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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Aluminum International Engineering Corporation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AMENDMENTS TO THE ADMINISTRATIVE MEASURES OF GUARANTEES
RENEWAL OF THE COMMODITIES SALES AND
PURCHASES MASTER AGREEMENT
RENEWAL OF THE GENERAL SERVICES MASTER AGREEMENT
RENEWAL OF THE ENGINEERING SERVICES MASTER AGREEMENT
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



The first extraordinary general meeting in 2023 (the "EGM") will be held at Conference Room 312 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, the PRC at 9:30 a.m. on Wednesday, 8 February 2023. The Notice of EGM is set out on pages 79 to 80 of this circular.

If you wish to appoint proxies to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon. Holders of H Shares should return the proxy form to Computershare Hong Kong Investor Services Limited but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof either by person or mail. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

17 January 2023

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DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are traded in the SSE (stock code: 601068)
“Administrative Measures of Guarantees”	the Administrative Measures of Guarantees of China Aluminum International Engineering Corporation Limited
“Articles” or “Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“Chinalco” or “China Aluminum Group”	Aluminum Corporation of China Limited (中國鋁業集團有限公司), a state-owned enterprise incorporated under the laws of PRC and a Controlling Shareholder of the Company
“Commodities Sales and Purchases Master Agreement”	the commodities sales and purchases master agreement entered into between China Aluminum Group and the Company on 28 December 2022
“Company”	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, and its H Shares are listed on the Stock Exchange and A Shares are listed on the SSE
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules

DEFINITIONS

“continuing connected transaction(s)”	the continuing connected transaction contemplated under the Commodities Sales and Purchases Master Agreement, General Services Master Agreement and Engineering Services Master Agreement entered into between the Company and China Aluminum Group on 28 December 2022, in relation to the provision of commodities by the Company to China Aluminum Group, provision of commodities to the Company by China Aluminum Group, provision of general services to China Aluminum Group by the Company, provision of general services to the Company by China Aluminum Group and provision of engineering services to China Aluminum Group by the Company
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Directors”	the directors of the Company
“EGM”	the first extraordinary general meeting in 2023 of the Company to be held at Conference Room 312 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Wednesday, 8 February 2023
“Engineering Services Master Agreement”	the engineering services master agreement entered into between China Aluminum Group and the Company on 28 December 2022
“General Services Master Agreement”	the general services master agreement entered into between China Aluminum Group and the Company on 28 December 2022
“Group”	the Company and its subsidiaries as at the Latest Practicable Date
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Independent Board Committee”	an independent committee of the Board established for the purpose of considering the renewal of the transaction in respect of the provision of commodities by the Company to China Aluminum Group (including relevant annual caps), the provision of commodities to the Company by China Aluminum Group (including relevant annual caps) contemplated under the Commodities Sales and Purchases Master Agreement and the transaction in respect of the provision of engineering services to China Aluminum Group by the Company (including relevant annual caps) contemplated under the Engineering Services Master Agreement, comprising all independent non-executive Directors who are independent of the Transactions
“Independent Shareholders”	the Shareholder(s) (other than China Aluminum Group and its associates) who are not required to abstain from voting on the resolutions to be proposed at the EGM to approve the (i) renewal of Commodities Sales and Purchases Master Agreement and the adjustment of the caps of relevant related (connected) transactions; (ii) renewal of General Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions; and (iii) renewal of Engineering Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions
“independent third party(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Latest Practicable Date”	13 January 2023, being the latest practicable date prior to the printing of this circular for containing certain information herein

DEFINITIONS

“Luoyang Institute”	Luoyang Engineering & Research Institute for Nonferrous Metals Processing Co., Ltd. (洛陽有色金屬加工設計研究院有限公司), a company incorporated under the laws of the PRC with limited liability (sole proprietorship invested or controlled by non-natural person), a subsidiary of China Aluminum Group in which China Aluminum Group holds 100% equity interests
“Notice of EGM”	the notice of the first extraordinary general meeting in 2023
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including A Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tendering Company”	Chalco Tendering Company Limited (中鋁招標有限公司), a company incorporated under the laws of the PRC with limited liability and a subsidiary of China Aluminum Group, a Controlling Shareholder of the Company
“%”	percent



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)

Executive Directors:

Mr. LI Yihua
Mr. LIU Jing
Mr. LIU Ruiping

Non-executive Directors:

Mr. HU Zhenjie
Mr. ZHOU Xinzhe
Mr. ZHANG Wenjun

Independent Non-executive Directors:

Mr. GUI Weihua
Mr. SIU Chi Hung
Mr. TONG Pengfang

Registered Office in the PRC:

Building C
No. 99, Xingshikou Road
Haidian District
Beijing
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Head Office in the PRC:

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*Principal Place of Business
in Hong Kong:*

Room 4501
Far East Finance Centre
No. 16 Harcourt Road
Admiralty
Hong Kong

To the Shareholders

Dear Sir or Madam,

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AMENDMENTS TO THE ADMINISTRATIVE MEASURES OF GUARANTEES
RENEWAL OF THE COMMODITIES SALES AND
PURCHASES MASTER AGREEMENT
RENEWAL OF THE GENERAL SERVICES MASTER AGREEMENT
AND
RENEWAL OF THE ENGINEERING SERVICES MASTER AGREEMENT**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with relevant information for making informed decisions to vote for or against the ordinary resolutions and special resolution regarding the following matter to be proposed at the EGM:

SPECIAL RESOLUTION

1. To consider and approve the resolution on the amendments to the Articles of Association of China Aluminum International Engineering Corporation Limited

ORDINARY RESOLUTIONS

2. To consider and approve the resolution on the amendments to the Administrative Measures of Guarantees of China Aluminum International Engineering Corporation Limited
3. To consider and approve the resolution on the renewal of Commodities Sales and Purchases Master Agreement and the adjustment of the caps of relevant related (connected) transactions
4. To consider and approve the resolution on the renewal of General Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions
5. To consider and approve the resolution on the renewal of Engineering Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions

II. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement dated 27 November 2022 of the Company in relation to the proposed amendments to the Articles of Association.

In order to further improve and standardize the Company's corporate governance system, on 25 November 2022, the resolution in relation to the proposed amendments to the Articles of Association was considered and approved at the seventh meeting of the fourth session of the Board of the Company. The resolution is now tabled to the EGM for consideration.

Details of the above amendments are set out in the Appendix I of this circular.

III. AMENDMENTS TO THE ADMINISTRATIVE MEASURES OF GUARANTEES

Reference is made to the overseas regulatory announcement dated 26 October 2022 of the Company in relation to the proposed amendments to the Administrative Measures of Guarantees.

LETTER FROM THE BOARD

In order to further improve the Company's management system for guarantees, on 26 October 2022, the resolution in relation to the proposed amendments to the Administrative Measures of Guarantees was considered and approved at the sixth meeting of the fourth session of the Board of the Company. The resolution is now tabled to the EGM for consideration.

Details of the above amendments are set out in the Appendix II of this circular.

IV. RENEWAL OF THE COMMODITIES SALES AND PURCHASES MASTER AGREEMENT, THE GENERAL SERVICES MASTER AGREEMENT AND THE ENGINEERING SERVICES MASTER AGREEMENT

References are made to the announcement of the Company dated 30 October 2019, the circular dated 13 December 2019 and the announcement dated 30 December 2019 in relation to the renewal of the Commodities Sales and Purchases Master Agreement, the General Services Master Agreement and the Engineering Services Master Agreement between the Company and China Aluminum Group.

As the Commodities Sales and Purchases Master Agreement, the General Services Master Agreement and the Engineering Services Master Agreement entered into between the Company and China Aluminum Group will expire on 31 December 2022, the Company renewed the Commodities Sales and Purchases Master Agreement, the General Services Master Agreement and the Engineering Services Master Agreement with China Aluminum Group on 28 December 2022 in order to meet the business needs and to arrange the management. The aforesaid agreements shall be effective upon the approval at the EGM, which shall be valid until 31 December 2025.

1. COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES BY THE COMPANY TO CHINA ALUMINUM GROUP

Parties: China Aluminum Group (as the purchaser) (for itself and on behalf of its subsidiaries and associates)

The Company (as the supplier) (for itself and on behalf of its subsidiaries)

Date: 28 December 2022

Principal terms: Pursuant to the Commodities Sales and Purchases Master Agreement entered into by the Company and China Aluminum Group on 28 December 2022, the Group may provide its products to China Aluminum Group and/or its associates from time to time, as part of the equipment manufacturing business of the Group. These products primarily include equipment, raw materials and commodities necessary for China Aluminum Group's production operation.

LETTER FROM THE BOARD

The initial term of the Commodities Sales and Purchases Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' written notice in advance to the other party to terminate the agreement.

Pricing policy:

- (1) In determining the prices of raw materials, equipment and commodities, the Company would make reference to the average market price in the first place. In the limited circumstances where a market price is unavailable, pricing will be determined by reference to the cost-plus principle. The relevant cost includes raw materials, auxiliary materials, depreciation, labour, kinetics, tools, consumption of the process, repairment of equipment, management fees and finance fees. The pricing should be in line with the Company's budget and ensure that the Company can achieve its profit targets.
- (2) The market prices in the industry and profit margins would be collected by the business department through industry associations and independent suppliers. The Company would collect market information from at least three independent third parties to consider if the prices of the raw materials, equipment and commodities are fair and reasonable and in line with the market. The Company's business department staff would update the market information regularly with reference to public industry websites, such as Changjiang Non-ferrous Metals Website (<http://www.ccmn.cn>), Shanghai Metals Market (<http://www.smm.cn>) and China Aluminum Website (<http://www.cnal.com>). Should the business department staff find the regular reference prices currently used internally to be outdated upon their regular assessment of the prices, the staff of business department would submit an adjusted price to the senior management for final review and approval.

LETTER FROM THE BOARD

- (3) For the products which have no alternatives available in the market, the prices would be determined after arm's length negotiation by both parties to the contract. The Company would refer to the relevant historical prices of the products and ensure that the terms of the products provided to China Aluminum Group are fair and reasonable based on the principle of cost plus a fair and reasonable profit margin. The expected profit margin of equipment to be provided to China Aluminum Group and the expected profit margin of raw materials to be provided to China Aluminum Group by the Company are both in line with the industry standard and not lower than the profit margin charged from independent third parties when providing comparable commodities.

**Reasons for and
benefits of the
transactions:**

- (1) China Aluminum Group may reduce the purchasing cost and the logistics cost through the on-site provision by the Company and its subsidiaries;
- (2) The Company has established long-term cooperation relationship with China Aluminum Group with mutual understanding of the operation plans, quality control and certain special requirements of both parties, which is beneficial to avoid market fluctuation risk and increase the operating income of the Company; and
- (3) As the prices and terms of the raw materials, equipment and products provided to China Aluminum Group by the Company are no less favourable than those provided by the Company to independent third parties, the provision of commodities to China Aluminum Group by the Company may bring profits to the Company.

LETTER FROM THE BOARD

Historical figures and the proposed annual caps:

Historical amounts

Unit: RMB million

	For the years ended 31 December		As of 31 October
	2020	2021	2022
Total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement	443	186	76.86

The Company confirmed that as of 31 December 2022, the total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement did not exceed the annual caps originally set.

Historical annual caps

Unit: RMB million

	For the years ended 31 December		
	2020	2021	2022
Total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement	800	900	1,000

Proposed annual caps

Unit: RMB million

	For the years ending 31 December		
	2023	2024	2025
Total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement	1,000	1,000	1,000

LETTER FROM THE BOARD

Basis for the caps: During 2020, 2021 and the ten months ended 31 October 2022, the total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement were lower than expected, which was mainly because the equipment and various types of customized equipment and devices provided to China Aluminum Group by the Company for non-ferrous metals development projects were order-type contracts and the investment plans of China Aluminum Group have been changed, resulting in the total transaction amounts lower than the caps set. In addition, as affected by the pandemic, certain equipment manufacturing business did not commence as planned or have experienced a delayed construction progress, resulting in the actual transaction amounts lower than the caps set.

Except remaining stable in 2025, the proposed annual caps for 2023 and 2024 increases by 25% and 11% as compared with the previous annual caps, which has taken into account the incorporation of development strategies and business structure adjustment strategies of the Company, the Company will continue to expand and enhance the capacity of equipment manufacturing and technology content in the next three years, therefore, the number of equipment and components provided to enterprises within China Aluminum Group will further increase and the relevant business will grow steadily. Also, China Aluminum Group will implement carbon peak, carbon neutrality and “1+N” policy system in the next three years comprehensively and promote efficient and large energy-saving electrolytic cells and the multi-parameter balance control technology of aluminum electrolysis cells in the field of aluminum smelting actively. The energy-saving and long-life aluminum electrolysis cathode manufacturing and assembling technology of the Company is one of the key energy-saving technologies of the electrolytic aluminum industry in the PRC currently and also an energy-saving technology highly recommended by the China Nonferrous Metals Industry Association. It is expected that the Company will provide a large number of equipment services for the electrolytic cell renovation projects of China Aluminium Group in the next three years. In light of the above, it is expected that the annual sales amounts of the Company will be approximately RMB1.006 billion in the coming years based on the expected number of electrolytic cell renovation of China Aluminum Group in the future and the selling price of the Company's previous projects, therefore, the annual caps are set at RMB1 billion.

LETTER FROM THE BOARD

2. COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES TO THE COMPANY BY CHINA ALUMINUM GROUP

Parties: China Aluminum Group (as supplier) (for itself and on behalf of its subsidiaries and associates)

The Company (as purchaser) (for itself and on behalf of its subsidiaries)

Date: 28 December 2022

Principal terms: In accordance with the Commodities Sales and Purchases Master Agreement entered into by the Company and China Aluminum Group on 28 December 2022, China Aluminum Group and/or its associates may provide products to the Group from time to time, including non-ferrous products, manufacturing equipment relating to the non-ferrous industry, cement, engineering equipment and components.

The initial term of the Commodities Sales and Purchases Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' written notice in advance to the other party and as agreed by both parties to terminate the agreement.

LETTER FROM THE BOARD

Pricing policy:

- (1) When determining the prices of commodities to be purchased from China Aluminum Group, the Company would primarily make reference to the market prices. The Company would collect market information from at least three independent third parties to consider if the prices of the commodities are fair and reasonable and in line with the market. The Company's business department staff would update the market information regularly with reference to public industry websites, such as Changjiang Non-ferrous Metals Website (<http://www.ccmn.cn>), Shanghai Metals Market (<http://www.smm.cn>) and China Aluminum Website (<http://www.cnal.com>). Should the business department staff find the reference prices currently used internally to be outdated upon their regular assessment of the prices, the staff of business department would submit an adjusted price to the senior management for final review and approval.
- (2) Determination shall be made upon negotiation by both parties based on the assessed value issued by a third appraisal institution.
- (3) In the circumstances where a market price is unavailable, the Company would adopt the cost-plus principle for pricing. The relevant costs include costs of raw materials and equipment purchased or produced, labour cost and staff welfare expenses, electricity and other utilities costs, depreciation, cost of machinery maintenance, and sales and administration expenses and so on. Unit cost would be determined based on the above factors. China Aluminum Group shall then charge the Company a profit margin based on arm's length negotiation on top of the unit cost. Such pricing should fall within the Company's budget and meet the profit targets of the Company.

LETTER FROM THE BOARD

Reasons for and benefits of the transactions:

- (1) The Company has been maintaining, and expect to maintain, sound business relationships with China Aluminum Group which is also familiar with the Company's specific and special requirements for certain commodities, which can reduce operation risks and is beneficial to the daily production management of the Company; and
- (2) As the Company provides engineering construction for China Aluminum Group and purchase related goods from China Aluminum Group and its subsidiaries on a proximity basis, the Company will purchase the products such as aluminum busbars and carbon blocks from China Aluminum Group and its subsidiaries where the project is located at or nearby, and will apply such products to the projects undertaken by the Company to provide engineering services to China Aluminum Group. In this way, the Company can effectively reduce its costs of purchasing and logistics and save its transportation and administration costs.

Historical figures and the proposed annual caps:

Historical amounts

Unit: RMB million

	For the years ended		As of
	31 December	2021	31 October
	2020	2021	2022
Total transaction amounts of the commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement	46.02	40.24	14.18

The Company confirmed that as of 31 December 2022, the total transaction amounts of the commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement did not exceed the annual caps originally set.

LETTER FROM THE BOARD

Historical annual caps

Unit: RMB million

	For the years ended 31 December		
	2020	2021	2022
Total transaction amounts of the commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement	1,000	1,000	1,000

Proposed annual caps

Unit: RMB million

	For the years ending 31 December		
	2023	2024	2025
Total transaction amounts of the commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement	2,000	2,000	2,000

Basis for the caps: During 2020, 2021 and the ten months ended 31 October 2022, the total transaction amounts of commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement were lower than expected, which was because the market of the Company's aluminum application business was still in the development stage, therefore, the raw materials for the aluminum application business purchased from China Aluminum Group were lower than expected. In addition, as affected by the pandemic, certain manufacturing projects of the Company did not commence as planned. The equipment and raw materials provided by China Aluminum Group that were required in engineering projects varied according to the progress of projects and the settlement dates of purchases were different from original expectation, resulting in the decrease in transaction amounts.

LETTER FROM THE BOARD

The proposed annual caps for 2023 to 2025 increased by 100% each year as compared with the annual caps of the preceding three years, which is mainly because:

According to the future business plan, the Group will give full play to its comprehensive advantages with China Aluminum Group in the next three years and will undertake engineering projects within the Group with contracted amounts of approximately RMB26 billion in total in the next three years, and each project will be planned to adopt the mode of centralized procurement from enterprises within the Group. The quantity of aluminum, copper and other materials purchased from China Aluminum Group will increase accordingly in the course of project construction. Taking into account the proportion of infrastructure costs to total contract value in the Company's current engineering business contracts in hand is 30%, this shall be used as the basis for estimating and determining the annual caps.

LETTER FROM THE BOARD

3. GENERAL SERVICES MASTER AGREEMENT — PROVISION OF GENERAL SERVICES TO CHINA ALUMINUM GROUP BY THE COMPANY

Parties: China Aluminum Group (as service recipient) (for itself and on behalf of its subsidiaries and associates)

The Company (as service provider) (for itself and on behalf of its subsidiaries)

Date: 28 December 2022

Principal terms: In accordance with the General Services Master Agreement entered into by the Company and China Aluminum Group on 28 December 2022, the Group may provide certain kinds of services to China Aluminum Group and/or its associates from time to time, primarily including (1) provision of property leasing, warehousing and transportation services; and (2) provision of operation and management, labour and training services.

The initial term of the General Services Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' prior written notice of termination to the other party and as agreed by both parties.

Pricing policy: The Company would first refer to average market rates when determining the price of its various general services. In the circumstances where a market price is unavailable, the Company would negotiate with China Aluminum Group, and calculate the price on arm's length basis with reference to costs plus a reasonable profit margin. The reasonable margin is determined mainly with reference to the profit margin level of similar service provided by independent third parties in the market during the same period, to keep the price offered by the Company to China Aluminum Group not lower than that offered to third parties.

LETTER FROM THE BOARD

Reasons for and benefits of the transactions:

- (1) The Group has been able to provide general services such as lease, warehousing and transportation needed by China Aluminum Group. Being the engineering technology sector of China Aluminum Group, while the Company provides engineer services to China Aluminum Group according to the Engineering Services Master Agreement, we are also more familiarized with the business and operation requirements of China Aluminum Group. The alumina and electrolytic aluminum factories constructed by China Aluminum Group can leverage on the geographical advantages of the Company's subsidiaries and lease the office premises of the Company's subsidiaries for its operation needs, while the Company can also provide storage and transportation services to China Aluminum Group; and
- (2) The provision of general services awarded to China Aluminum Group by the Group is beneficial to avoid market fluctuation risk and increase the business income of the Group.

Historical figures and the proposed annual caps:

Historical amounts

Unit: RMB million

	For the years ended 31 December 2020	2021	As of 31 October 2022
Total transaction amounts of the services provided to China Aluminum Group and/or its associates by the Company under the General Services Master Agreement	<u>2.7</u>	<u>5.1</u>	<u>17.71</u>

The Company confirmed that as of 31 December 2022, the total transaction amounts of the services provided to China Aluminum Group and/or its associates by the Company under the General Services Master Agreement did not exceed the annual caps originally set.

LETTER FROM THE BOARD

Historical annual caps

Unit: RMB million

	For the years ended 31 December		
	2020	2021	2022
Total transaction amounts of the services provided to China Aluminum Group and/or its associates by the Company under the General Services Master Agreement	<u>100</u>	<u>100</u>	<u>100</u>

Proposed annual caps

Unit: RMB million

	For the years ending 31 December		
	2023	2024	2025
Total transaction amounts of the services provided to China Aluminum Group and/or its associates by the Company under the General Services Master Agreement	<u>50</u>	<u>50</u>	<u>50</u>

Basis for the caps: The proposed annual caps for 2023 to 2025 decreased by 50% each year as compared with the annual caps of the preceding three years, which is mainly due to the focus on principal businesses of Group on its future business plans and the drop in service volume forecasted by the economic condition in the current and certain period of time.

4. GENERAL SERVICES MASTER AGREEMENT — PROVISION OF GENERAL SERVICES TO THE COMPANY BY CHINA ALUMINUM GROUP

Parties:

China Aluminum Group (as service provider) (for itself and on behalf of its subsidiaries and associates)

The Company (as service recipient) (for itself and on behalf of its subsidiaries)

LETTER FROM THE BOARD

Date: 28 December 2022

Principal terms: In accordance with the General Services Master Agreement entered into by the Company and China Aluminum Group on 28 December 2022, China Aluminum Group and/or its associates may provide certain kinds of services to the Group from time to time, primarily including:

- (1) provision of warehousing, transport and property leasing services; and
- (2) provision of labour services related to technology, logistics, labour and training.

The initial term of the General Services Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' prior written notice of termination to the other party and as agreed by both parties.

Pricing policy: The prices will be determined after arm's length negotiation with reference to the current market price of local service providers with similar scale and quality by inviting certain suppliers who appeared on the Company's recognized suppliers list to submit quotations or proposals before the Company places purchase orders to at least three independent third parties. The Company would make reference to the historical fees of such general services, together with the comparable prices available in the market, to ensure that the terms of the services provided by China Aluminum Group are fair and reasonable to the Company. For the general services which have no alternatives available in the market, the services fees received by China Aluminum Group from the Company would be determined after arm's length negotiation based on the Company's internal control measures. Please refer to "Internal Control Measures Adopted for the Implementation of Continuing Connected Transactions" below in this circular for the details of the internal control measures.

LETTER FROM THE BOARD

Reasons for and benefits of the transactions:

- (1) Over the years, the Company has been using the general services provided by China Aluminum Group and/or its associates; and China Aluminum Group has long been providing timely and stable general services for the Group. Accordingly, China Aluminum Group is able to fully understand the Company's business and operating requirements; and
- (2) The Group's management believes that maintaining the provision of stable and high quality general services is of utmost importance to the Company's current and future production and operations. With reference to its previous purchasing experience with China Aluminum Group, the Company believes that China Aluminum Group is capable of effectively satisfying the requirement of providing stable and high quality general services for the Company.

Historical figures and the proposed annual caps:

Historical amounts

Unit: RMB million

	For the years ended 31 December 2020	2021	As of 31 October 2022
Total transaction amounts of the services provided to the Group by China Aluminum Group and/or its associates under the General Services Master Agreement	37.19	35.05	28.68

The Company confirmed that as of 31 December 2022, the total transaction amounts of the services provided to the Group by China Aluminum Group and/or its associates under the General Services Master Agreement did not exceed the annual caps originally set.

LETTER FROM THE BOARD

Historical annual caps

Unit: RMB million

	For the years ended 31 December		
	2020	2021	2022
Total transaction amounts of the services provided to the Group by China Aluminum Group and/or its associates under the General Services Master Agreement	160	160	160

Proposed annual caps

Unit: RMB million

	For the years ending 31 December		
	2023	2024	2025
Total transaction amounts of the services provided to the Group by China Aluminum Group and/or its associates under the General Services Master Agreement	160	160	160

Basis for the caps: The proposed annual caps for 2023 to 2025 are in line with the annual caps of the preceding three years, which is determined mainly after considering the demand of the Group for the general services provided by China Aluminum Group, which basically remains stable.

5. ENGINEERING SERVICES MASTER AGREEMENT

Parties: China Aluminum Group (as service recipient) (for itself and on behalf of its subsidiaries and associates)

The Company (as service provider) (for itself and on behalf of its subsidiaries)

Date: 28 December 2022

LETTER FROM THE BOARD

Principal terms: In accordance with the Engineering Services Master Agreement entered into by the Company and China Aluminum Group on 28 December 2022, the Group may from time to time provide engineering services to China Aluminum Group and/or its associates, including but not limited to construction engineering, technology (right of use) transfer, project supervision, survey, engineering design, engineering consultancy, equipment agency and equipment sales, engineering management and other engineering-related services.

The initial term of the Engineering Services Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' prior written notice of termination to the other party and as agreed by both parties.

Pricing policy: The prices for the engineering services provided by the Company shall be determined (1) through the tender by China Aluminum Group; or (2) by arm's length negotiation between the parties. For determining the prices of survey and design projects, the Company would refer to the Engineering Survey and Design Charging Administration Regulations (Ji Jia Ge [2002] No. 10) (《工程勘察設計收費管理規定》(計價格 [2002] 第10號)) promulgated by the then National Development Plan Commission and Ministry of Construction.

For determining the prices of engineering and construction contracting projects, the Company would estimate prices on the basis of the project size and the exact work to be done, which is also the basis that the Company makes reference to when participating in the bidding or negotiation process. In addition, the Company would also calculate the base prices of engineering and construction contracting projects and then decide the final consideration of contract on arm's length basis with the contract party.

LETTER FROM THE BOARD

Reasons for and benefits of the transactions:

- (1) As the Company has long been providing stable engineering services to China Aluminum Group, we are able to fully understand the business and operating requirements of China Aluminum Group.
- (2) As the prices and terms of engineering services provided by the Company to China Aluminum Group are no less favourable than those provided to independent third parties by the Company, the transactions may bring profits to the Company.
- (3) China Aluminum Group is a large conglomerate among the Global 500. The Company's bidding for the construction projects of China Aluminum Group will help the Company expand its market share, increase its operating income, improve its market competence and enhance its brand awareness, thus is conducive to the brand building of the Company.

Historical figures and the proposed annual caps:

Historical amounts

Unit: RMB million

	For the years ended		As of
	31 December	2021	31 October
	2020	2021	2022
Total fees for the engineering services provided to China Aluminum Group by the Company under the Engineering Services Master Agreement	3,293	1,610	1,619

The Company confirmed that as of 31 December 2022, the total fees for the engineering services provided to China Aluminum Group by the Company under the Engineering Services Master Agreement did not exceed the annual caps originally set.

LETTER FROM THE BOARD

Historical annual caps

Unit: RMB million

	For the years ended 31 December		
	2020	2021	2022
Total fees for the engineering services provided by the Company to China Aluminum Group under the Engineering Services Master Agreement	7,000	6,500	6,000

Proposed annual caps

Unit: RMB million

	For the years ending 31 December		
	2023	2024	2025
Total fees for the engineering services provided by the Company to China Aluminum Group under the Engineering Services Master Agreement	6,000	9,000	11,000

Basis for the caps: During 2020, 2021 and the ten months ended 31 October 2022, total fees for the engineering services provided to China Aluminum Group by the Company under the Engineering Services Master Agreement were lower than expected, which was because China Aluminum Group changed the capital investment plans of certain projects in the past three years, resulting in a decrease in the transaction amounts originally set. In addition, as affected by the pandemic, certain projects could not meet the transaction amounts originally set due to the delay of construction progress.

LETTER FROM THE BOARD

The proposed annual caps for 2023 to 2025 decreased by 14% and increased by 38% and 83% as compared with the annual caps of the preceding three years respectively, which is mainly because considering the Group, as the construction segment of China Aluminum Group, undertakes the construction of the engineering projects of China Aluminum Group, the transactions in the type of engineering services between the Group and China Aluminum Group will identify relevant contractors by way of public tenders. Currently, the Group is unable to estimate whether the Group (the Group as the tendering party) can win the bids of any specific project, thus when estimating the annual caps for the next three years, the Group has made references to the future business development direction of the Company and the investment amounts of tendering projects from China Aluminum Group during the “14th Five-Year Plan” (China Aluminum Group will make significant amount of investments in relation to construction works in the next three years), and it is expected that the Group will undertake engineering projects amounted to RMB10.8 billion invested by China Aluminum Group in each year. The Group assumes that the Group will win the bids of all tendering projects of China Aluminum Group within the business scope of the Group and calculate the estimated contract amounts of tender projects (being RMB8.5 billion to RMB10.0 billion) with reference to the proportion of the number of engineering business of China Aluminum Group signed by the Group in the past (being 80%-90%). Coupled with the construction cycle of engineering works, this will be the basis for estimating the determined annual caps. Moreover, since the remaining volume of construction works of certain projects of the Group and China Aluminum Group in the preceding years amounting to RMB1.5 billion were underway and construction works will continue to be carried out in the future, the Group will also consider this type of projects while estimating future annual caps.

LETTER FROM THE BOARD

6. INTERNAL CONTROL MEASURES ADOPTED FOR THE IMPLEMENTATION OF CONTINUING CONNECTED TRANSACTIONS

The Company has adopted the following internal management procedures to ensure that the above continuing connected transactions are fair and reasonable and on normal commercial terms:

- The Company has adopted and implemented a set of management system on connected transactions. Under the system, the Company's financial and capital operation department is responsible for conducting reviews on compliance with relevant laws, regulations, the Company's policies and the Hong Kong Listing Rules in respect of the agreements of continuing connected transactions. In addition, the financial and capital operation department and other relevant operation departments of the Company are jointly responsible for evaluating the transaction terms under the agreements of continuing connected transactions, in particular, the fairness and reasonableness of the pricing terms under each agreement; and
- Independent non-executive Directors have also reviewed the agreements of continuing connected transactions to ensure that such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the pricing and annual caps of such agreements.

When determining the actual prices of products supplied and services provided by China Aluminum Group to the Company, China Aluminum Group will provide the Company with a proposed price before determination. As mentioned above, in order to ensure that the pricing terms under the agreements of continuing connected transactions are fair and reasonable, the Tendering Company, the Company's financial and capital operation department and other relevant operation departments will conduct the following review procedures on the proposed price offered by China Aluminum Group:

- If a comparable market price is available, the proposed price will be compared with the market price to ensure that such proposed price is not higher than the selling price of the materials, components and parts or products with similar specifications, technology and quality requirements provided by other manufacturers in the market;
- The Company has established a stringent management method on market price inquiries:
 - (1) For selection of potential suppliers, the Group has developed standards for the selection of suppliers based on different purchase needs. Such standards include, but are not limited to,

LETTER FROM THE BOARD

the scale of business, industry recognition, experiences in supplying the same types of products and services, technological level, financial conditions, etc. The same standards are applicable to both connected persons and independent third-party suppliers. The Company does not give any preferential treatment to connected persons in respect of the selection of potential suppliers. The selection of suppliers shall be determined by the collective decision of a comprehensive tender assessment board with members including representatives from the Tendering Company, the financial and capital operation department and relevant operation departments jointly participating in such assessment. The Company will make market price inquiries with various suppliers and conducted rounds of internal assessment with reference to the factors including price, quality, technology, product risks and after-sales services;

(2) For price inquiry procedures, the Company requires at least three potential suppliers participating in the same purchase, at least two of which shall be independent third-party suppliers. Price inquiry procedures that fail to meet the above requirements will be void. Price inquiry procedures are conducted in strict accordance with the above model and the entire process is under the supervision of the Tendering Company, the discipline inspection department and the financial and capital operation department. Any violation of those measures will be recorded. The result of price inquiry procedure will undergo a final review by the management of the Company. The winner of the price inquiry procedure will enter into a written agreement with the Company. If there is any evidence of frauds or breaches by the supplier during the procedure, the Company will terminate cooperation and pursue legal responsibility, regardless of whether such supplier is the Company's connected person. All of the written documents involved in the price inquiry procedure shall be kept for at least ten years. In case the parties involved in the price inquiry procedure have any reasonable doubt about the result of price inquiry, they may check relevant documents upon the Company's approval;

- If no comparable market price is available, the fairness and reasonableness of the proposed price will be determined with reference to (1) the market price of the raw materials or products and services forming relevant equipment or products; and (2) the cost estimated to be required for manufacturing such equipment, products and services with reference to requirements in relation to their nature, functionality, technology and quality standards, etc., which can be used to work out the total cost of such equipment, products and services plus a profit margin of not more than the maximum level as stipulated in the relevant agreements, depending on the complexity of technologies and quality control procedures involved; and

LETTER FROM THE BOARD

- The Company has established a tendering leader team, which comprises the vice president, heads of the purchase, engineering management and the financial department and legal personnel. The members of the team have more than 10 years of experience in the industry as well as rich work experience, and each of them possesses professional specialties. The bidding leading team will review the proposed price to ensure that it is in line with the pricing terms of the relevant agreements and the terms provided to the Company are no less favorable than those offered by the supplier to independent third parties.

GENERAL INFORMATION

Information on the Company

The Company is a leading technology, engineering service and equipment provider in the non-ferrous metals industry in China, 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 China Aluminum Group

China Aluminum Group is a state-owned enterprise incorporated under the PRC law in 2001. China Aluminum Group is the Controlling Shareholder of the Company and directly holds approximately 73.56% of its share capital in issue. China Aluminum Group is principally engaged in mineral resources development, smelting and processing of non-ferrous metals, relevant trading and related engineering and technical services. The ultimate beneficial owner of Chinalco is the State-owned Assets Supervision and Administration Commission of the State Council.

HONG KONG LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, China Aluminum Group directly and indirectly holds 77.16% of the existing issued share capital of the Company, and is a Controlling Shareholder of the Company and thus a connected person thereof. As the highest applicable percentage ratios of the annual caps under the relevant agreements for the general services provided to China Aluminum Group by the Company and the general services provided to the Company by China Aluminum Group exceed 0.1% but are less than 5%, they are subject to the reporting, announcement and annual review requirements but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratios of the annual caps for the commodities provided to China Aluminum Group by the Company, the commodities provided to the Company by China Aluminum Group and the engineering services provided to China Aluminum Group by the Company exceed 5%, it is subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

Although the transaction in respect of the provision of general services to China Aluminum Group by the Company (including relevant annual caps) and the transaction in respect of the provision of general services to the Company by China Aluminum Group (including relevant annual caps) are exempt from the Independent Shareholders' approval requirement under the Hong Kong Listing Rules, the aforementioned transactions are still subject to the approval by Independent Shareholders at the extraordinary general meeting of the Company pursuant to the relevant requirements under the SSE Listing Rules.

CONFIRMATION OF THE DIRECTORS

As Mr. HU Zhenjie, Mr. ZHOU Xinzhe and Mr. ZHANG Wenjun, the Directors of the Company, hold management positions in China Aluminum Group and its subsidiaries, they are deemed to have material interests in the above continuing connected transactions. They have abstained from voting in respect of the Board resolution for the approval of the Commodities Sales and Purchases Master Agreement, the General Services Master Agreement, the Engineering Services Master Agreement and their proposed annual caps.

An Independent Board Committee has been established by all the independent non-executive Directors who are independent from the Transactions to consider the renewal of the transaction in respect of the provision of commodities to China Aluminum Group by the Company (including relevant annual caps), the provision of commodities to the Company by China Aluminum Group (including relevant annual caps) under the Commodities Sales and Purchases Master Agreement and the transaction in respect of the provision of engineering services to China Aluminum Group by the Company (including relevant annual caps) under the Engineering Services Master Agreement (collectively, the "**Transactions**"). The Independent Board Committee will advise the Independent Shareholders in relation to the Transactions. Gram Capital has been appointed as an Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the Transactions.

The Directors (excluding the Directors who have abstained from voting but including the independent non-executive Directors, having received and considered the advice from Gram Capital) are of the opinion that: (1) as the above continuing connected transactions have and will continue to promote the Company's business operations and growth, the continuation of the Transactions will be beneficial to the Company; (2) the aforementioned continuing connected transactions and their annual caps were entered into on normal commercial terms and on terms no less favorable than those available to the Company from independent third parties under prevailing local market conditions, and were carried out in the ordinary and usual course of business of the Company; and (3) the Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VI. EGM

The first extraordinary general meeting in 2023 will be held at Conference Room 312 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Wednesday, 8 February 2023. The Notice of EGM is set out on pages 79 to 80 of this circular.

LETTER FROM THE BOARD

In order to determine the Shareholders entitled to attend the EGM to be convened on Wednesday, 8 February 2023, the register of members will be closed from Friday, 3 February 2023 to Wednesday, 8 February 2023, both days inclusive, during which time no transfer of the Company's Shares will be registered. The holders of H Shares of the Company shall lodge the relevant Share transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 2 February 2023.

VII. VOTING BY POLL AT EGM

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the EGM will therefore demand a poll for every resolution put to the vote of the EGM pursuant to the Articles of Association.

On a poll, every Shareholder presents in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she uses in the same manner.

As at the Latest Practicable Date, China Aluminum Group and its associates hold a total of 2,283,179,000 shares (of which, China Aluminum Group directly holds 2,176,758,534 A Shares of the Company, Luoyang Institute, a subsidiary of China Aluminum Group, holds 86,925,466 A Shares of the Company, and Yunnan Aluminum International Company Limited (雲鋁國際有限公司), a subsidiary of China Aluminum Group, holds 19,459,000 H Shares of the Company), representing approximately 77.16% of the total issued share capital of the Company. China Aluminum Group and its associates (Luoyang Institute and Yunnan Aluminum International Company Limited (雲鋁國際有限公司)) would be required to abstain from voting on the resolutions for the approval of the Commodities Sales and Purchases Master Agreement, the Engineering Services Master Agreement and their proposed annual caps.

VIII. RECOMMENDATION

The Board considers that the above resolution is in the best interest of the Company and its Shareholders. Accordingly, the Board recommends that Shareholders vote in favor of the resolution set out in the Notice of EGM and to be proposed at the EGM.

By order of the Board
China Aluminum International Engineering Corporation Limited
ZHANG Jian
Company Secretary

Beijing, the PRC, 17 January 2023



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)

17 January 2023

To the Independent Shareholders

**CONTINUING CONNECTED TRANSACTION:
RENEWAL OF THE TRANSACTION IN RESPECT OF THE PROVISION OF
COMMODITIES TO CHINA ALUMINUM GROUP BY THE COMPANY,
THE TRANSACTION IN RESPECT OF THE PROVISION OF
COMMODITIES TO THE COMPANY BY CHINA ALUMINUM GROUP
(INCLUDING RELEVANT ANNUAL CAPS)
UNDER THE COMMODITIES SALES AND PURCHASES MASTER
AGREEMENT (INCLUDING RELEVANT ANNUAL CAPS) AND
THE TRANSACTION IN RESPECT OF THE PROVISION OF ENGINEERING
SERVICES TO CHINA ALUMINUM GROUP BY THE COMPANY
UNDER THE ENGINEERING SERVICES MASTER AGREEMENT
(INCLUDING RELEVANT ANNUAL CAPS)**

Dear Sir or Madam,

We refer to the circular dated 17 January 2023 issued by the Company to its Shareholders of which this letter forms part. Terms defined in the circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We, being the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in relation to the renewal of the transaction in respect of the provision of commodities to China Aluminum Group by the Company, the transaction in respect of the provision of commodities to the Company by China Aluminum Group (including relevant annual caps) under the Commodities Sales and Purchases Master Agreement (including relevant annual caps) and the transaction in respect of the provision of engineering services to China Aluminum Group by the Company under the Engineering Services Master Agreement (including relevant annual caps) (collectively, the “**Transactions**”), details of which are set out in the Letter from the Board of the circular. Gram Capital has been appointed to advise the Independent Shareholders (i) whether the terms of the Transactions are on normal commercial terms, which are fair and reasonable; (ii) whether

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the general meeting. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 34 to 52 of the circular.

We wish to draw your attention to the Letter from the Board, the Letter from Gram Capital and the general information as set out in the Appendix III. Having taken into account the principal factors and reasons considered by Gram Capital and its conclusion and advice, we consider that the Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms of the Transactions are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM to approve the renewal of the transaction in respect of the provision of commodities to China Aluminum Group by the Company, the transaction in respect of the provision of commodities to the Company by China Aluminum Group (including relevant annual caps) under the Commodities Sales and Purchases Master Agreement (including relevant annual caps) and transaction in respect of the provision of engineering services to China Aluminum Group by the Company under the Engineering Services Master Agreement (including relevant annual caps).

Yours faithfully,

Independent Board Committee

Mr. GUI Weihua
Independent
non-executive Director

Mr. SIU Chi Hung
Independent
non-executive Director

Mr. TONG Pengfang
Independent
non-executive Director

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

17 January 2023

*To: The independent board committee and the independent shareholders
of China Aluminum International Engineering Corporation Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the provision of commodities by the Group to China Aluminum Group under the Commodities Sales and Purchases Master Agreement (including relevant annual caps) (the “**Sales Transactions**”); (ii) the provision of commodities to the Group by China Aluminum Group under the Commodities Sales and Purchases Master Agreement (including relevant annual caps) (the “**Purchase Transactions**”); and (iii) the provision of engineering services to China Aluminum Group by the Group under the Engineering Services Master Agreement (the “**Engineering Transactions**”, together with the Sales Transactions and the Purchase Transactions, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 17 January 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, as the Commodities Sales and Purchases Master Agreement and Engineering Services Master Agreement entered into between the Company and China Aluminum Group expired on 31 December 2022, the Company renewed the Commodities Sales and Purchases Master Agreement and Engineering Services Master Agreement with China Aluminum Group on 28 December 2022 in order to meet the business needs and to arrange the management. The aforesaid agreements shall be effective upon the approval at the EGM, which shall be valid until 31 December 2025.

With reference to the Board Letter, the Transactions constitute non-exempt continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. GUI Weihua, Mr. SIU Chi Hung and Mr. TONG Pengfang (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) major and continuing connected transactions (details of which are set out in the Company's circular dated 4 June 2021); and (ii) discloseable and continuing connected transactions (details of which are set out in the Company's circular dated 14 December 2021). Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence as defined under Rule 13.84 of the Hong Kong Listing Rules to act as the Independent Financial Adviser.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Hong Kong Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the

LETTER FROM GRAM CAPITAL

Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The Circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, China Aluminum Group and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Transactions

Information on the Group

With reference to the Board Letter, the Company is a leading technology, engineering service and equipment provider in the non-ferrous metals industry in China, 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.

LETTER FROM GRAM CAPITAL

Information on China Aluminum Group

According to the Board Letter, China Aluminum Group is a state-owned enterprise incorporated under the PRC law in 2001. China Aluminum Group is the Controlling Shareholder of the Company and directly holds approximately 73.56% of its share capital in issue. China Aluminum Group is principally engaged in mineral resources development, smelting and processing of non-ferrous metals, relevant trading and related engineering and technical services. The ultimate beneficial owner of China Aluminum Group is the State-owned Assets Supervision and Administration Commission of the State Council.

Reasons for and benefits of the Transactions

(i) The Sales Transactions

Certain reasons for and benefits of the Sales Transactions are set out under the sub-section headed "Reasons for and benefits of the transactions" under the section headed "COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES BY THE COMPANY TO CHINA ALUMINUM GROUP" of the Board Letter.

We further discussed with the Directors and understood that the process of equipment manufacturing in the nonferrous metals industry is highly technical and the equipment is subject to a number of different construction and technical standards. Given the unmatched familiarity the Group has with China Aluminum Group, the Directors believe they are in a more competent position to manufacture equipment that is in full accordance with China Aluminum Group's requirements. We also noted that the Group has been providing similar commodities before its listing on the Stock Exchange in 2009 to both the independent third parties and China Aluminum Group. As advised by the Directors, economies of scale could be achieved by bulk production of the similar goods, which may further reduce the cost of production as compared to the low-level production of goods (i.e. fixed cost will be reduced by bulk production of similar goods). Furthermore, we understood from the Directors that the Sales Transactions are revenue nature for the Group.

With reference to the Board Letter, the Sales Transactions are conducted in the ordinary and usual course of business of the Group. As also confirmed by the Directors, the Sales Transactions are conducted on a frequent basis. Therefore, the Directors consider that it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Hong Kong Listing Rules. Accordingly, the Directors are of the view that the Sales Transactions will be beneficial to the Company and the Shareholders as a whole.

In light of the above factors, we concur with the Directors that the Sales Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM GRAM CAPITAL

(ii) The Purchase Transactions

Certain reasons for and benefits of the Purchase Transactions are set out under the sub-section headed “Reasons for and benefits of the transactions” under the section headed “COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES TO THE COMPANY BY CHINA ALUMINUM GROUP” of the Board Letter.

With reference to the Board Letter, the Purchase Transactions are conducted in the ordinary and usual course of business of the Company. As also confirmed by the Directors, the Purchase Transactions are conducted on a frequent basis. Therefore, the Directors consider that it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Hong Kong Listing Rules. Accordingly, the Directors are of the view that the Purchase Transactions will be beneficial to the Company and the Shareholders as a whole.

In light of the above factors, we concur with the Directors that the Purchase Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

(iii) The Engineering Transactions

Certain reasons for and benefits of the Engineering Transactions are set out under the sub-section headed “Reasons for and benefits of the transactions” under the section headed “ENGINEERING SERVICES MASTER AGREEMENT” of the Board Letter.

As advised by the Directors, a substantial portion of the Group’s engineering services revenue is from contracts with a pre-agreed price which may therefore expose the Group to cost overruns. In performance of the contract, the Group may need to execute extra work when the project owner changes the design for non-technical reasons after the design plan is confirmed. As the Group has been providing engineering services to China Aluminum Group before the Company’s listing on the Stock Exchange in 2009, the Group is able to fully understand the business and operating requirements of China Aluminum Group and is accordingly familiar with China Aluminum Group and therefore the aforesaid costs could be minimized.

In addition, any delay caused by the extra work may affect the progress of the Group’s projects and thus the ability to meet the established milestone dates of the specific contract. The Directors consider that it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Hong Kong Listing Rules. Accordingly, the Directors are of the view that the Engineering Transactions will be beneficial to the Company and the Shareholders as a whole.

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In light of the above factors, we concur with the Directors that the Engineering Transactions, being a revenue nature transaction for the Group, are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Transactions

A. The Sales Transactions

Date

28 December 2022

Parties

- (i) China Aluminum Group (as the purchaser) (for itself and on behalf of its subsidiaries and associates); and
- (ii) the Company (as the supplier) (for itself and on behalf of its subsidiaries)

Principal terms

The Group may provide its products to China Aluminum Group and/or its associates from time to time, as part of the equipment manufacturing business of the Group. These products primarily include equipment, raw materials and commodities necessary for China Aluminum Group's production operation.

The initial term of the Commodities Sales and Purchases Master Agreement shall commence into force upon approval at the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' written notice in advance to the other party to terminate the agreement.

Pricing policy

- i. In determining the prices of raw materials, equipment and commodities, the Company would in the first place make reference to the average market price. In the limited circumstances where a market price is unavailable, pricing will be determined by reference to the cost-plus principle. The relevant cost includes raw materials, auxiliary materials, depreciation, labour, kinetics, tools, consumption of the process, repairment of equipment, management fees and finance fees. The pricing should be in line with the Company's budget and ensure that the Company can achieve its profit targets.

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- ii. The market prices in the industry and profit margins would be collected by the business department through industry associations and independent suppliers. The Company would collect market information from at least three independent third parties to consider if the prices of the raw materials, equipment and commodities are fair and reasonable and in line with the market. The Company's business department staff would update the market information regularly with reference to public industry websites, such as Changjiang Non-ferrous Metals Website (<http://www.ccmn.cn>), Shanghai Metals Market (<http://www.smm.cn>) and China Aluminum Website (<http://www.cnal.com>). Should the business department staff find the regular reference prices currently used internally to be outdated upon their regular assessment of the prices, the staff of business department would submit an adjusted price to the senior management for final review and approval.
- iii. For the products which have no alternatives available in the market, the prices would be determined after arm's length negotiation by both parties to the contract. The Company would make reference to the relevant historical prices of the products, and ensure that the terms of the products provided to China Aluminum Group are fair and reasonable based on the principle of cost plus a fair and reasonable profit margin. The expected profit margin of equipment to be provided to China Aluminum Group and the expected profit margin of products to be provided to China Aluminum Group by the Company are both in line with the industry standard and not lower than the profit margin charged by the Group to independent third parties when providing comparable products.

With reference to the Board Letter, the Company formulated a series of internal management procedures to ensure the continuing connected transactions are fair and reasonable. We understood from the Directors that all the quotations to China Aluminum Group prepared by the business department of the Group are subject to review and pre-approval by multiple departments, including but not limited to finance and business departments of the Group. The staff in business department will compare the profit margins of sales to China Aluminum Group to the level of profit margins in the industry as well as those of sales to other independent third party customers, and obtain final approval from the department head before going through a formal approval process with involvement from other departments. If the price of the orders by China Aluminum Group after price negotiations are below a fair and reasonable profit margin, the Group may choose not to accept the orders placed by China Aluminum Group. In light of the aforesaid requirement of the procedures, we consider that the effective implementation of the procedures would help to ensure the fair pricing under the Sales Transactions.

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We also discussed with staffs of Company's relevant departments/subsidiaries (which will be principally involved in the pricing of Sales Transactions) and understood that such departments/subsidiaries are aware of the procedures and will comply with the procedures when conducting transactions contemplated under the Sales Transactions.

Having considered our discussion with relevant departments/subsidiaries of the Company, we do not doubt the effectiveness of the aforesaid procedures.

The proposed annual caps

Set out below are (i) the historical amounts of the Sales Transactions for the two years ended 31 December 2021 and ten months ended 31 October 2022 with existing annual caps; and (ii) the proposed annual caps of the Sales Transactions for the three years ending 31 December 2025:

	For the year ended 31 December 2020 ("FY2020") RMB' million	For the year ended 31 December 2021 ("FY2021") RMB' million	For the year ended 31 December 2022 ("FY2022") RMB' million
Historical amounts	443	186	76.86 (Note)
Existing annual caps	800	900	1,000
Utilization rate	55.4	20.7	N/A
	For the year ending 31 December 2023 ("FY2023") RMB' million	For the year ending 31 December 2024 ("FY2024") RMB' million	For the year ending 31 December 2025 ("FY2025") RMB' million
Proposed annual caps	1,000	1,000	1,000

Note: the figure was for the ten months ended 31 October 2022

According to the Board Letter, in determining the caps, the Directors considered certain factors, details of which are set out under the sub-section headed "Historical figures and the proposed annual caps" under the section headed "COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES BY THE COMPANY TO CHINA ALUMINUM GROUP" of the Board Letter.

As depicted from the table above, we noted that the relevant utilization rates of the existing annual caps were approximately 55.4% and 20.7% for the two years ended 31 December 2021. With reference to the Board Letter, during

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2020, 2021 and the ten months ended 31 October 2022, the total transaction amounts of the raw materials, equipment and commodities provided to China Aluminum Group and/or its associates by the Company under the Commodities Sales and Purchases Master Agreement were lower than expected, which was mainly because the equipment and various types of customized equipment and devices provided to China Aluminum Group by the Company for non-ferrous metals development projects were order-type contracts and the investment plans of China Aluminum Group have been changed, resulting in the total transaction amounts lower than the caps set. In addition, as affected by the pandemic, certain equipment manufacturing business did not commence as planned or having a delayed construction progresses, resulting in the actual transaction amounts lower than the caps set.

Despite the low utilization of the existing annual caps for the two years ended 31 December 2021, the proposed annual caps for the three years ending 31 December 2025 were the same as the existing annual caps for the year ended 31 December 2022.

The Directors further advised that the proposed annual caps for the three years ending 31 December 2025 were mainly determined with reference to the Company's proposed provision of a large number of equipment services for the electrolytic cell renovation projects of China Aluminium Group in each of the three years ending 31 December 2025.

Upon our request, the Directors advised us the number of electrolytic cell renovation projects of China Aluminium Group according to its "14th Five-Year Plan" (the "**Plan**"). Therefore, the Directors assumed that one fifth of the total number of the aforesaid projects will be undertook per annum.

The Directors further advised us the consumption of relevant products (i.e. products under the Sales Transactions) for the completion of each of electrolytic cell renovation project together with the estimated selling price of such products. Based on an invoice of the sales of same products to an independent third party, the estimated selling price of such products is the same as that offered to the independent third party. Accordingly, we consider the estimated selling price of such products to be justifiable.

Based on the annual number of electrolytic cell renovation projects, the consumption of relevant products and the estimated selling price of such products, the implied sales amounts of such products would be approximately RMB1,006 million.

As the proposed annual caps for the three years ending 31 December 2025 (i.e. RMB1,000 million) were close to the implied sales amounts of such products (i.e. RMB1,006 million), we are of the view that the proposed annual caps for the three years ending 31 December 2025 are fair and reasonable.

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Shareholders should note that as the proposed annual caps of the Sales Transactions for the three years ending 31 December 2025 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2025, and they do not represent forecasts of revenue/income to be incurred from the Sales Transactions. Consequently, we express no opinion as to how closely the actual revenue/income to be incurred from the Sales Transactions will correspond with the proposed annual caps.

B. The Purchase Transactions

Date

28 December 2022

Parties

- (i) China Aluminum Group (as supplier) (for itself and on behalf of its subsidiaries and associates); and
- (ii) the Company (as purchaser) (for itself and on behalf of its subsidiaries)

Principal terms

China Aluminum Group and/or its associates may provide products to the Group from time to time, including non-ferrous products, manufacturing equipment relating to the non-ferrous industry, cement, engineering equipment and components.

The initial term of the Commodities Sales and Purchases Master Agreement shall come into force upon approval by the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' written notice in advance to the other party and as agreed by both parties to terminate the agreement.

Pricing policy

- i. When deciding the prices of commodities to be purchased from China Aluminum Group, the Company would primarily make reference to the market prices. The Company would collect market information from at least three independent third parties to consider if the prices of the commodities are fair and reasonable and in line with the market. The Company's business department staff would update the market information regularly with reference to public industry websites, such as Changjiang Non-ferrous Metals Website (<http://www.ccmn.cn>), Shanghai Metals Market (<http://www.smm.cn>) and China Aluminum Website (<http://www.cnal.com>). Should the business department staff find the reference prices currently used internally to be outdated upon

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their regular assessment of the prices, the staff of business department would submit an adjusted price to the senior management for final review and approval.

- ii. Determination shall be made upon negotiation by both parties based on the assessed value issued by a third appraisal institution.
- iii. In the circumstances where a market price is unavailable, the Company would adopt the cost-plus principle for pricing. The relevant costs include costs of raw materials and equipment purchased or produced, labour cost and staff welfare expenses, electricity and other utilities costs, depreciation, cost of machinery maintenance, and sales and administration expenses and so on. Unit cost would be determined based on the above factors. China Aluminum Group shall then charge the Company a profit margin based on arm's length negotiation on top of the unit cost. Such pricing should fall within the Company's budget and meet the profit targets of the Company.

With reference to the Board Letter, the Company formulated a series of internal management procedures to ensure the actual prices of products supplied by China Aluminum Group to the Company is fair and reasonable. We understood from the Directors that a proposed price will be provided to Company by China Aluminum Group before determination subject to review by multiple departments of the Company, including financial and capital operation department and other relevant operation departments. If the price offered by China Aluminum Group after price negotiations are above a fair and reasonable profit margin/selling price, the Group may choose not to accept the price offered by China Aluminum Group. In light of the aforesaid requirement of the internal management procedures, we consider that the effective implementation of the aforesaid procedures would help to ensure the fair pricing under the Purchase Transactions.

We discussed with staffs of Company's relevant departments/subsidiaries (which will be principally involved in the pricing/budgeting of Purchase Transactions) and understood that such departments/subsidiaries are aware of the procedures and will comply with the procedures when conducting transactions contemplated under the Purchase Transactions.

Having considered our discussion with relevant departments/subsidiaries of the Company, we do not doubt the effectiveness of the aforesaid procedures.

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The proposed annual caps

Set out below are (i) the historical amounts of the Purchase Transactions for the two years ended 31 December 2021 and ten months ended 31 October 2022 with existing annual caps; and (ii) the proposed annual caps of the Purchase Transactions for the three years ending 31 December 2025:

	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Historical amounts	46.02	40.24	14.18 (Note)
Existing annual caps	1,000	1,000	1,000
Utilization rate	4.6%	4.0%	N/A
	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Proposed annual caps	2,000	2,000	2,000

Note: the figure was for the ten months ended 31 October 2022

According to the Board Letter, in determining the caps, the Directors considered certain factors, details of which are set out under the sub-section headed "Historical figures and the proposed annual caps" under the section headed "COMMODITIES SALES AND PURCHASES MASTER AGREEMENT — PROVISION OF COMMODITIES TO THE COMPANY BY CHINA ALUMINUM GROUP" of the Board Letter.

As depicted from the table above, we note that the utilization rates of the existing annual caps were approximately 4.6% and 4.0% for the two years ended 31 December 2021 respectively. With reference to the Board Letter, during 2020, 2021 and the ten months ended 31 October 2022, the total transaction amounts of commodities provided to the Company by China Aluminum Group and/or its associates under the Commodities Sales and Purchases Master Agreement were lower than expected, which was because the market of the Company's aluminum application business was still in the development stage, therefore, the raw materials for the aluminum application business purchased from China Aluminum Group were lower than expected. In addition, as affected by the pandemic, certain manufacturing projects of the Company did not commence as planned. The equipment and raw materials provided by China Aluminum Group that were required in engineering projects varied according to the progress of projects and the settlement dates

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of purchases were different from original expectation, resulting in the decrease in transaction amounts.

Despite the very low utilization of the existing annual caps for the two years ended 31 December 2021, the proposed annual caps for the three years ending 31 December 2025 were substantially larger than the existing annual caps for the three years ended 31 December 2022.

Pursuant to the Commodities Sales and Purchases Master Agreement, China Aluminum Group and/or its associates may provide products to the Group from time to time, including non-ferrous products, manufacturing equipment relating to the non-ferrous industry, cement, engineering equipment and components. As advised by the Directors, such products will be further utilized by the Group's engineering services (including those to be provided to China Aluminum Group).

Based on the Directors' understanding, the fees of infrastructure part (i.e. the above-mentioned products) of an engineering services project would normally be 30% to 40% to the total contract value of the engineering services project. For our due diligence purpose, we reviewed the services fees for each part of engineering contracts for four different projects and noted that the fees of the infrastructure or related part accounted for approximately 28% to 44% to the total contract value/fees of the projects.

As analysed below, the proposed annual caps of the Engineering Transactions for the three years ending 31 December 2025 (i.e. RMB6,000 million, RMB9,000 million and RMB11,000 million) were fair and reasonable. In other words, the total fees from the Engineering Transactions for the three years ending 31 December 2025 were RMB26,000 million.

The Directors assumed that the amounts of purchase of relevant products in each of the three years ending 31 December 2025 (i.e. the Purchase Transactions) would be at similar level. Therefore, the Directors calculated the estimated amount of the Purchase Transactions based on (i) the total fees from the Engineering Transactions for the three years ending 31 December 2025; (ii) the fees of infrastructure part of an engineering services project to be 30% to the total contract value of the engineering services project; and (iii) the gross profit margin of the Group's construction and contracting business (including Engineering Transactions) of approximately 13.19% for FY2021. The implied amounts of the Purchase Transactions for each of the three years ending 31 December 2025 would be approximately RMB2,260 million (i.e. RMB26,000 million / 3 x 30% x (1-13.19%)).

As the proposed annual caps for the three years ending 31 December 2025 (i.e. RMB2,000 million) were close to the implied amounts of the Purchase Transactions for the same period (i.e. RMB2,260 million), we are of the view that the proposed annual caps for the three years ending 31 December 2025 are fair and reasonable.

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Shareholders should note that as the proposed annual caps of the Purchase Transactions for the three years ending 31 December 2025 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2025, and they do not represent forecasts of revenue/income/cost to be incurred from the Purchase Transactions. Consequently, we express no opinion as to how closely the actual revenue/income/cost to be incurred from the Purchase Transactions will correspond with the proposed annual caps.

C. The Engineering Transactions

Date

28 December 2022

Parties

- (i) China Aluminum Group (as service recipient) (for itself and on behalf of its subsidiaries and associates); and
- (ii) the Company (as service provider) (for itself and on behalf of its subsidiaries)

Principal terms

The Group may from time to time provide engineering services to China Aluminum Group and/or its associates, including but not limited to construction engineering, technology (right of use) transfer, project supervision, survey, engineering design, engineering consultancy, equipment agency and equipment sales, engineering management and other engineering-related services.

The initial term of the Engineering Services Master Agreement shall come into force upon approval at the EGM and shall expire on 31 December 2025, unless at any time either party gives at least three months' prior written notice of termination to the other party and as agreed by both parties.

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Pricing policy

The prices for the engineering services provided by the Company shall be determined (1) through the tender by China Aluminum Group; or (2) by arm's length negotiation between the parties. For determining the prices of survey and design projects, the Company would refer to the Engineering Survey and Design Charging Administration Regulations (Ji Jia Ge [2002] No. 10) (《工程勘察設計收費管理規定》(計價格[2002]第10號)) promulgated by the then National Development Plan Commission and Ministry of Construction.

For determining the prices of engineering and construction contracting projects, the Company would estimate prices on the basis of the project size and the exact work to be done, which is also the basis that the Company makes reference to when participating in the bidding or negotiation process. In addition, the Company would also calculate the base prices of engineering and construction contracting projects and then decide the final consideration of contract on arm's length basis with the contract party.

We understood from the Directors that before participating tender procedures for the construction services by members of the Group (which are principally engaged in engineering construction business), the relevant member(s) will determine the cost/budget of the proposed project based on, among other things, the scale, complexity of the projects, scope of work, etc. The bidder price will not be less than the estimated cost/budget. In light of the aforesaid requirement of the internal management procedures, we consider that the effective implementation of the aforesaid procedures would help to ensure the fair pricing under the Engineering Transactions.

We also discussed with staffs of Company's relevant departments/subsidiaries (which will be principally involved in the pricing/budgeting of Engineering Transactions) and understood that such departments/subsidiaries were aware of the procedures and would comply with the procedures when conducting transactions contemplated under the Engineering Transactions.

Having considered our discussion with relevant departments/subsidiaries of the Company, we do not doubt the effectiveness of the aforesaid procedures.

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The proposed annual caps

Set out below are (i) the historical amounts of the Engineering Transactions for the two years ended 31 December 2021 and ten months ended 31 October 2022 with existing annual caps; and (ii) the proposed annual caps of the Engineering Transactions for the three years ending 31 December 2025:

	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Historical amounts	3,293	1,610	1,619 (Note)
Existing annual caps	7,000	6,500	6,000
Utilization rate	47.0%	24.8%	N/A
	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Proposed annual caps	6,000	9,000	11,000

Note: the figure was for the ten months ended 31 October 2022

According to the Board Letter, in determining the caps, the Directors considered certain factors, details of which are set out under the sub-section headed "Historical figures and the proposed annual caps" under the section headed "ENGINEERING SERVICES MASTER AGREEMENT" of the Board Letter.

As depicted from the table above, we note that the utilization rate of the existing annual caps were approximately 47.0% and 24.8% for the two years ended 31 December 2021 respectively. With reference to the Board Letter, during 2020, 2021 and the ten months ended 31 October 2022, total fees for the engineering services provided to China Aluminum Group by the Company under the Engineering Services Master Agreement were lower than expected, which was because China Aluminum Group changed the capital investment plans of certain projects in the past three years, resulting in a decrease in the transaction amounts originally set. In addition, as affected by the pandemic, certain projects could not meet the transaction amounts originally set due to the delay of construction progress.

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Despite the low utilization of the existing annual caps for the two years ended 31 December 2021, the proposed annual caps for FY2023 were the same as the existing annual cap for FY2022 and the proposed annual caps for the two years ending 31 December 2025 represented substantial increases as compared to the previous years.

The Directors further advised that the proposed annual caps for the three years ending 31 December 2025 were calculated with reference to (i) the possible projects of China Aluminum Group based on the Plan; and (ii) the proportion of the Group's provision of engineering services to China Aluminum Group for its projects to China Aluminum Group's total investment amounts of such projects historically.

As advised by the Directors, according to the Plan and after taking into account the Group's capacity, the Company identified projects of China Aluminum Group (which the Group could undertake and provide engineering services) with an average total investment amount of approximately RMB10.8 billion per annum. The Company further (i) assumed approximately 80% to 90% of the total investment amount will be engineering services costs; and (ii) the duration for each engineering construction project will be two years. Accordingly, it is expected that the Group would record approximately RMB4,500 million, RMB9,000 million and RMB9,000 million for the three years ending 31 December 2025 based on the Plan.

Upon our further request, the Company advised us (i) the contract value of four projects (the "**Four Projects**") undertaken by the Group (i.e. the Group provided engineering construction services to China Aluminum Group); and (ii) the total investment amounts of such projects based on the Directors' knowledge. We noted that the contract value for the engineering services accounted for approximately 70% to 93% to the total investment of such projects.

As further advised by the Directors, they expected to record revenue of approximately RMB1,500 million for FY2023 from the Engineering Transactions based on the Group's on hand contracts. In addition, the Company assumed that there may be additional project(s) in 2025 and therefore upward adjust the estimated amount of the Engineering Transactions for FY2025. The estimated amounts of engineering services to be provided by the Group to China Aluminum Group would therefore be RMB6,000 million, RMB9,000 million and RMB11,000 million for the three years ending 31 December 2025.

As the proposed annual caps for the three years ending 31 December 2025 were in line with the estimated amounts of engineering services to be provided by the Group to China Aluminum Group for the three years ending 31 December 2025, we are of the view that the proposed annual caps for the three years ending 31 December 2025 to be fair and reasonable.

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Shareholders should note that as the proposed annual caps of the Engineering Transactions for the three years ending 31 December 2025 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2025, and they do not represent forecasts of revenue/income to be incurred from the Engineering Transactions. Consequently, we express no opinion as to how closely the actual revenue/income to be incurred from the Engineering Transactions will correspond with the proposed annual caps.

3. Hong Kong Listing Rules implication regarding the Transactions

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Hong Kong Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective proposed annual caps for the period concerned under the relevant agreements; (ii) the terms of the Transactions (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Hong Kong Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the proposed annual caps.

In the event that the total amounts of any of the Transactions are anticipated to exceed their respective annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Hong Kong Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

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4. Recommendation on the Transactions

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

No.	Before amendments	After amendments
1	<p>Article 59 The shareholders of the Company are entitled to the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on their behalf at general meetings in proportion to the number of shares held according to law;</p> <p>.....</p>	<p>Article 59 The shareholders of the Company are entitled to the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend, speak at general meetings, and vote on their behalf at general meetings in proportion to the number of shares held according to law;</p> <p>.....</p>
2	<p>Article 68 The shareholders' general meeting exercises the following functions and powers:</p> <p>.....</p> <p>(11) to resolve on the appointment and dismissal of the accounting firm by the Company;</p> <p>(12) to consider the guarantees specified in Article 66 in the Articles of Association;</p> <p>.....</p>	<p>Article 68 The shareholders' general meeting exercises the following functions and powers:</p> <p>.....</p> <p>(11) to resolve on the appointment and dismissal of the accounting firm by the Company and determine its remuneration or the manner in which its remuneration is to be decided;</p> <p>(12) to consider the guarantees specified in Article 6669 in the Articles of Association;</p> <p>.....</p>
3	<p>Article 114 The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>.....</p> <p>(6) to pass resolutions on the engagement and dismissal of any accounting firm by the Company; and</p> <p>.....</p>	<p>Article 114 The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>.....</p> <p>(6) to pass resolutions on the engagement and dismissal of any accounting firm by the Company and determination of its remuneration or the manner in which its remuneration is to be decided; and</p> <p>.....</p>

No.	Before amendments	After amendments
4	<p>Article 144 The Party Committee shall play a leading role, set the right direction, keep in mind the big picture, promote the implementation of Party policies and principles, discuss and decide on major issues of the Company in accordance with the regulations. The main duties are:</p> <p>.....</p>	<p>Article 144 The Party Committee shall play a leading role, set the right direction, keep in mind the big picture, promoteensure the implementation of Party policies and principles, discuss and decide on major issues of the Company in accordance with the regulations. The main duties are:</p> <p>.....</p>
5	<p>Article 146 The Party committee and the Board shall formulate the list of matters for the communist party committee to discuss major operation and management issues in advance and the management system of “Three Importance and One Large” decision making matters. The matters for the communist party committee to discuss major operation and management issues in advance shall be subject to refinement and crystallization, quantify relevant limits and standards and define the rights and responsibilities of governance bodies between the Party Committee and the Board and senior management.</p>	<p>Article 146 The Party committee and the Board shall formulate the list of matters for the communist party committee to discuss major operation and management issues in advance and the management system of “Three Importance and One Large” decision making matters. The matters for the communist party committee to discuss major operation and management issues in advance shall be subject to refinement and crystallization, quantify relevant limits and standards and define the rights and responsibilities of governance bodies between the Party Committee and the Board and senior management.</p>
6	<p>Article 147 Article 148 Article 305</p>	<p>The numbers of articles of original Article 147 to Article 305 shall be decreased by one and change to:</p> <p>Article 146 Article 147 Article 304</p>
7	<p>Adjustment to the index articles within the context of the Articles of Association</p>	<p>—</p>

No.	Before revision	After revision
1	Original Title “Administrative Measures of External Guarantees of China Aluminum International Engineering Corporation Limited”	Revised Title “Administrative Measures of External Guarantees of China Aluminum International Engineering Corporation Limited”
2	<p>Article 1 To strengthen the risk management of and regulate activities relating to External Guarantees by China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Company”), these administrative measures (“Measures”) are hereby formulated in accordance with related laws and regulations, including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Security Law of the People’s Republic of China, the Notice Regarding the Regulation of the Provision of External Guarantees by Listed Companies, Notice of Certain Issues in relation to Capital Transactions between Listed Companies and the Connected Parties and External Guarantees by Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “listing rules of the places where shares of the Company are listed”) and Articles of Association of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Articles”).</p>	<p>Article 1 To strengthen the risk management of and regulate activities relating to ExternalFinancing Guarantees by China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Company”), these administrative measures (“Measures”) are hereby formulated in accordance with related laws and regulations as well as regulatory documents, including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guideline No. 8 for the Listed Company – Regulations of Transfer of Funds and External Guarantee of Listed Companies, the Guideline No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation the Security Law of the People’s Republic of China, the Notice Regarding the Regulation of the Provision of External Guarantees by Listed Companies, Notice of Certain Issues in relation to Capital Transactions between Listed Companies and the Connected Parties and External Guarantees by Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “listing rules of the places where shares of the Company are listed”) and Articles of Association of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Articles”).</p>

No.	Before revision	After revision
3	<p>Article 2 “External Guarantees” herein refer to the guarantees provided to third parties, including the Company’s wholly-owned subsidiaries and controlling subsidiaries by the Company, who take joint and several liability of repayment for debts that the guaranteed party fails to repay, in the form of surety, mortgage, pledge, performance letter of guarantee, lien and deposit. Guarantees provided by the Company for its own debts or financing is not subject to these Measures.</p>	<p>Article 2 These Measures are applicable to the Company and its subsidiaries. The “external financing guarantees” mentioned in the Measures mean the external guarantees provided to third parties, including Company’s wholly-owned subsidiaries and controlling subsidiaries mutually by the Company Company, who take joint and several liability of repayment for debts that the guaranteed party fails to repay, in the form of surety, mortgage, pledge, performance letter of guarantee, lien and deposit. Guarantees provided by the Company for its own debts or financing is not subject to these Measures. and its subsidiaries for third parties (including wholly-owned and holding subsidiaries) (undertake various types of financing guarantees provided in respect of financing behaviors of guaranteed entities, including borrowings, bond issuance, fund products, trust products and asset management plans) and the financing guarantees provided for its own financing behaviors.</p> <p>The methods of Financing Guarantees shall comply with the requirements of relevant laws and regulations, which can be surety, mortgage, pledge and other typical methods of Financing Guarantees, or deposit, debt accession, security transfer, registration of title retention, registration of lessor’s title on lease in financial leasing and other atypical measures of Financing Guarantees, as well as letters of comfort, letters of makeup of shortfall, co-borrowing contracts and other supporting letters with the functions of Financing Guarantees. The contracts of Financing Guarantees referred to herein can be written contracts entered into separately or letters with nature of Financing Guarantees between the parties, or the provisions of Financing Guarantees entered into between a financial guarantor and a creditor in the principal debt contract.</p>

No.	Before revision	After revision
4	<p>Article 3 The Company shall keep guarantee risk in strict control under the principles of legitimacy, mutual benefits and security for its External Guarantees. The External Guarantees of the Company shall comply with the overall development strategy and benefits of the Company, as well as the principles of prudence and stringent control.</p>	<p>Article 3 The Company shall keep guarantee risk in strict control under the principles of legitimacy, mutual benefits and security for its ExternalFinancing Guarantees. The ExternalFinancing Guarantees of the Company shall comply with the overall development strategy and benefits of the Company, as well as the principles of prudence and stringent control. The Company shall determine the scale of guarantees reasonably based on its financial capacity. In principle, the amount of the guarantees of a single subsidiary (including the headquarter of the Company) shall not exceed 50% of the net assets of the Company.</p>
5	<p>Article 4 The Company shall implement multi-levels approval and supervision system for External Guarantees.</p> <p>The finance department is the management department of the Company's External Guarantees, responsible for management work, such as inspection, approval, reporting and filing of guarantee activities.</p> <p>The office of the Board is the legal review department of the External Guarantees of the Company, responsible for reviewing guarantee contracts, drafting non-format text of guarantee contracts or counter guarantee contracts and compliance review of guarantee contracts signed by the Company. At the same time, it is the competent department for compliance review and related information disclosure of External Guarantees of the Company, responsible for the compliance review of External Guarantees of the Company, proposing resolutions to the Board or general meeting for approval and the performance of related information disclosure obligations.</p>	<p>Article 4 The Company shall implement multi-levels approval and supervision system for External guarantees.</p> <p>The finance department is the management department of the Company's External guarantees, responsible for management work, such as inspection, approval, reporting and filing of guarantee activities.</p> <p>The office of the Boardlegal department of the Company is the legal review department of the External guarantees of the Company, responsible for reviewing guarantee contracts, drafting non-format text of guarantee contracts or counter guarantee contracts and compliance review of guarantee contracts signed by the Company; at the same time, it performs. It is the competent department for compliance review and related information disclosure of External guarantees of the Company, and is responsible for inspecting the completeness of the internal control system and the effectiveness of the implementation of each requirement relating to the guarantees of the Company in accordance with the requirements of related internal control system.</p>

No.	Before revision	After revision
	<p>The supervision and audit department, in accordance with the requirements of related internal control system, is responsible for inspecting the completeness of the internal control system relating to the External Guarantees of the Company and the effectiveness of the implementation of each requirement.</p>	<p>The office of the Board is the competent department for related information disclosure and is responsible for the compliance review of External Guarantees of the Company, proposing resolutions to the Board or general meeting for approval and the performance of related information disclosure obligations.</p> <p>The supervision and audit department, in accordance with the requirements of related internal control system, is responsible for inspecting the completeness of the internal control system relating to the External Guarantees of the Company and the effectiveness of the implementation of each requirement.</p>
6	<p>Article 5 The Company charges the guaranteed party with guaranteed fees for the External Guarantees. The External Guarantees require the other party to provide counter-guarantees in principle, save and except one of the following conditions was satisfied:</p> <p>(1) the guaranteed party is a wholly-owned holding subsidiary of the Company;</p> <p>(2) the guaranteed party is a holding subsidiary of the Company (non wholly-owned), and the guaranteed party agrees to provide the same amount and duration of the guarantee to the entity that provides it with the guarantee (other than the Company itself) in respect of debt financing activities such as loans and facilities;</p> <p>(3) the guaranteed party is a holding subsidiary of the Company (non wholly-owned), and its shareholders agree to provide guarantee in proportion to their shareholdings;</p> <p>(4) the guaranteed party is a holding subsidiary of the Company (non wholly-owned), while the entity providing guarantee is its holding subsidiary.</p>	<p>Delete Article 5</p>

No.	Before revision	After revision
7	Article 6, Article 7	The number of articles of original Article 6 and Article 7 shall be decreased by one and change to: Article 5, Article 6.
8	<p>Article 7 Approval Authorization of External Guarantees.</p> <p>The following External Guarantees are subject to the approval of general meeting:</p> <p>(1) Guarantees provided to third parties, including Shareholders, de facto controller(s) and its related parties, other than wholly-owned subsidiaries and controlling subsidiaries of the Company;</p> <p>(2) Any guarantees provided after the total amount of External Guarantees of the Company and its controlling subsidiaries reach or exceed 50% of the latest audited net assets;</p> <p>(3) Guarantees provided after the total amount of External Guarantees of the Company reaching or exceeding 30% of the latest audited total assets;</p> <p>(4) Guarantees provided to a target with an asset liability ratio of more than 70%;</p> <p>(5) Guarantees with the amount of a single guarantee exceeding more than 10% of the latest audited net assets;</p> <p>(6) Guarantees exceeding 30% of the latest audited total assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period;</p>	<p>Article 6 Approval Authorization of external guarantees. The following external guarantees (except for the guarantees provided to the Company by the Company and its subsidiaries) are subject to the approval of general meeting:</p> <p>(1) Guarantees provided to third parties, including Shareholders, de facto controller(s) and its related parties, other than wholly-owned subsidiaries and controlling subsidiaries of the Company;</p> <p>(2) Guarantees provided to a target with an asset liability ratio of more than 70%;</p> <p>(3) Guarantees with the amount of a single guarantee exceeding more than 10% of the latest audited net assets of the Company;</p> <p>(24) Any guarantees provided after the total amount of external guarantees provided by the Company and its wholly-owned and controlling subsidiaries reach or exceed 50% of the latest audited net assets of the Company;</p> <p>(35) External guarantees provided by the Company and its wholly-owned and controlling subsidiaries with the total amount reaching or exceeding 30% of the latest audited total assets of the Company;</p> <p>(4) Guarantees provided to a target with an asset liability ratio of more than 70%;</p> <p>(5) Guarantees with the amount of a single guarantee exceeding more than 10% of the latest audited net assets;</p> <p>(6) Guarantees exceeding 30% of the latest audited total assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period;</p>

No.	Before revision	After revision
	<p>(7) Guarantees exceeding 50% of the latest audited net assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period and that the absolute guarantee amount exceeds RMB50 million;</p> <p>(8) Other guarantees subject to approval of the general meeting as required by securities regulating institutions or stock exchanges of the places where shares of the Company is listed.</p> <p>The above-mentioned "total amount of External Guarantees of the Company and its controlling subsidiaries" refers to the sum of total amount of External Guarantees of the Company, including guarantees provided by the Company to controlling subsidiaries, and the total amount of External Guarantees provided by the Company's controlling subsidiaries.</p> <p>For External Guarantees subject to the approval of general meeting, before proposing to general meeting for approval, such External Guarantees shall be first considered and approved by the Board.</p> <p>The remaining External Guarantees submitted to the Board for consideration and approval shall be agreed and resolved by more than two-thirds of the Directors present, except for the situations mentioned above.</p>	<p>(7) Guarantees exceeding 50% of the latest audited net assets of the Company based on the accumulated guarantee amount within any consecutive 12-month period and that the absolute guarantee amount exceeds RMB50 million;</p> <p>(78) Other guarantees subject to approval of the general meeting as required by securities regulating institutions or stock exchanges of the places where shares of the Company is listed.</p> <p>The above-mentioned "total amount of External Guarantees of the Company and its controlling subsidiaries" refers to the sum of total amount of External Guarantees of the Company, including guarantees provided by the Company to controlling subsidiaries, and the total amount of External Guarantees provided by the Company's controlling subsidiaries.</p> <p>For external guarantees subject to the approval of general meeting, before proposing to general meeting for approval, such external guarantees shall be first considered and approved by the Board.</p> <p>The remaining external guarantees (except for the guarantees provided to the Company by the Company and its subsidiaries) shall be submitted to the Board for consideration and approval shall be agreed and resolved by more than two-thirds of the Directors present, except for the situations mentioned above.</p> <p>, shall be agreed The consideration/approval of the external guarantees by the Board shall be considered and approved by more than half of all the Directors, as well as agreed and resolved by more than two-thirds of the Directors present, except for the situations mentioned above.</p>

No.	Before revision	After revision
	<p>When the resolution in respect of guarantees under item (3) of Article 7 of these Measures is submitted to the general meeting for consideration and approval, it shall be passed by votes representing more than two-third of the voting rights represented by the Shareholders present at the general meeting; When the resolution in respect of guarantees provided for Shareholders, de facto controller(s) and its related parties is submitted to the general meeting for consideration and approval, the Shareholder or the Shareholder being controlled by the de facto controller(s) shall abstain from voting, and such resolution shall be passed by votes representing more than half of the voting rights represented by other Shareholders present at the general meeting.</p>	<p>When the resolution in respect of guarantees under item (3) item (5) and item (6) of Article 7 Article 6 of these Measures is submitted to the general meeting for consideration and approval, it shall be passed by votes representing more than two-third of the voting rights represented by the Shareholders present at the general meeting; When the resolution in respect of guarantees provided for Shareholders, de facto controller(s) and its related parties is submitted to the general meeting for consideration and approval, the Shareholder or the Shareholder being controlled by the de facto controller(s) shall abstain from voting, and such resolution shall be passed by votes representing more than half of the voting rights represented by other Shareholders present at the general meeting.</p> <p>Where the Company provides guarantees for its wholly-owned and controlling subsidiaries, if there is a large number of transactions each year, and it is difficult to submit to the Board or the general meeting for consideration due to the need of entering into guarantee agreements on a recurring basis, the Company may estimate the total amount of new guarantees for the next 12 months of the two types of subsidiaries with a gearing ratio of over 70% (inclusive) and that of below 70%, and submit the estimation to the general meeting for consideration. When the aforesaid guarantee matter actually takes place, the Company shall make disclosures in a timely manner, and the balance of the guarantee at any time shall not exceed the amount of guarantee considered and approved at the general meeting.</p>

No.	Before revision	After revision
		<p>The provision of counter guarantees by the Company and its wholly-owned and controlling subsidiaries shall be conducted <i>mutatis mutandis</i> with the relevant provisions of guarantees, and shall fulfill the corresponding review procedures and information disclosure obligations based on the amount of counter guarantees provided, saved for counter guarantees provided by the Company and its wholly-owned and controlling subsidiaries for guarantee based on their own debts.</p>
9	<p>One article is added after the original Article 7</p>	<p>Article 7 In principle, the Company shall not provide external guarantees in any of the following circumstances where the guaranteed party:</p> <ol style="list-style-type: none"> (1) Is undergoing reorganization or bankruptcy liquidation procedures; (2) Is insolvent, has suffered losses for three consecutive years or more, and has negative operating net cash flow; (3) Has large economic disputes, subject to legal proceedings or arbitrations, and may assume great liability for damage; (4) Has a guarantee dispute which is not yet properly resolved; (5) Had repayment settled or guarantee liability fulfilled by the guarantor; (6) Has mutual guarantees between subsidiaries in the Company with no direct shareholding relationship; (7) Provides guarantees exceeding its shareholding ratio to a controlling subsidiary; (8) Other circumstances under which the provisions of external guarantees are not applicable.

No.	Before revision	After revision
		<p>If the provisions of external guarantees for the above special circumstances are necessary, and provided that the risk of the guarantee is under control, the individual approvals by the Board of the Company and a general meeting are required; among which, in principle, guarantees shall be provided to a controlling subsidiary in accordance with its shareholding ratio. If the provision of external guarantees to a controlling subsidiary is necessary due to objective reasons, and provided that the risk of the guarantee is under control, the guarantee proportion provided in excess of the shareholding ratio shall be provided with counter-guarantee in full amount and with realizable value by other shareholders of the controlling subsidiary to the Company.</p>
10	<p>Article 8 Prior to the decision on the provision of guarantee, the Company shall have a good understanding of the credit conditions of the guaranteed party. The finance department of the Company is responsible for the implementation of a comprehensive analysis and consideration of risks and benefits in respect of the guarantee concerned. The finance department of the Company shall request the guaranteed unit to provide the following information:</p> <p>(1) Background information of the enterprise, including its name, registered address, legal representative, scope of business, connected relations and other relations with the Company;</p> <p>(2) Audited financial reports for the past three years and repayment ability analysis;</p>	<p>Article 8 Prior to the decision on the provision of guarantee, the Company shall have a good understanding of the credit conditions of the guaranteed party. The finance department of the Company is responsible for the implementation of a comprehensive analysis and consideration of risks and benefits in respect of the guarantee concerned. The finance department of the Company shall request the guaranteed unit to provide the following information:</p> <p>(1) Background information of the enterprise, including its name, registered address, legal representative, scope of business, connected relations and other relations with the Company;</p> <p>(2) Audited financial reports for the past three years/audit reports and repayment ability analysis;</p>

No.	Before revision	After revision
	<p>(3) Name of the creditor;</p> <p>(4) Method, maturity and amount of guarantee;</p> <p>(5) Main terms of principal debt contract or draft of contract;</p> <p>(6) Guaranteed party's explanation on the repayment plan in respect of guaranteed debts and the source of funds;</p> <p>(7) Other important information.</p>	<p>(3) Name of the creditor;</p> <p>(4) Method, maturity and amount of guarantee;</p> <p>(5) Main terms of principal debt contract or draft of contract;</p> <p>(6) Guaranteed party's explanation on the repayment plan in respect of guaranteed debts and the source of funds;</p> <p>(7) Other important information.</p>
11	<p>Article 10 Applications for Guarantees shall be reported by level.</p> <p>Subsidiaries applying for the Company's guarantees for itself or its subsidiaries, as well as guarantees between subsidiaries, shall submit an approval application of External Guarantees amount to the finance department of the Company, within 2 months from the end of the last accounting year. Annual guarantee plan is formulated by the finance department of the Company and submitted to the board of chief executives for consideration and approval, subject to the consideration and approval of the Board and/or general meeting in accordance with the Listing Rules and the requirements of the Articles.</p>	<p>Article 10 Applications for guarantees shall be reported by level.</p> <p>The guarantees provided by the Company and its subsidiaries shall be included in the budget and managed according to the annual plan, including key elements such as guarantor, amount of guarantee, guaranteed party, method of guarantee and guarantee rate.</p> <p>Subsidiaries applying for the Company's guarantees for itself or its subsidiaries, as well as guarantees between subsidiaries, shall submit an approval application of external guarantees amount to the finance department of the Company, within 2 months from the end of the last accounting year. Annual guarantee plan is formulated by the finance department of the Company and submitted to the board of chief executives for consideration and approval, subject to the consideration and approval of the Board and/or general meeting in accordance with the listing rules of the places where shares of the Company are listed and the requirements of the Articles.</p>

No.	Before revision	After revision
12	<p>Article 11 Subsidiaries applying for the Company’s guarantees for itself or its subsidiaries and guarantees between subsidiaries within the annual guarantee plan, shall provide related information as required by Article 8 of these Measures to the finance department of the Company in a timely manner. Upon review and approval on related information by the finance department of the Company, as agreed by chief financial officer, an application report shall be submitted to chief executive officer to express review opinions. Upon approval of chief executive officer, the application report shall be submitted to the office of the Board for filing.</p> <p>Subsidiaries applying for the Company’s guarantees for itself or its subsidiaries and guarantees between subsidiaries exceeding the amount of the annual guarantee plan, shall submit written application and necessary materials to the finance department of the Company in advance, and to the board of chief executives, the Board and general meeting for approval upon the approval opinions of the finance department. Such guarantee application may be implemented after the consideration and approval of general meeting of the Company.</p>	<p>Article 11 Subsidiaries applying for the Company’s guarantees for itself or its subsidiaries and guarantees between subsidiaries within the annual guarantee plan, shall provide related information as required by Article 8 of these Measures to the finance department of the Company in a timely manner. Upon review and approval on related information by the finance department of the Company, as it shall be reviewed and agreed by chief financial officer, an application report shall be submitted to chief executive officer to express review opinions. Upon the approval of chief executive officer, the application report shall be submitted to the office of the Board for filing. The mutual guarantees between subsidiaries shall be handled in accordance with the internal approval process of the subsidiary if they are within the approval limit of the general meeting of shareholders. The guarantees within the limit of the aforementioned annual guarantee plan shall be promptly submitted to the financial department for filing after completion.</p> <p>Subsidiaries applying for the Company’s guarantees for itself or its subsidiaries and guarantees between subsidiaries exceeding the amount of the annual guarantee plan, shall submit written application and necessary materials to the finance department of the Company in advance, and to the board of chief executives, Party Committee, the Board and general meeting for approval upon the approval opinions of the finance department. Such guarantee application may be implemented after the consideration and approval of general meeting of the Company.</p>

No.	Before revision	After revision
13	<p>Article 12 External Guarantees are subject to the approval of the Board or general meeting. Any other departments of the Company or individuals shall not have the right to provide guarantees to third parties on behalf of the Company without the authorization of the Board.</p> <p>The Company may appoint an external professional institution to assess the risk arising from the implementation of External Guarantees when necessary, and such assessment may serve as the basis for the decision making of the Board or the general meeting.</p>	<p>Article 12 External guarantees are subject to the approval of the Board or general meeting. Any other departments of the Company or individuals shall not have the right to provide guarantees to sign guarantee contracts, agreements or other relevant legal documents with third parties on behalf of the Company without the authorization of the Board or the general meeting.</p> <p>The Company may appoint an external professional institution to assess the risk arising from the implementation of external guarantees when necessary, and such assessment may serve as the basis for the decision making of the Board or the general meeting.</p>
14	<p>Article 20 The finance department of the Company shall perform self-inspection on the guarantee business of the Company, its wholly-owned subsidiaries and controlling subsidiaries. When a problem is found in the course of self-inspection, the department concerned shall supervise related unit or department to promptly identify the causes and adopt rectifying and improving measures. In the event of any abnormal guarantee contracts that have not been approved in accordance with the consideration and approval procedures of the Board or the general meeting, the department concerned shall report to the Board promptly. The finance department of the Company may, at the request of internal supervision and inspection made by the supervision and audit department, report to the head of finance or audit of inspected unit and competent supervisory department of guarantee business for their review.</p>	<p>Article 20 The finance department of the Company shall perform self-inspection on the guarantee business of the Company, its wholly-owned subsidiaries and controlling subsidiaries. When a problem is found in the course of self-inspection, the department concerned shall supervise related unit or department to promptly identify the causes and adopt rectifying and improving measures. In the event of any abnormal guarantee contracts that should have but have not been approved in accordance with the consideration and approval procedures of the Board or the general meeting, the department concerned shall report to the management of the Company and the Board promptly. The finance department of the Company may, at the request of internal supervision and inspection made by the supervision and audit department, report to the head of finance or audit of inspected unit and competent supervisory department of guarantee business for their review.</p>

No.	Before revision	After revision
15	Two articles are added after the original Article 22	<p data-bbox="874 300 1358 597">Article 23 If the guarantee is outbound guarantee, the debtor shall cooperate with the guarantor to go through the formalities for approval, registration and recordation with the relevant competent government departments. (outbound guarantee: domestic companies provide guarantees for the financings of overseas companies)</p> <p data-bbox="874 619 1358 874">Article 24 The supporting documents, such as the letters of makeup of shortfall and comfort undertakings issued by the Company and its subsidiaries, shall be applied by the finance department of the Company and reviewed by the legal compliance department of the Company.</p> <p data-bbox="874 917 1358 1129">If the above letter involves guarantees, it shall be submitted to the relevant decision-making meeting for consideration in accordance with the decision-making authority and procedures stipulated in these Measures.</p> <p data-bbox="874 1172 1358 1353">Subsidiaries shall report the specific situation of the issuance of comfort letters to the Company on a quarterly basis; the Company will summarize the situation of the issuance of comfort letters by each unit.</p>

No.	Before revision	After revision
16	Two chapters are added after the original Chapter 3 (a total of 7 articles are added)	Chapter 4 Counter guarantees
17		<p>Article 25 If there is an approved guarantee for the controlling shareholders, de facto controllers and their related parties, the controlling shareholders, de facto controllers and their related parties shall provide counter guarantees.</p> <p>If there is a guarantee provided to a holding subsidiary that exceeds the shareholding proportion that is approved in accordance with Article 7, other shareholders of the holding subsidiary shall be required to provide a full counter guarantee with realizable values in relation to the guarantee provided that exceeds the shareholding proportion.</p>
18		<p>Article 26 The methods of counter guarantees include guarantee, mortgage or pledge, the guarantor shall determine the method of counter guarantee according to the risk level of the guarantee and the financial status and performance ability of the guaranteed party.</p> <p>If the counter guarantee is in the form of guarantee, it shall be provided by a third party other than the guaranteed party with independent legal person status, reliable credit, good financial status, solvency and no major disputes over claims and debts.</p> <p>If the counter guarantee is in the form of mortgage or pledge, the collateral shall have clear ownership, not sealed up seized and no other mortgage or pledge has been established, and the appraised value shall fully cover the guaranteed amount.</p>

No.	Before revision	After revision
19		<p>Article 27 The counter guarantor shall provide the following documents and information to the guarantor:</p> <p>(1) the articles of association and copies of business licenses of the counter guarantor as well as the identification document of the legal representatives;</p> <p>(2) the audited financial report/audit report of the counter guarantor for the preceding three years and the proof of credit and solvency;</p> <p>(3) the basic information of collaterals, ownership certificate and related documents such as its insurance and notarization, as well as other materials like the value assessment report;</p> <p>(4) the decision-making documents of counter guarantee agreed to be provided by the counter guarantor;</p> <p>(5) the counter guarantee contract drafted as required by the guarantor and other documents required by the guarantor.</p> <p>After the counter guarantee contract is signed, if the collateral needs to be delivered, it shall be delivered by the counter guarantor when the contract is signed; if it is required to handle the collateral registration, the guarantor and counter guarantor shall handle relevant procedures with the relevant department within 3 working days from the date of signing the counter guarantee contract.</p>
20		Chapter 5 Guarantees provided for self financings

No.	Before revision	After revision
21		<p>Article 28 If the Company provides guarantee for its own financings by means of mortgage or pledge, it shall conduct a reasonable assessment of the guaranteed assets, control the mortgage and pledge rate and handle relevant procedures according to the laws, and submit it to the financial department of the Company for filing on a monthly basis along with the implementation of the annual guarantee plan. If the account pledge is provided by its own account, it shall be reported to the Company and implemented after obtaining the approval from the Company.</p>
22		<p>Article 29 The Company and its subsidiaries shall strictly control the credit enhancement methods used to obtain its own financings in the form of deposit, and the newly opened deposit accounts shall be subject to strict approval to ensure the safety of working capital, and shall not provide deposit for financings of units or individuals other than the Company.</p>
23		<p>Article 30 If the Company and its subsidiaries accept external financing guarantees with compensation (except bank guarantees), it shall be submitted to the Company for approval at least 60 working days in advance.</p>
24		<p>Article 31 If relevant laws and regulations, rules, normative documents, securities regulatory authorities or stock exchanges where the shares of the Company are listed have other requirements of decision-making and approval for the Company and its subsidiaries to provide guarantees for their own financings, such provisions shall prevail.</p>
25	Chapter 4	<p>The number of chapters of the original Chapter 4 is increased by two and change to Chapter 6</p>

No.	Before revision	After revision
26	Article 23, Article 24	The number of articles of original Article 23 and Article 24 shall be increased by nine and change to Article 32 and Article 33
27	Article 24 The office of the Board is responsible for the management of information disclosure of the guarantees. After being resolved at the Board or general meeting of the Company, the wholly-owned subsidiaries and controlling subsidiaries of the Company shall inform the office of the Board timely to perform information disclosure obligations in accordance with the requirements.	Article 33 The Board Office is the functional management department for disclosing the information of guarantees of the Company. The Company (including wholly-owned and holding subsidiaries) shall inform the office of the Board timely inform the Board Office of the details and progress of the guarantees provided after the Board or the general meeting of the Company reaches a resolution, so that the Company can perform the information disclosure obligation in accordance with the requirements.
28	Two chapters are added after the original Chapter 4 (a total of 5 articles are added)	Chapter 7 Guarantee rates
29		<p>Article 34 In principle, the guarantee fees for the external guarantees provided by the Company shall be obtained from the guaranteed party pursuant to the following standards and manners:</p> <p>(1) The guarantee fee is calculated by multiplying the total balance of guarantee of the guaranteed party at the end of each quarter by the guarantee fee rate (non-separate calculation); the total balance of guarantee refers to the actual withdrawal balance of the guaranteed party. The guaranteed party shall provide relevant proof materials in a timely manner. If no proof materials are provided, it shall be calculated pursuant to the maximum guarantee amount;</p> <p>(2) Guarantee fee rate: the rate being 0.5% per annum for amount of guarantee below 0.1 billion (included); the rate being 1% per annum for amount of guarantee exceeding 0.1 billion;</p>

No.	Before revision	After revision
		<p>(3) The guarantee fees shall be charged quarterly upon the date of completion of formalities for guarantees;</p> <p>(4) For the amounts of guarantee denominated in foreign currencies, the guarantee fees shall be charged in Renminbi converted from the central parity rate issued by the People's Bank of China on the date the guarantee contract becomes effective;</p> <p>(5) For the guaranteed parties undertaking national strategic tasks, working as financing platforms of the Company or under other special circumstances, the guarantee fees can be waived on a discretionary basis;</p>
30		Chapter 8 Accountability
31		Article 35 All Directors of the Company shall cautiously treat and strictly control the debt risks arisen from the provision of external guarantees to any other party and shall bear legal liabilities for irregular provision of external guarantees to any other party.
32		Article 36 The key leaders of the Company and its subsidiaries are the first responsible persons of Financing Guarantees and bear the responsibility of leadership. The persons-in-charge and the handlers of the centralized management department for Financing Guarantees bear direct responsibility.
33		Article 37 In case of any violation of the Measures by an entity causing loss due to loose control on Financing Guarantees, strict control shall be imposed on the entity for its provision of Financing Guarantees, i.e. forbidding the entity from providing Financing Guarantees to other entities, and ordering the entity to impose measures and recover the loss within the time limit.

No.	Before revision	After revision
34		Article 38 In case of any violation of the Measures while handling the matters related to Financing Guarantees, upon discovery and verification, the relevant personnel will be held accountable pursuant to relevant laws and regulations, as well as the regulations regarding accountability of the Company.
35	Chapter 5	The number of chapters of the original Chapter 5 shall be increased by four to change to Chapter 9
36	One article is added to the existing Chapter 9	Article 39 The provisions of performance bonds and tender bonds, which are bonds unrelated to Financing Guarantee bonds, by the Company and its subsidiaries pursuant to actual needs of production and operation are not included in the management of Financing Guarantees under these Measures.
37	Article 25, Article 26 Article 29	The number of articles of original Article 25 to Article 29 shall be increased by fifteen, i.e. Article 40, Article 41 Article 44
38	Article 27 These Measures have been considered and approved by the Shareholders in general meeting, and shall become effective from the date of the initial public offering of RMB-denominated ordinary shares of the Company in the domestic market and the listing of the shares of the Company at Shanghai Stock Exchange. Apart from complying with the provisions contained in these Measures, the Company must also strictly comply with relevant provisions governing External Guarantees of the respective domestic and overseas listing rules of the places where shares of the Company are listed.	Article 42 These Measures have been considered and approved by the Shareholders in general meeting, and shall become effective from the date of the initial public offering of RMB-denominated ordinary shares of the Company in the domestic market and the listing of the shares of the Company at Shanghai Stock Exchange being considered and approved at the general meeting. Apart from complying with the provisions contained in these Measures, the Company must also strictly comply with relevant provisions governing External guarantees of the respective domestic and overseas listing rules of the places where shares of the Company are listed.

1. RESPONSIBILITY STATEMENT

This document, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS AND RECOGNITION

As at the Latest Practicable Date:

- (a) none of the Directors, Supervisors and senior management of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were, pursuant to section 352 of the SFO, required to be recorded in the register referred therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers;
- (b) none of the Directors, Supervisors and senior management of the Company or their spouses or children under the age of 18 was granted any rights to subscribe for any equity security or debt security of the Company;
- (c) except that Mr. LI Yihua, Mr. LIU Jing, Mr. LIU Ruiping, Mr. HU Zhenjie, Mr. ZHOU Xinzhe and Mr. ZHANG Wenjun who hold director or management positions in Chinalco and its subsidiaries, none of the Directors has material interests in any contract or arrangement which has been entered by any member of the Group since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up), was subsisting as at the Latest Practicable Date and significant in relation to the business of the Group;
- (d) none of the Directors has any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up); and

- (e) save as disclosed in “ Directors’ interest in competing business “ in Appendix III, so far as is known to the Directors, none of the Directors and any of their respective associates were interested in any business (excluding the business of the Group) which competes or is likely to compete either directly or indirectly with the business of the Group; if each of them was a Controlling Shareholder, they are required to make disclosure under Rule 8.10 of the Hong Kong Listing Rules.

3. SERVICE CONTRACTS

The Company has entered into service contracts with all the Directors and Supervisors. None of the Directors or Supervisors, including the proposed Directors or Supervisors, has a service contract with the Company which is not determined by the Company within one year without payment of compensation, other than statutory compensation.

4. MATERIAL LITIGATION OR ARBITRATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there are no any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. DIRECTORS’ INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their associates had any competing interest in any business which directly or indirectly competes or is likely to compete with the business of the Group.

7. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors of the Company, the following persons (other than the Directors, supervisors and senior management) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the Shareholders' general meetings:

Name of Shareholder	Class of Shares	Capacity/Nature of interest	Number of Shares Held (Share)	Approximate percentage of shareholding in relevant class of Shares (%) (Note 1)	Approximate percentage of shareholding in total share capital (%) (Note 1)
Chinalco (Note 2)	A Shares	Beneficial owner/Interests of controlled corporation	2,263,684,000 (Long position)	88.44	76.50
The Seventh Metallurgical Construction Corp., Ltd.	H Shares	Beneficial owner	69,096,000 (Long position)	17.30	2.34
CNMC Trade Company Limited	H Shares	Beneficial owner	59,225,000 (Long position)	14.83	2.00
Peaktrade Investments Ltd.	H Shares	Beneficial owner	59,210,000 (Long position)	14.82	2.00
Leading Gain Investments Limited (Note 3)	H Shares	Nominee of another person (other than passive trustee)	29,612,000 (Long position)	7.41	1.00
China XD Group	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	1.00
Yunnan Tin (Hong Kong) Yuan Xing Company Limited	H Shares	Beneficial owner	29,612,000 (Long position)	7.41	1.00

Notes:

- (1) The percentage is calculated by dividing number of relevant class of Shares in issue of the Company as at the Latest Practicable Date by total number of Shares.
- (2) Chinalco is beneficially interested in 2,263,684,000 A Shares, representing approximately 76.50% of the total share capital of the Company. Among which, Luoyang Institute is a wholly-owned subsidiary of Chinalco and is interested in 86,925,466 A Shares, representing approximately 2.94% of the total share capital of the Company. Chinalco is therefore also deemed to be interested in the A Shares held by Luoyang Institute under the SFO.

- (3) Leading Gain Investments Limited is the nominee holder of Beijing Jundao Technology Development Co., Ltd.

8. QUALIFICATION AND CONSENT OF EXPERT

Below is the qualification of the expert who provided views or advice for inclusion in the circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

- a) As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group, nor did they have rights (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for the securities in any member of the Group.
- b) As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of the circular with its statement included in the form and context in which it is included.
- c) As at the Latest Practicable Date, the above expert did not have any interest in the assets which have been acquired or disposed of by or leased to any member of the Group, or are intended to be acquired or disposed of by or leased to any member of the Group, since 31 December 2021 (being the date to which the latest published audited annual financial statements of the Company were made up).

9. OTHER INFORMATION

- (a) The company secretary of the Company is Mr. ZHANG Jian.
- (b) The address of the Company's registered office is Building C, No. 99, Xingshikou Road, Haidian District, Beijing, the PRC.
- (c) The Company's H Share registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) In the event of any discrepancy between the English version and the Chinese version, the English version shall prevail over the Chinese version.

10. MATERIAL CONTRACT

Within two years immediately preceding the date of this circular up to the Latest Practicable Date, the Group has not entered into any material contract.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<https://zlgj.chinalco.com.cn/>) during the period the date of this circular up to and including the date of the EGM:

- (a) the Commodities Sales and Purchases Master Agreement;
- (b) the General Services Master Agreement;
- (c) the Engineering Services Master Agreement;
- (d) the written consent from the expert mentioned in the paragraph 8 of this appendix; and
- (e) this circular.



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)

**NOTICE OF THE FIRST EXTRAORDINARY
GENERAL MEETING IN 2023**

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting in 2023 of China Aluminum International Engineering Corporation Limited (the “**Company**”) will be held at Conference Room 312 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Wednesday, 8 February 2023 to consider and, if thought fit, pass the following resolutions.

SPECIAL RESOLUTION

1. To consider and approve the resolution on the amendments to the Articles of Association of China Aluminum International Engineering Corporation Limited

ORDINARY RESOLUTIONS

2. To consider and approve the resolution on the amendments to the Administrative Measures of Guarantees of China Aluminum International Engineering Corporation Limited
3. To consider and approve the resolution on the renewal of Commodities Sales and Purchases Master Agreement and the adjustment of the caps of relevant related (connected) transactions
4. To consider and approve the resolution on the renewal of General Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions
5. To consider and approve the resolution on the renewal of Engineering Services Master Agreement and the adjustment of the caps of relevant related (connected) transactions

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

Details of the above resolutions are set out in the circular of the first extraordinary general meeting in 2023 despatched by the Company as and when appropriate.

By order of the Board
China Aluminum International Engineering Corporation Limited
ZHANG Jian
Company Secretary

Beijing, the PRC, 17 January 2023

Notes:

1. In order to determine the list of Shareholders who are entitled to attend the first extraordinary general meeting in 2023 to be convened on Wednesday, 8 February 2023, the register of members will be closed from Friday, 3 February 2023 to Wednesday, 8 February 2023, both days inclusive, during which time no transfer of the shares will be registered. In order to be qualified to attend and vote at the first extraordinary general meeting in 2023, the holders of H Shares of the Company shall lodge the relevant share transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 2 February 2023.
2. A shareholder who is entitled to attend and vote at the first extraordinary general meeting in 2023 may appoint one or more proxies (regardless whether he/she is a shareholder) to attend and vote at the first extraordinary general meeting in 2023 on his or her behalf.
3. The instrument to appoint a proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.
4. To be valid, the form of proxy must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares of the Company) not less than 24 hours prior to the holding of the first extraordinary general meeting in 2023. If such instrument is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the form of proxy, be deposited at the specified place at the time set out in such form of proxy.
5. If the appointer is a legal person, its legal representative or any person authorised by resolutions of the Board or other governing bodies may attend the first extraordinary general meeting in 2023 on behalf of the appointer.
6. The Company has the rights to request a proxy who attends the extraordinary general meeting on behalf of a shareholder to provide proof of identity.
7. The first extraordinary general meeting in 2023 is expected to take less than half a day. Shareholders who attend the first extraordinary general meeting in 2023 shall be responsible for their own travel and accommodation expenses.

As at the date of this notice, the non-executive Directors are Mr. HU Zhenjie, Mr. ZHOU Xinzhe and Mr. ZHANG Wenjun; the executive Directors are Mr. LI Yihua, Mr. LIU Jing and Mr. LIU Ruiping; and the independent non-executive Directors are Mr. GUI Weihua, Mr. SIU Chi Hung and Mr. TONG Pengfang.