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中国铝业股份有限公司
ALUMINUM CORPORATION OF CHINA LIMITED*

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

(Stock Code: 2600)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
NEW LABOR AND ENGINEERING SERVICES FRAMEWORK
AGREEMENT ENTERED INTO WITH CHALCO STEERING

Reference is made to the announcement dated 17 September 2018 of the Company in relation to, among other things, the entering into of the Existing Labor and Engineering Services Framework Agreement between the Company and Chalco Steering for a term of three years from 1 January 2018 to 31 December 2020. As the aforesaid Existing Labor and Engineering Services Framework Agreement between the Company and Chalco Steering will expire on 31 December 2020, the Company renewed the New Labor and Engineering Services Framework Agreement with Chalco Steering on 27 October 2020 to continue to regulate the labor and engineering services between the Company and Chalco Steering.

As at the date of this announcement, Chalco Steering is an associate of Chinalco, the controlling Shareholder of the Company, therefore is a connected person of the Company under the Hong Kong Listing Rules, and the transactions contemplated under the New Labor and Engineering Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Hong Kong Listing Rules in respect of the transactions contemplated under the New Labor and Engineering Services Framework Agreement and relevant proposed annual cap exceeds 0.1% but is less than 5%, the transactions contemplated under the New Labor and Engineering Services Framework Agreement and relevant proposed annual cap are subject to the requirements of reporting and announcement but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. INTRODUCTION

Reference is made to the announcement dated 17 September 2018 of the Company in relation to, among other things, the entering into of the Existing Labor and Engineering Services Framework Agreement between the Company and Chalco Steering for a term of three years from 1 January 2018 to 31 December 2020. As the aforesaid Existing Labor and Engineering Services Framework Agreement between the Company and Chalco Steering will expire on 31 December 2020, the Company renewed the New Labor and Engineering Services Framework Agreement with Chalco Steering on 27 October 2020 to continue to regulate the labor and engineering services between the Company and Chalco Steering.

II. NEW LABOR AND ENGINEERING SERVICES FRAMEWORK AGREEMENT

Date of Signing

27 October 2020

Parties

1. The Company (as the recipient, for itself and on behalf of its subsidiaries);
and
2. Chalco Steering (as the provider, for itself and on behalf of its subsidiaries).

Term

From 1 January 2021 to 31 December 2021.

Nature of Transaction

Chalco Steering will provide the Group with engineering services and labor services such as equipment repairs, intelligent industrial design and maintenance, logistics management, etc.

Subject to the New Labor and Engineering Services Framework Agreement, the Group and Chalco Steering shall enter into specific contract(s) or agreement(s) for the relevant matters to determine the detailed transaction terms. Such specific contract(s) or agreement(s) shall be in line with the principles and terms of this agreement and compliant with the requirements of relevant laws.

Pricing Principle and Method of Payment

The price is determined based on the comparable local market price which was arrived at with reference to the prices charged or quoted by at least two independent third parties providing services with comparable scale in areas where such services were provided under normal trading conditions around that time.

The Company shall make payment within three months after Chalco Steering renders its services and completes the settlement thereof.

Effectiveness of the Agreement

The New Labor and Engineering Services Framework Agreement shall become effective upon execution by authorized signatories of both parties with their respective common seals or seals specifically for contracts affixed thereon and approval by their respective competent authorities.

III. HISTORICAL AMOUNTS UNDER THE EXISTING LABOR AND ENGINEERING SERVICES FRAMEWORK AGREEMENT

The actual amounts and the annual caps under the Existing Labor and Engineering Services Framework Agreement for the two years ended 31 December 2019 and the nine months ended 30 September 2020 are set out as following:

Transaction	For the year ended 31 December 2018		For the year ended 31 December 2019		Actual amount for the nine months ended 30 September 2020	Annual cap for the year ended 31 December 2020
	Actual amount <i>(RMB million)</i>	Annual cap <i>(RMB million)</i>	Actual amount <i>(RMB million)</i>	Annual cap <i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Labor and engineering services provided to the Group by Chalco Steering	2	56	36	100	21	200

IV. PROPOSED ANNUAL CAP UNDER THE NEW LABOR AND ENGINEERING SERVICES FRAMEWORK AGREEMENT AND THE DETERMINATION BASIS THEREOF

In consideration of the business needs and the reasonableness of the transaction, the Company fixes the proposed annual cap of the labor and engineering services for the year of 2021 to be provided by Chalco Steering to the Group under the New Labor and Engineering Services Framework Agreement at RMB100 million.

The above proposed annual cap was determined after taking into account (i) the historical amounts under the Existing Labor and Engineering Services Framework Agreement; (ii) the future operation and management and business plan of the Company; and (iii) the provision of a buffer necessary to accommodate the unexpected fluctuation in respect of the annual growth in such transactions.

The Company has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Company. Prior to entering into specific agreements, the authorized departments of the Group will review and assess the specific terms and conditions of the transactions to ensure their consistency with the New Labor and Engineering Services Framework Agreement and refer to the current market conditions and the price quoted by at least two domestic independent third parties that provide services of similar nature with comparable scale under normal trading conditions around that time. The financial department of the Company traces, monitors and checks the progress of the continuing connected transactions of the Company on a monthly basis. Meanwhile, the Audit Committee of the Board of the Company will strictly review the continuing connected transactions on a continuous basis to ensure the integrity and effectiveness of the internal control measures regarding the continuing connected transactions.

V. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LABOR AND ENGINEERING SERVICES FRAMEWORK AGREEMENT

The New Labor and Engineering Services Framework Agreement and the transactions contemplated thereunder allow (i) the Group to obtain timely and stable supply of labor services from Chalco Steering, thereby reducing the operational risks and costs and facilitating the daily production management of the Company; and (ii) the Company to obtain engineering services and equipment repair, intelligent industrial design and maintenance and other services from Chalco Steering on normal commercial terms, which is in favor of the business development of the Group.

The Directors (including independent non-executive Directors) are of the view that the transactions under the New Labor and Engineering Services Framework Agreement have been negotiated on arm's length basis and are entered into in the ordinary and usual course of business and on normal commercial terms or better. The terms of the New Labor and Engineering Services Framework Agreement, the transactions contemplated thereunder, the proposed annual cap for the year of 2021 are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

VI. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Chalco Steering is an associate of Chinalco, the controlling Shareholder of the Company, therefore is a connected person of the Company under the Hong Kong Listing Rules, and the transactions contemplated under the New Labor and Engineering Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Hong Kong Listing Rules in respect of the transactions contemplated under the New Labor and Engineering Services Framework Agreement and relevant proposed annual cap exceeds 0.1% but is less than 5%, the transactions contemplated under the New Labor and Engineering Services Framework Agreement and relevant proposed annual cap are subject to the requirements of reporting and announcement but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Ao Hong, a Director of the Company, also holds a position in Chinalco, he has abstained from voting on the Board resolution in respect of the transactions contemplated under the New Labor and Engineering Services Framework Agreement. Save for the above mentioned, none of the Directors has any material interest in the transactions contemplated under the New Labor and Engineering Services Framework Agreement and therefore none of the other Directors has abstained from voting on such Board resolution.

VII. GENERAL INFORMATION

Information of the Company

The Company is a joint stock limited company established in the PRC, the H Shares, A Shares and ADS(s) of which are listed on the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the New York Stock Exchange, respectively. The Group is principally engaged in the mining of bauxite, coal and other resources; the production, sales and technology research of alumina, primary aluminium and aluminium alloy products; international trade; logistics business; thermal and new energy power generation, etc.

Information of Chalco Steering

Chalco Steering is a limited liability company incorporated in the PRC and is primarily engaged in the research and development of intelligent technology and industrial automation equipment; business administration and consultancy services; logistics consultancy services; software development; information technology consultancy services, software technology services; transfer of software technology; research and development of big data processing

technology; data processing and storage services; construction and development of computer and network platforms; services for integration of information systems; construction, maintenance, operation and lease of network integration systems; intelligent technology services; transfer of intelligent technology; manufacturing and sale of intelligent equipment; sale of industrial automation equipment; development of robot; and wholesale of instruments and gauges. As at the date of this announcement, Chalco Steering is owned as to 35%, 35%, 15% and 15% by the Company, Hunan Steering Technology Development Company Limited* (湖南視拓科技發展有限公司), China Aluminium International Engineering Corporation Limited and Bortala Mongol Autonomous Prefecture Fenglong Network Technology Partnership (Limited Partnership)* (博爾塔拉蒙古自治州豐隆網絡科技合夥企業(有限合夥)), respectively, and is an affiliated enterprise of the Company and an associate of Chinalco.

Hunan Steering Technology Development Company Limited* is a limited liability company incorporated in the PRC. It is primarily engaged in the development, production and sales of computer software and hardware and automation products as permitted by the national laws and regulations; undertaking computer network engineering and system integration; undertaking automation engineering and security engineering; and provision of technical consultancy services. As at the date of this announcement, Hunan Steering Technology Development Company Limited* is owned as to 84.05%, 15.48% and 0.48% by Lei Shengzhi, Lei Chun'e and Peng Dongsheng (each being a Chinese citizen), respectively. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Hunan Steering Technology Development Company Limited* and its ultimate beneficial owner are third parties independent from the Company and its connected persons.

China Aluminium International Engineering Corporation Limited is a company listed on the Shanghai Stock Exchange (stock code: 601068) and the Hong Kong Stock Exchange (stock code: 02068). Its business scope includes dispatching workers required to implement overseas projects; industrial and special planning; the survey, design, consultancy, supervision and EPC services of domestic projects, and the sales of equipment and materials; undertaking overseas projects in the industry of non-ferrous metal and the domestic projects of international tendering; undertaking the survey, consultancy, design and supervision of the aforesaid overseas projects; import and export business; equipment manufacturing; the research and development of technology, and the production and sales of products for such industries as energy conservation and environmental protection, and new materials; and property management. As at the date of this announcement, China Aluminium International Engineering Corporation Limited is a subsidiary of Chinalco which is a state-owned company ultimately and de facto controlled by the State-owned Assets Supervision and Administration Commission of State Council of the PRC and the controlling Shareholder of the Company. Therefore, China Aluminium International Engineering Corporation Limited and Chinalco are both connected persons of the Company under the Hong Kong Listing Rules.

Bortala Mongol Autonomous Prefecture Fenglong Network Technology Partnership (Limited Partnership)* is a limited partnership incorporated in the PRC. It is primarily engaged in software development; information system integration services; sales and repair of computers, software and auxiliary equipment; and sales of electronic products. As at the date of this announcement, Bortala Mongol Autonomous Prefecture Fenglong Network Technology Partnership (Limited Partnership)* is owned as to 95.92% and 4.08% by Liang Ziren and Dou Wei (both being Chinese citizens), respectively. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Bortala Mongol Autonomous Prefecture Fenglong Network Technology Partnership (Limited Partnership)* and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

Information of Chinalco

As at the date of this announcement, the Company and China Aluminium International Engineering Corporation Limited are both subsidiaries of Chinalco, and Chalco Steering is an associate of Chinalco. Chinalco is a state-owned enterprise incorporated in the PRC which is ultimately and de facto controlled by the State-owned Assets Supervision and Administration Commission of State Council of the PRC and is primarily engaged in the production and sales of aluminum, copper, rare earth and related non-ferrous metals mineral products, smelted products, fabrication products and carbon products, etc.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	the RMB ordinary share(s) issued by the Company and subscribed for in RMB, which are listed on the Shanghai Stock Exchange;
“ADS(s)”	the American Depository Share(s) issued by the Bank of New York Mellon as the depository bank and listed on the New York Stock Exchange, with each ADS representing 25 H Shares;
“associate(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Board”	the board of Directors of the Company;

“Chalco Steering”	Chalco Steering Intelligent Technology Co., Ltd.* (中鋁視拓智能科技有限公司), a limited liability company incorporated in the PRC;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise incorporated in the PRC and the controlling Shareholder of the Company, holding directly and indirectly approximately 32.16% of the total issued share capital of the Company as at the date of this announcement;
“Company”	Aluminum Corporation of China Limited* (中國鋁業股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A Shares, H Shares and ADSs are listed on the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the New York Stock Exchange, respectively;
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Labor and Engineering Services Framework Agreement”	the labor and engineering services framework agreement entered into between Chalco Steering and the Company on 17 September 2018, pursuant to which, Chalco Steering agreed to provide and the Company agreed to receive the relevant labor and engineering services;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and subscribed for in Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“New Labor and Engineering Services Framework Agreement”	the labor and engineering services framework agreement entered into between Chinalco Steering and the Company on 27 October 2020 to renew the continuing connected transactions under the Existing Labor and Engineering Services Framework Agreement entered into between the above-mentioned parties on 17 September 2018;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Shares and H Shares;
“Shareholder(s)”	holders of A Shares and holders of H Shares;
“subsidiary(ies)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules; and
“%”	per cent.

By order of the Board
Aluminum Corporation of China Limited*
Wang Jun
Company Secretary

Beijing, the PRC
27 October 2020

As at the date of the publication of this announcement, the members of the board of directors comprise Mr. Zhu Runzhou (Executive Director); Mr. Ao Hong and Mr. Wang Jun (Non-executive Directors); Ms. Chen Lijie, Mr. Hu Shihai and Mr. Lie-A-Cheong Tai Chong, David (Independent Non-executive Directors).

* For identification purpose only