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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 TRANSACTION
LABOR AND ENGINEERING SERVICES
FRAMEWORK AGREEMENT ENTERED
INTO WITH CHALCO STEERING**

On 17 September 2018, the Company entered into the Labor and Engineering Services Framework Agreement with Chalco Steering, and Chalco Steering agreed to provide the Group with engineering services and labor services such as equipment repair, intelligent industrial design and maintenance, etc. in accordance with the terms and conditions of the Labor and Engineering Services Framework Agreement, with a term from 1 January 2018 to 31 December 2020.

As at the date of this announcement, as Chalco Steering is an associate of Chinalco, the controlling shareholder of the Company, and is therefore deemed a connected person of the Company under the Hong Kong Listing Rules, the transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of entering into the Labor and Engineering Services Framework Agreement and determination of the proposed annual caps thereunder exceeds 0.1% but is less than 5%, the Labor and Engineering Services Framework Agreement and the proposed annual caps thereunder shall be subject to the requirements of reporting and announcement but exempt from independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

1. BACKGROUND

On 17 September 2018, the Company entered into the Labor and Engineering Services Framework Agreement with Chalco Steering, and Chalco Steering agreed to provide the Group with engineering services and labor services such as equipment repair, intelligent industrial design and maintenance, etc. in accordance with the terms and conditions of the Labor and Engineering Services Framework Agreement, with a term from 1 January 2018 to 31 December 2020.

2. LABOR AND ENGINEERING SERVICES FRAMEWORK AGREEMENT

2.1. Date

17 September 2018

2.2. Parties

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

2.3. Term

From 1 January 2018 to 31 December 2020.

2.4. Nature of Transaction

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

Subject to the 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.

2.5. Pricing Principle and Method of Payment

The price is determined based on the comparable local market prices, which means the prices 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.

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

2.6. Effectiveness of the Agreement

The 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 governmental authorities.

3. PROPOSED ANNUAL CAPS UNDER THE 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 each of the proposed annual caps of the labor and engineering services for the years from 2018 to 2020 to be provided by Chalco Steering to the Group under the Labor and Engineering Services Framework Agreement at RMB56 million, RMB100 million and RMB200 million, respectively.

The above proposed annual caps were determined after taking into account (i) the future operation management and business plan of the Company; and (ii) the provision of a buffer necessary to accommodate the unexpected fluctuation in respect of the annual growth in such transactions.

To sum up, the Directors, including the independent non-executive Directors, are of the view that the transactions contemplated under the Labor and Engineering Services Framework Agreement were negotiated on arm's length basis and entered into in the ordinary course of business on normal commercial terms or better and that the terms of the Labor and Engineering Services Framework Agreement, the transactions contemplated thereunder and the proposed annual caps for the years from 2018 to 2020 are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Board confirmed that, as at the date of this announcement, as the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of previous transactions between the Group and Chalco Steering under the Labor and Engineering Services Framework Agreement is below 0.1%, such transactions fall into the de minimis transactions under Chapter 14A of the Hong Kong Listing Rules.

The Company has adopted a set of effective internal control measures to supervise the continuing connected transactions of the Company. Prior to entering into operative 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 Labor and Engineering Services Framework Agreement and determine the proposed annual caps with reference to the current market conditions and the prices quoted by at least two 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.

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

The 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 operation risk and costs and facilitating the daily production management of the Company; (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.

5. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, as Chalco Steering is an associate of Chinalco, the controlling shareholder of the Company, and is therefore deemed a connected person of the Company under the Hong Kong Listing Rules, the transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of entering into the Labor and Engineering Services Framework Agreement and determination of the proposed annual caps thereunder exceeds 0.1% but is less than 5%, the Labor and Engineering Services Framework Agreement and the proposed annual caps thereunder shall be subject to the requirements of reporting and announcement but exempt from independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Yu Dehui and Mr. Ao Hong, the Directors of the Company, concurrently hold positions in Chinalco, and Mr. Lu Dongliang, a Director of the Company, concurrently holds position in Chalco Steering, they have abstained from voting on the Board resolution with respect to the transactions contemplated under Labor and Engineering Services Framework Agreement. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Labor and Engineering Services Framework Agreement, and therefore none of the Directors has abstained from voting on such Board resolution.

6. INFORMATION ON THE PARTIES TO THE AGREEMENT

Information on the Company

The Company is a joint stock company registered and incorporated in the PRC with limited liability, the H Shares, A Shares and ADSs of which are listed on the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the New York Stock Exchange, respectively. The Group is primarily engaged in the mining of bauxite, coal and other resources; the production, sales and technology research and development of alumina, primary aluminum and aluminum alloy products; international trade; logistics business; thermal and new energy power generation, etc..

Information on Chalco Steering

Chalco Steering, is a limited liability company registered and incorporated in the PRC. It is primarily engaged in the development of intelligent technology and industrial automation equipment; business administration and consultancy services; logistics consultancy services; software development; information technology consultancy services, software technology consultancy 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 (a subsidiary of Chinalco) and Bortala Mongol Autonomous Prefecture Fenglong Network Technology Partnership* (博爾塔拉蒙古自治州豐隆網絡科技合夥企業), respectively, and is therefore an affiliated enterprise of the Company.

7. DEFINITIONS

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

“A Share(s)”	the domestic 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 registered and incorporated in the PRC;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise with limited liability established in the PRC and the controlling shareholder of the Company holding directly and indirectly approximately 36.27% 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”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“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;

“Labor and Engineering Services Framework Agreement”	the agreement entered into between the Company and Chalco Steering on 17 September 2018, pursuant to which, Chalco Steering agreed to provide and the Company agreed to receive the labor and engineering services;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and the Taiwan region;
“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;
“subsidiaries”	has the same meaning ascribed thereto under the Hong Kong Listing Rules;
“%”	per cent.

By order of the Board
Aluminum Corporation of China Limited*
Zhang Zhankui
Company Secretary

Beijing, the PRC
17 September 2018

As at the date of the publication of this announcement, the members of the board of directors comprise Mr. Yu Dehui, Mr. Lu Dongliang and Mr. Jiang Yinggang (Executive Directors); 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