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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
CONNECTED TRANSACTION
ENTERING INTO OF PARTNERSHIP AGREEMENT IN
RELATION TO ESTABLISHMENT OF THE FUND

Reference is made to the announcement of the Company dated 21 December 2021, in relation to, among others, the Company's proposed participation in the establishment of the Fund. The Board hereby announces that, on 28 October 2022, the Company entered into the Partnership Agreement with ABC Capital, China Aluminum Innovation and Investment, ABC Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings in relation to the establishment of the Fund, pursuant to which, the total capital contribution of the Fund shall be RMB6 billion, and the Company (as a limited partner) shall contribute in cash in the amount of RMB1.02 billion. The Fund will not become a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, and China Aluminum Innovation and Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings are all subsidiaries of Chinalco. China Aluminum Innovation and Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings are therefore connected persons of the Company under the Hong Kong Listing Rules, and accordingly, the transaction contemplated under the Partnership Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the entering into of the Partnership Agreement and the transaction contemplated thereunder is more than 0.1% but less than 5%, such transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

Reference is made to the announcement of the Company dated 21 December 2021, in relation to, among others, the Company's proposed participation in the establishment of the Fund. The Board hereby announces that, on 28 October 2022, the Company entered into the Partnership Agreement with ABC Capital, China Aluminum Innovation and Investment, ABC Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings in relation to the establishment of the Fund, pursuant to which, the total capital contribution of the Fund shall be RMB6 billion, and the Company (as a limited partner) shall contribute in cash in the amount of RMB1.02 billion. The Fund will not become a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company.

Prior to the entering into of the Partnership Agreement, Chinalco (including its subsidiaries) adjusted the capital contribution of its internal relevant entities, and Chinalco no longer contributed separately as a limited partner, and the capital contribution of Chinalco Capital Holdings, a subsidiary of Chinalco, increased from RMB1.008 billion to RMB1.248 billion. The total capital contribution of Chinalco (including its subsidiaries) remains unchanged.

On the same date as the entering into of the Partnership Agreement, relevant procedures for industrial and commercial registration of the Fund were completed.

2. PARTNERSHIP AGREEMENT

The major terms of the Partnership Agreement are summarized as follows:

Date: 28 October 2022

Parties:

- (1) ABC Capital (as a general partner)
- (2) China Aluminum Innovation and Investment (as a general partner)
- (3) ABC Investment (as a limited partner)
- (4) the Company (as a limited partner)
- (5) China Copper (as a limited partner)

(6) Chinalco High-end Manufacturing (as a limited partner)

(7) Chinalco Capital Holdings (as a limited partner)

General Information on the Fund

(1) Name of the Fund

China Aluminum Suihe Nonferrous Metals Green Low-carbon Innovation and Development Fund (Beijing) Partnership (Limited Partnership)

(2) Business Scope, Investment Strategy and Investment Method of the Fund

The business scope of the Fund includes equity investment, investment management and asset management and other activities with private fund. (the operating activities are subject to the completion of the registration and filling for record in the Asset Management Association of China) (subject to the approval of the Administration for Market Regulation).

The Fund will primarily invest in energy conservation and emission reduction, optimization of energy consumption structure, intelligent manufacturing, smart operation (related materials inclusive), renewable resources, lightweight materials and carbon management and other green low-carbon industries and areas, as well as in targets of high quality with debt-to-equity conversion demand which are in accordance with national industrial policy, good credit standing and promising development prospect. The investment strategy is: to invest mainly in growth stage, maturity stage and infrastructure and new energy construction projects and other investment vehicles, and to invest in ways of direct investment in projects and in funds/capital management plans. For avoidance of ambiguity, the investment orientation of the Fund may be adjusted based on actual investment need with the consent of the partners' meeting.

The investment methods of the Fund include:

- (i) equity investment in the enterprises by way of capital increase, the consideration of which is used to repay the enterprises' financial institution stock debt (mainly bank loans);
- (ii) acceptance of transfer of the equity interest of the original shareholders of the investee, the consideration of which is used to repay the original shareholders' financial institution stock debt (mainly bank loans);
- (iii) investment in private equity funds managed by ABC Capital and asset management plans of ABC Investment; and
- (iv) other investment methods which are in accordance with debt-to-equity conversion policies and related policies and regulations.

(3) Term of the Fund

The Fund was established from the date of issuance of the business license, and the partnership period of industrial and commercial registration is 20 years.

As confirmed by all partners, the initial term of the Fund shall be eight years from the date of establishment of the Fund, of which the first five years from the date of establishment of the Fund shall be the investment period and the remaining term shall be the exit period. After the expiration of the investment period, the Fund shall not engage in any new investment activities, except for the completion of investment arrangements under the letters of terms, letters of intent, framework agreements or binding agreements already signed during the investment period and additional investments in projects already invested.

Upon the proposal by the general partners and with the unanimous consent of all partners, the Fund's exit period may be extended no more than twice, each time for a period of one year.

At the end of the term of the Fund (including the extension of the exit period, if any), the Fund enters into liquidation unless otherwise decided by the partners' meeting.

Capital Contribution and Payment

The total capital contribution of the Fund is RMB6 billion, the particulars of the capital contribution by all partners are set out as follows:

Name of general partner	Contribution method	Contribution amount (RMB100 million)	Partnership interest (%)
ABC Capital	Monetary	0.12	0.2%
China Aluminum Innovation and Investment	Monetary	0.12	0.2%
Contribution in total by general partners		0.24	0.4%

Name of limited partner	Contribution method	Contribution amount (RMB100 million)	Partnership interest (%)
ABC Investment	Monetary	29.88	49.8%
The Company	Monetary	10.20	17.0%
China Copper	Monetary	3.60	6.0%
Chinalco High-end Manufacturing	Monetary	3.60	6.0%
Chinalco Capital Holdings	Monetary	12.48	20.8%
Contribution in total by limited partners		59.76	99.6%
Total		60.00	100.0%

The respective capital contribution to the Fund was determined after arm's length negotiation among the partners with reference to the capital needs of the Fund and the partners' proportionate interests therein. The Company will finance its contribution with self-owned capital.

The initial capital contribution of RMB1,000,000 by each of the partners shall be paid to the designated account in accordance with the notice of payment issued by the fund manager within 3 months after the industrial and commercial registration of the Fund. In addition to the initial capital contribution, the capital contribution payment to the Fund by all the partners shall be made in proportion to the subscribed capital contribution agreed in the Partnership Agreement and paid in installments based on investment projects. The difference in capital contribution due to the initial contribution not being made in accordance with the proportion of the subscribed capital contribution set out in the Partnership Agreement shall be made up in the most recent subsequent capital contribution until the balance of each partner's capital contribution is in the same proportion as the subscribed capital contribution.

Management of the Fund

(1) Executive Partners and the Fund Manager

The affairs of the Fund shall be conducted by the executive partners. All partners have unanimously agreed that China Aluminum Innovation and Investment and ABC Capital, the general partners, will act as the executive partners of the Fund. In addition, all partners have unanimously agreed that China Aluminum Innovation and Investment will act as the fund manager.

ABC Capital, as the executive partner, shall receive an executive affairs service fee from the Fund at the rate of 0.75% per annum based on the paid-in capital contribution of all partners during the term of the Fund. China Aluminum Innovation and Investment, as the fund manager, shall receive a management fee from the Fund at the rate of 0.75% per annum based on the paid-in capital contribution of all partners during the term of the Fund.

(2) *Investment Decision-making Committee*

The Fund has established an investment decision-making committee as its internal decision-making body on investment issues, which is responsible for making decisions on issues relating to the project investment and exit of the Fund. The investment decision-making committee consists of five members, with three members appointed by the general partner, China Aluminum Innovation and Investment, and two members appointed by the general partner, ABC Capital. For the issues to be considered, each member of the investment decision-making committee shall have one vote. The resolution of investment decision-making committee on the relevant matters shall be duly passed with the consent of at least four-fifths (inclusive) of the members of the investment decision-making committee. Prior to consideration and approval by the investment decision-making committee, the Fund shall not make any investment, shall not engage in any act that may cause the Fund to bear debt or property losses, nor shall the Fund sign any relevant agreements.

Cash Distribution and Loss and Debt Sharing

Any distributable cash income of the Fund derived from an investment project (net of estimated expenses) shall be distributed among all partners in the following principles and order in proportion to the paid-in capital contribution of the partners:

- (1) Distribute based on the accumulated paid-in capital contribution of each partner until the accumulated paid-in capital contributions of all partners are returned (the “**First Distribution**”);
- (2) Pay threshold income to each partner: if there is any balance after the First Distribution, the threshold income (before tax) based on the accumulated paid-in capital contribution of each partner at an annualized simple interest rate of 6% shall be distributed to all partners (the “**Second Distribution**”); and
- (3) 80/20 distribution: if there is any balance after the First Distribution and the Second Distribution, 80% of which shall be distributed to the limited partners, 10% to China Aluminum Innovation and Investment, the fund manager, and 10% to ABC Capital, the general partner.

In addition to the abovementioned distributable cash income derived from investment projects, other income of the Fund (including but not limited to cash income received from idle fund management which was no longer used for project investment as decided by the general partners, penalty interest obtained in accordance with the relevant provisions of the Partnership Agreement, liquidated damages and/or damages used for compensating corresponding losses, remaining amount after undertaking relevant expenses, capital contributed by the partners which is not actually used for the investment upon expiry of the investment period) shall be distributed at such time as the general partners deem appropriate and in proportion to the paid-in capital contribution of the partners when generating such income (or other proportion that the general partners deem appropriate in good faith), unless otherwise expressly stipulated in the Partnership Agreement.

Prior to the liquidation of the Fund, the general partner shall make reasonable efforts to realize the investment of the Fund and avoid non-cash distributions. However, the Fund may be distributed in non-cash manner if the investment of the Fund cannot be realized or if the executive partners determine in their independent judgement that non-cash distribution is more favourable to the interests of all partners and such proposal is considered and approved at the partners' meeting.

Loss and debt of the Fund are shared by all partners on a pro rata basis in accordance with their capital contributions subscribed. The limited partners shall be liable for the debt of the Fund to the extent of their capital contributions subscribed and the general partners shall bear unlimited joint and several liability for the debt of the Fund.

Transfer of Partnership Interest

With the consent of the general partners, the limited partners may transfer part or all of partnership interest held by them.

The general partners may transfer all or part of their partnership interest to its related persons by agreement within the general partners. A general partner shall give written notice to all partners of the Fund when transferring its partnership interest to its related persons. A general partner shall not transfer its partnership interest to a third party other than its related persons in any other manner without the approval of the partners' meeting.

None of the partners may pledge their partnership interest.

Effectiveness of the Agreement

The signing date of the Partnership Agreement shall be the date on which all partners duly sign the Partnership Agreement, and the Partnership Agreement shall be binding on all partners from that date.

3. REASONS FOR AND BENEFITS OF PARTICIPATION IN THE ESTABLISHMENT OF THE FUND AND ENTERING INTO OF THE PARTNERSHIP AGREEMENT

The Company's participation in the establishment of the Fund can effectively utilize the existing capital and improve the efficiency of capital utilization; meanwhile, the partners of the transaction include the subsidiaries of Chinalco, the controlling Shareholder of the Company, which can fully utilize the advantages of the group and support the investment in new energy, energy conservation and environmental protection industries and green and low carbon development, which is in line with the development strategy of the Company and the overall interests of all Shareholders.

The Directors (including the independent non-executive Directors) are of the view that the participation in the establishment of the Fund and the terms of the Partnership Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, although it is not conducted in the ordinary or usual course of business of the Group due to the nature.

4. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Chinalco is the controlling Shareholder of the Company, and Chinalco Capital Holdings, China Copper, Chinalco High-end Manufacturing and China Aluminum Innovation and Investment are all subsidiaries of Chinalco. Chinalco Capital Holdings, China Copper, Chinalco High-end Manufacturing and China Aluminum Innovation and Investment are therefore connected persons of the Company under the Hong Kong Listing Rules, and accordingly, the transaction contemplated under the Partnership Agreement constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the entering into of the Partnership Agreement and the transaction contemplated thereunder is more than 0.1% but less than 5%, such transaction is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As Mr. Liu Jianping and Mr. Zhang Jilong, both being Directors of the Company, are concurrently holding positions in Chinalco, they have abstained from voting on the Board resolution in relation to the transaction. Save as aforesaid, none of the Directors has any material interest in the transaction contemplated under the Partnership Agreement, and therefore no other Directors are required to abstain from voting on the Board resolution.

5. GENERAL INFORMATION

Information on China Aluminum Innovation and Investment

China Aluminum Innovation and Investment is a company incorporated in the PRC with limited liability, which is principally engaged in investment management, assets management and investment consultation. As at the date of this announcement, China Aluminum Innovation and Investment is a wholly-owned subsidiary of Chinalco Capital Holdings.

Information on ABC Capital

ABC Capital is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of ABC Investment as at the date of this announcement, which is principally engaged in assets management, equity investment, investment management and investment consultation.

Information on ABC Investment

ABC Investment is a company incorporated in the PRC with limited liability, which is principally engaged in debt-to-equity conversion and supporting business. As at the date of this announcement, ABC Investment is a wholly-owned subsidiary of Agricultural Bank of China Limited, whose H shares and A shares are listed on the Hong Kong Stock Exchange (Stock Code: 01288) and Shanghai Stock Exchange (Stock Code: 601288), respectively.

Information on the Company

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

Information on Chinalco

As at the date of this announcement, the Company, China Aluminum Innovation and Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings are subsidiaries of Chinalco. Chinalco is a wholly state-owned enterprise incorporated in the PRC and is primarily engaged in development of mineral resources, smelting and processing of non-ferrous metal, relevant trading and engineering and technical services, etc.

Information on China Copper

China Copper is a company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, whose principal business includes investment and operation management of copper, lead-zinc, aluminum and other non-ferrous metals industries; exploration, mining, smelting, processing and sales of copper, lead-zinc, aluminum and other non-ferrous metals, production and sales of by-products related thereto, and utilization and development of circular economy related thereto, etc. As at the date of this announcement, Chinalco and a number of dispersed shareholders (including state-owned capital investment companies and partnership, state-owned capital investment management companies and Yunnan provincial government authorities, each of which holds less than 10% equity interests in China Copper) hold approximately 72.92% and 27.08% equity interests in China Copper, respectively.

Information on Chinalco High-end Manufacturing

Chinalco High-end Manufacturing is a joint stock company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, whose principal business includes the production and sale of metal material products, products and components such as aluminum and aluminum alloy, magnesium alloy, titanium alloy, high-temperature alloy and aluminum-based composite materials; contract processing; development, construction and operation of non-ferrous metal material manufacturing projects, etc. As at the date of this announcement, Chinalco and Chongqing Aluminum Industry Development and Investment Group Co., Ltd.* (重慶鋁產業開發投資集團有限公司) (which is ultimately held as to 67% and 33% by the Chongqing Municipal State-owned Assets Supervision and Administration Commission and the Chongqing Jiulongpo District State-owned Assets Supervision and Administration Committee, respectively, and mainly engaged in construction engineering, construction labor subcontracting, construction engineering design, warehousing and logistics project investment, housing and non-residential real estate leasing and other businesses) hold 65% and 35% equity interests in Chinalco High-end Manufacturing, respectively.

Information on Chinalco Capital Holdings

Chinalco Capital Holdings is a company incorporated in the PRC with limited liability and is a subsidiary of Chinalco as at the date of this announcement, which is principally engaged in investment management, project investment, assets management, investment consultation, etc. As at the date of this announcement, the Company and Chinalco hold approximately 14.71% and approximately 85.29% equity interests in Chinalco Capital Holdings, respectively.

To the best of knowledge, information and belief of the Directors and having made all reasonable inquiries, save for China Aluminum Innovation and Investment, China Copper, Chinalco High-end Manufacturing, Chinalco Capital Holdings and Chinalco, ABC Capital, ABC Investment and their ultimate beneficial owners are independent third parties of the Company and its connected persons.

6. DEFINITIONS

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

“A Share(s)”	the ordinary shares denominated in RMB issued by the Company which are listed on the Shanghai Stock Exchange;
“ABC Capital”	ABC Capital Management Co., Ltd.* (農銀資本管理有限公司), a company incorporated in the PRC with limited liability, one of the general partners to the Fund;
“ABC Investment”	ABC Financial Assets Investment Co., Ltd.* (農銀金融資產投資有限公司), a company incorporated in the PRC with limited liability, one of the limited partners to the Fund;
“Board”	the board of Directors of the Company;
“China Aluminum Innovation and Investment”	China Aluminum Innovation and Development Equity Investment Fund Management (Beijing) Co., Ltd.* (中鋁創新發展股權投資基金管理(北京)有限公司), a company incorporated in the PRC with limited liability, one of the general partners to the Fund;
“China Copper”	China Copper Co., Ltd.* (中國銅業有限公司), a company incorporated in the PRC with limited liability, one of the limited partners to the Fund;
“Chinalco”	Aluminum Corporation of China* (中國鋁業集團有限公司), a wholly state-owned enterprise established in the PRC and the controlling Shareholder of the Company holding directly and indirectly approximately 31.95% of the total issued share capital of the Company as at the date of this announcement;

“Chinalco Capital Holdings”	Chinalco Capital Holdings Co., Ltd.* (中鋁資本控股有限公司), a company incorporated in the PRC with limited liability, one of the limited partners to the Fund;
“Chinalco High-end Manufacturing”	Chinalco High-end Manufacturing Co., Ltd.* (中國鋁業集團高端製造股份有限公司), a joint stock company incorporated in the PRC with limited liability, one of the limited partners to the Fund;
“Company”	Aluminum Corporation of China Limited* (中國鋁業股份有限公司), a joint stock limited company incorporated in the PRC, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Hong Kong 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;
“estimated expenses”	the estimated expenses that may be incurred and will be borne by the Fund and other liabilities, obligations and debts that may be incurred by the Fund during the remaining term of the partnership;
“Fund”	China Aluminum Suihe Nonferrous Metals Green Low-carbon Innovation and Development Fund (Beijing) Partnership (Limited Partnership)* (中鋁穗禾有色金屬綠色低碳創新發展基金(北京)合夥企業(有限合夥)), a limited partnership established and registered under the laws of the PRC pursuant to the Partnership Agreement;
“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;
“Partnership Agreement”	the partnership agreement dated 28 October 2022 entered by the Company with ABC Capital, China Aluminum Innovation and Investment, ABC Investment, China Copper, Chinalco High-end Manufacturing and Chinalco Capital Holdings in relation to the establishment of the Fund, pursuant to which, the total capital contribution of the Fund shall be RMB6 billion;
“related person(s)”	for any entity, which includes other entities controlled by such entity, other entities that control such entity and other entities under the control of the same entity jointly with such entity. The term “control” herein follows the meaning of control under China Accounting Standards for Business Enterprises for consolidated financial statements;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	A Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of A Shares and holder(s) 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*
Ge Xiaolei
Joint Company Secretary

Beijing, the PRC
28 October 2022

As at the date of this announcement, the members of the Board comprise Mr. Liu Jianping, Mr. Zhu Runzhou, Mr. Ou Xiaowu and Mr. Jiang Tao (Executive Directors); Mr. Zhang Jilong and Mr. Chen Pengjun (Non-executive Directors); Mr. Qiu Guanzhou, Mr. Yu Jinsong and Ms. Chan Yuen Sau Kelly (Independent Non-executive Directors).

* For identification purposes only