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中鋁國際工程股份有限公司

China Aluminum International Engineering Corporation Limited

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

(Stock Code: 2068)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS,
DISCLOSEABLE TRANSACTIONS AND
MAJOR TRANSACTIONS IN RELATION TO
RENEWAL OF
FINANCIAL SERVICES AGREEMENT**

The board of directors (the “**Board**”) of China Aluminum International Engineering Corporation Limited (the “**Company**”) hereby announces that a meeting of the Board of the Company was held on Thursday, 28 March 2024 for the purposes of considering and approving the following matters in connection with the Company and its subsidiaries:

RENEWAL OF THE FINANCIAL SERVICES AGREEMENT

Background

References are made to the Company’s announcement dated 29 March 2021, circular dated 4 June 2021 and poll results announcement for the 2020 annual general meeting dated 25 June 2021 (the “**2020 Annual General Meeting**”). Upon consideration and approval by the 2020 Annual General Meeting, the Company and Chinalco Finance renewed the financial services agreement (the “**Financial Services Agreement**”), pursuant to which Chinalco Finance may provide the Company and its subsidiaries (the “**Group**”) with certain services. The agreement came into effect upon consideration and approval by the 2020 Annual General Meeting with a term of three years. As the Financial Services Agreement will soon expire, the Company hereby proposes to enter into a new financial services agreement (the “**New Financial Services Agreement**”) with Chinalco Finance with a term from the date of approval by the general meeting of the Company to 31 December 2026. The original Financial Services Agreement will be terminated after the New Financial Services Agreement is executed and becomes effective.

New Financial Services Agreement

Signing date

28 March 2024

Parties

- (1) Chinalco Finance, as the service provider (being a connected person);
- (2) the Company, as the service recipient

Effective date and term

The New Financial Services Agreement shall take effect from the date of approval by the general meeting of the Company to 31 December 2026.

Principal terms

- (1) Pursuant to the New Financial Services Agreement, the Group and Chinalco Finance will cooperate on a non-exclusive basis, thereby allowing the Group to select other financial institutions for financial services at its discretion;
- (2) The Group and Chinalco Finance shall cooperate and implement this agreement on an equal and voluntary, complementary, mutually beneficial, jointly developing and win-win principle; and
- (3) Chinalco Finance shall provide the following financial services to the Group in accordance with the above service principles, with the major service terms (pricing policies inclusive) as below:

(a) Deposit Services

- i. The Group will open deposit accounts at Chinalco Finance, and deposits their funds into the deposit accounts opened at Chinalco Finance based on the principle of free access to the accounts. Deposit can be in the form of current deposit, time deposit, call deposit, agreement savings and etc.;
- ii. The interest rates for deposits on the Deposit Services to be offered by Chinalco Finance to the Group will not be lower than the benchmark interest rate for deposits published uniformly by the PBOC from time to time for the deposits with the same term and type, not lower than the interest rate for deposits offered by major commercial banks in the PRC for deposits with the same type during the same period, and not lower than the interest rate for deposits offered by Chinalco Finance to Chinalco and its group companies for deposits with the same type during the same period;

- iii. Chinalco Finance guarantees the safety of the funds deposited by the Group, and promptly and fully satisfy any withdrawal request raised by the Group. If Chinalco Finance fails to pay the deposits to the Group on time and in full upon request, the Company shall be entitled to terminate this agreement and offset any such deposits payable by Chinalco Finance to the Group with the loans due to Chinalco Finance by the Group according to laws and regulations; and
- iv. The daily maximum deposit balance (including accrued interests) of the Group on the deposit account in Chinalco Finance shall not exceed RMB6 billion within the validity period of the New Financial Services Agreement.

(b) Settlement Services

- i. Chinalco Finance will provide payment and receipt services as well as other ancillary services relating to Settlement Services to the Group in accordance with the Group's instructions;
- ii. Chinalco Finance will provide the Group with the above Settlement Services for free; and
- iii. Chinalco Finance shall ensure the secure operation of its fund settlement network, protect the safety of funds, control risk of assets and liabilities and satisfy the payment needs of the Group.

(c) Credit Lending Services

- i. Conditional upon satisfying the relevant national laws and regulations, Chinalco Finance will provide comprehensive Credit Lending Services to the Group based on the operational and development needs of the Group, while the Group may utilize the comprehensive Credit Lending Services provided by Chinalco Finance to handle loans, bills acceptance, bills discounting, guarantee and financing business in other forms;
- ii. Chinalco Finance undertakes to provide the Group with favourable interest rate for loans, which shall not be higher than the benchmark interest rate for loans published uniformly by the PBOC from time to time for loans with the same type and term, and not higher than the interest rate charged by major commercial banks in the PRC for the loans with the same type during the same period;
- iii. Chinalco Finance shall provide credit facilities to the Group on normal commercial terms and no security is to be granted by the Group over its assets;
- iv. For specific matters related to the Credit Lending Services, the parties shall enter into separate agreement(s); and
- v. The daily maximum balance (including accrued interests) of the loans provided by Chinalco Finance to the Group shall not exceed RMB8 billion within the validity period of the New Financial Services Agreement.

(d) *Factoring Services*

- i. Conditional upon satisfying the relevant national laws and regulations, Chinalco Finance will provide Factoring Services for accounts receivable to the Group based on the operational and development needs of the Group;
- ii. Costs of the Factoring Services that Chinalco Finance undertakes to provide to the Group are not higher than the similar costs of major factoring companies in China during the same period;
- iii. For specific matters related to the Factoring Services, the parties shall enter into separate agreement(s); and
- iv. The daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB2 billion within the validity period of the New Financial Services Agreement.

(e) *Miscellaneous Financial Services*

- i. Chinalco Finance will provide entrusted loans and miscellaneous financial services within its operation scope to the Group according to the instructions and requirements of the Group, and before Chinalco Finance provides miscellaneous financial services for the Group, both parties shall negotiate and enter into independent agreements;
- ii. The fees charged by Chinalco Finance for the provision of miscellaneous financial services shall be in compliance with the fees standard prescribed by the PBOC or the China Banking Regulatory Commission in respect of such services, and shall not exceed those charged by the major commercial banks in the PRC for the provision of the same type of financial services; and
- iii. The fees charged by Chinalco Finance for the provision of the miscellaneous financial services to the Group for the three years ending 31 December 2026 shall not exceed RMB3.4 million, RMB3.3 million and RMB3.3 million, respectively, within the validity period of the New Financial Services Agreement.

On the premise of complying with this agreement, the Group and Chinalco Finance shall further enter into specific contracts/agreements, respectively, for the provision of relevant specific financial services to agree on specific transaction terms. Such specific contracts/agreements shall comply with the principles, terms of this financial services agreement and the relevant requirements under the law.

- (4) Chinalco Finance shall give a written notice to the Group within two business days and adopt measures to prevent occurrence of damage or its increase if:
 - (a) Material events, including bank runs, incapable of settling due significant indebtedness, overdue of significant loan or advance in significant guarantees, involvement of criminal cases by directors or senior managements, occur in Chinalco Finance;

- (b) Material institutional changes or operational risks, which affect or may affect the normal operations of Chinalco Finance, occur;
- (c) Liabilities of Chinalco Finance have been outstanding for over six months by Chinalco Finance's shareholders;
- (d) Any gearing ratio indicator of Chinalco Finance has not complied with the requirement of the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》);
- (e) Material situations, including administrative penalty imposed and rectification ordered by regulatory authorities such as the NFRA, occur in Chinalco Finance; and
- (f) Other matters, which may create significant safety concerns to the Group's deposits, occur.

Historical Figures and Proposed Annual Caps (RMB million)

| Transactions | For the year ended 31 December | | 2023 | For the period from 1 January 2024 to the date of this announcement | For the year ending 31 December | | |
|---|-----------------------------------|---------|---------|--|------------------------------------|-------|-------|
| | 2021 | 2022 | | 2024 | 2024 | 2025 | 2026 |
| (1) Deposit Services | | | | | | | |
| – Maximum daily deposit balance (including accrued interest) | 3,941 | 4,473 | 4,494 | 2,602 | | | |
| – The existing annual caps | 6,000 | 6,000 | 6,000 | 6,000 | | | |
| – The proposed annual caps | | | | | 6,000 | 6,000 | 6,000 |
| (2) Settlement Services (Note 1) | | | | | | | |
| – Actual transaction amount | 158,985 | 146,181 | 234,824 | 39,414 | | | |
| – The existing annual caps | N/A | N/A | N/A | N/A | | | |
| – The proposed annual caps | | | | | N/A | N/A | N/A |
| (3) Credit Lending Services (Note 2) | | | | | | | |
| – Maximum daily loan balance (including accrued interest) | 3,961 | 3,870 | 4,847 | 3,353 | | | |
| – The existing annual caps | N/A | N/A | N/A | N/A | | | |
| – The proposed annual caps | | | | | N/A | N/A | N/A |
| (4) Factoring Services (Note 3) | | | | | | | |
| – Daily factoring business limit | 0 | 0 | 0 | 0 | | | |
| – The existing annual caps | 2,000 | 2,000 | 2,000 | 2,000 | | | |
| – The proposed annual caps | | | | | 2,000 | 2,000 | 2,000 |

| Transactions | For the year ended 31 December | | 2023 | For the period from 1 January 2024 to the date of this announcement | For the year ending 31 December | | 2026 |
|--|-----------------------------------|------|------|--|------------------------------------|------|------|
| | 2021 | 2022 | | 2024 | 2024 | 2025 | |
| (5) Miscellaneous Financial Services (Note 4) | | | | | | | |
| - Actual transaction amount | | | | 0 | | | |
| - The existing annual caps | N/A | N/A | N/A | N/A | | | |
| - The proposed annual caps | | | | | 3.4 | 3.3 | 3.3 |

Note 1: Since the Settlement Services provided by Chinalco Finance to the Group are free of charge and such services are on normal commercial terms or better terms, the Settlement Services and the proposed annual caps thereon are fully exempted from the shareholders' approval, annual review and all disclosure requirement under Rule 14A.76 of the Listing Rules.

Note 2: According to the New Financial Services Agreement, the daily loan balance (including accrued interest) provided by Chinalco Finance to the Group shall not exceed RMB8 billion. Since the Credit Lending Services provided by Chinalco Finance to the Group are on normal commercial terms and on terms that are no less favourable than those offered by independent third parties to the Group for comparable services in the PRC, and no assets will be provided by the Group as security over the Credit Lending Services, the Credit Lending Services are fully exempted from the shareholders' approval, annual review and all disclosure requirement under Rule 14A.90 of the Listing Rules.

Note 3: The Group's factoring business is generally divided into factoring with recourse and factoring without recourse. The caps of factoring include the aggregated amount of all types of factoring, namely factoring with or without recourse, and other forms (if applicable). For factoring with recourse, once the factoring financing contract takes effect, the quota will then be occupied. With the collection or repurchase of accounts receivable, the amount previously occupied due to factoring financing will be released, and the corresponding quota can be applied on a revolving basis; for factoring without recourse, once a factoring financing transaction occurs, the quota will be occupied within that year. Judging from the Group's factoring business with other parties in the past, factoring financing with recourse accounted for a relatively large proportion. According to the New Financial Services Agreement, the daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB2 billion. For the avoidance of doubt, the daily factoring business limit herein does not exceed RMB2 billion, which means, at any point in the year, the total outstanding balance of factoring with recourse and the cumulative amount of factoring without recourse should not exceed RMB2 billion.

Note 4: The total fees charged by Chinalco Finance for the provision of miscellaneous financial services to the Group shall not exceed RMB10 million within the validity period of the original Financial Services Agreement. As all the applicable percentage ratios in respect of the miscellaneous financial services falls below the de minimis threshold for exemption as stipulated under Rule 14A.76 of the Listing Rules, the miscellaneous financial services are fully exempted from the shareholders' approval, annual review and all disclosure requirement under Rule 14A.76 of the Listing Rules.

Basis for the determination of annual caps

(1) Deposit Services

The daily deposit balance (including accrued interests) of the Group on the deposit accounts in Chinalco Finance shall not exceed RMB6 billion pursuant to the New Financial Services Agreement, that is, within the validity period of the New Financial Services Agreement, the maximum daily deposit balance (including accrued interest) of the Group in Chinalco Finance's deposit accounts shall not exceed RMB6 billion each year.

In determining the above proposed caps of the Deposit Services, the Company has taken into account:

- (a) the growing business of the Group and the anticipated increase in the daily balances of deposits of the Group;
- (b) Chinalco Finance has established a fund settlement platform with enriched functions, high efficiency, safety and reliability. The Group's deposits in the accounts of Chinalco Finance can be used for fund settlement business through such fund settlement platform at any time. Further increasing the limit of the Deposit Services of the Group and Chinalco Finance will significantly reduce the number of fund transfers by the Group, so as to improve capital management and control efficiency;
- (c) Since Chinalco Finance has exempted the Group from all settlement fees, therefore, the Group will increase the scale of deposits in Chinalco Finance in the future, thereby further increasing the percentage of settlement business volume in Chinalco Finance, which will also reduce handling fees and in turn control financial costs of the Group;
- (d) The interest rate for the deposits of the Group with Chinalco Finance is generally superior to the interest rate for the same type of deposit announced by PBOC for the same period and the interest rate for the same type of deposit offered by the major commercial banks in the PRC for the same period. Therefore, increasing the amount of deposits made by the Group in Chinalco Finance will directly increase deposit interest income, which is beneficial to improving the level of the Group's capital gains; and
- (e) Chinalco Finance is under the supervision of the NFRA and has been maintaining satisfactory operating results and financial position which complied with the gearing ratio indicator as provided in the Measures for the Administration of Finance Companies of Enterprise Groups with good risk control and well-regulated management in its track record. The safety standards of its settlement system reach the standards of domestic commercial banks.

The Directors are of the view that the deposit transactions do not have any impact on the assets and liabilities of the Group. Instead, the Group can earn interests from the deposit transactions. The cooperative relationship between the Group and Chinalco Finance was a non-exclusive cooperative relationship. The Group has deposited the remaining cash with several other independent financial institutions. Chinalco Finance has undertaken the security of the deposits of the Group and the provision of proper mitigation measures, and it shall pay the amount in full in a timely manner when such fund demand is raised by the Group. Accordingly, the Company considers that placing deposits with Chinalco Finance allows the Group to have lower risk exposure and to enjoy a higher level of security than placing the deposits with other independent financial institutions, and the above proposed cap is fair and reasonable.

(2) *Settlement Services*

Since the Settlement Services provided by Chinalco Finance to the Group are free of charge and such services are on normal commercial terms or better, the Settlement Services and the proposed annual caps thereon are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules.

(3) *Credit Lending Services*

According to the New Financial Services Agreement, the daily balance (including accrued interests) of the loans provided by Chinalco Finance to the Group shall not exceed RMB8 billion. As the Credit Lending Services provided by Chinalco Finance to the Group will be on normal commercial terms and on terms that are no less favourable than those offered by independent third parties to the Group for comparable services in the PRC, and the Group will not provide any asset guarantees for Credit Lending Services, therefore, the Credit Lending Services and the proposed annual caps thereon are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 of the Listing Rules.

(4) *Factoring Services*

The daily factoring business limit provided by Chinalco Finance to the Group shall not exceed RMB2 billion pursuant to the New Financial Services Agreement, that is, within the validity period of the New Financial Services Agreement the daily factoring business limit shall not exceed RMB2 billion.

In determining the proposed caps of the above factoring services, the Board has taken into account:

- (a) The industry characteristics of the Group's engineering and construction contracting business in general, the prolonged collection period of accounts receivable, the higher carrying balance; and the future growth of the business scale of the Group, the Group has sufficient accounts receivable for factoring financing in the future;
- (b) Carrying out factoring business can effectively help the Group meet the demand for lowering receivables, quickly recover funds, and improve asset turnover efficiency;
- (c) Factoring business of Chinalco Finance generally has a shorter term, the interest rate will be lower than the factoring cost of professional factoring companies, and the amount of business incurred in the future is expected to increase significantly;
- (d) Chinalco Finance is under the supervision of the NFRA and has been maintaining satisfactory operating results and financial position in its track record; and
- (e) The Factoring Services between the Group and Chinalco Finance will be on normal commercial terms and on terms that are no less favourable than those offered by independent third parties for comparable services in the PRC.

Therefore, the Board proposed that the daily factoring business limit provided by Chinalco Finance to the Group under the New Financial Services Agreement shall not exceed RMB2 billion, and considered that such proposed caps are fair and reasonable.

(5) *Miscellaneous Financial Services*

For the three years ending 31 December 2026, the fees to be charged by Chinalco Finance for the provision of the miscellaneous financial services to the Group shall not exceed RMB3.4 million, RMB3.3 million and RMB3.3 million, respectively, pursuant to the New Financial Services Agreement. All the applicable percentage ratios in respect of the miscellaneous financial services fall within the de minimis threshold for exemption under Rule 14A.76 of the Listing Rules, therefore, the miscellaneous financial services and the proposed annual caps thereon are fully exempted from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules.

Reasons for and benefits of the transactions

- (1) With the expansion of the Group's scale of business, the monetary capital will increase accordingly. It is expected that as business increases, the Group's deposits in Chinalco Finance will also increase;
- (2) The interest rates on the Deposit Services offered by Chinalco Finance to the Group and the handling charges related to the miscellaneous financial services (as the case may be) shall be no less favourable than those offered by any independent third party to the Group;
- (3) The Settlement Services through Chinalco Finance will strengthen the Company's centralized management of its subsidiaries' funds and help the Group's members to allocate funds more efficiently. In addition, the Group can make full use of Chinalco Finance's preferential policies for free settlement business to reduce its bank charges and financial costs;
- (4) Chinalco Finance provides the Group with an alternative to securing loans from other financial institutions, which will in turn enhance the liquidity within the Group, strengthen the overall solvency of the Group, and assist to monitor the financial risks. Such arrangements will resolve the liquidity demands of individual subsidiaries of the Company and enable the Company to centralise its management of the Group's credit limits and loan targets through Chinalco Finance;
- (5) The arrangements under the New Financial Services Agreement will help save financial costs, so as to increase the profitability of the Group;
- (6) The factoring financing business of Chinalco Finance has the following advantages: Firstly, subsidiaries of the Company can expand financing channels to meet part of the daily financing needs when bank facility is generally tight. Secondly, funds can be collected in advance for accounts receivable of certain quality customers, which lowers the fund occupation arising from accounts receivable; and
- (7) Chinalco Finance, which is regulated by the PBOC and the NFRA, lawfully holds the "Financial Licenses (《金融許可證》)" and provides its services in accordance with and in satisfaction of the rules and operational requirements of these regulatory authorities within permitted scope. In this connection, Chinalco Finance has been regularly filing with the NFRA. The customers of Chinalco Finance is restricted to only units within Chinalco. As such, Chinalco Finance has relatively controllable risk exposure and has not received any non-compliance notice or been imposed of any penalty from the NFRA since its establishment.

Measures for internal control

The Company has adopted a series of internal control measures, including:

- The Company has adopted and implemented a set of management measures on connected transactions. According to the measures, the finance department is responsible for collecting and monitoring information on connected transactions, and evaluating the fairness of the transaction terms and the pricing terms;
- The Company has established a detailed list of connected persons. Any transaction, if involving any connected person of the Company, will be reported in a timely manner. Accordingly, the responsible department of the Company may keep track of the amount of connected transactions and ensure that such amount will not exceed the annual caps;
- Prior to the implementation of certain financial services, the principal officers who handle the relevant matters shall submit applications to the finance department, and such applications will only be approved upon preliminary review and final review conducted by the head of the finance department and the chief financial officer of the Company pursuant to the relevant internal control policies of the Group;
- The Directors of the Company have also reviewed and will continue to review the New Financial Services Agreement and the transactions thereunder to ensure that the agreement is entered into on normal commercial terms, and is in the interest of the Company and its Shareholders as a whole;
- There are additional risk control measures to be implemented by the Company, such as (a) the relevant person in charge of the finance department of the Company monitors the maximum daily deposit balance and interest of the Group's deposits in the accounts of Chinalco Finance daily to ensure that the total amount does not exceed the annual cap; where the deposit balance on that day is anticipated to exceed the annual cap, the anticipated excess amount will be transferred to a third-party bank account designated by the Company after the relevant fund transfer procedures are performed; (b) requiring Chinalco Finance to issue monthly deposit transaction record statements to the Group so that the Group can timely monitor the safety of its deposit and reconcile any difference (if any); and (c) requiring Chinalco Finance to provide copies of its quarterly financial statements to the Company on demand so that the Company can timely monitor the financial status of Chinalco Finance;
- The Company compares the deposit rates of Chinalco Finance with the deposit rates of major domestic commercial banks on a monthly basis; if the benchmark interest rate published by the PBOC for similar deposits with similar terms has been adjusted, the Company will compare it on the date of adjustment, in order to ensure that the deposit interest rate offered by Chinalco Finance is not lower than the deposit interest rates offered by the above independent third parties;

- Before making deposits in Chinalco Finance, the Company will communicate with Chinalco Finance and at least three independent commercial banks or financial institutions. The deposit interest rates for similar deposits with similar terms provided by Chinalco Finance and independent commercial banks or financial institutions will be sent to the Company for comparison. If the Company notices that the deposit interest rate for similar deposits with similar terms provided by Chinalco Finance is lower than the deposit interest rate for similar deposits with similar terms provided by major domestic commercial banks, the Group will not place deposits in Chinalco Finance, or it will negotiate with Chinalco Finance to re-determine the interest rate;
- For the same factoring transaction, the Company shall ensure that at least one independent third party will participate in quotation as a supplier. The finance department shall conduct integrated comparison on the quotation materials submitted by no less than two suppliers, and assess the fairness of transaction and pricing terms. If the contract terms are comparable or similar, the one with a lower price shall be selected initially. Officers handling the relevant matters shall submit a report to the head of the finance department and the chief financial officer of the Company to illustrate the details of the preliminary candidate for approval;
- The Company appoints a designated person to be responsible for the statistics and tracking of factoring business, ensuring that the outstanding balance of factoring with recourse and the cumulative amount incurred under factoring without recourse do not exceed RMB2 billion in total each year;
- All continuing connected transactions are reviewed and verified by the independent non-executive Directors on a yearly basis; and
- The Company's auditor will also conduct an annual review of the pricing and annual caps of such continuing connected transactions.

GENERAL INFORMATION

Information on the Company

The Company is a leading technology, engineering service and equipment provider in the non-ferrous metals industry in the PRC, capable of providing full business-chain integrated engineering solutions throughout various stages of the non-ferrous metals industry chain. The Group is primarily engaged in engineering design and consultancy, engineering and construction contracting, equipment manufacturing and trading.

Information on Chinalco

Chinalco is a state-owned enterprise established under the laws of the PRC in 2001. Chinalco is a controlling Shareholder of the Company and directly holds approximately 73.56% of the issued share capital of the Company. Chinalco is principally engaged in mineral resources development, smelting and processing of non-ferrous metals, relevant trading and engineering and technical services. The ultimate beneficial owner of Chinalco is the State-owned Assets Supervision and Administration Commission of the State Council.

Information on Chinalco Finance

Chinalco Finance is a limited liability company incorporated in the PRC in June 2011 with the approval of the China Banking and Insurance Regulatory Commission (currently known as the National Financial Regulatory Administration), which is 85.24% held by Chinalco, 10% held by Chinalco Capital and 4.76% held by Chinalco Asset Management. The business scope of Chinalco Finance includes corporate group finance company services (projects that require approval according to law can only be carried out with the approval of relevant departments. Specific business projects shall be subject to the approval documents or licenses of relevant departments. Business activities that are prohibited or restricted by national and municipal industrial policies are not allowed). The ultimate beneficial owner of Chinalco Finance is Chinalco.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Chinalco directly holds 73.56% of the existing issued share capital of the Company and is the controlling Shareholder of the Company and thus a connected person of the Company. Meanwhile, Chinalco directly or indirectly holds 100% equity interests of Chinalco Finance, and is a controlling shareholder of Chinalco Finance. Accordingly, Chinalco Finance is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the New Financial Services Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Deposit Services and the Factoring Services under the New Financial Services Agreement and their proposed annual caps exceed 5%, therefore, the Deposit Services and the Factoring Services under the New Financial Services Agreement and their proposed annual caps are subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Settlement Services provided by Chinalco Finance to the Group under the New Financial Services Agreement will be free of charge and each of the applicable percentage ratios of the miscellaneous financial services meets the de minimis threshold for exemption under Rule 14A.76 of the Listing Rules, the Settlement Services and the Miscellaneous Financial Services are fully exempted from reporting, announcement and Independent Shareholders' approval requirements of the Rule of 14A.76 of the Listing Rules.

As the Credit Lending Services provided by Chinalco Finance to the Group under the New Financial Services Agreement are on normal commercial terms that are no less favourable than those offered by independent third parties to us for comparable services in the PRC, and no security will be provided by the Group over the Credit Lending Services, the Credit Lending Services are fully exempted from reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As the highest applicable percentage ratio of the Deposit Services under the New Financial Services Agreement is more than 25% but less than 75%, the Deposit Services constitute major transactions of the Company under Chapter 14 of the Listing Rules and shall be subject to announcement, reporting and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio of the Factoring Services under the New Financial Services Agreement is more than 5% but less than 25%, the Factoring Services constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and shall be subject to announcement and reporting requirements under Chapter 14 of the Listing Rules.

Under Rule 14A.36 of the Listing Rules, any connected person and any Shareholders and their associates who have material interests in the contemplated transactions are required to abstain from voting in respect of the relevant resolutions at the general meeting.

CONFIRMATION OF DIRECTORS

The Board has considered and passed the resolutions in respect of the New Financial Services Agreement and the transactions contemplated thereunder. As Mr. ZHOU Xinzhe (周新哲) and Mr. ZHANG Decheng (張德成) holds management positions in the subsidiaries of Chinalco and therefore are deemed to have material interests in the above transactions, they have abstained from voting on the above resolutions. Save for Mr. ZHOU Xinzhe and Mr. ZHANG Decheng, none of the other Directors has interests in the above transactions.

The Directors are of the view that the New Financial Services Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are on normal commercial terms. The terms of the New Financial Services Agreement (including the relevant annual caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee comprising all independent non-executive Directors who are independent of these transactions will be formed to consider the renewal of the Financial Services Agreement and to advise the Shareholders (excluding Chinalco and its associates, the “**Independent Shareholders**”) in respect of the New Financial Services Agreement and the transactions contemplated thereunder. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services and Factoring Services.

DISPATCH OF CIRCULAR

A circular containing, among others, (a) further details of the New Financial Services Agreement and the transactions contemplated thereunder; (b) the recommendation letter from the Independent Board Committee to the Independent Shareholders; (c) a letter of opinion from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (d) the notice of the general meeting will be dispatched in due course. As it takes time to complete certain information to be included in the circular, the Company may dispatch the circular after 15 business days from the publication of this announcement.

DEFINITIONS

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

| | |
|------------------------------|--|
| “Chinalco” | Aluminum Corporation of China (中國鋁業集團有限公司), a state-owned enterprise incorporated under the laws of the PRC and the controlling Shareholder of the Company |
| “Chinalco Asset Management” | Chinalco Asset Management Co., Ltd. (中鋁資產經營管理有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Chinalco |
| “Chinalco Capital” | Chinalco Capital Holdings Co., Ltd. (中鋁資本控股有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Chinalco |
| “Chinalco Finance” | Chinalco Finance Company Limited (中鋁財務有限責任公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Chinalco |
| “Company” | China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) |
| “connected transaction(s)” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |

| | |
|---|--|
| “Credit Lending Services” | the credit lending services provided by Chinalco Finance to the Group under the Financial Services Agreement, including but not limited to the loan services extended to the Group by Chinalco Finance |
| “Deposit Services” | the deposit services provided by Chinalco Finance to the Group under the New Financial Services Agreement |
| “Director(s)” | the director(s) of the Company |
| “Factoring Services” | the factoring services provided by Chinalco Finance to the Group under the New Financial Services Agreement |
| “Group” | the Company and its subsidiaries as at the date of this announcement |
| “H Share(s)” | the overseas listed foreign invested share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange |
| “Independent Board Committee” | an independent committee of the Board established for the purpose of considering the Deposit Services and Factoring Services, comprising all independent non-executive Directors who are independent of such New Finance Services Agreement |
| “Independent Financial Adviser” or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Deposit Services and Factoring Services |
| “Independent Shareholders” | Shareholders of the Company other than Chinalco and its associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| “Miscellaneous Financial Services” | miscellaneous financial services provided by Chinalco Finance to the Group under the New Financial Services Agreement except for the Deposit Services, Settlement Services, Credit Lending Services and Factoring Services |
| “NFRA” | National Financial Regulatory Administration (formerly known as the China Banking and Insurance Regulatory Commission) |

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| “PBOC” | People’s Bank of China |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan |
| “Settlement Services” | the settlement services provided by Chinalco Finance to the Group free of charge under the New Financial Services Agreement |
| “Shareholders” | the holders of Shares |
| “Share(s)” | the Share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including Domestic Share(s) and H Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |

By Order of the Board
China Aluminum International Engineering Corporation Limited
LI Yihua
Chairman

Beijing, the PRC, 28 March 2024

As at the date of this announcement, the non-executive directors are Mr. ZHOU Xinzhe and Mr. ZHANG Decheng; the executive directors are Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Ruiping and Ms. ZHAO Hongmei; and the independent non-executive directors are Mr. GUI Weihua, Mr. SIU Chi Hung and Mr. TONG Pengfang.