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## **Chinalco Mining Corporation International**

**中 鋁 礦 業 國 際**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 3668)**

### **CONTINUING CONNECTED TRANSACTION LOGISTICS ASSISTANCE SERVICES CONTRACT**

#### **LOGISTICS ASSISTANCE SERVICES CONTRACT**

On 22 December 2016, CMC Ningde (a wholly-owned subsidiary of the Company) and Southeast Copper entered into the Logistics Assistance Services Contract for the purpose of governing the provision of logistics services by Southeast Copper for copper concentrates of CMC Ningde at the CMC Ningde Warehouse.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Southeast Copper is a subsidiary of Yunnan Copper, which is an indirect subsidiary of Chinalco, the indirect controlling shareholder of the Company. Pursuant to Chapter 14A of the Listing Rules, Southeast Copper is therefore a connected person of the Company and the Logistics Assistance Services Contract constitutes a continuing connected transaction. As the highest of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the Logistics Assistance Services Contract is more than 0.1% but less than 5%, the Logistics Assistance Services Contract is subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

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The principal terms of the Logistics Assistance Services Contract are set out below.

- Date: 22 December 2016 (“**Contract Date**”)
- Parties: (1) CMC Ningde  
(2) Southeast Copper
- Subject matter — service scope: In consideration of the basic service fee payable by CMC Ningde, Southeast Copper will provide the following services in relation to the copper concentrates imported by CMC Ningde:
- container and loaded container unloading services;
  - truck bulk unloading services;
  - copper concentrates stacking services;
  - outbound copper concentrates shifting services; and
  - outbound copper concentrates truck/box loading services.
- Term: The term of the Logistics Assistance Services Contract shall start from the Contract Date until 31 December 2016, and shall be automatically extended on a yearly basis for a Calendar Year if no parties object before 31 December in the preceding Calendar Year, but only up to 31 December 2018.

**Pricing:** CMC Ningde will pay a fixed amount of basic service fee denominated in RMB per tonne of copper concentrates handled by Southeast Copper. The total fee payable by CMC Ningde shall be subject to the Annual Caps.

**Payment terms:** Southeast Copper will issue a monthly statement before the 20th day of each month. After CMC Ningde has verified the monthly statement, CMC Ningde will pay the sum due for that month in cash before the 25th day of that month.

The basic service fee payable by CMC Ningde was determined after arms' length negotiation between the parties to the Logistics Assistance Services Contract.

### **THE PROPOSED ANNUAL CAPS**

The proposed Annual Caps for the transactions contemplated under the Logistics Assistance Services Contract for each of three years constituting the term of Logistics Assistance Services Contract are respectively as follows:

	<b>Contract Date to 31 December 2016</b>	<b>2017 Calendar Year</b>	<b>2018 Calendar Year</b>
RMB	13,500,000	45,000,000	45,000,000
(approximately US\$)	2,025,000	6,750,000	6,750,000
(approximately HK\$)	15,660,000	52,200,000	52,200,000

The proposed Annual Caps are determined by reference to (i) the fixed amount of basic service fee per tonne of copper concentrates; and (ii) the expected volumes of copper concentrates to be handled during the term of Logistics Assistance Services Contract based on the information available to and projections of the Company.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOGISTICS ASSISTANCE SERVICES CONTRACT**

The principal activities of the Group include exploration, development and production of ore resources and other mining related activities. As part of its ordinary and usual course of business, the Group produces and processes copper concentrates produced from the Mine (and other sources) for sale and delivery to its customers. Entering into

the Logistics Assistance Services Contract would allow the Company to utilise the expertise of Southeast Copper in logistics services for copper concentrates which would enable the Company to arrange its production and sales schedules in a more efficient and cost-effective manner.

The Directors (including independent non-executive Directors) consider that it is in the best interests of the Company and the shareholders as a whole to enter into the Logistics Assistance Services Contract (and the transactions contemplated thereunder) and the terms of the Logistics Assistance Services Contract and the Annual Caps are fair and reasonable and the transactions contemplated by the Logistics Assistance Services Contract are on normal commercial terms or better and in the ordinary and usual course of business of the Group.

The following Directors have abstained from voting on the Board resolutions to approve the Logistics Assistance Services Contract:

- (1) Mr. Liu Jianping, for the reason that he is part of the senior management of Chinalco (the indirect controlling shareholder of the Company and indirect parent of Southeast Copper) and the chairman of Yunnan Copper (Group) (the indirect parent of Southeast Copper); and
- (2) Each of Mr. Luan Shuwei, Dr. Liu Hongjun, Dr. Wang Dongbo, Dr. Liu Yuewei and Mr. Gao Lidong for the reason that each of them is or was part of the senior management or an employee of China Copper Corporation Limited 中國銅業有限公司 (the parent of Yunnan Copper (Group) and indirect parent of Southeast Copper) or Chinalco (the indirect controlling shareholder of the Company and indirect parent of Southeast Copper).

## **INFORMATION OF THE COMPANY**

The Company is a resource development company acting as the core platform of Chinalco for the future acquisition, investment, development and operation of non-ferrous and non-aluminum mineral resources and projects outside the PRC. The Group is principally engaged in exploration, development and production of ore resources and other mining related activities.

## **INFORMATION OF SOUTHEAST COPPER**

Southeast Copper is principally engaged in, among other things, the production processing, sales, trading, investment, management, design, construction and development of copper, other non-ferrous metals, precious metals and their by-products and storage businesses.

Southeast Copper is a subsidiary of Yunnan Copper, which is an indirect subsidiary of Chinalco.

## IMPLICATIONS UNDER THE LISTING RULES

Southeast Copper is a subsidiary of Yunnan Copper, which is an indirect subsidiary of Chinalco, the indirect controlling shareholder of the Company. Pursuant to Chapter 14A of the Listing Rules, Southeast Copper is therefore a connected person of the Company and the Logistics Assistance Services Contract constitutes a continuing connected transaction. As the highest of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the Logistics Assistance Services Contract is more than 0.1% but less than 5%, the Logistics Assistance Services Contract is subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## DEFINITIONS

“Annual Caps”	the proposed maximum aggregate annual amounts for the transactions contemplated under the Logistics Assistance Services Contract for the three Calendar Years (or a part of it) constituting the term of the Logistics Assistance Services Contract
“Board”	the board of Directors
“Calendar Year(s)”	a period of 12 consecutive months commencing on 1 January until 31 December each year
“Chinalco”	Aluminum Corporation of China (中國鋁業公司), a state-owned enterprise incorporated under the laws of the PRC and the indirect controlling shareholder of the Company
“CMC Ningde”	CMC (Ningde) Company Limited* (中礦(寧德)有限公司), a company incorporated under PRC law and a wholly-owned subsidiary of the Company
“CMC Ningde Warehouse”	the bonded warehouse of CMC Ningde located at ports no. 8 and 9 at Zhang Wan, Ningde City, Fujian Province, the PRC
“Company”	Chinalco Mining Corporation International (中鋁礦業國際), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 24 April 2003

“Contract Date”	the date of the Logistics Assistance Services Contract, being 22 December 2016
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Logistics Assistance Services Contract”	the contract between CMC Ningde and Southeast Copper in relation to the provision of logistics services for copper concentrates dated the Contract Date
“Mine”	the Toromocho Project, located in central Peru in the core of the Morococha mining district, which is developed and operated by a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Southeast Copper”	Chinalco Southeast Copper Limited* (中鋁東南銅業有限公司), a company incorporated under PRC law and a non-wholly owned subsidiary of Yunnan Copper and an indirect subsidiary of Chinalco
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US Dollars”	United States dollars, the lawful currency of the United States

“Yunnan Copper”	Yunnan Copper Industry Limited by Share Ltd* (雲南銅業股份有限公司), a company incorporated under PRC law and listed on the Shenzhen Stock Exchange (stock code: SZ00878) and an indirect subsidiary of Chinalco
“Yunnan Copper (Group)”	Yunnan Copper Corporation Ltd. (雲南銅業(集團)有限公司), a company incorporated under PRC law, the parent of Yunnan Copper and a non-wholly owned subsidiary of Chinalco
“%”	per cent

\* for identification only

*In this announcement, unless otherwise specified, amounts denominated in RMB have been translated, for the purpose of illustration only, into US\$ and HK\$ at the exchange rates of RMB1 to US\$0.15 and RMB1 to HK\$1.16 respectively. No representation is made that any amounts in US\$, RMB or HK\$ can be or could have been at the relevant dates converted at the rates disclosed in this announcement or any other rates or at all.*

By order of the Board  
**Chinalco Mining Corporation International**  
**Liu Jianping**  
*Chairman*

Beijing, the PRC, 22 December 2016

*As at the date of this announcement, the Company's non-executive directors are Mr. Liu Jianping (Chairman), Mr. Luan Shuwei, Dr. Liu Hongjun and Dr. Wang Dongbo, the Company's executive directors are Mr. Liu Yuewei and Mr. Gao Lidong, and the Company's independent non-executive directors are Mr. Scott McKee Hand, Mr. Ronald Ashley Hall, Mr. Lai Yat Kwong Fred and Mr. Francisco Augusto Baertl Montori.*