| | 641,221 | 527,321 |
| | <hr/> | |
| Other payables and accrued liabilities | | |
| Chinalco and its subsidiaries | 1,281,120 | 1,426,842 |
| Associates of Chinalco | 171 | 880 |
| Associates | 1,019 | 91,207 |
| Joint ventures | 62,613 | 472 |
| | <hr/> | |
| | 1,344,923 | 1,519,401 |
| | <hr/> | |

As at 31 December 2015, included in long-term loans and borrowings and short-term loans and borrowings are borrowings payable to other state-owned enterprises amounting to RMB31,345 million (31 December 2014: RMB31,680 million) and RMB50,794 million (31 December 2014: RMB73,651 million).

The terms of all balances with the exception of the entrusted loans were unsecured and were in accordance with terms as set out in the respective agreements or as mutually agreed between the parties concerned.

(c) Compensation of key management personnel

| | 2015 | 2014 |
|---|-------|-------|
| Fees | 653 | 622 |
| Basic salaries, housing fund, other allowances and benefits in kind | 3,202 | 4,062 |
| Discretionary bonus | - | - |
| Pension cost | 221 | 508 |
| | 4,076 | 5,192 |

Details of directors' and senior management's remuneration are included in note 30 to the financial statements.

(d) Commitments with related parties

As at 31 December 2015 and 2014, except for the other capital commitments disclosed in note 42(c) to these financial statements, the Group had no significant commitments with related parties.

36. FINANCIAL AND CAPITAL RISK MANAGEMENT

36.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, cash flow and fair value interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the board of directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk primarily arises from certain significant foreign currency deposits, trade and notes receivables, trade and notes payables, receivable from a subsidiary of Chinalco due to disposal of an entity in the preceding year and disposal of Hong Kong Properties in the current year, and short-term and long-term loans denominated in United States dollars ("USD"), Australian dollars ("AUD"), Euro ("EUR"), Japanese yen ("JPY") and Hong Kong dollars ("HKD"). Related exposures are disclosed in notes 11, 13, 14, 15 and 19 and 23 to the financial statements, respectively. The Group Treasury closely monitors the international foreign currency market on the change of exchange rates and takes these into consideration when investing in foreign currency deposits and borrowing loans. As at 31 December 2015, the Group only has significant exposure to USD.

As at 31 December 2015, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the comprehensive income for the year would have been approximately RMB177 million lower/higher (2014: RMB238 million higher/lower), mainly as a result of foreign exchange gains and losses arising from translation of USD-denominated borrowings and receivables. Profit was less sensitive to the fluctuation in the RMB/USD exchange rates in 2015 than in 2014, mainly due to the decrease in the USD denominated cash and receivables.

As the assets and liabilities denominated in other foreign currencies other than USD were minimal relative to the total assets and liabilities of the Group, the directors of the Company are of the opinion that the Group was not exposed to any significant foreign currency risk arising from these foreign currency denominated assets and liabilities as at 31 December 2015 and 2014.

(ii) Interest rate risk

As at 31 December 2015, as the Group had no significant interest-bearing assets except for bank deposits (note 15), entrusted loans (note 14), receivables arising from disposal of subsidiaries, business and assets (note 11 and note 14) and a prepayment paid to a supplier (note 11), the Group's income and operating cash flows are substantially

independent of changes in market interest rates.

Most of the bank deposits are maintained in savings and time deposit accounts in the PRC. The interest rates are regulated by the People's Bank of China and the Group Treasury closely monitors the fluctuation on such rates periodically. The interest rates of entrusted loans and a deposit paid to a supplier are fixed, the interest rate of the receivables from disposal of subsidiaries, business and assets to Chinalco is at the rate of one-year bank loan determined by People's Bank of China at the payment date and the interest rate of the receivables from disposal of an entity to a subsidiary of Chinalco is LIBOR plus 0.9%. As the interest rates applied to the deposits and receivables from disposal of subsidiaries, business and assets were relatively low and the interest rates applied to the entrusted loans and a prepayment paid to a supplier were fixed, the directors of the Company are of the opinion that the Group was not exposed to any significant interest rate risk for its financial assets held as at 31 December 2015 and 2014.

The interest rate risk for the Group's financial liabilities primarily arises from interest-bearing loans. Loans borrowed at floating interest rates expose the Group to cash flow interest rate risk. The exposures to these risks are disclosed separately in note 19. The Group enters into debt obligations to support general corporate purposes including capital expenditures and working capital needs. The Group Treasury closely monitors market interest rates and maintains a balance between variable rate and fixed rate borrowings in order to reduce the exposures to the interest rate risk described above.

As at 31 December 2015, if interest rates had been 100 basis points (31 December 2014: 100 basis points) higher/lower for bank and other loans borrowed at floating interest rates with all other variables held constant, net profit for the year would have been RMB503 million lower/higher (2014: RMB547 million (restated)), respectively, mainly as a result of the higher/lower interest expense on floating rate borrowings.

The fair value interest rate risk of the Group mainly arises from long-term bonds, medium-term notes and short-term bonds issued at fixed rates. As the fluctuation of comparable interest rates of corporate bonds with similar terms was relatively low, the directors of the Company are of the opinion that the Group is not exposed to any significant fair value interest rate risk for its fixed interest rate borrowings held as at 31 December 2015 and 2014.

(iii) Commodity price risk

The Group uses futures and option contracts to reduce its exposure to fluctuations in the price of primary aluminum and other products. The Group uses the futures contract for hedging other than speculation. With reference to the hedging of primary aluminum, production company hedges the output of primary aluminum and trading company hedges the quantities of buyout and self-supporting.

The Group uses mainly futures contracts and option contracts traded on the Shanghai Futures Exchange and London Metal Exchange ("LME") to hedge against fluctuations in primary aluminum prices. As at 31 December 2015, the fair values of the outstanding futures contracts amounting to RMB2 million (31 December 2014: RMB121 million) and RMB11 million (31 December 2014: RMB4 million) are recognised in financial assets and financial liabilities at fair value through profit or loss, respectively. As at 31 December 2015, the fair value of outstanding options contracts amounting to RMB151 million (31 December 2014: RMB25 million) was recognised in financial liabilities at fair value through profit or loss.

A summary of futures contracts held as at 31 December 2015 is as follows:

| As at 31 December 2015 | | | | |
|-------------------------|--------------------------------------|-------------------|-------------------------|--------------------------|
| | Quantity (expressed in tonnes) | Contract value | Market valuematurity | C o n t r a c t |
| P r i m a r y | | | | |
| aluminum: | | | | |
| - l o n g position | 51,850 | 532,285 | 568,353 | January to March 2016 |
| - s h o r t position | 229,535 | 2,470,025 | 2,513,938 | January to June 2016 |
| Copper: | | | | |
| - l o n g | 425 | 15,513 | 15,615 | January 2016 |

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| | | | | |
|-------------|-------|--------|--------|---------------|
| position | | | | |
| - s h o r t | 2,525 | 92,433 | 92,756 | January to |
| position | | | | February |
| | | | | 2016 |
| Zinc: | | | | |
| - l o n g | 1,275 | 16,863 | 17,116 | February to |
| position | | | | May 2016 |
| - s h o r t | 800 | 9,884 | 10,732 | February 2016 |
| position | | | | |

As at 31 December 2014

| | Quantity (expressed in tonnes) | Contract value | Market valuematurity | C o n t r a c t |
|---------------|--------------------------------------|-------------------|-------------------------|-----------------|
| P r i m a r y | | | | |
| aluminum: | | | | |
| - l o n g | 44,535 | 600,762 | 591,871 | January to |
| position | | | | May 2015 |
| - s h o r t | 121,860 | 1,703,565 | 1,571,999 | February to |
| position | | | | March 2015 |
| Copper: | | | | |
| - l o n g | 8,900 | 384,072 | 379,780 | January to |
| position | | | | March 2015 |
| Zinc: | | | | |
| - l o n g | 1,000 | 16,444 | 16,723 | January to |
| position | | | | May 2015 |
| - s h o r t | 460 | 7,700 | 7,672 | January to |
| position | | | | May 2015 |
| Lead: | | | | |
| - s h o r t | 25 | 340 | 308 | January 2015 |
| position | | | | |
| Coal: | | | | |
| - l o n g | 90,000 | 68,568 | 67,140 | September |
| position | | | | 2015 |
| - s h o r t | 52,000 | 51,148 | 51,996 | January to |
| position | | | | May 2015 |

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As at 31 December 2015, if the commodity futures prices had increased/decreased by 3% (31 December 2014: 3%) and all other variables held constant, profit for the year would have changed by the amounts shown below:

| | 2015 | 2014 |
|---------------------------|--|--|
| P r i m a r y aluminum | Decrease/increase RMB43.776 million | Decrease/increase RMB22.053 million |
| Copper | Decrease/increase RMB1.736 million | Increase/decrease RMB8.545 million |
| Zinc | Increase/decrease RMB0.144 million | Increase/decrease RMB0.204 million |
| Lead | N/A | Decrease/increase RMB0.007 million |
| Coal | N/A | Increase/decrease RMB0.341 million |

(b) Credit risk

Credit risk arises from balances with banks and financial institutions, short-term investments, trade and notes receivables, other current and non-current receivables as well as credit exposures of customers, including outstanding receivables and committed transactions. The carrying amounts of short-term investments and these receivables included in notes 9, 11, 13, 14, and 15 represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group also provided financial guarantees to certain subsidiaries, two joint ventures and an associate as well as a third party. The guarantees to joint ventures and an associate mentioned in note 35 represented the Group's maximum exposure to credit risk in relation to its guarantees to joint ventures and an associate. As at 31 December 2015, the guarantees balance provided to a third party is RMB11 million.

The Group maintains substantially all of its bank balances and cash and short-term investments in several major state-owned banks in the PRC. With strong support from the PRC government to these state-owned banks, the directors of the Company are of the opinion that there is no significant credit

risk on such assets being exposed to losses.

With regard to receivables, the marketing department assesses the credit quality of the customers and their related parties, taking into account their financial positions, past experience and other factors. The Group performs periodic credit evaluations of its customers and believes that adequate provision for impairment of receivables has been made in the financial statements. Management does not expect any further losses from non-performance by these counterparties. The Group holds collateral for some entrusted loans. As at 31 December 2015, the Group has the receivables amounting to RMB8,792 million from Chinalco and its subsidiaries which arose from the disposal of subsidiaries, business and assets. Chinalco and its subsidiaries have settled the receivables and the related interest thereof in accordance with the payment terms. Therefore, the Group believes that there is no material credit risk related to the above-mentioned receivables.

For the year ended 31 December 2015, revenues of approximately RMB31,818 million (2014: RMB24,986 million) are derived from entities directly or indirectly owned or controlled by the PRC government including Chinalco. There were no other individual customers from whom the Group has derived revenue of more than 10% of the Group's revenue during the year ended 31 December 2015 and 2014. Thus, the directors of the Company are of the opinion that the Group was not exposed to any significant concentration of credit risk as at 31 December 2015 and 2014.

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration of the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

As at 31 December 2015, the Group had total banking facilities of approximately RMB138,392 million of which amounts totalling RMB67,620 million have been utilised as at 31 December 2015. Banking facilities of approximately

RMB63,877 million will be subject to renewal during the next 12 months. The directors of the Company are confident that such banking facilities can be renewed upon expiration based on their past experience and good credit standing.

In addition, as at 31 December 2015, the Group had credit facilities through its futures agent at the LME amounting to USD120 million (equivalent to RMB799.23 million) (31 December 2014: USD120 million (equivalent to RMB734.28 million)), of which USD58 million (equivalent to RMB376.28 million) (31 December 2014: USD57 million (equivalent to RMB346.09 million)) has been utilised. The futures agent has the right to adjust the related credit facilities.

Management also monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table below analyses the maturity profile of the Group's financial liabilities as at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Within 1 to 1 year | Within 11 to 2 years | 2 to 5 years | Over 5 years | Total |
|--|--------------------|----------------------|--------------|--------------|------------|
| As at 31 December 2015 | | | | | |
| Finance lease payables, including | | | | | |
| current portion | 1,815,657 | 1,803,103 | 3,751,049 | - | 7,369,809 |
| Long-term bank and other loans, including current portion | 4,602,511 | 4,865,485 | 13,785,703 | 9,113,934 | 32,367,633 |
| Long-term bonds | - | 2,000,000 | - | - | 2,000,000 |
| Medium-term notes and bonds, including current portion | 6,900,000 | 6,400,000 | 12,500,000 | - | 25,800,000 |
| Short-term bonds | 6,600,000 | - | - | - | 6,600,000 |
| Short-term bank and other loans | 34,749,287 | - | - | - | 34,749,287 |
| Interest payables for borrowings | 5,489,314 | 2,057,931 | 3,110,273 | 5,156,622 | 15,814,140 |
| Financial liabilities at fair value through profit or loss | 161,700 | - | - | - | 161,700 |

| | | | | | |
|---|------------|------------|------------|------------|-------------|
| Financial liabilities included in other payables and accrued liabilities, excluding accrued interest | 7,712,263 | - | - | - | 7,712,263 |
| Financial liabilities included in other non-current liabilities (Note) | - | 150,251 | 437,129 | 385,975 | 973,355 |
| Trade and notes payables | 14,506,138 | - | - | - | 14,506,138 |
| | 82,536,870 | 17,276,770 | 33,584,154 | 14,656,531 | 148,054,325 |

Note: As disclosed in note 21, as at 31 December 2015, the carrying value of financial liabilities included in other non-current liabilities was RMB798 million (31 December 2014: RMB771 million).

| | Within 11 to 2 years year | 2 to 5 years | Over 5 years | Total | |
|---|------------------------------|--------------|-----------------|------------|------------|
| As at 31 December 2014 (restated) | | | | | |
| Finance lease payables, including current portion | 318,103 | 444,022 | 910,926 | - | 1,673,051 |
| Long-term bank and other loans, including current portion | 6,572,862 | 3,331,060 | 11,784,104 | 10,258,318 | 31,946,344 |
| Long-term bonds | - | - | 2,000,000 | - | 2,000,000 |
| Medium-term notes and bonds, including current portion | 4,000,000 | 6,900,000 | 9,400,000 | - | 20,300,000 |
| Short-term bonds | 23,000,000 | - | - | - | 23,000,000 |
| Short-term bank and other loans | 40,984,396 | - | - | - | 40,984,396 |
| Interest payables for borrowings | 5,793,584 | 2,516,312 | 3,488,030 | 596,089 | 12,394,015 |
| Financial liabilities at fair value through profit or loss | 29,384 | - | - | - | 29,384 |

| | | | | | |
|--|-------------|------------|------------|------------|-------------|
| Financial liabilities included in other payables and accrued liabilities, excluding accrued interest | 8,277,693 | - | - | - | 8,277,693 |
| Financial liabilities included in other non-current liabilities | - | 229,704 | 581,265 | 359,264 | 1,170,233 |
| Trade and notes payables | 15,751,262 | - | - | - | 15,751,262 |
| | | | | | |
| | 104,727,284 | 13,421,098 | 28,164,325 | 11,213,671 | 157,526,378 |

36.2 Financial instruments

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

31 December 2015

| | Financial assets at fair value through profit or loss | Loans and receivables | Available-for-sale financial investments | Total |
|---|---|-----------------------|--|------------|
| Current | | | | |
| Trade and notes receivables | - | 5,151,039 | - | 5,151,039 |
| Available-for-sale financial investments | - | - | 224,820 | 224,820 |
| Financial assets at fair value through profit or loss | 2,058 | - | - | 2,058 |
| Restricted cash and time deposits | - | 1,734,739 | - | 1,734,739 |
| Cash and cash equivalents | - | 20,753,136 | - | 20,753,136 |

| | | | | |
|---|-------|------------|---------|------------|
| Financial assets included in other current assets | - | 9,192,087 | - | 9,192,087 |
| <hr/> | | | | |
| Subtotal | 2,058 | 36,831,001 | 224,820 | 37,057,879 |
| <hr/> | | | | |
| Non-current Available-for-sale financial investments | - | - | 130,440 | 130,440 |
| Financial assets included in other non-current assets | - | 6,057,461 | - | 6,057,461 |
| <hr/> | | | | |
| Subtotal | - | 6,057,461 | 130,440 | 6,187,901 |
| <hr/> | | | | |
| Total | 2,058 | 42,888,462 | 355,260 | 43,245,780 |
| <hr/> | | | | |

Financial liabilities

31 December 2015

| | Financial liabilities at fair value through profit or loss | Financial liabilities at amortised cost | Total |
|---|--|--|------------|
| <hr/> | | | |
| Current | | | |
| Financial liabilities at fair value | | | |
| through profit or loss | 161,700 | - | 161,700 |
| Interest-bearing loans and borrowings | - | 54,422,863 | 54,422,863 |
| Financial liabilities included in other | | | |
| payables and accrued liabilities (note 22) | - | 8,824,791 | 8,824,791 |
| Trade and notes payables | - | 14,506,138 | 14,506,138 |
| <hr/> | | | |

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| | | | |
|---|---------|-------------|-------------|
| Subtotal | 161,700 | 77,753,792 | 77,915,492 |
| <hr/> | | | |
| Non-current Financial liabilities included in other non-current liabilities (note 21) | - | 797,994 | 797,994 |
| Interest-bearing loans and borrowings | - | 53,725,670 | 53,725,670 |
| <hr/> | | | |
| Subtotal | - | 54,523,664 | 54,523,664 |
| <hr/> | | | |
| Total | 161,700 | 132,277,456 | 132,439,156 |
| <hr/> | | | |

Financial assets

31 December 2014 (restated)

| | Financial assets at fair value through profit or loss | Loans and receivables | Available-for-sale financial investments | Total |
|--|--|--------------------------|--|------------|
| <hr/> | | | | |
| Current | | | | |
| Trade and notes receivables | - | 5,332,534 | - | 5,332,534 |
| Available-for-sale financial investments | - | - | 4,635,600 | 4,635,600 |
| Financial assets at fair value through profit or loss | 120,901 | - | - | 120,901 |
| Restricted cash and time deposits | - | 1,663,590 | - | 1,663,590 |
| Cash and cash equivalents | - | 16,268,600 | - | 16,268,600 |
| Financial assets included in other current assets (note 14) | - | 6,820,992 | - | 6,820,992 |

| | | | | |
|-----------------------|---------|------------|-----------|------------|
| Subtotal | 120,901 | 30,085,716 | 4,635,600 | 34,842,217 |
| <hr/> | | | | |
| Non-current | | | | |
| Available-for-sale | - | - | 74,850 | 74,850 |
| financial investments | | | | |
| Financial assets | | | | |
| included in other | | | | |
| non-current assets | - | 8,393,122 | - | 8,393,122 |
| (note 11) | | | | |
| <hr/> | | | | |
| Subtotal | - | 8,393,122 | 74,850 | 8,467,972 |
| <hr/> | | | | |
| Total | 120,901 | 38,478,838 | 4,710,450 | 43,310,189 |
| <hr/> | | | | |

Financial liabilities

31 December 2014 (restated)

| | Financial liabilities at fair value through profit or loss | Financial liabilities at amortised cost | Total |
|---|--|---|-------------|
| Current | | | |
| Financial liabilities at fair value | | | |
| through profit or loss | 29,384 | - | 29,384 |
| Interest-bearing loans and borrowings | - | 75,358,958 | 75,358,958 |
| Financial liabilities included in other | | | |
| payables and accrued liabilities | - | 9,201,623 | 9,201,623 |
| Trade and notes payables | - | 15,751,262 | 15,751,262 |
| <hr/> | | | |
| Subtotal | 29,384 | 100,311,843 | 100,341,227 |

| | | | |
|--|--------|-------------|-------------|
| Non-current Financial liabilities included in other non-current liabilities | - | 771,294 | 771,294 |
| Interest-bearing loans and borrowings | - | 44,769,211 | 44,769,211 |
| Subtotal | - | 45,540,505 | 45,540,505 |
| Total | 29,384 | 145,852,348 | 145,881,732 |

(b) Fair value and fair value hierarchy

Fair value

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values and those carried at fair value, are as follows:

| | Carrying amounts | | Fair values | |
|--|------------------|------------------|------------------|------------------|
| | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Financial assets Financial assets included in other non-current assets (note 11) | 6,057,461 | 8,393,122 | 6,245,648 | 8,703,168 |
|---|-----------|-----------|-----------|-----------|

| | Carrying amounts | | Fair values | |
|--|------------------|------------------|------------------|------------------|
| | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 |

| | | | | |
|---|------------|------------|------------|------------|
| Financial liabilities | | | | |
| Financial liabilities included | | | | |
| in other non-current liabilities (note 21) | 797,994 | 771,294 | 797,994 | 771,294 |
| Long-term interest-bearing loans and borrowings (note 19) | 53,725,670 | 44,769,211 | 52,987,968 | 44,292,962 |
| | 54,523,664 | 45,540,505 | 53,785,962 | 45,064,256 |

Management has assessed that the fair values of cash and cash equivalents, restricted cash and time deposits, trade and notes receivables, financial assets included in other current assets, entrusted loans, trade and notes payables, financial liabilities included in other payables and accrued liabilities, short-term and current portion of interest-bearing loans and borrowings, interest payable and the current portion of long-term payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- * The fair values of the financial assets included in other non-current assets and financial liabilities included in other non-current liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments on with similar terms, credit risk and remaining maturities.
- * The fair values of long-term interest-bearing loans and borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's own non-performance risk for financial liabilities included in other non-current liabilities and long-term interest-bearing loans and borrowings as at 31 December 2015 was assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

| As at 31 December 2015 | Fair value measurement using | | | |
|---|---|--|--|---------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial assets at fair value through profit or loss: | | | | |
| Futures contracts | 2,058 | - | - | 2,058 |
| Available-for-sale financial investments | 59,940 | 224,820 | - | 284,760 |
| | 61,998 | 224,820 | - | 286,818 |

| As at 31 December 2014 | Fair value measurement using | | | |
|---------------------------|---|--|--|-------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | | | | |

Financial assets at fair value

through profit or loss:

| | | | | |
|--|---------|-----------|---|-----------|
| Futures contracts | 120,901 | - | - | 120,901 |
| Available-for-sale financial investments | - | 4,635,600 | - | 4,635,600 |
| | 120,901 | 4,635,600 | - | 4,756,501 |

Liabilities measured at fair value

As at 31 December 2015

Fair value measurement using

| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|---|---|---------|
| Financial liabilities at fair value through profit or loss: | | | | |
| Futures contracts | 10,719 | - | - | 10,719 |
| European option contracts | - | 150,981 | - | 150,981 |
| | 10,719 | 150,981 | - | 161,700 |

As at 31 December 2014

Fair value measurement using

| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|--|---|---|---|-------|
| | | | | |

Financial liabilities
at fair value
through profit or
loss:

| | | | | |
|------------------------------|-------|--------|---|--------|
| Futures contracts | 4,455 | - | - | 4,455 |
| European option contracts | - | 24,929 | - | 24,929 |
| | 4,455 | 24,929 | - | 29,384 |

Assets for which fair values are disclosed

As at 31 December
2015

Fair value measurement using

| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---|---|--|--|-----------|
| Loans and receivables: Financial assets included in other non-current assets | - | 6,245,648 | - | 6,245,648 |

As at 31 December
2014

Fair value measurement using

| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
|---------------------------|---|--|--|-------|
| Loans and receivables: | | | | |

Loans and
receivables:

| | | | | |
|--|---|-----------|---|-----------|
| Financial assets included in other non-current assets | - | 8,703,168 | - | 8,703,168 |
|--|---|-----------|---|-----------|

Liabilities for which fair values are disclosed

| | | | | |
|--|---|--|--|------------|
| As at 31 December 2015 | Fair value measurement using | | | |
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Financial liabilities included in other non-current liabilities | - | 797,994 | - | 797,994 |
| Long-term interest-bearing loans and borrowings | - | 52,987,968 | - | 52,987,968 |
| | - | 53,785,962 | - | 53,785,962 |

Liabilities for which fair values are disclosed

| | | | | |
|---------------------------|---|--|--|-------|
| As at 31 December 2014 | Fair value measurement using | | | |
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |

| | | | |
|---|---|------------|--------------|
| Financial liabilities included in | | | |
| other non-current liabilities | - | 771,294 | - 771,294 |
| Long-term interest-bearing loans and borrowings | - | 44,292,962 | - 44,292,962 |
| | | | |
| | - | 45,064,256 | - 45,064,256 |

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2014: nil).

36.3 Capital risk management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with other entities in the industry, the Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding deferred tax liabilities and income tax payable) less restricted cash, time deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt less non-controlling interests.

During 2015 and 2014, the change in sales prices of the Group's primary products has adversely impacted on the profitability of the Group. The gearing ratio as at 31 December 2015 is as follows:

| | 31 December 2015 | 31 December 2014 (restated) |
|--|---------------------|-----------------------------------|
|--|---------------------|-----------------------------------|

Total liabilities (excluding deferred tax

| | | |
|--|--------------|--------------|
| liabilities and income tax payable) | 137,922,304 | 152,049,076 |
| Less: restricted cash, time deposits and cash and cash equivalents | (22,487,875) | (17,932,190) |
| <hr/> | | |
| Net debt | 115,434,429 | 134,116,886 |
| <hr/> | | |
| Total equity | 50,297,436 | 39,653,846 |
| Add: net debt | 115,434,429 | 134,116,886 |
| Less: non-controlling interests | (11,457,339) | (11,353,155) |
| <hr/> | | |
| Total capital attributable to owners of the parent | 154,274,526 | 162,417,577 |
| <hr/> | | |
| Gearing ratio | 75% | 83% |
| <hr/> | | |

The decrease in the gearing ratio as at 31 December 2015 mainly resulted from the increase of share capital by the issuance of A shares.

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

| | 2015 | 2014 |
|---|--------|--------|
| <hr/> | | |
| Percentage of equity interest held by non-controlling interests | | |
| Ningxia Energy | 29.18% | 29.18% |
| Shandong Huayu | 45.00% | 45.00% |
| <hr/> | | |

Loss for the year allocated to non-controlling interests

| | | |
|----------------|----------|-----------|
| Ningxia Energy | (29,716) | (550,825) |
| Shandong Huayu | (21,459) | (19,940) |

Dividends paid to non-controlling interests

| | | |
|----------------|--------|--------|
| Ningxia Energy | 41,905 | 64,553 |
| Shandong Huayu | - | - |

Accumulated balances of non-controlling interests at the reporting dates

| | | |
|----------------|-----------|-----------|
| Ningxia Energy | 3,496,613 | 3,572,917 |
| Shandong Huayu | 742,704 | 766,693 |

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

| 2015 | Ningxia Energy | Shandong Huayu |
|--|----------------|----------------|
| Revenue | 3,929,406 | 2,355,849 |
| Total expenses | (3,981,824) | (2,403,535) |
| Loss for the year | (52,418) | (47,686) |
| Total comprehensive loss for the year | (52,418) | (47,686) |
| Current assets | 3,392,945 | 930,275 |
| Non-current assets | 30,534,583 | 2,461,806 |
| Current liabilities | (6,507,721) | (1,751,726) |
| Non-current liabilities | (18,229,159) | (1,110) |
| Net cash flows from operating activities | 2,281,584 | 261,886 |
| Net cash flows used in investing activities | (2,077,674) | (36,529) |
| Net cash flows (used in)/from financing activities | (227,037) | 120,570 |
| Effect of foreign exchange rate changes, net | (576) | - |

| | | |
|--|----------|---------|
| Net (decrease)/increase in cash and cash equivalents | (23,703) | 345,927 |
|--|----------|---------|

| | | |
|------|----------------|----------------|
| 2014 | Ningxia Energy | Shandong Huayu |
|------|----------------|----------------|

| | | |
|---------------------------------------|-------------|-------------|
| Revenue | 4,676,461 | 2,644,227 |
| Total expenses | (6,366,978) | (2,688,539) |
| Loss for the year | (1,690,517) | (44,312) |
| Total comprehensive loss for the year | (1,690,517) | (44,312) |

| | | |
|-------------------------|--------------|-------------|
| Current assets | 4,052,484 | 584,375 |
| Non-current assets | 29,611,512 | 2,480,330 |
| Current liabilities | (6,952,449) | (1,372,077) |
| Non-current liabilities | (17,417,698) | (385) |

| | | |
|--|-------------|-----------|
| Net cash flows from operating activities | 2,004,293 | 589,152 |
| Net cash flows used in investing activities | (2,270,943) | (71,158) |
| Net cash flows from/(used in) financing activities | 372,707 | (435,947) |
| Effect of foreign exchange rate changes, net | 84 | - |

| | | |
|---|---------|--------|
| Net increase in cash and cash equivalents | 106,141 | 82,047 |
|---|---------|--------|

38. BUSINESS COMBINATION

In November 2015, Baotou Aluminum, the subsidiary of the Company, acquired relevant assets and liabilities of High-Purity Aluminum and Light Metal of Baotou Aluminum Group at a total cash consideration of RMB37.662 million. Baotou Aluminum Group is a subsidiary of Chinalco, the parent company of the Group. Before and after the acquisition, both sides are controlled by Chinalco, and the control is not temporary. Thus, the acquisition is considered to be business combination under common control. The combination date is 30 November 2015, which is determined by the date of transfer of the assets and liabilities.

The book values of the assets and liabilities of High-Purity Aluminum and

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Light Metal as at the acquisition date and the comparative financial figures were as follows:

| | 31 December 2015 | 31 December 2014 |
|---------------------------------------|---------------------|---------------------|
| <hr/> | | |
| Assets | | |
| Trade and notes receivables | 47,729 | 19,959 |
| Other current assets | 13 | 11,808 |
| Inventories | 146,224 | 101,898 |
| Property, plant and equipment | 76,611 | 87,609 |
| Intangible assets | 1,347 | 2,139 |
| <hr/> | | |
| Liabilities | | |
| Trade and notes payables | 43,597 | 2,911 |
| Other payables and accrued expenses | 137,539 | 3,791 |
| Interest bearing loans and borrowings | 65,000 | 191,707 |
| <hr/> | | |
| Net assets | 25,788 | 25,004 |
| <hr/> | | |
| Difference recognised in equity | 11,874 | |
| <hr/> | | |
| | 37,662 | |
| <hr/> | | |
| Satisfied by cash | 37,662 | |
| <hr/> | | |
| Total purchase consideration | 37,662 | |
| <hr/> | | |

An analysis of the cash flows of cash and cash equivalents in respect of the acquisition of High-Purity Aluminum Plant and Light Metal is as follows:

| | |
|---------------------------------|--------|
| Cash consideration paid | 30,000 |
| Cash and bank balances acquired | - |
| <hr/> | |

Net outflow of cash and cash equivalents included

| | |
|---|--------|
| in cash flows from investing activities | 30,000 |
|---|--------|

39. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Shanxi Huaxing

In December 2015, the Group entered into Equity Transfer Agreement with Shenzhen CR Yuanda, a state-owned entity, to transfer 50% equity interests in Shanxi Huaxing, a wholly owned subsidiary, through the Shanghai United Assets and Equity Exchange at a price of RMB2,351 million. The price was determined based on the appraisal value provided by an independent qualified appraisal company. According to the Equity Transfer Agreement, 30% of the consideration amounting to RMB705 million has been received by the Group in December 2015 whereas the remaining amount of RMB1,646 million would be paid within one year from the effective date of the Equity Transfer Agreement and the balance is interest bearing charged at prevailing lending interest rate.

The directors of the Company are of the opinion that the Group lost control over Shanxi Huaxing and accounted for it as a joint venture accordingly. As of the date of disposal, the carrying amounts of Shanxi Huaxing was RMB2,115 million, and the Group recognised gain of disposal of subsidiary of RMB1,294 million for 50% equity interest disposed of. The Group re-measured the remaining 50% net assets of Shanxi Huaxing to fair value of RMB2,351 million and recognised fair value gain of RMB1,294 million accordingly.

The details of the net assets disposed of are as follows:

| | Date of disposal |
|---|---------------------|
| <hr/> | |
| Net assets disposed of: | |
| Cash and cash equivalents | 114,794 |
| Restricted cash and time deposits | 46,716 |
| Trade and notes receivables | 34,479 |
| Other current assets | 30,849 |
| Inventories | 340,218 |
| Property, plant and equipment (<i>note 6</i>) | 4,495,019 |
| Land use right (<i>note 7</i>) | 251,295 |
| Intangible assets (<i>note 5</i>) | 365,427 |
| Deferred tax assets (<i>note 10</i>) | 3,057 |

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| | |
|--|-------------|
| Other non-current assets | 487,076 |
| Trade and notes payables | (426,288) |
| Other payables and accrued liabilities | (898,781) |
| Interest bearing loans and borrowings | (2,312,574) |
| Income tax payable | (4,271) |
| Other non-current liabilities | (412,192) |

| | |
|--|-------------|
| Net assets | 2,114,824 |
| 50% of net assets transferred into joint venture (<i>Note</i>) | (1,057,412) |

| | |
|------------------------------------|-----------|
| Net assets disposed of | 1,057,412 |
| Gain on disposal of Shanxi Huaxing | 1,294,067 |

2,351,479

Satisfied by:

| | |
|------------------------------------|-----------|
| Cash | 705,444 |
| Receivables as at 31 December 2015 | 1,646,035 |

2,351,479

Note:

| | |
|--|-----------|
| 50% of net assets transferred into joint venture | 1,057,412 |
| Gain on remeasurement of the remaining equity interest at fair value (<i>note 27(b)</i>) | 1,294,067 |

| | |
|--|-----------|
| Initial cost of investment in joint venture (<i>note 8(a)</i>) | 2,351,479 |
|--|-----------|

An analysis of the cash flows of cash and cash equivalents in respect of the Disposal of Shanxi Huaxing is as follows:

2015

| | |
|-----------------------------|---------|
| Cash consideration received | 705,444 |
|-----------------------------|---------|

| | |
|---|---------|
| Less: cash and cash equivalents of Shanxi Huaxing disposed of | 114,794 |
|---|---------|

| | |
|---|---------|
| Net inflows of cash and cash equivalents in respect of the disposal of Shanxi Huaxing | 590,650 |
|---|---------|

(b) Lost control of Ningxia photovoltaic subsidiaries

In September and October 2015, LingWu People's Court, Yinchuan Intermediate People's Court and Wuzhong People's Court accepted the liquidation petition filed by the Group's subsidiaries, Ningxia Ning Electric Silicon Co., Ltd.* (), Ningxia Ning Electric PV Material Co., Ltd.* (), Ningxia Ning Electric Silicon Materials Co., Ltd.* () and Ningxia Yinxing Polycrystalline Silicon Co., Ltd.* () (hereinafter referred to as "Ningxia photovoltaic subsidiaries"), respectively. Upon the liquidation administrators took control over those companies, the directors of the Company considered the Group lost control over Ningxia photovoltaic subsidiaries and therefore ceased to consolidate these companies since then ("date of lost control").

The book value of assets and liabilities of Ningxia photovoltaic subsidiaries is result from the fair value adjustments of Ningxia photovoltaic subsidiaries' assets and liabilities arising from acquisition of Ningxia Energy in 2013.

* The English names represent the best effort by the management of the Group in translating their Chinese names as they do not have any official English names.

The details of the net assets of Ningxia photovoltaic subsidiaries are as follows:

| | Date of disposal |
|-----------------------------|------------------|
| <hr/> | |
| Net assets: | |
| Cash and cash equivalents | 189 |
| Trade and notes receivables | 47,619 |
| Other current assets | 166,377 |

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| | |
|---|-----------|
| Inventories | 18,718 |
| Property, plant and equipment (<i>note 6</i>) | 387,324 |
| Land use right (<i>note 7(b)</i>) | 114,330 |
| Intangible assets (<i>note 5</i>) | 3,954 |
| Other non-current assets | 8,432 |
| Available-for-sale financial investments | 5,686 |
| Trade and notes payables | (290,441) |
| Other payables and accrued expenses | (215,198) |
| Deferred tax liabilities (<i>note 10</i>) | (36,389) |
| Other non-current liabilities | (61,123) |

| | |
|------------|---------|
| Net assets | 149,478 |
|------------|---------|

| | |
|---|-------------|
| Trade and notes receivable due from Ningxia photovoltaic subsidiaries | 15,644 |
| Other current amount due from Ningxia photovoltaic subsidiaries | 1,435,802 |
| Provision for trade and notes receivable due from Ningxia photovoltaic subsidiaries | (15,644) |
| Provision for other current assets due from Ningxia photovoltaic subsidiaries | (1,321,712) |

| | |
|---------------|---------|
| Consideration | 114,090 |
|---------------|---------|

| | |
|--|--------|
| Release of unrealised gains or losses between Ningxia photovoltaic subsidiaries and the Group upon deconsolidation | 16,515 |
|--|--------|

| | |
|---|----------|
| Net loss on lost control of Ningxia photovoltaic subsidiaries | (18,873) |
|---|----------|

An analysis of the cash flows of cash and cash equivalents in respect of lost control of Ningxia photovoltaic subsidiaries is as follows:

2015

| | |
|--|-----|
| Cash consideration paid | - |
| Less: cash and cash equivalents of Ningxia photovoltaic subsidiaries | 189 |

Net outflows of cash and cash equivalents in respect of (189)
lost control of Ningxia photovoltaic subsidiaries

40. OTHER EQUITY INSTRUMENTS

On 22 October 2013, a subsidiary of the Company, Chalco Hong Kong Investment Company Limited (the "Issuer") issued USD350 million senior perpetual securities at an initial distribution rate of 6.625% (the "2013 Senior Perpetual Securities"). The proceeds from issuance of the 2013 Senior Perpetual Securities after the issuance costs is USD347 million (equivalent to RMB2,123 million). The proceeds will be on-lent to the Company and any of its subsidiaries for general corporate use. Coupon payments of 6.625% per annum on the 2013 Senior Perpetual Securities are paid semi-annually in arrears from 29 October 2013 and may be deferred at the discretion of the Group. The 2013 Senior Perpetual Securities have no fixed maturity and are callable only at the Group's option on or after 29 October 2018 at their principal amounts together with any accrued, unpaid or deferred coupon distribution payments. After 29 October 2018, the coupon distribution rate will be reset to a percentage per annum equal to the sum of (a) the initial spread of 5.312 per cent, (b) the U. S. Treasury Rate, and (c) a margin of 5.00 per cent. per annum. While any coupon distribution payments are unpaid or deferred, the Group, the wholly owned subsidiaries of Chalco Hong Kong as guarantors, and the issuer cannot declare or pay dividends or make distributions or similar discretionary payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

On 10 April 2014, Chalco Hong Kong Investment Company Limited issued USD400 million senior perpetual securities at an initial distribution rate of 6.25% (the "2014 Senior Perpetual Securities"). The proceeds from issuance of the 2014 Senior Perpetual Securities after the issuance costs is USD398 million (equivalent to RMB2,462 million). The proceeds will be on-lent to the Company and any of its subsidiaries for general corporate use. Coupon payments of 6.25% per annum on the 2014 Senior Perpetual Securities are paid semi-annually on 29 April and 29 October in arrears from 17 April 2014 and may be deferred at the discretion of the Group. The first coupon payment date was 29 April 2014. The 2014 Senior Perpetual Securities have no fixed maturity and are callable only at the Group's option on or after 17 April 2017 at their principal amounts together with any accrued, unpaid or deferred coupon distribution payments. After 17 April 2017, the coupon distribution rate will be reset to a percentage per annum equal to the sum of (a) the initial spread of 5.423 per cent, (b) the U. S. Treasury Rate, and (c) a margin of 5.00 per cent. per annum. While any coupon distribution payments are unpaid or deferred, the Group, the wholly owned subsidiaries of Chalco Hong Kong as guarantors, and the issuer cannot declare or pay dividends or make distributions or similar discretionary payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

On 27 October 2015, the Company issued RMB2,000 million perpetual medium-term notes at an initial distribution rate of 5.50% (the "2015 Perpetual Medium-term Notes"). The proceeds from issuance of the 2015 Perpetual Medium-term Notes is RMB2,000 million. The proceeds will be used for repayments of interest-bearing loans and borrowings. Coupon payments of 5.50% per annum on the 2015 Perpetual Medium-term Notes are paid annually in arrears from 29 October 2015 and may be deferred at the discretion of the Company. The 2015 Perpetual Medium-term Notes have no fixed maturity and are callable only at the Group's option on 29 October 2020 or any coupon distribution date after 29 October 2020 at their principal amounts together with any accrued, unpaid or deferred coupon distribution payments. The coupon distribution rate will be reset to a percentage per annum equal to the sum of (a) the initial spread of 2.61 per cent, (b) the China Treasury Rate, and (c) a margin of 300 Bps every five years after 29 October 2020. While any coupon distribution payments are unpaid or deferred, the headquarters of the Company cannot declare or pay dividends to shareholders or decrease the share capital, or make material fixed asset investments of the headquarters of the Company.

Pursuant to the terms of the 2013 Senior Perpetual Securities, 2014 Senior Perpetual Securities and 2015 Perpetual Medium-term Notes, the Group has no contractual obligation to repay their principal or to pay any coupon distribution. The 2013 Senior Perpetual Securities, 2014 Senior Perpetual Securities and 2015 Perpetual Medium-term Notes do not meet the definition of financial liabilities according to IAS 32 Financial Instruments: Presentation, and are classified as equity and subsequent distribution declared will be treated as distribution to equity owners.

41. CONTINGENT LIABILITIES

As at 31 December 2015 and 2014, the Group had no significant contingent liabilities.

42. COMMITMENTS

(a) Capital commitments of property, plant and equipment

| | 31 December 2015 | 31 December 2014 |
|----------------------------------|---------------------|---------------------|
| Contracted, but not provided for | 7,770,944 | 12,624,047 |

(b) Commitments under operating leases

The future aggregate minimum lease payments as at 31 December 2015 pursuant to non-cancellable lease agreements entered into by the Group are summarised as follows:

| | 31 December 2015 | 31 December 2014 |
|---|---------------------|---------------------|
| Within one year | 561,028 | 556,727 |
| In the second to fifth years, inclusive | 2,167,718 | 2,310,421 |
| After five years | 15,088,512 | 16,276,818 |
| | 17,817,258 | 19,143,966 |

(c) Other capital commitments

As at 31 December 2015, commitments to make capital contributions to the Group's joint ventures and associates were as follows:

| | 31 December 2015 | 31 December 2014 |
|----------------|---------------------|---------------------|
| Associates | 1,492,475 | 1,102,250 |
| Joint ventures | 244,800 | 74,800 |
| | 1,737,275 | 1,177,050 |

43. EVENTS AFTER THE REPORTING PERIOD

- (a) On 1 February 2016, Jiaozuo Wanfang held the first extraordinary general meeting and conducted general election of non-independent directors and independent directors of the seventh session of the board of directors. None of the six non-independent nor the three independent directors representing the Company was appointed by Jiaozuo Wangfang. Thus, the Company lost significant influence on Jiaozuo Wanfang.

- (b) As set out in note 16 (a), on 25 June 2015, the Group and Shandong Aluminum, a subsidiary of Chinalco, signed an asset exchange agreement that the Group would exchange part of the assets and liabilities of Chalco Shandong with part of the assets and liabilities of Shandong Aluminum. In January 2016, the exchange of Chalco Shandong business and Shandong Aluminum business was completed.
- (c) On 5 February 2016, the Company received notice from Chinalco, that ACCOH, a subsidiary of Chinalco, has increased holding H shares of the Company through the Hong Kong stock exchange trading system since 9 November 2015. As of 4 February 2016, Chinalco and ACCOH have increased holding A and H shares of the Company by 188 million shares, accounting for about 1.26% of the total shares of the Company. On the same day, Chinalco and the persons acting in concert held 5,135 million A shares and 187 million H shares of the Company in aggregate, accounting for about 35.71% of the total shares of the Company.

44. COMPARATIVE AMOUNTS

Certain comparative amounts have been restated as a result of the business combination under common control as disclosed in note 38.

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

| | 31 December 2015 | 31 December 2014 |
|--|---------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 3,282,017 | 3,638,375 |
| Property, plant and equipment | 33,258,857 | 44,064,328 |
| Land use rights and leasehold land | 852,679 | 1,102,498 |
| Investments in subsidiaries | 31,537,923 | 25,491,924 |
| Investments in joint ventures | 1,336,924 | 1,151,923 |
| Investments in associates | 2,763,649 | 1,067,463 |
| Available-for-sale financial investments | 64,940 | 7,000 |
| Deferred tax assets | 299,865 | 291,822 |
| Other non-current assets | 4,174,660 | 3,927,933 |

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| | | |
|--|-------------|--------------|
| Total non-current assets | 77,571,514 | 80,743,266 |
| <hr/> | | |
| Current assets | | |
| Inventories | 6,096,147 | 11,089,803 |
| Trade and notes receivables | 1,408,012 | 1,905,978 |
| Other current assets | 15,311,341 | 8,952,811 |
| Financial assets at fair value through profit or loss | 255 | - |
| Available-for-sale financial investments | 17,720 | 2,525,600 |
| Restricted cash and time deposits | 149,288 | 252,459 |
| Cash and cash equivalents | 12,650,099 | 7,567,985 |
| <hr/> | | |
| | 35,632,862 | 32,294,636 |
| Non-current assets held for sale | 78,838 | - |
| <hr/> | | |
| Total current assets | 35,711,700 | 32,294,636 |
| <hr/> | | |
| Total assets | 113,283,214 | 113,037,902 |
| <hr/> | | |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity attributable to owners of the parent | | |
| Share capital | 14,903,798 | 13,524,488 |
| Other reserves | 29,721,714 | 21,148,051 |
| Accumulated losses | | |
| - proposed final dividend for the year | - | - |
| - others | (9,889,519) | (12,228,419) |
| <hr/> | | |
| Total equity | 34,735,993 | 22,444,120 |
| <hr/> | | |
| LIABILITIES | | |
| Non-current liabilities | | |
| Interest-bearing loans and borrowings | 33,638,462 | 23,940,172 |
| Other non-current liabilities | 1,354,080 | 1,317,175 |
| <hr/> | | |
| Total non-current liabilities | 34,992,542 | 25,257,347 |
| <hr/> | | |

| | | |
|--|-------------------|-------------------|
| Current liabilities | | |
| Interest-bearing loans and borrowings | 31,954,073 | 53,174,693 |
| Other payables and accrued liabilities | 8,051,891 | 6,369,227 |
| Trade and notes payables | 3,548,715 | 5,792,515 |
| <hr/> | | |
| Total current liabilities | 43,554,679 | 65,336,435 |
| <hr/> | | |
| Total liabilities | 78,547,221 | 90,593,782 |
| <hr/> | | |
| Total equity and liabilities | 113,283,214 | 113,037,902 |
| <hr/> | | |
| Net current liabilities | 7,842,979 | 33,041,799 |
| <hr/> | | |
| Total assets less current liabilities | 69,728,535 | 47,701,467 |
| <hr/> | | |

Ao Hong
Director

Zhang Zhankui
Chief Financial Officer

Note:

A summary of the Company's reserves is as follows:

| | Share premium | Other capital reserves | Statutory surplus reserve | Special reserve | Available-for-sale reserve | Other equity instrument | Retained earnings/ (accumulated losses) | Total |
|--------------------------|---------------|------------------------|---------------------------|-----------------|----------------------------|-------------------------|---|-------|
| Balance at January 2014 | 114,390,784 | 852,925,867,557 | 36,962 | - | - | 868,753 | 22,016,981 | |
| Loss for the year | - | - | - | - | - | (13,097,172) | (13,097,172) | |
| Other appropriation | - | - | (177) | - | - | - | (177) | |
| Balance at December 2014 | 114,390,784 | 852,925,867,557 | 36,785 | - | - | (12,228,419) | 8,919,632 | |

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| | | | | | | | | |
|---|------------|---------|-----------|----------|--------|-----------|-------------|------------|
| Profit for the year | - | - | - | - | - | - | 2,358,188 | 2,358,188 |
| Issuance of A shares | 6,518,162 | - | - | - | - | - | - | 6,518,162 |
| Other appropriation | - | - | - | (1,949) | - | - | - | (1,949) |
| Transfer from a branch to a subsidiary | - | - | - | (19,778) | - | - | - | (19,778) |
| Gain on available-for-sale financial assets | - | - | - | - | 57,940 | - | - | 57,940 |
| Perpetual Medium-term notes | - | - | - | - | - | 2,000,000 | - | 2,000,000 |
| Perpetual Medium-term notes' distribution | - | - | - | - | - | 19,288 | (19,288) | - |
| <hr/> | | | | | | | | |
| At 31 December 2015 | 20,908,946 | 852,925 | 5,867,557 | 15,058 | 57,940 | 2,019,288 | (9,889,519) | 19,832,195 |
| <hr/> | | | | | | | | |

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 17 March 2016.

About the Company

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- * Contact person: Zhang Zhankui, Company Secretary