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**CHALIECO**  
**中铝国际**

**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  
CONNECTED TRANSACTION  
ENTERING INTO THE CAPITAL INCREASE AGREEMENT IN  
RESPECT OF SHANDONG ENGINEERING**

**ENTERING INTO THE CAPITAL INCREASE AGREEMENT**

On 15 October 2024, the Company, Chalco Shandong and Shandong Engineering entered into the Capital Increase Agreement in relation to, among others, the additional capital contribution by the parties in the sum of RMB500 million to Shandong Engineering in proportion to their respective shareholdings in Shandong Engineering, in order to effectively optimize the capital structure of Shandong Engineering, promote its business development, continuously enhance its innovation and research and development ability in science and technology, and further improve Shandong Engineering's competitiveness in the market. Upon completion of the Capital Increase, the parties' respective shareholding ratios in Shandong Engineering will remain unchanged.

The parties agreed to make additional capital contribution in cash in the sum of RMB500 million to Shandong Engineering in proportion to their respective existing shareholdings in Shandong Engineering, among which the Company agreed to make additional capital contribution of RMB300 million, and Chalco Shandong agreed to make additional capital contribution of RMB200 million.

**LISTING RULES IMPLICATIONS**

As Shandong Engineering is a connected subsidiary of the Company, the capital increase by the Company to Shandong Engineering constitutes a connected transaction under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, as the maximum applicable percentage ratios of the Capital Increase Agreement and the transactions contemplated thereunder exceed 0.1% but are less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and shareholders' approval requirements.

The Board of China Aluminum International Engineering Corporation Limited hereby announces that a meeting of the Board was held on 15 October 2024 for the purposes of considering and approving the following matters in connection with the Company:

## **1. ENTERING INTO THE CAPITAL INCREASE AGREEMENT**

### *(1) Background*

On 15 October 2024, the Company, Chalco Shandong and Shandong Engineering entered into the Capital Increase Agreement in relation to, among others, the additional capital contribution by the parties in the sum of RMB500 million to Shandong Engineering in proportion to their respective shareholdings in Shandong Engineering, in order to effectively optimize the capital structure of Shandong Engineering, promote its business development, continuously enhance its innovation and research and development ability in science and technology, and further improve Shandong Engineering's competitiveness in the market. Upon completion of the Capital Increase, the parties' respective shareholding ratios in Shandong Engineering will remain unchanged.

The major terms of the Capital Increase Agreement are as follows:

### *(2) Signing Date*

15 October 2024

### *(3) Parties*

- (1) The Company;
- (2) Chalco Shandong (being a connected person); and
- (3) Shandong Engineering (being a connected subsidiary).

### *(4) Nature of the Transaction*

1. The parties agreed to make additional capital contribution in cash in the sum of RMB500 million to Shandong Engineering in proportion to their respective existing shareholdings in Shandong Engineering, among which the Company agreed to make additional capital contribution of RMB300 million, and Chalco Shandong agreed to make additional capital contribution of RMB200 million.

The total amount of the capital increase in the Capital Increase was agreed by the parties after negotiation, taking into account the capital needs of Shandong Engineering, and the parties will make additional capital contribution in the same proportion based on their respective existing shareholding ratios in Shandong Engineering. Upon completion of the Capital Increase, the registered capital of Shandong Engineering will be increased by RMB500 million.

The proportion of equity interest in Shandong Engineering held by the Company and Chalco Shandong will remain unchanged, and Shandong Engineering will remain a subsidiary of the Company.

2. Way of capital contribution: contribution in cash with self-owned fund by each party.
3. Timing for making the capital contribution: within ten working days after the signing of the Capital Increase Agreement, each of the Company and Chalco Shandong shall pay the amount of capital contribution in full into the designated bank account of Shandong Engineering.

(5) *Effective Date of the Capital Increase Agreement*

The Capital Increase Agreement shall become effective on the date on which it is duly signed by the legal representatives or authorised representatives of the parties and affixed with their respective contract seals or official seals.

(6) *Completion Time of the Capital Increase*

The completion time of the Capital Increase is subject to the date on which Shandong Engineering has completed the registration procedures for industrial and commercial changes and both the Company and Chalco Shandong have paid up the registered capital in full.

(7) *Information on Shandong Engineering*

Shandong Engineering is a company incorporated in the PRC with limited liability in July 1995, and is held as to 60% and 40% by the Company and Chalco Shandong, respectively. Shandong Engineering is primarily engaged in metallurgical and construction engineering design, consultation, general contracting, machinery and equipment manufacturing, metallurgical engineering construction, petrochemical engineering construction, housing construction and industrial automation with the advantages of system integration of research and development, design, manufacturing, construction and installation, and information technology.

As at 31 December 2023, the audited total assets, liabilities and owners' equity of Shandong Engineering amounted to RMB702.0634 million, RMB987.4962 million and RMB-285.4328 million, respectively. The audited net loss for the years ended 31 December 2022 and 2023 and the unaudited net profit for the six months ended 30 June 2024 of Shandong Engineering were RMB121.1726 million, RMB435.5093 million and RMB0.0941 million, respectively.

## 2. SHARE CAPITAL STRUCTURE BEFORE AND AFTER THE CAPITAL INCREASE

The following table sets out the shareholding structure of Shandong Engineering (i) as at the date of this announcement and (ii) after the Capital Increase.

Shareholder	As at the date of this announcement		After the Capital Increase	
	Registered capital (RMB0'000)	Shareholding ratio (%)	Registered capital (RMB0'000)	Shareholding ratio (%)
The Company	16,476.42	60	46,476.42	60
Chalco Shandong	10,984.28	40	30,984.28	40
Total	<u>27,460.70</u>	<u>100</u>	<u>77,460.70</u>	<u>100</u>

## 3. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The transaction is a capital increase of Shandong Engineering by the Company with its own or self-financed funds, which will further support Shandong Engineering to increase its investment in research and development, enhance its technological strength, optimise its capital structure, give full play to the synergies of the industrial chain, and strengthen its market competitiveness, which will be conducive to the healthy and sustainable development of Shandong Engineering. The Company will focus on the non-ferrous and advantageous industrial sectors and develop new profit growth area, which is in line with the Company's "Technology + International" development strategy. After the Capital Increase, Shandong Engineering will remain a subsidiary of the Company, and there will be no change in the scope of the consolidated statement of the Company, nor will there be any material impact on the financial position and operating results of the Company.

The Directors (including the independent non-executive Directors) are of the view that, although the Capital Increase is not conducted in the ordinary and usual course of business of the Company, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Zhang Decheng and Mr. Yang Xu, being Directors, have abstained from voting on the resolution in relation to the Capital Increase Agreement considered and approved at the Board meeting by virtue of their positions in Chinalco. Save as disclosed above, no Director has any material interest in the Capital Increase Agreement and shall abstain from voting on the relevant Board resolution.

## **4. GENERAL INFORMATION**

### **(1) Information on the Company**

The Company is a modern new industrial service enterprise that provides advanced non-ferrous metal technology, complete sets of equipment and comprehensive solutions for integrated services, capable of providing a full range of integrated technical and engineering design and construction services for various businesses in the entire nonferrous metals industry chain. The Company's businesses mainly include engineering survey, design and consultancy, engineering and construction contracting and equipment manufacturing. The ultimate beneficial owner of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

### **(2) Information on Chalco Shandong**

Chalco Shandong is a state-owned enterprise established in 2001 under the laws of the PRC. Chalco Shandong is an indirect subsidiary of Chinalco, the controlling shareholder of the Company. The ultimate beneficial owner of Chalco Shandong is the State-owned Assets Supervision and Administration Commission of the State Council. Chalco Shandong is principally engaged in the production of alumina, high-quality alumina, fine alumina, construction aluminum profiles and other major products.

### **(3) Information on Shandong Engineering**

For information on Shandong Engineering, please see the section headed "1.(7) Information on Shandong Engineering" in this announcement.

## **5. LISTING RULES IMPLICATIONS**

Chalco Shandong is an indirect subsidiary of Chinalco, the controlling shareholder (and hence connected person) of the Company, and is therefore an associate of Chinalco and a connected person of the Company. Pursuant to Rule 14A.92(1) of the Listing Rules, since Chalco Shandong will increase capital contribution to Shandong Engineering in proportion to its shareholdings in Shandong Engineering, being a subsidiary of the Company, the proposed capital increase by Chalco Shandong will constitute a connected transaction, but is exempt from the reporting, announcement and independent shareholders' approval requirements.

Shandong Engineering is directly owned as to 60% by the Company and as to 40% by Chalco Shandong, a connected person at the issuer level. Accordingly, Shandong Engineering is a connected subsidiary of the Company and therefore a connected person of the Company pursuant to Rule 14A.16 of the Listing Rules.

As Shandong Engineering is a connected subsidiary of the Company, the capital increase by the Company to Shandong Engineering constitutes a connected transaction under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, as the maximum applicable percentage ratios of the Capital Increase Agreement and the transactions contemplated thereunder exceed 0.1% but are less than 5%, the transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and shareholders' approval requirements.

## 6. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Capital Increase”	the capital increase to Shandong Engineering by the Company and Chalco Shandong in the sum of RMB500 million in proportion to their respective shareholdings
“Capital Increase Agreement”	the capital increase agreement entered into by the Company and Chalco Shandong on 15 October 2024 in relation to the Capital Increase
“Chalco Shandong”	Chalco Shandong Co., Ltd. (中鋁山東有限公司), a company incorporated under the laws of the PRC with limited liability and a subsidiary of Chinalco
“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
“Company”	China Aluminum International Engineering Corporation Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Engineering”	Chalco Shandong Engineering Technology Co., Ltd. (中鋁山東工程技術有限公司), a company incorporated under the laws of the PRC with limited liability, which is held as to 60% and 40% by the Company and Chalco Shandong, respectively, and is a connected subsidiary of the Company
“Shareholder(s)”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By Order of the Board  
**China Aluminum International Engineering Corporation Limited**  
**Tao Fulun**  
*Joint Company Secretary*

Beijing, the PRC, 15 October 2024

*As at the date of this announcement, the non-executive directors are Mr. ZHANG Decheng and Mr. YANG Xu; the executive directors are Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Dongjun and Ms. ZHAO Hongmei; and the independent non-executive directors are Mr. ZHANG Tingan, Mr. SIU Chi Hung and Mr. TONG Pengfang.*