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Sanmenxia Tianyuan Aluminum Company Limited*

三門峽天元鋁業股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8253)

**ANNOUNCEMENT IN RELATION TO
PRICE SENSITIVE INFORMATION,
PROFIT WARNING
AND
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

PRICE SENSITIVE INFORMATION

Sanmenxia Tianyuan Aluminum Company Limited (the “Company”) noted that on 17 March 2012, a Hong Kong newspaper reported that on 16 March 2012, legal action has been instituted by Bayin Resources Company Limited and Australia and New Zealand Banking Group Limited, Hong Kong Branch (collectively, the “Plaintiffs”) at the High Court of Hong Kong against the Company, its holding company Tianrui Group Company Limited (天瑞集團有限公司) (“Tianrui Group”) and Tianrui Group Sanmenxia Aluminum Go. Ltd (“TGSA”, and together with the Company and Tianrui Group, the “Defendants”), for payment of principal amount and interest totaling approximately US\$7.29 million (approximately HK\$56.89 million) pursuant to an export contract supplemental in December 2010. To the best of the knowledge and information of the Company, TGSA is wholly-owned by Tianrui Group and hence a fellow subsidiary of the Company.

The Company announces that on 16 March 2012, it received a statutory demand (the “Statutory Demand”) under section 178(1)(a) of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) dated 15 March 2012 from a law firm in Hong Kong purportedly acting for the Plaintiffs. Pursuant to the Statutory Demand, the Defendants were demanded payment of a sum allegedly due by the Defendants to the Plaintiffs of US\$ 6,858,000 and total interest of US\$639,252.79 within 21 days from the date of service of the Statutory Demand. It was stated in the Statutory Demand that if the aforesaid

sum is not paid within 21 days of the date of service of the Statutory Demand, the law firm shall proceed under the provisions of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) for the winding up of the Company by the court.

The Company was informed by Tianrui Group that on 26 March 2012, Tianrui Group and TGSA received a Writ of Summons issued out of the Court of First Instance in the High Court of Hong Kong by the Plaintiffs against the Defendants. As at the date of this announcement, the Company has not received any Writ of Summons issued by the Plaintiffs.

The Company has been seeking legal advises with respect to the matters disclosed above, and will make further announcement(s) as and when appropriate or as required under the applicable rules and regulations.

Save as disclosed above, as at the date of this announcement, the Company is not aware of any undisclosed information which may have impact on the Company's share price.

PROFIT WARNING

The Company wishes to inform the shareholders of the Company and potential investors that it is expected that the operating results of the Company for the year ended 31 December 2011 may experience a significant decline as compared to the same period of 2010. The expected loss is mainly attributable to the increase in cost of electricity and the increase in interest expenses.

As the Company is still in the process of finalizing the results for the year ended 31 December 2011, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the management accounts of the Company. Shareholders of the Company and potential investors should read the Company's preliminary results announcement for the year ended 31 December 2011 carefully, which is expected to be published by 30 March 2012.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

RESUMPTION OF TRADING

Trading in shares of the Company ("Shares") on the Stock Exchange was suspended from 9:00 a.m. on 19 March 2012 at the request of Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 27 March 2012.

By order of the Board
Sanmenxia Tianyuan Aluminum Company Limited*
Li He Ping
Chairman

Henan Province, the PRC, 26 March 2012

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Tan Yu Zhong

Mr. Zhao Zheng Bin

Non-executive Directors:

Mr. Li He Ping (Chairman)

Mr. Yan Li Qi

Mr. Ma Yong Zheng

Mr. Shang Ling Zhou

Independent Non-executive Directors:

Mr. Zhu Xiao Ping

Mr. Song Quan Qi

Mr. Chan Nap Tuck

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the Company’s website at www.styal.com.cn.

** for identification purposes only*