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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 RULES OF PROCEDURES  
FOR THE SHAREHOLDERS' GENERAL MEETING  
AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS  
AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE  
RENEWAL OF THE FACTORING AGREEMENT  
AND**

**NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2021**

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



The second extraordinary general meeting in 2021 (the "EGM") will be held at Conference Room 211 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, the PRC at 9:30 a.m. on Thursday, 30 December 2021. The Notice of EGM is set out on pages 74 to 75 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.

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## DEFINITIONS

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

“2021 Factoring Agreement”	the “Factoring Cooperation Framework Agreement” renewed by the Company and China Aluminum Business on 27 October 2021, the agreement will be effective from the date of consideration and approval of relevant resolution at the EGM
“Accounts Receivable”	the obligations denominated in Renminbi entitled by the Company against the buyer(s) upon the fulfillment of the obligations regarding the sales of goods, provision of services or leasing of assets under the Elementary Transaction Contracts
“Articles”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are traded in the Shanghai Stock Exchange (stock code: 601068)
“Board”	the board of Directors of the Company
“buyer(s)”	the person(s) who enters into contract(s) or agreement(s) with the Company, purchases goods, receives services or leases assets from the Company, and is/are obliged to pay the consideration to the Company
“China Aluminum Business”	China Aluminum Business Factoring Co., Ltd. (中鋁商業保理有限公司), a company established in the PRC with limited liability
“Chinalco”	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
“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

## DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Credit Supporting Document(s)”	the security interests document(s) which is/are initiated under the Elementary Transaction Contracts or relevant to the Elementary Transaction Contracts in favor of the Company and its subsidiaries, including but not limited to guarantee contracts, guarantee terms, performance bonds, standby letters of credit, insurance policies, repurchase contracts and undertaking letters, regardless of the titles of such documents
“Directors”	the directors of the Company
“EGM”	the second extraordinary general meeting in 2021 of the Company to be held at Conference Room 211 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Thursday, 30 December 2021
“Elementary Transaction Contracts”	the transaction contract(s) entered into between the Company and the buyer(s) regarding the sales of goods by the Company to the buyer(s), provision of services or leasing of assets and receiving the consideration, and includes the legal documents concerning amendments, supplements and relevant undertakings and appendices in relation to the transaction contract concluded by the parties of the contract on or before the execution date of the Factoring Agreement
“Group”	the Company and its subsidiaries as at the Latest Practicable Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“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
“Latest Practicable Date”	13 December 2021, being the latest practicable date prior to the printing of this circular for containing certain information in this circular
“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
“New Factoring Agreement”	the “Factoring Cooperation Framework Agreement” renewed by the Company and China Aluminum Business on 28 March 2019
“Notice of EGM”	the notice of the second extraordinary general meeting in 2021
“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
“Security Interests”	any types of security interests, such as warranty, pledge, security, deposit, lien, promissory, insurance, ownership retention, conditional sales, repurchase and security transfer, and the interests under other similar arrangements with preservation or protection purpose to the parties concerned
“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
“%”	percent

## DEFINITIONS

“Rules of Procedures for the Board of Directors”

The Rules of Procedures for the Board of Directors of China Aluminum International Engineering Corporation Limited, as amended, modified or otherwise supplemented from time to time

“Rules of Procedures for the Shareholders’ General Meeting”

The Rules of Procedures for the Shareholders’ General Meeting of China Aluminum International Engineering Corporation Limited, as amended, modified or otherwise supplemented from time to time

“Rules of Procedures for the Supervisory Committee”

The Rules of Procedures for the Supervisory Committee of China Aluminum International Engineering Corporation Limited, as amended, modified or otherwise supplemented from time to time



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)**

*Non-executive Director:*  
Mr. LI Yihua

*Executive Directors:*  
Mr. WU Jianqiang  
Mr. LIU Jing  
Mr. ZHANG Jian

*Independent Non-executive Directors:*  
Mr. GUI Weihua  
Mr. CHEUNG Hung Kwong  
Mr. FU Jun

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

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

*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 RULES OF PROCEDURES  
FOR THE SHAREHOLDERS' GENERAL MEETING  
AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE BOARD OF DIRECTORS  
AMENDMENTS TO THE RULES OF PROCEDURES  
FOR THE SUPERVISORY COMMITTEE  
RENEWAL OF THE FACTORING AGREEMENT  
AND  
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2021**

**I. INTRODUCTION**

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

## **LETTER FROM THE BOARD**

### **SPECIAL RESOLUTIONS**

1. Amendments to the Articles of Association
2. Amendments to the Rules of Procedures for the Shareholders' General Meeting
3. Amendments to the Rules of Procedures for the Board of Directors
4. Amendments to the Rules of Procedures for the Supervisory Committee

### **ORDINARY RESOLUTION**

5. Renewal of the Factoring Agreement

## **II. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to the announcement dated 10 December 2021 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 and effectively safeguard the legitimate interests of the Company and its shareholders, in accordance with the requirements of the relevant standardized operations and the relevant requirements under laws and regulations, on 10 December 2021, the resolution in relation to the proposed amendments to the Articles of Association was considered and approved at the forty-second meeting of the third 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 RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING**

Reference is made to the announcement dated 10 December 2021 of the Company in relation to the proposed amendments to the Rules of Procedures for the Shareholders' General Meeting.

In order to further improve and standardize the Company's corporate governance system and effectively safeguard the legitimate interests of the Company and its shareholders, in accordance with the requirements of the relevant standardized operations and the relevant requirements under laws and regulations, on 10 December 2021, the resolution in relation to the proposed amendments to the Rules of Procedures for the Shareholders' General Meeting was considered and approved at the forty-second meeting of the third 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.



## LETTER FROM THE BOARD

### **IV. AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS**

Reference is made to the announcement dated 10 December 2021 of the Company in relation to the proposed amendments to the Rules of Procedures for the Board of Directors.

In order to further improve and standardize the Company's corporate governance system and effectively safeguard the legitimate interests of the Company and its shareholders, in accordance with the requirements of the relevant standardized operations and the relevant requirements under laws and regulations, on 10 December 2021, the resolution in relation to the proposed amendments to the Rules of Procedures for the Board of Directors was considered and approved at the forty-second meeting of the third 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 III of this Circular.

### **V. AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE**

Reference is made to the announcement dated 10 December 2021 of the Company in relation to the proposed amendments to the Rules of Procedures for the Supervisory Committee.

In order to further improve and standardize the Company's corporate governance system and effectively safeguard the legitimate interests of the Company and its shareholders, in accordance with the requirements of the relevant standardized operations and the relevant requirements under laws and regulations, on 10 December 2021, the resolution in relation to the proposed amendments to the Rules of Procedures for the Supervisory Committee was considered and approved at the forty-second meeting of the third 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 IV of this Circular.

### **VI. RENEWAL OF THE FACTORING AGREEMENT**

Reference is made to the announcement dated 28 March 2019 and the circular dated 27 May 2019 of the Company in relation to the renewal of the Factoring Cooperation Framework Agreement. As the New Factoring Agreement and the corresponding annual cap would expire on 31 December 2021, the Company renewed the 2021 Factoring Agreement with China Aluminum Business on 27 October 2021. The 2021 Factoring Agreement will be effective from the date of consideration and approval of relevant resolution by the general meeting of the Company and expire on 31 December 2024.

## LETTER FROM THE BOARD

Details of the principal terms and conditions in relation to the 2021 Factoring Agreement are set out as follows:

Date of the Agreement:	27 October 2021
Parties:	The Company  China Aluminum Business (as the factor)
Type of Facility:	Non-recourse and recourse
Subject of the Transaction:	The Company is intended to transfer the Accounts Receivable under the Elementary Transaction Contracts entered into between the Company and its subsidiaries (the “ <b>Group</b> ”) and the buyer(s) to China Aluminum Business so as to obtain the factoring facility funds from China Aluminum Business. China Aluminum Business agrees on the transfer of the Accounts Receivable and provides the Company with the factoring services.
Key Terms of Factoring:	The Company obtained fund by way of transfer of Accounts Receivable held by the Company or its holding subsidiaries, in which the Company transferred the Accounts Receivable held by its own to China Aluminum Business and obtained the factoring facility funds from China Aluminum Business. Upon expiry, the Accounts Receivable shall be paid by the debtor of the Accounts Receivable to China Aluminum Business for the transferred Accounts Receivable, or shall be repurchased by the Company from China Aluminum Business.
Factoring Limit:	The maximum amount of the Accounts Receivable that the Company could transfer to China Aluminum Business is based on the 2021 Factoring Agreement. The Company is entitled to make application to China Aluminum Business for the transfer of the Accounts Receivable within the factoring limit during the validity period. Where China Aluminum Business approves and agrees the receipt of such Accounts Receivable, both parties shall sign a separate “Confirmation Slip for Transfer of Accounts Receivable”. The transfer of the Accounts Receivable shall become effective upon the signing of the “Confirmation Slip for Transfer of Accounts Receivable”.

## LETTER FROM THE BOARD

Factoring Facility Limit and  
Factoring Facility Balance:

China Aluminum Business will prepay part of the factoring proceeds to the Company during the transfer of the Accounts Receivable. The prepaid factoring proceeds shall be the factoring facility limit. When making the application of the factoring facility to China Aluminum Business, the Company shall comply with the factoring facility limit and other conditions of the factoring facility as mutually agreed by both parties. The Company can apply for the factoring facility for multiple times during the validity period for various sums of the Accounts Receivable, provided that the amount of the factoring facility applied by the Company shall not exceed the factoring facility limit. The application of the factoring facility shall be made within the validity period of the factoring facility limit. The difference between the factoring limit and the factoring facility limit shall be the factoring facility balance, which will be returned to the Company in full by China Aluminum Business within one year after the signing of the 2021 Factoring Agreement.

Entitlement of China Aluminum  
Business under the Accounts  
Receivable:

After the transfer of Accounts Receivable takes into effect, China Aluminum Business shall obtain the obligations, Security Interests and other non-monetary interests under such Accounts Receivable, including but not limited to the following unless otherwise provided in writing by both parties:

- (1) Obligations of Accounts Receivable under the Elementary Transaction Contracts.
- (2) Security Interests under the Credit Supporting Documents.
- (3) Entitlements to demand the payment of Accounts Receivable by the buyer(s) as the debtor of Accounts Receivable, including but not limited to the rights to file a lawsuit or arbitration directly against the buyer(s) with each measure allowed by the law.
- (4) Entitlements to exercise the rights of a debtor, participate in the liquidation and other similar procedures as the debtor of Accounts Receivable upon the winding up of the buyer(s).

## LETTER FROM THE BOARD

- (5) Entitlements to transfer, charge Accounts Receivable again or to endorse the transfer of the negotiable bills under Accounts Receivable.
- (6) Entitlements to demand the payment of default or compensation by the buyer(s) under the requirements of the Elementary Transaction Contracts upon the buyer's delay of paying the Accounts Receivable.
- (7) Entitlements to make debts rearrangement, waivers or settlements with the buyer(s).
- (8) Entitlements to exercise the Security Interests related to the Accounts Receivable as the debtor of the Accounts Receivable.
- (9) Any other entitlements and indemnities related to Accounts Receivable that are originally entitled by the Company under the requirements of the law or agreements by the Elementary Transaction Contracts.

Given that the rights transferred under the 2021 Factoring Agreement are only contractual, any liabilities or obligations borne by the Company or related parties under the Elementary Transaction Contracts, including but not limited to contract dispute, product quality dispute, after-sale service, product recall, comprehensive warranties (for repair, replacement and compensation for faulty products), product liability and tortious liability, shall not be transferred with the transfer of Accounts Receivable and shall still be undertaken by the Company or related persons in charge.

After the 2021 Factoring Agreement takes into effect, China Aluminum Business shall handle registration formalities for the transfer of Accounts Receivable with Credit Reference Center of the People's Bank of China under the "Measures of Registering the Charge of Accounts Receivable" of the People's Bank of China or the amended requirements afterwards. The Company is obliged to provide assistance for China Aluminum Business to handle the above-mentioned registration.

## LETTER FROM THE BOARD

Factoring Service Charge and Handling Charge and its Payment Method:

The cost of the factoring services provided by China Aluminum Business shall not be higher than the cost of services of similar nature provided by the independent third party banks or companies which operate factoring business in the PRC. The cost of factoring service mainly includes the factoring service charge and handling charge. The handling charge shall be paid upon the first payment of factoring service charge. The factoring service charge shall be paid on a quarterly basis.

Pricing Policy:

The factoring service charge and handling charge to be received by China Aluminum Business from the Company shall be subject to the standard charges issued by the People's Bank of China or the China Banking and Insurance Regulatory Commission for similar services from time to time, and shall not be higher than that of services of similar nature provided by the independent third party banks or companies which operate factoring business in the PRC.

Security:

nil

### HISTORICAL DATA

The annual caps for the relevant year under the New Factoring Agreement are as follows:

	<i>Unit: RMB million</i>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
Factoring Limit	940	940	940
Factoring Service Charge and Handling Charge	60	60	60
Total	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## LETTER FROM THE BOARD

The used factoring limits for the relevant year under the New Factoring Agreement are as follows:

*Unit: RMB million*

	2019	2020	For the nine months ended 30 September 2021
Factoring Limit	412	288	145
Factoring Service Charge and Handling Charge	<u>27</u>	<u>17</u>	<u>6.5</u>
Total	<u><u>439</u></u>	<u><u>305</u></u>	<u><u>151.5</u></u>

### PROPOSED ANNUAL CAP UNDER THE 2021 FACTORING AGREEMENT

With reference to the used factoring limit between 2019 and 2021 and the anticipated demand for the funding from China Aluminum Business from 2022 to 2024 by the subsidiaries of the Group, it is estimated that the annual caps for 2022 to 2024 under the 2021 Factoring Agreement are as follows:

*Unit: RMB million*

	2022	2023	2024
Factoring Limit	940	940	940
Factoring Service Charge and Handling Charge	<u>60</u>	<u>60</u>	<u>60</u>
Total	<u><u>1,000</u></u>	<u><u>1,000</u></u>	<u><u>1,000</u></u>

### BASIS FOR DETERMINING THE CAP

The proposed annual caps for 2022 to 2024 are made by the Company after taking into account of the following principal factors:

- (a) The historical transaction amounts of the factoring services accepted by the Group; In particular, in respect of the factoring limit utilized by the Company for the relevant year under the New Factoring Agreement, although the total demand of the Company in respect of the factoring service reached RMB1.699 billion in 2019, the Company successfully issued asset-backed securities backed by the account receivables amounting to RMB1.26 billion in the capital market, thus the utilized credit limit has decreased; since 2020, impacted by the pandemic, China has implemented easing monetary policies. In respect of the Company, the inter-bank financing cost and the cost of funding in the capital market has decreased accordingly, thus the Company has strengthened the financing efforts in inter-bank and debenture market and the utilized credit limit has also decreased;

## LETTER FROM THE BOARD

- (b) China Aluminum Business is supervised by the China Banking and Insurance Regulatory Commission and has been maintaining good operating results and financial condition during its track record;
- (c) The general industry characteristics of the engineering and construction contracting business that the Group is engaged in are the long collection period of Accounts Receivable and higher carrying balance. Considering the growth scale of the Group's future business, the Group will have sufficient Accounts Receivable for future factoring financing;
- (d) The relevant terms of the factoring agreement entered into between the Company and China Aluminum Business will be under normal commercial terms. The factoring service fees and handling fees that China Aluminum Business will charge to the Company will not be higher than the fees charged by independent third-party banks or companies engaging in domestic factoring business for similar services. China Aluminum Business has a better understanding of the Company's business as compared with independent third-party banks or companies and has a closer communication with the Company. Therefore, it is expected that the business volume between the Company and China Aluminum Business will increase in the future;
- (e) As of 30 September 2021, the financing demand of the Group was approximately RMB16.9 billion and the Accounts Receivable was approximately RMB15.0 billion;
- (f) Based on the existing financing needs of the Group and the forecasted financing needs between 2022 to 2024, the Company intends to enter into a factoring agreement of RMB1 billion with China Aluminum Business. After comprehensively considering the financing needs and capital cost of the Group and with reference to the factoring service fee rate and handling rate provided by China Aluminum Business and independent third parties, as calculated based on the rate of approximately 6% to 6.5%, the factoring facilities, factoring service fees and handling charges under the Factoring Agreement will be RMB940 million and RMB60 million; and
- (g) As mentioned in item (g) above, the financing need and the amount of account receivables of the Group is relatively higher and the demand of factoring service is higher, and the Company has entered into agreements with Chinalco Finance Company Limited and China Aluminum Finance Lease Co., Ltd. in March 2021 and October 2019 respectively with the factoring limit applied not exceeding RMB2 billion and RMB1 billion respectively; the factoring service charge and handling charge charged by Chinalco Finance Company Limited and Chinalco Finance Lease Co., Ltd. may be different from the fees charged by China Aluminum Business; Entering into factoring agreements with China Aluminum Business enables the Company to choose the factoring service provider with the lowest financial cost for the Company among the counterparties, so that the Company can benefit from it.

## LETTER FROM THE BOARD

### INTERNAL CONTROL MEASURES

To guarantee that the Company will comply with the above pricing policies from time to time and ensure that the cost of the factoring services provided by China Aluminum Business shall not be higher than the cost of services of similar nature provided by independent third party banks or companies which operate factoring business in the PRC. The Company will adopt a series of internal control measures in its daily course of operation, which will be conducted and supervised by the financial and capital operation department of the Company:

- The Company has developed and adopted a set of management measures regarding connected transactions, pursuant to which the financial and capital operation department is responsible for the collection and supervision of the connected transaction information. For the same transaction, the Company shall ensure that at least one independent third party will participate in the quotation as a supplier. The financial and capital operation department shall conduct a comprehensive comparison between quotations provided by at least two suppliers and assess the fairness of transaction terms and pricing terms. If the contract terms are comparable or similar, the contract with a lower price shall be considered as the selected participant preliminarily. Officers handling the relevant matters shall submit a report to the head of the financial and capital operation department and the chief financial officer of the Company for the explanation of the details of such preliminary selected participant to obtain approval;
- Before China Aluminum Business commences the factoring financing business, key personnel in charge of relevant matters shall file an application to the financial and capital operation department, the approval of which shall only be subject to the preliminary and final review by the head of the financial and capital operation department and the chief financial officer of the Company based on the relevant internal control policies of the Group;
- The Directors of the Company have reviewed and will continue to review the 2021 Factoring Agreement and the transactions thereunder to make sure that such agreement is entered into on normal commercial terms and in the interest of the Company and the Shareholders as a whole. The auditor of the Company will also conduct annual review on the pricing and annual caps for such continuing connected transactions.

### REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The factoring financing business conducted in China Aluminum Business has the following advantages: Firstly, the financing channels of each subsidiary of the Company can be broadened so as to meet partial daily financing needs at a time when banks tighten the granting of credits; Secondly, the funds can be collected in advance for Accounts Receivable of certain quality customers, which lowers the fund occupation arising from Accounts Receivable; Thirdly, the formalities and procedures of the factoring financing business are easier and more convenient compared with those of other financing methods.



## LETTER FROM THE BOARD

Having an overall consideration, the Company is of the view that commencing factoring business with China Aluminum Business is in the interest of the Company and Shareholders as a whole.

### GENERAL INFORMATION

#### Information on the Company

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

#### Information on Chinalco

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

#### Information on China Aluminum Business

China Aluminum Business is a company incorporated in the PRC with limited liability, primarily engaged in provision of trade financing service by way of Accounts Receivable transferred; settlement, management and collection of Accounts Receivable; management of sales ledger; investigation and evaluation of clients' credits; and relevant consultancy services. The ultimate beneficial owner of China Aluminum Business is Chinalco.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Chinalco directly holds 73.56% of the existing issued share capital of the Company, and is a Controlling Shareholder of the Company and thus a connected person thereof. China Aluminum Business is a subsidiary of Chinalco, therefore China Aluminum Business is also a connected person of the Company. Accordingly, the 2021 Factoring Agreement and the transactions contemplated thereunder constitute the connected transactions of the Company. As the applicable percentage ratios in respect of the transactions under the 2021 Factoring Agreement exceed 5%, the 2021 Factoring Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## LETTER FROM THE BOARD

As one or more of the applicable percentage ratios in respect of the transactions under the 2021 Factoring Agreement exceed 5% but below 25%, which constitute the disclosable transactions of the Company, the 2021 Factoring Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### CONFIRMATION OF THE BOARD

As Mr. Li Yihua holds position in Chinalco and therefore has material interests in the 2021 Factoring Agreement and the transactions thereunder, he has abstained from voting on the relevant Board resolutions. Save as Mr. Li Yihua, none of the other Directors has material interests in the transaction hereof.

The Directors (including the independent non-executive Directors) are of the opinion that the 2021 Factoring Agreement and the transactions contemplated thereunder are not in the ordinary or usual course of business of the Group but are entered into on normal commercial terms and its terms and conditions are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has appointed Gram Capital to advise the Independent Board Committee and the independent shareholders as to whether the 2021 Factoring Agreement is on normal commercial terms and is fair and reasonable so far as the independent shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole, and to advise the independent shareholders as to how they should vote in respect of the above resolutions at the EGM. The Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the independent shareholders as to whether the 2021 Factoring Agreement is entered into on normal commercial terms and is fair and reasonable so far as the independent shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole, and to advise the independent shareholders as to how they should vote in respect of the above resolutions, after taking into account the recommendations of Gram Capital. As such, the Directors recommend independent Shareholders to vote for the transactions contemplated under the renewal of the factoring agreement as set out in the circular.

### VII. EGM

The second extraordinary general meeting in 2021 will be held at Conference Room 211 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Thursday, 30 December 2021. The Notice of EGM is set out on pages 74 to 75 of this circular.

In order to determine the Shareholders entitled to attend the EGM to be convened on Thursday, 30 December 2021, the register of members will be closed from Friday, 24 December 2021 to Thursday, 30 December 2021, 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, 23 December 2021.

## LETTER FROM THE BOARD

### VII. VOTING BY POLL AT EGM

Pursuant to Rule 13.39(4) of the 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.

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.

Chinalco directly holds 73.56% of the existing issued share capital of the Company and is interested in the transactions contemplated under the renewal of the factoring agreement. Being the shareholders entitled to exercise the shares of the Company held by them, Chinalco and its associates (including Luoyang Engineering & Research Institute for Nonferrous Metals Processing and Yunnan Aluminum International Company Limited, holding 2.94% and 0.66% of the issued share capital of the Company respectively) are required to abstain from voting on the resolution in respect of the renewal of the factoring agreement.

### IX. 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**  
*Joint Company Secretary*

Beijing, the PRC, 14 December 2021



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)

14 December 2021

*To the Independent Shareholders*

**CONTINUING CONNECTED TRANSACTION  
IN RELATION TO THE RENEWAL OF THE FACTORING AGREEMENT**

Dear Sir or Madam,

We refer to the circular dated 14 December 2021 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 transactions of the renewal of the Factoring Agreement, the details of which are set out in the Letter from the Board in the circular. Gram Capital has been appointed to advise the Independent Board Committee and the independent shareholders in relation to the transactions of the renewal of the Factoring Agreement.

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 V. Having taken into account the principal factors and reasons considered by Gram Capital and its conclusion and advice, we consider that the transactions of the renewal of the Factoring Agreement are not in the ordinary and usual course of business of the Group, but are on normal commercial terms, and that the terms of transactions of the renewal of the Factoring Agreement 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 transactions of the renewal of the Factoring Agreement.

Yours faithfully,  
**Independent Board Committee**  
**Mr. CHEUNG Hung Kwong**

**Mr. GUI Weihua**  
*Independent  
non-executive Director*

*Independent  
non-executive Director*

**Mr. FU Jun**  
*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 the Circular.*



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

14 December 2021

To: *The independent board committee and the independent shareholders of  
China Aluminum International Engineering Corp. Ltd.*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2021 Factoring Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 14 December 2021 (the “**Circular**”) issued by the Company to the Shareholders, 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.

As the New Factoring Agreement and the corresponding annual cap would expire on 31 December 2021, the Company entered into the 2021 Factoring Agreement with China Aluminum Business on 27 October 2021. The 2021 Factoring Agreement will be effective from the date of consideration and approval of relevant resolution by the general meeting of the Company and expire on 31 December 2024.

With reference to the Board Letter, the Transactions constitute discloseable and continuing connected transactions and are subject to the announcement, reporting, annual review and the independent shareholders’ approval requirement under the Listing Rules.

The Independent Board Committee comprising Mr. GUI Weihua, Mr. CHEUNG Hung Kwong and Mr. FU Jun (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

## LETTER FROM GRAM CAPITAL

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 the (i) discloseable and continuing connected transactions (details of which are set out in the Company's circular dated 4 June 2021 (the "**2021 June Circular**")); and (ii) continuing connected transactions; discloseable and continuing connected transactions (details of which are set out in the Company's circular dated 13 December 2019).

Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with our aforesaid engagements and this engagement (as the Independent Financial Adviser), there was no arrangement whereby we shall receive any other fees or benefits from the Company.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements, 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 Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the 2021

## LETTER FROM GRAM CAPITAL

Factoring Agreement. 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 Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 in this 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 Business or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the 2021 Factoring Agreement. 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:

#### **Business overview of 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 the PRC, capable of providing full business-chain integrated engineering solutions throughout various stages of the non-ferrous metals industry chain. The Group is primarily engaged in engineering design and consultancy, engineering and general construction contracting, equipment manufacturing and trading.



## LETTER FROM GRAM CAPITAL

### Information on China Aluminum Business

With reference to the Board Letter, China Aluminum Business is a company incorporated in the PRC with limited liability, primarily engaged in provision of trade financing service by way of Accounts Receivable transferred; settlement, management and collection of Accounts Receivable; management of sales ledger; investigation and evaluation of clients' credits; and relevant consultancy services. The ultimate beneficial owner of China Aluminum Business is Chinalco.

### Reasons for and benefit of the Transactions

With reference to the Board Letter, the factoring financing business conducted in China Aluminum Business has the following advantages: Firstly, the financing channels of each subsidiary of the Company can be broadened so as to meet partial daily financing needs at a time when banks tighten the granting of credits; secondly, the funds can be collected in advance for Accounts Receivable of certain quality customers, which lowers the fund occupation arising from Accounts Receivable; thirdly, the formalities and procedures of the factoring financing business are easier and more convenient compared with those of other financing methods. Having an overall consideration, the Company is of the view that commencing factoring business with China Aluminum Business is in the interest of the Company and Shareholders as a whole.

As advised by the Directors, factoring arrangement offers multiple benefits for the Company mainly due to the fact that through the factoring business, the Company can receive the Accounts Receivable in advance, satisfy the capital requirement for business development, mitigate the fund occupation arisen from the Accounts Receivable, and support the ongoing business expansion so as to raise the efficiency of capital use.

Pursuant to the 2021 Factoring Agreement, the factoring service charge and handling charge to be received by China Aluminum Business from the Company shall be subject to the standard charges issued by the People's Bank of China or the China Banking and Insurance Regulatory Commission for similar services from time to time, and shall not be higher than that of services of similar nature provided by the independent third party banks or companies which operate factoring business in the PRC.

In light of the above reasons, in particular:

- (i) the Company can receive the Accounts Receivable in advance through the factoring business; and
- (ii) the pricing policy as mentioned above;

we consider 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.



## LETTER FROM GRAM CAPITAL

### Principal terms of the Transactions

Set out below are the key terms of the Transactions, details of which are set out under the section headed “RENEWAL OF THE FACTORING AGREEMENT” of the Board Letter.

**Date:** 27 October 2021

**Parties:** The Company; and

China Aluminum Business

**Subject of the Transaction:** The Company is intended to transfer the Accounts Receivable under the Elementary Transaction Contracts entered into between the Group and the buyer(s) to China Aluminum Business so as to obtain the factoring facility funds from China Aluminum Business. China Aluminum Business agrees on the transfer of the Accounts Receivable and provides the Company with the factoring services.

**Key terms of Factoring:** The Company obtained fund by way of transfer of Accounts Receivable held by the Company or its holding subsidiaries, in which the Company transferred the Accounts Receivable held by its own to China Aluminum Business and obtained the factoring facility funds from China Aluminum Business. Upon expiry, the Accounts Receivable shall be paid by the debtor of the Accounts Receivable to China Aluminum Business for the transferred Accounts Receivable, or shall be repurchased by the Company from China Aluminum Business.

**Factoring Service Charge and Handling Charge and its Payment Method:** The cost of the factoring services provided by China Aluminum Business shall not be higher than the cost of services of similar nature provided by the independent third party banks or companies which operate factoring business in the PRC. The cost of factoring service mainly includes the factoring service charge and handling charge. The handling charge shall be paid upon the first payment of factoring service charge. The factoring service charge shall be paid on a quarterly basis.

## LETTER FROM GRAM CAPITAL

**Pricing policy:**

The factoring service charge and handling charge to be received by China Aluminum Business from the Company shall be subject to the standard charges issued by the People's Bank of China or the China Banking and Insurance Regulatory Commission for similar services from time to time, and shall not be higher than that of services of similar nature provided by the independent third party banks or companies which operate factoring business in the PRC.

Upon our enquiry, the Directors advised us that there were no new factoring arrangement entered into between the Group and (i) China Aluminum Business; (ii) Chinalco Finance from the date of 2021 June Circular to the date of 2021 Factoring Agreement. As stated in the letter from Gram Capital contained in the 2021 June Circular, we obtained three application forms (the "**Application Forms**") which were filed to the Company's financial department (now known as financial and capital operation department) regarding factoring business involving China Aluminum Business from 2019 to 2021. We consider the number of the Application Forms were sufficient for us to form our view after taking into account (i) the New Factoring Agreement was effective in 2019 and will continuously be effective as at the Latest Practicable Date, therefore the review period from 2019 to 2021 covers the aforesaid period; (ii) the date of Application Form covered each year of the review period from 2019 to 2021. According to the Application Forms, we noted that (i) the interest rates offered by China Aluminum Business under two Application Forms were not higher than those offered by independent third parties which will provide factoring arrangement to the Group and the aforesaid factoring arrangements with China Aluminum Business were recommended and approved; (ii) the interest rate offered by China Aluminum Business under one Application Form was higher than that offered by an independent third party and therefore factoring arrangement with the independent third party was recommended and approved (note: the Group entered into factoring agreement with the independent third party for this transaction); (iii) the Application Forms were initiated by the Company's staffs in financial department (now known as financial and capital operation department) and reviewed and approved by two senior staffs of the Company's financial department (now known as financial and capital operation department); and (iv) the Application Forms were finally approved by the Company's chief financial officer.

With reference to the Board Letter, to ensure the Company's conformity with the pricing policy of the Transactions from time to time, the Company would adopt a series of internal control policies during its daily operation. As (i) there will be quotations comparison procedure before accepting factoring services from China Aluminum Business; (ii) the financial and capital operation department is responsible for collecting and supervision of the connected transaction information, and evaluating the fairness of the transaction terms and the pricing terms; and (iii) officers handling the relevant matters shall submit a report to the head of the financial and capital operation department and the chief financial officer of the Company for the explanation of the details of such preliminary selected participant to obtain approval, we consider the effective implementation of the internal control measures will ensure the fair pricing under the Transactions.

## LETTER FROM GRAM CAPITAL

Having also considered that our findings on the Application Forms, we do not doubt the effectiveness of the implementation of the internal procedures for the Transactions.

Furthermore, we also noted that the Company has established a detailed list of connected persons. Any transaction, if involving any connected person of the Company, will be reported in a timely manner. Accordingly, the responsible department of the Company may keep track of the amount of connected transactions and ensure that such amount will not exceed the annual caps.

### The historical amounts and the proposed annual caps

Set out below are (i) the historical amounts of factoring limit and cost with China Aluminum Business for the two years ended 31 December 2020 and for the nine months ended 30 September 2021 with existing annual caps; and (ii) the proposed annual caps for the three years ending 31 December 2024:

	<b>For the year ended 31 December 2019 (RMB'million)</b>	<b>For the year ended 31 December 2020 (RMB'million)</b>	<b>For the year ending 31 December 2021 (RMB'million)</b>
Historical amounts (including factoring limit and cost with China Aluminum Business)	439	305	151.5 (Note)
Existing annual caps (including factoring limit and cost with China Aluminum Business)	1,000	1,000	1,000
Utilisation rate	43.9%	30.5%	N/A
	<b>For the year ending 31 December 2022 (RMB'million)</b>	<b>For the year ending 31 December 2023 (RMB'million)</b>	<b>For the year ending 31 December 2024 (RMB'million)</b>
Factoring Limit	940	940	940
Factoring Service Charge and Handling Charge (the "Expected Charges")	60	60	60

*Note:* the figure was for the nine months ended 30 September 2021

We understood that the proposed annual caps for the three years ending 31 December 2024 were determined with reference to various factors, details of which are set out under the section headed "BASIS FOR DETERMINING THE CAP" of the Board Letter.

## LETTER FROM GRAM CAPITAL

With reference to the Company's interim report for the six months ended 30 June 2021, as at 30 June 2021, the outstanding interest-bearing liabilities of the Group amounted to approximately RMB15.277 billion, among which short-term borrowings and long-term borrowings due within one year were RMB5.924 billion, and long-term borrowings were RMB9.353 billion. In addition, the Group recorded accounts receivables of approximately RMB14.49 billion as at 30 June 2021. The aforesaid outstanding borrowings accounts receivables are significantly larger than the Factoring Limits.

As also advised by the Directors, when determining the Factoring Limits for the three years ending 31 December 2024, the Directors also considered the historical demand of factoring services or relevant services for the year ended 31 December 2019 as a result of the loosened domestic inter-bank market financing with lower financing cost in 2020 as compared to that for 2019, resulting the Company's demand of more financing from commercial banks instead of institutions which provides factoring services.

We noted that during 2019, the Group recorded actual transaction amounts of approximately RMB439 million with China Aluminum Business. In addition, on 23 December 2019, the Company entered into an underlying assets sale and purchase agreement with CSC Financial Co., Ltd. ("**CSC**"), pursuant to which the Company agreed to dispose of the accounts receivable (excluding retention fund) and their ancillary security interests (i.e. underlying assets to CSC at a consideration of RMB1,260 million; meanwhile, the Company has appointed CSC as the scheme manager of the "CSC — Chalieco's Accounts Receivable Asset-backed Special Scheme for 2019"(the "**ABS Scheme**"), who shall issue the asset-backed securities which can be listed and traded on Shanghai Stock Exchange according to the relevant documents of the ABS Scheme. The aforesaid demand of factoring services or relevant services for the year ended 31 December 2019 was approximately RMB1,699 million in total, which exceed the Factoring Limits of RMB940 million.

In addition, we also noted that the followings:

- the Company entered into a finance lease framework cooperation agreement with Chinalco Finance Lease Co., Ltd. ("**Chinalco Finance Lease**") on 30 October 2019 (the "**2019 October Agreement**"), pursuant to which, (i) Chinalco Finance Lease agrees to provide lease services, investment and financial consulting services and account receivables management services to the Group pursuant to the terms and conditions of the finance lease framework cooperation agreement; and (ii) an intended scale of cooperation worth RMB1 billion, which is a revolving limit, at any time within the validity period of the finance lease framework cooperation agreement, the cap of balance of lease services, investment and financial consulting services and account receivables management services obtained by the Group from Chinalco Finance Lease. As advised by the Directors, the account receivables management services under the 2019 October Agreement are in similar nature to the Transactions. The 2019 October Agreement was approved by the then independent shareholders of the Company at the Company's extraordinary general meeting on 30 December 2019.

## LETTER FROM GRAM CAPITAL

- the Company entered into a financial services agreement with Chinalco Finance Company Limited (“**Chinalco Finance**”) 29 March 2021 (the “**2021 March Agreement**”), pursuant to which and among other things, Chinalco Finance will provide factoring services for accounts receivable to the Group based on the operational and development needs of the Group, with the daily factoring businesses limit provided by Chinalco Finance to the Group shall not exceed RMB2 billion during the term of the 2021 March Agreement. As advised by the Directors, the factoring arrangement under the 2021 March Agreement are in similar nature to the Transactions. The 2021 March Agreement was approved by the then independent shareholders of the Company at the Company’s annual general meeting on 25 June 2021.

The Factoring Limits was close to the maximum amount under the factoring arrangements under the 2019 October Agreement and represented approximately half of the maximum amount under the existing factoring arrangements under the 2021 March Agreement. As advised by the Directors, the counterparty of the existing factoring arrangement are different financial institutions to the Chinalco Aluminum Business and therefore different interest rates/handling fees may be offered by such institutions. As a result, the Group can select factoring services provider who offers the lowest finance cost in order to benefit the Group.

As mentioned above, the utilizations of the existing factoring arrangements were low in 2020, which was mainly due to the fact that the Company preferred to opt for inter-bank financing to partly replace the factoring service facilities originally planned as a result of the loosened domestic inter-bank market financing with lower financing cost in 2020. However, as it is unknown whether the Group is able to obtain lower cost financing from domestic banks in the future, the Group may opt to accept more factoring services from independent financial institutions or Chinalco Aluminum Business (subject to pricing terms) should the cost of factoring is less than the cost of financing from domestic banks or the Group cannot obtain financing with lower financing cost from domestic banks when the Group has relevant financing needs.

Based on the above factors, in particular:

- (i) the Group recorded accounts receivables of approximately RMB14.49 billion as at 30 June 2021, which indicated the Group’s possible demand of factoring services or related services;
- (ii) the actual demand of factoring services or relevant services for the year ended 31 December 2019 was approximately RMB1,699 million in total, which exceed the Factoring Limits of RMB940 million;

## LETTER FROM GRAM CAPITAL

- (iii) despite that the Group entered into the 2021 March Agreement and 2019 October Agreement with maximum amount of factoring arrangement of RMB2 billion and RMB1 billion per annum respectively, the counterparties of the existing factoring arrangements are different financial institutions to the Chinalco Aluminum Business and therefore different interest rates/handling fees may be offered by such institutions. As a result, the Group can select factoring services provider who offers the lowest finance cost in order to benefit the Group; and
- (iv) as it is unknown whether the Group is able to obtain lower cost financing from domestic banks in the future, the Group may opt to accept more factoring services from independent financial institutions or Chinalco Aluminum Business (subject to pricing terms) should the cost of factoring is less than the cost of financing from domestic banks or the Group cannot obtain financing with lower financing cost from domestic banks when the Group has relevant financing needs,

we consider the Factoring Limits for the three years ending 31 December 2024 to be fair and reasonable.

The Directors advised us that the estimated rates of Expected Charges were determined with reference to factoring service charge rates and handling charge rates offered by China Aluminum Business and independent third parties in FY2021. We noted that the estimated rates of Expected Charges are in line with rates of those fees as offered by China Aluminum Business under the Application Forms in FY2021.

Based on the above, we consider that the estimated rates of Expected Charges are acceptable. Accordingly, we consider that the Expected Charges for the three years ending 31 December 2024 to be fair and reasonable.

### **Listing Rules implication**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum values of the Transactions must be restricted by proposed annual caps for the period concerned under the 2021 Factoring Agreement; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; (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 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 entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

## LETTER FROM GRAM CAPITAL

In the event that the maximum amounts of the Transactions are anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the 2021 Factoring Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the 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.

### RECOMMENDATION

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 revision	After revision
1	<p><b>Article 1</b> These Articles of Association are formulated in accordance with “The Company Law of the People’s Republic of China” (the “Company Law”), “The Securities Law of the People Republic of China” (the “Securities Law”), “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Special Regulations”), “The Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas” (the “Mandatory Provisions”), “The Guidelines on Articles of Association of Listed Companies” (the “Guidelines on Articles”), “The Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong”, “The Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters Applicable to the Overseas Listed Companies”, “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant national requirements with an aim to safeguard the legal interests of China Aluminum International Engineering Corporation Limited (the “Company”), as well as to regulate the organization and acts of the Company.</p>	<p><b>Article 1</b> These Articles of Association are formulated in accordance with “The Company Law of the People’s Republic of China” (the “Company Law”), “The Securities Law of the People Republic of China” (the “Securities Law”), “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Special Regulations”), “The Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas” (the “Mandatory Provisions”), “The Guidelines on Articles of Association of Listed Companies” (the “Guidelines on Articles”), “The Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong” <b>“The Guiding Opinion regarding the Further Improvement in Corporate Governance Structure of State-Owned Enterprises Promulgated by the General Office of the State Council”</b> “The Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters Applicable to the Overseas Listed Companies” “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant national requirements with an aim to safeguard the legal interests of China Aluminum International Engineering Corporation Limited (the “Company”), as well as to regulate the organization and acts of the Company.</p>



No.	Before revision	After revision
	<p>The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations, The Constitution of the Chinese Communist Party and other related laws in PRC. As approved by the document entitled “The Reply of Approving the Establishment of China Aluminum International Engineering Corporation Limited” (Guo Zi Gai Ge (2011) No. 597)《關於設立中鋁國際工程股份有限公司的批覆》(國資改革(2011) 597號) issued by the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) on 30 June 2011, the Company was established by way of promotion and modification, and was registered with the State Administration for Industry and Commerce of the People’s Republic of China on 30 June 2011 to obtain its business license numbered 911100007109323200.</p> <p>The promoters of the Company include Aluminum Corporation of China (“Chinalco”) and Luoyang Engineering &amp; Research Institute for Nonferrous Metals Processing (“Luoyang Institute”).</p>	<p>The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations, The Constitution of the Chinese Communist Party and other related laws in PRC. As approved by the document entitled “The Reply of Approving the Establishment of China Aluminum International Engineering Corporation Limited” (Guo Zi Gai Ge (2011) No. 597)《關於設立中鋁國際工程股份有限公司的批覆》(國資改革(2011) 597號) issued by the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) on 30 June 2011, the Company was established by way of promotion and modification, and was registered with the State Administration for Industry and Commerce of the People’s Republic of China on 30 June 2011 to obtain its business license numbered 911100007109323200.</p> <p>The promoters of the Company include Aluminum Corporation of China (“Chinalco”) and Luoyang Engineering &amp; Research Institute for Nonferrous Metals Processing (“Luoyang Institute”).</p>
2	<p><b>Article 47</b> Shares of the Company held by the promoters may not be transferred within one year after the Company’s establishment. Shares in issue of the Company before public offering may not be transferred within one year from the date on which the shares of the Company were listed and trading on Stock Exchange.</p>	<p><b>Article 47</b> Shares of the Company held by the promoters may not be transferred within one year after the Company’s establishment. Shares in issue of the Company before public offering may not be transferred within one year from the date on which the shares of the Company were listed and trading on Stock Exchange.</p>

No.	Before revision	After revision
	<p>The directors, supervisors and senior management officers of the Company shall report to the Company their number of shares held in the Company and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in his/her possession, except if the number of shares held is lower than 1000. Shares of the Company held may not be transferred within one year from the date on which the shares of the Company were listed and trading. Such personnel shall not transfer the Company's shares in their possession within half a year after they terminate their employment with the Company.</p> <p>Where any director, supervisor, senior management of the Company and shareholders holding 5% or above of the Company's shares sell his/her shares within six months after their purchase, or repurchase shares in the Company within six months after their disposal, the gains so earned shall belong to the Company. The Board shall demand such gains for the benefit of the Company. However, the six month restriction shall not apply for a securities company holding 5% or more of the Company's shares as a result of its underwriting of the untaken shares in an offer.</p>	<p>The directors, supervisors and senior management officers of the Company shall report to the Company their number of shares held in the Company and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in his/her possession, except if the number of shares held is lower than 1000. Shares of the Company held may not be transferred within one year from the date on which the shares of the Company were listed and trading. Such personnel shall not transfer the Company's shares in their possession within half a year after they terminate their employment with the Company.</p> <p>Where any director, supervisor, senior management of the Company and shareholders holding 5% or above of the Company's shares sell his/her shares <b>or other securities of an equity nature</b> within six months after their purchase, or repurchase shares in the Company within six months after their disposal, the gains so earned shall belong to the Company. The Board shall demand such gains for the benefit of the Company. <del>However, the six month restriction shall not apply for,</del> except where a securities company holding 5% or more of the Company's shares as a result of its underwriting of the untaken shares in an offer, <b>as well as and in other circumstances as prescribed by the securities regulatory authority of the State Council.</b></p> <p><b>The shares or other securities of an equity nature held by directors, supervisors, senior management or natural person shareholders referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents or children and those held using the accounts of others.</b></p>

No.	Before revision	After revision
	<p>In the event that the Board of the Company fails to enforce the requirement in accordance with the preceding paragraph, the shareholders are entitled to demand enforcement by the Board within 30 days. In the event that the Board of the Company fails to enforce the requirement within the said period, the shareholders are entitled to initiate litigation before the People's Court for the interests of the Company's in its own name.</p> <p>In the event that the Board of the Company fails to enforce the requirements in accordance with the Clause 3 of the Articles of Association, responsible directors shall be jointly and severally liable in accordance with the law.</p>	<p>In the event that the Board of the Company fails to enforce the requirement in accordance with the preceding paragraph, the shareholders are entitled to demand enforcement by the Board within 30 days. In the event that the Board of the Company fails to enforce the requirement within the said period, the shareholders are entitled to initiate litigation before the People's Court for the interests of the Company's in its own name.</p> <p>In the event that the Board of the Company fails to enforce the requirements in accordance with the Clause 3 of the Articles of Association, responsible directors shall be jointly and severally liable in accordance with the law.</p>

No.	Before revision	After revision
3	<p><b>Article 79</b> When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and the shareholder(s) independently or collectively holding more than 3% of the Company's shares have the right to present proposals to the Company and submit provisional proposals to the convener in writing 10 days prior to the meeting. The general meeting convener shall send a supplementary notice of the general meeting to announce such provisional proposals within 2 days after receipt thereof.</p> <p>Except as provided by the preceding paragraph, the convener of a general meeting shall not amend the proposed resolutions set out in the notice of general meeting or add any new proposals subsequent to the issue of the notice of the general meeting.</p> <p>Any proposal that is not stated on the notice of general meeting or that is incompliant with Article 78 of the Articles of Association shall not be considered or approved by the general meeting.</p>	<p><b>Article 79</b> When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and the shareholder(s) independently or collectively holding more than 3% of the Company's shares have the right to present proposals to the Company; <b>shareholder(s) independently or collectively holding more than 3% of the Company's shares may</b> <del>and</del> submit provisional proposals to the convener in writing 10 days prior to the meeting. The general meeting convener shall send a supplementary notice of the general meeting to announce such provisional proposals within 2 days after receipt thereof.</p> <p>Except as provided by the preceding paragraph, the convener of a general meeting shall not amend the proposed resolutions set out in the notice of general meeting or add any new proposals subsequent to the issue of the notice of the general meeting.</p> <p>Any proposal that is not stated on the notice of general meeting or that is incompliant with Article 78 of the Articles of Association shall not be considered or approved by the general meeting.</p>
4	<p><b>Article 103</b> The convener shall ensure that the meeting minutes are true, accurate and complete. The minutes shall be signed by the attending Directors, Supervisors, the secretary to the Board, the convener or his or her representative, and the chairman of the meeting. The minutes shall be kept for 10 years, together with the book of signatures of the attending shareholders, the powers of attorney for shareholders who attend the meeting by proxy, and the valid information concerning voting online or by other means.</p>	<p><b>Article 103</b> The convener shall ensure that the meeting minutes are true, accurate and complete. The minutes shall be signed by the attending Directors, Supervisors, the secretary to the Board, the convener or his or her representative, and the chairman of the meeting. The minutes shall be kept <del>for 10 years,</del> together with the book of signatures of the attending shareholders, the powers of attorney for shareholders who attend the meeting by proxy, and the valid information concerning voting online or by other means, <b>and the meeting records shall be kept permanently.</b></p>

No.	Before revision	After revision
5	<p><b>Article 163</b> The Board shall comprise nine directors, including three independent directors who may report directly to the general meeting, the securities regulatory authorities of the State Council and other relevant regulatory departments.</p> <p>The president or other senior management officers may concurrently serve as a director, provided that no more than half of the directors of the Company concurrently serve as the president or other senior management officers. At any time, there shall be no less than three independent directors.</p>	<p><b>Article 163</b> The Board shall comprise nine directors, <b>external directors (directors who do not hold position in the company, the same applies to all such terms below) shall constitute at least one-half of the board of directors, among which including three or more independent directors (directors who are independent of the shareholders of the company and who do not hold position within the company and who meet the qualifications for independent directorship as stipulated in the laws and regulations of the place of listing, listing rules and articles of association, etc.) shall be present. Independent directors who</b> may report directly to the general meeting, the securities regulatory authorities of the State Council and other relevant regulatory departments.</p> <p>The president or other senior management officers may concurrently serve as a director, provided that no more than half of the directors of the Company concurrently serve as the president or other senior management officers. At any time, there shall be no less than three independent directors.</p>
	<p>The Board shall appoint one chairman. The chairman of the Board shall be elected or removed by more than half of all the Directors. The term of office of the chairman shall be three years and is renewable upon re-election.</p> <p>No more than two senior management officers of the controlling shareholder shall concurrently assume the chairman or executive director of the Company.</p> <p>A director is not required to hold any shares in the Company.</p>	<p>The Board shall appoint one chairman. The chairman of the Board shall be elected or removed by more than half of all the Directors. The term of office of the chairman shall be three years and is renewable upon re-election.</p> <p>No more than two senior management officers of the controlling shareholder shall concurrently assume the chairman or executive director of the Company.</p> <p>A director is not required to hold any shares in the Company.</p>

No.	Before revision	After revision
6	<p><b>Article 164</b> The Board shall exercise the following functions and powers:</p> <p>(1) to convene general meetings, to propose at a general meeting to pass relevant matters and to report on its work to the general meeting;</p> <p>(2) to implement the resolutions of the general meetings;</p> <p>(3) to formulate the strategic plans, operations plans, and investment plans of the Company</p> <p>(4) to formulate the annual financial budget and final accounts of the Company;</p> <p>(5) to formulate the profit distribution plan and plan for recovery of losses of the Company;</p> <p>(6) to formulate proposals for increases or reductions of the registered share capital of the Company and proposals for the issue and listing of corporate debentures or other securities;</p>	<p><b>Article 164</b> The Board shall exercise the following functions and powers:</p> <p>(1) to convene general meetings, to propose at a general meeting to pass relevant matters and to report on its work to the general meeting;</p> <p>(2) to implement the resolutions of the general meetings;</p> <p>(3) to <del>formulate</del> <b>decide on</b> the <del>strategic plans</del>, operations plans, and investment plans of the Company;</p> <p>(4) to formulate the annual financial budget and final accounts of the Company;</p> <p>(5) to formulate the profit distribution plan and plan for recovery of losses of the Company;</p> <p>(6) to formulate proposals for increases or reductions of the registered share capital of the Company and proposals for the issue and listing of corporate debentures or other securities;</p>

No.	Before revision	After revision
	<p>(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company, or merger, segregation, dissolution and alteration of corporate form of the Company;</p> <p>(8) to decide on matters of external investment, acquisition and disposal of assets, asset charge, external guarantee, entrusted wealth management, and connected transactions of the Company within the authority granted by the general meeting;</p> <p>(9) to decide on the establishment of the Company's internal management structure;</p> <p>(10) to appoint or remove the Company's president and secretary of the Board, to appoint or remove other senior management officers such as deputy president and Chief Financial Officer, and to determine the matters relating to the remuneration, incentives and punishments of the above mentioned senior management officers;</p> <p>(11) to draw up the basic management system of the Company;</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p>	<p>(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company, or merger, segregation, dissolution and alteration of corporate form of the Company;</p> <p>(8) to decide on matters of external investment, acquisition and disposal of assets, asset charge, external guarantee, entrusted wealth management, and connected transactions of the Company <b>in accordance with this Articles and the Rules of Procedures for the Board of Directors</b> or within the authority granted by the general meeting;</p> <p>(9) to decide on the establishment of the Company's internal management structure;</p> <p>(10) to appoint or remove the Company's president and secretary of the Board, to appoint or remove other senior management officers such as deputy president and Chief Financial Officer, and to determine the matters relating to the remuneration, incentives and punishments of the above mentioned senior management officers;</p> <p>(11) to draw up the basic management system of the Company;</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p>

No.	Before revision	After revision
	<p>(13) to decide on the matters such as establishment, merger, segregation, reorganization or dissolution of the substantial wholly-owned subsidiaries or holding subsidiaries of the Company;</p> <p>(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in- charge;</p> <p>(15) to propose at general meetings a resolution in respect of candidates for independent directors and replacement of independent directors;</p> <p>(16) to propose at general meetings for the appointment, renewal or removal of the accountants' firm conducting auditing for the Company;</p> <p>(17) to listen to the work report and inspect the work of the president;</p> <p>(18) to manage the information disclosure of the Company;</p> <p>(19) to formulate the equity incentives plan;</p> <p>(20) to decide on matters in relation repurchases of shares by the Company under the circumstances as stated in Article 27(3), (5) and (6) of the Articles of Association.</p>	<p>(13) to decide on the matters such as establishment, merger, segregation, reorganization or dissolution of <del>the substantial wholly-owned</del> <b>branch offices</b> such as <b>branches</b> and subsidiaries <del>or holding subsidiaries of the Company;</del></p> <p>(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in- charge;</p> <p>(15) to propose at general meetings a resolution in respect of candidates for independent directors and replacement of independent directors;</p> <p>(16) to propose at general meetings for the appointment, renewal or removal of the accountants' firm conducting auditing for the Company;</p> <p>(17) to listen to the work report and inspect the work of the president;</p> <p>(18) to manage the information disclosure of the Company;</p> <p>(19) to formulate the equity incentives plan;</p> <p>(20) to decide on matters in relation repurchases of shares by the Company under the circumstances as stated in Article 27(3), (5) and (6) of the Articles of Association.</p>



No.	Before revision	After revision
	<p>(21) to decide on other major affairs of the Company, save for the matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p>(22) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(23) to review and supervise the training and continuing professional development of directors and senior management;</p> <p>(24) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;</p> <p>(25) to formulate, review and supervise the code of conduct and compliance manual(if any) applicable to employees and directors;</p> <p>(26) to review the Company's compliance with the Code on Corporate Governance Practices and the disclosure in the Corporate Governance Report;</p> <p>(27) other powers conferred by the Articles of Association or the general meetings; and</p> <p>(28) other matters as required by the PRC laws and regulations.</p>	<p>(21) to decide on other major affairs of the Company, save for the matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p>(22) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(23) to review and supervise the training and continuing professional development of directors and senior management;</p> <p>(24) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;</p> <p>(25) to formulate, review and supervise the code of conduct and compliance manual(if any) applicable to employees and directors;</p> <p>(26) to review the Company's compliance with the Code on Corporate Governance Practices and the disclosure in the Corporate Governance Report;</p> <p>(27) other powers conferred by the Articles of Association or the general meetings; and</p> <p>(28) other matters as required by the PRC laws and regulations.</p>

No.	Before revision	After revision
	<p>Save for the resolutions of the Board in respect of the matters specified in paragraphs (6), (7), (12) and (20) above, which shall be passed by two thirds or more of the directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the directors.</p> <p>Resolutions in respect of the connected transactions made by the Board shall not come into force unless such resolutions are signed by independent directors.</p>	<p>Save for the resolutions of the Board in respect of the matters specified in paragraphs (6), (7), (12) and (20) above, which shall be passed by two thirds or more of the directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the directors.</p> <p>Resolutions in respect of the connected transactions made by the Board shall not come into force unless such resolutions are signed by independent directors.</p> <p><b>The Board shall, in accordance with the provisions of the Articles of Association, resolve on matters within its authority in relation to guarantees, which shall require the consent of at least two-thirds of the Directors present at the meeting, in addition to the consent of a majority of all Directors of the Company.</b></p> <p>In deciding major corporate issues, the Board shall consult the Party Committee of the Company in advance.</p>
7	<p><b>Article 175</b> A Board meeting shall be held only if more than half of the directors are present. Where the quorum fails to be met due to refusal or failure to attend the meeting by directors, the chairman and the secretary of the Board shall report it to the regulatory authorities timely.</p>	<p><b>Article 175 Except as otherwise provided in the Articles of Association,</b> <del>a</del>A Board meeting shall be held only if more than half of the directors <b>as well as more than half of the external directors</b> are present. Where the quorum fails to be met due to refusal or failure to attend the meeting by directors, the chairman and the secretary of the Board shall report it to the regulatory authorities timely.</p>

No.	Before revision	After revision
	<p>Each director shall have one vote in the forms such as open ballot and written. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all directors.</p> <p>Unless otherwise provided by the laws, administrative regulations, the relevant regulatory ordinances and rules or special mentioned under the Articles of Association as approved by the Hong Kong Stock Exchange, a director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her associates as defined in the applicable Hong Kong Stock Exchange Listing Rules in effect from time to time has any material interest or any other relevant proposals.</p>	<p>Each director shall have one vote in the forms such as open ballot and written. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all directors;</p> <p>Unless otherwise provided by the laws, administrative regulations, the relevant regulatory ordinances and rules or special mentioned under the Articles of Association as approved by the Hong Kong Stock Exchange, a director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her associates as defined in the applicable Hong Kong Stock Exchange Listing Rules in effect from time to time has any material interest or any other relevant proposals.</p>
8	<p><b>Article 177</b> If any Director has connection with the enterprise involved in resolution made at a meeting of the Board, he/she may not exercise his/ her right to vote on such resolution for himself/herself or on behalf of other director.</p> <p>Under the following circumstances, a director shall avoid voting on the relevant proposals:</p> <p>(1) When the relevant laws, regulations and the listing rules of the place(s) where the shares are listed stipulated that Directors should avoid voting;</p> <p>(2) When the Directors deem necessary to avoid voting;</p>	<p><b>Article 177</b> If any Director has connection with the enterprise involved in resolution made at a meeting of the Board, he/she may not exercise his/ her right to vote on such resolution for himself/herself or on behalf of other director.</p> <p>Under the following circumstances, a director shall avoid voting on the relevant proposals:</p> <p>(1) When the relevant laws, regulations and the listing rules of the place(s) where the shares are listed stipulated that Directors should avoid voting;</p> <p>(2) When the Directors deem necessary to avoid voting</p>

No.	Before revision	After revision
	<p>(3) When the Articles of Association of the Company specifies that Directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal.</p> <p>Where the Directors are necessary to avoid voting, the relevant Board meeting may be convened if more than half of non-affiliated Directors attend the meeting and the resolution may pass upon the consent of more than half of non-affiliated Directors. If the number of the non-affiliated Directors attending the meeting is less than three, the relevant proposal shall be submitted to the shareholders' general meeting for consideration other than be put to a vote.</p>	<p>(3) When the Articles of Association of the Company specifies that Directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal.</p> <p>Where the Directors are necessary to avoid voting, the relevant Board meeting may be convened if more than half of non-affiliated Directors attend the meeting and the resolution may pass upon the consent of more than half of non-affiliated Directors, <b>and for matters involving special resolutions of the Board, the approval of at least two-thirds of the unrelated Directors is required.</b> If the number of the non-affiliated Directors attending the meeting is less than three, the relevant proposal shall be submitted to the shareholders' general meeting for consideration other than be put to a vote.</p>
9	<p><b>Article 178</b> Where one-fourth or more of the attending directors or two or more independent directors consider any proposal is not clear or specific, or that judgement cannot be made due to other reasons including insufficient meeting materials, such Directors may jointly propose to postpone the Board meeting or the discussion of certain matters at the meeting, and the Board shall accept such proposal.</p> <p>Directors who proposed to postpone the voting shall put forward specific requirements for reconsideration of the subject proposal.</p>	<p><b>Article 178</b> Where one-fourth or more of the attending directors or two or more <b>external independent</b> directors consider any proposal is not clear or specific, or that judgement cannot be made due to other reasons including insufficient meeting materials, such Directors may jointly propose to postpone the Board meeting or the discussion of certain matters at the meeting, and the Board shall accept such proposal.</p> <p>Directors who proposed to postpone the voting shall put forward specific requirements for reconsideration of the subject proposal.</p>

No.	Before revision	After revision
10	<p><b>Article 182</b> The Board shall prepare the minutes for the decisions made concerning the matters considered at the board meetings, which shall be signed by the attending directors and the recorder. The minutes of Board meetings shall be kept for the Company's record for a term of not less than 10 years. The directors shall be responsible for the resolutions passed at the Board meetings. Any director who votes for a board resolution which violates the laws, administrative regulations or the Articles of Association and the Company suffering from material losses as a result thereof, shall be responsible for the liabilities of compensation. However, a director who votes against such resolution, and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempted from such liability.</p>	<p><b>Article 182</b> The Board shall prepare the minutes for the decisions made concerning the matters considered at the board meetings, which shall be signed by the attending directors and the recorder. The minutes of Board meetings shall be kept for the Company's record, <b>and such meeting records shall be kept permanently for a term of not less than 10 years.</b> The directors shall be responsible for the resolutions passed at the Board meetings. Any director who votes for a board resolution which violates the laws, administrative regulations or the Articles of Association and the Company suffering from material losses as a result thereof, shall be responsible for the liabilities of compensation. However, a director who votes against such resolution, and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempted from such liability.</p>

No.	Before revision	After revision
11	<p><b>Article 183</b> The Secretary of the Board shall arrange the Office staff to keep the minutes of the Board meeting. The minutes of the Board meeting shall include the following items:</p> <p>(1) the date and venue of the meeting, and the name of the convener;</p> <p>(2) the names of the Directors present and those appointed by others to be present (proxies);</p> <p>(3) the agenda of the meeting;</p> <p>(4) the gist of Directors' speeches;</p> <p>(5) the method and result of the vote in relation to each proposed resolution (the result of the vote shall state the numbers of votes for or against the proposed resolution or that of the abstaining votes).</p>	<p><b>Article 183</b> The Secretary of the Board shall <b>be responsible for taking</b> <del>arrange the Office staff to keep the</del> minutes of the Board meeting. The minutes of the Board meeting shall include the following items:</p> <p>(1) the date and venue of the meeting, and the name of the convener;</p> <p>(2) the names of the Directors present and those appointed by others to be present (proxies);</p> <p>(3) the agenda of the meeting;</p> <p>(4) the gist of Directors' speeches;</p> <p>(5) the method and result of the vote in relation to each proposed resolution (the result of the vote shall state the numbers of votes for or against the proposed resolution or that of the abstaining votes).</p>
12	<p><b>Article 214</b></p> <p>.....</p> <p>The minutes of the meeting of the board of supervisors shall be kept in the domicile of the Company and kept as a company file for at least 10 years</p> <p>.....</p>	<p><b>Article 214</b></p> <p>.....</p> <p>The minutes of the meeting of the board of supervisors shall be kept in the domicile of the Company and <b>permanently kept</b> as a company file. <del>for at least 10 years</del></p> <p>.....</p>

No.	Before revision	After revision
1	<p><b>Article 62</b> The minutes of the Shareholders' General Meeting shall be taken by the secretary of the Board of Directors, and the minutes shall contain the following:</p> <p>(1) The time and place of the meeting, the agenda and the name of the convener;</p> <p>(2) The name of the chairman of the meeting and the names of the directors, supervisors, secretary of the board, general manager and other senior management present or attending the meeting;</p> <p>(3) The number of shareholders (including domestic shareholders and shareholders of overseas listed foreign shares, if any) and proxies attending the meeting, the total number of shares with voting rights and the proportion of the total number of shares of the company;</p> <p>(4) The consideration of each proposal, the major points of the speeches and the result of the vote;</p> <p>(5) Shareholders' queries or suggestions and the corresponding answers or explanations;</p> <p>(6) The names of the attorney and the tellers and scrutineers; and</p> <p>(7) Any other contents required by the Articles of Association to be included in the minutes of the meeting.</p>	<p><b>Article 62</b> The minutes of the Shareholders' General Meeting shall be taken by the secretary of the Board of Directors, and the minutes shall contain the following:</p> <p>(1) The time and place of the meeting, the agenda and the name of the convener;</p> <p>(2) The name of the chairman of the meeting and the names of the directors, supervisors, secretary of the board, general manager and other senior management present or attending the meeting;</p> <p>(3) The number of shareholders (including domestic shareholders and shareholders of overseas listed foreign shares, if any) and proxies attending the meeting, the total number of shares with voting rights and the proportion of the total number of shares of the company;</p> <p>(4) The consideration of each proposal, the major points of the speeches and the result of the vote;</p> <p>(5) Shareholders' queries or suggestions and the corresponding answers or explanations;</p> <p>(6) The names of the attorney and the tellers and scrutineers; and</p> <p>(7) Any other contents required by the Articles of Association to be included in the minutes of the meeting.</p>

No.	Before revision	After revision
	<p>The directors, the secretary of the Board, the convener or his representative and the chairman of the meeting who are present at the meeting shall sign the minutes of the meeting and ensure that the contents of the minutes are true, accurate and complete. The minutes shall be kept together with the signature book of shareholders present on site and the valid information on proxy attendance and voting via internet and other means, for a period of not less than 10 years.</p>	<p>The directors, the secretary of the Board, the convener or his representative and the chairman of the meeting who are present at the meeting shall sign the minutes of the meeting and ensure that the contents of the minutes are true, accurate and complete. The minutes, shall be kept together with the signature book of shareholders present on site and the valid information on proxy attendance and voting via internet and other means, <b>shall be kept permanently</b> <del>for a period of not less than 10 years.</del></p>



No.	Before revision	After revision
1	<p><b>Article 1</b> In order to standardize rules governing the meetings and decision making procedures of the board of directors (“Board”), to ensure the effective implementation of the duties of directors and the Board, to accelerate the codification, effective operation and prudent and scientific decision making of the Board, the Board formulates these Rules of Procedures for the Board of Directors (“Rules”) of China Aluminum International Engineering Corporation Limited (“Company”) in accordance with the laws and regulations and regulatory documents governing listed companies, including the Company Law of the People’s Republic of China (“Company Law”), the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time (the “Hong Kong Listing Rules”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas and the Articles of Association of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Articles of Association”).</p>	<p><b>Article 1</b> In order to standardize rules governing the meetings and decision making procedures of the board of directors (“Board”), to ensure the effective implementation of the duties of directors and the Board, to accelerate the codification, effective operation and prudent and scientific decision making of the Board, the Board formulates these Rules of Procedures for the Board of Directors (“Rules”) of China Aluminum International Engineering Corporation Limited (“Company”) in accordance with the laws and regulations and regulatory documents governing listed companies, including the Company Law of the People’s Republic of China (“Company Law”), the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (the “SSE Listing Rules”), the Guiding Opinion regarding the Further Improvement in Corporate Governance Structure of State-Owned Enterprises Promulgated by the General Office of the State Council, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time (the “Hong Kong Listing Rules”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas and the Articles of Association of China Aluminum International Engineering Corporation Limited (hereinafter referred to as the “Articles of Association”).</p>

No.	Before revision	After revision
2	<p><b>Article 3</b> The Board shall comprise nine directors, including three independent non-executive directors. All directors shall be elected by the Shareholders' General Meeting, and each director shall be elected for a term of three years, and shall be eligible for re-election upon expiration of his or her term of office. If a director's term of office expires without timely re-election, or if a director resigns during his or her term of office, resulting in less than a quorum of the Board, the original director shall still perform his or her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until the re-elected director assumes office. The Company shall have a Chairman of the Board, who shall be elected by the Board by a majority votes and may be re-elected. If the Board of the Company does not perform in accordance with the provisions of paragraph 3, the responsible directors shall be jointly and severally liable in accordance with the law.</p>	<p><b>Article 3</b> The Board shall comprise nine directors, <b>external directors (directors who do not hold position in the company, the same applies to all such terms below) shall constitute at least one-half of the board of directors, among which</b> <del>including</del> three or more independent <del>non-executive</del> directors <b>(directors who are independent of the shareholders of the company and who do not hold position within the company and who meet the qualifications for independent directorship as stipulated in the laws and regulations of the place of listing, listing rules and the Articles of Association, etc.) shall be present.</b> All directors shall be elected by the Shareholders' General Meeting, and each director shall be elected for a term of three years, and shall be eligible for re-election upon expiration of his or her term of office. If a director's term of office expires without timely re-election, or if a director resigns during his or her term of office, resulting in less than a quorum of the Board, the original director shall still perform his or her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until the re-elected director assumes office. The Company shall have a Chairman of the Board, who shall be elected by the Board by a majority votes and may be re-elected. If the Board of the Company does not perform in accordance with the provisions of paragraph 3, the responsible directors shall be jointly and severally liable in accordance with the law.</p>

No.	Before revision	After revision
3	<p><b>Article 6</b> The Board shall be responsible for general meeting and shall exercise the following functions and powers:</p> <p>(1) to convene general meetings, to propose at a general meeting to pass relevant matters and to report on its work to the general meeting;</p> <p>(2) to implement the resolutions of the general meetings;</p> <p>(3) to formulate the strategic plans, operations plans, and investment plans of the Company;</p> <p>(4) to formulate the annual financial budgets and final accounts of the Company;</p> <p>(5) to formulate the profit distribution plan and plan for recovery of losses of the Company;</p> <p>(6) to formulate proposals for increases or reductions of the registered share capital of the Company and proposals for the issue and listing of corporate debentures or other securities;</p> <p>(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company, or merger, segregation, dissolution and alteration of corporate form of the Company;</p>	<p><b>Article 6</b> The Board shall be responsible for general meeting and shall exercise the following functions and powers:</p> <p>(1) to convene general meetings, to propose at a general meeting to pass relevant matters and to report on its work to the general meeting;</p> <p>(2) to implement the resolutions of the general meetings;</p> <p>(3) to <del>formulate</del> <b>decide on</b> the <del>strategic plans</del>, operations plans, and investment plans of the Company;</p> <p>(4) to formulate the annual financial budgets and final accounts of the Company;</p> <p>(5) to formulate the profit distribution plan and plan for recovery of losses of the Company;</p> <p>(6) to formulate proposals for increases or reductions of the registered share capital of the Company and proposals for the issue and listing of corporate debentures or other securities;</p> <p>(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company, or merger, segregation, dissolution and alteration of corporate form of the Company;</p>

No.	Before revision	After revision
	<p>(8) to decide on matters of external investment, acquisition and disposal of assets, asset charge, external guarantee, entrusted wealth management, and connected transactions of the Company within the authority granted by the general meeting;</p> <p>(9) to decide on the establishment of the Company's internal management structure;</p> <p>(10) to appoint or remove the Company's president and secretary of the Board, to appoint or remove other senior management officers such as deputy president and chief financial officer, and to determine the matters relating to the remuneration, incentives and punishments of the abovementioned senior management officers;</p> <p>(11) to draw up the basic management system of the Company;</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p> <p>(13) to decide on the matters such as establishment, merger, segregation, reorganization or dissolution of the substantial wholly-owned subsidiaries or holding subsidiaries of the Company;</p> <p>(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;</p>	<p>(8) to decide on matters of external investment, acquisition and disposal of assets, asset charge, external guarantee, entrusted wealth management, and connected transactions of the Company <b>in accordance with the Articles of Association and these Rules</b> or within the authority granted by the general meeting;</p> <p>(9) to decide on the establishment of the Company's internal management structure;</p> <p>(10) to appoint or remove the Company's president and secretary of the Board, to appoint or remove other senior management officers such as deputy president and chief financial officer, and to determine the matters relating to the remuneration, incentives and punishments of the abovementioned senior management officers;</p> <p>(11) to draw up the basic management system of the Company;</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p> <p>(13) to decide on the matters such as establishment, merger, segregation, reorganization or dissolution <b>of the branch offices such as branches and subsidiaries</b> <del>substantial wholly-owned subsidiaries or holding subsidiaries of the Company;</del></p> <p>(14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;</p>

No.	Before revision	After revision
	<p>(15) to propose at general meetings a resolution in respect of candidates for independent directors and replacement of independent directors;</p> <p>(16) to propose at general meetings for the appointment, renewal or removal of the accountants' firm conducting auditing for the Company;</p> <p>(17) to listen to the work report and inspect the work of the president;</p> <p>(18) to manage the information disclosure of the Company;</p> <p>(19) to formulate the equity incentives plan;</p> <p>(20) to decide on matters in relation to the Company's repurchase of its shares under the circumstances as stated in Article 27(3), (5) and (6) of the Articles of Association.</p> <p>(21) to decide on other major affairs of the Company, save for the matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p>(22) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(23) to review and supervise the training and continuing professional development of directors and senior management;</p>	<p>(15) to propose at general meetings a resolution in respect of candidates for independent directors and replacement of independent directors;</p> <p>(16) to propose at general meetings for the appointment, renewal or removal of the accountants' firm conducting auditing for the Company;</p> <p>(17) to listen to the work report and inspect the work of the president;</p> <p>(18) to manage the information disclosure of the Company;</p> <p>(19) to formulate the equity incentives plan;</p> <p>(20) to decide on matters in relation to the Company's repurchase of its shares under the circumstances as stated in Article 27(3), (5) and (6) of the Articles of Association.</p> <p>(21) to decide on other major affairs of the Company, save for the matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p>(22) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(23) to review and supervise the training and continuing professional development of directors and senior management;</p>

No.	Before revision	After revision
	<p>(24) to discuss and supervise the policies and practices of the Company in compliance with laws and regulatory requirements;</p> <p>(25) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;</p> <p>(26) to review the Company's compliance with the Code on Corporate Governance Practices and the disclosure in the Corporate Governance Report;</p> <p>(27) other powers conferred by the Articles of Association or the general meetings; and</p> <p>(28) other matters as required by the PRC laws and regulations.</p> <p>Save for the resolutions of the Board in respect of the matters specified in paragraphs (6), (7), (12) and (20), which shall be passed by two thirds or more of the directors, the resolutions of the Board in respect of all other matters aforesaid shall be passed by more than half of the directors.</p> <p>Resolutions in respect of the connected transactions made by the Board shall not come into force unless such resolutions are signed by independent directors.</p>	<p>(24) to discuss and supervise the policies and practices of the Company in compliance with laws and regulatory requirements;</p> <p>(25) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;</p> <p>(26) to review the Company's compliance with the Code on Corporate Governance Practices and the disclosure in the Corporate Governance Report;</p> <p>(27) other powers conferred by the Articles of Association or the general meetings; and</p> <p>(28) other matters as required by the PRC laws and regulations.</p> <p>Save for the resolutions of the Board in respect of the matters specified in paragraphs (6), (7), (12) and (20), which shall be passed by two thirds or more of the directors, the resolutions of the Board in respect of all other matters aforesaid shall be passed by more than half of the directors.</p> <p><b>The Board shall, in accordance with the provisions of the Articles of Association, resolve on matters within its authority in relation to guarantees, which shall require the consent of at least two-thirds of the directors present at the meeting, in addition to the consent of more than half of all directors of the Company.</b></p> <p>Resolutions in respect of the connected transactions made by the Board shall not come into force unless such resolutions are signed by independent directors.</p>

No.	Before revision	After revision
4	Addition of an article to the former Rules of Procedure of the Board after Article 6	<p>Article 7 In the event of transactions (non-connected transactions) such as purchase or sale of assets, foreign investment (including entrusted financial management and entrusted loans), provision of financial assistance, leasing in or leasing out of assets, entrusting or being entrusted with the management of assets and businesses, grant or being grant of assets, restructuring of debts or liabilities, entering into licensing agreements, transferring or being transferred of research and development projects, etc., the applicable measurement standards meet the following one of the SSE Listing Rules or Hong Kong Listing Rules, such transaction(s) shall be submitted to the Board for consideration:</p> <p>(i) Relevant standards of the SSE Listing Rules:</p> <p>1. The total assets involved in the transaction (whichever is higher if both book value and appraised value exist) represent more than 10% of the company's latest audited total assets;</p> <p>2. The transaction amount (including the liabilities and expenses assumed) represents more than 10% of the company's latest audited net assets, and the absolute amount exceeds 10 million RMB;</p>

No.	Before revision	After revision
		<p>3. The profit generated by the transaction represents more than 10% of the audited net profit of the company for the most recent fiscal year and the absolute amount exceeds 1 million RMB;</p> <p>4. The relevant operating revenue of the subject of the transaction (e.g. equity interest) in the most recent fiscal year represents more than 10% of the audited operating revenue of the company in the most recent fiscal year, and the absolute amount exceeds 10 million RMB;</p> <p>5. The net profit related to the subject of the transaction (e.g. equity interest) in the most recent fiscal year represents more than 10% of the audited net profit of the company in the most recent fiscal year, and the absolute amount exceeds 1 million RMB;</p> <p>6. If the data for the above indicators are negative, such data shall be calculated in their absolute value; and</p>



No.	Before revision	After revision
		<p>7. For each transaction with related subject matter under the same transaction category, the Company shall calculate in accordance with the principle of cumulative calculation within 12 consecutive months (the provision of financial assistance and entrusted financial management shall be calculated on the basis of the amount incurred and accumulated according to the transaction category), and if the amount incurred after cumulative calculation reaches the above-mentioned criteria, such transactions shall be submitted to the Board for consideration. Transactions that have already been considered by the Board of Directors in accordance with Article 7 shall no longer be included in the scope of the relevant cumulative submission to the Board for consideration.</p> <p>(ii) Relevant standards of the Hong Kong Listing Rules:</p> <p>1. The total value of the assets involved in the transaction divided by the total value of the company's assets yields a percentage rate of 5 per cent or more;</p>

No.	Before revision	After revision
		<p>2. The percentage ratio obtained by dividing the earnings attributable to the assets involved in the transaction by the earnings of the company is 5 per cent or more;</p> <p>3. The percentage rate obtained by dividing the proceeds attributable to the assets involved in the transaction by the proceeds of the company is 5 per cent or more;</p> <p>4. The percentage ratio obtained by dividing the relevant consideration by the total market value of the company is 5 per cent or more;</p> <p>5. The percentage ratio obtained by dividing the number of shares issued by the company as consideration by the total number of shares of the company in issue prior to the transaction in question is 5% or more; and</p> <p>6. If a series of transactions are all completed within 12 months or are related to each other, the Company shall consolidate such transactions and submit them to the Board for consideration if the ratio measurement after consolidation meets the above criteria for submission to the Board for consideration.</p>

No.	Before revision	After revision
		<p>Where the SSE Listing Rules, the Hong Kong Listing Rules or other laws, regulations and regulatory documents provide otherwise for the circumstances that should be submitted to the Board for consideration, the provisions of the SSE Listing Rules, the Hong Kong Listing Rules or other laws, regulations and regulatory documents shall prevail.</p> <p>Matters involving connected transactions shall be carried out in accordance with the provisions of the SSE Listing Rules, the Hong Kong Listing Rules and the Company's "Administrative Measures for Connected Transactions".</p> <p>In relation to matters that should be submitted to the Shareholders' General Meeting for consideration, the Board shall submit the relevant matters to the Shareholders' General Meeting for consideration should the Board has considered and approved the matter.</p>
5	Articles 7, 8 until Article 41	The number of articles in the original Rules of Procedure of the Board of Directors shall be increased by one from Article 7 onwards. Namely: Articles 8, 9 until Article 42

No.	Before revision	After revision
6	<p><b>Article 13 .....</b></p> <p>The Board shall give prior notice to all the Directors within the prescribed time and provide sufficient information, including the relevant background materials of the topics to be discussed in the meeting and other information and data which may assist Directors to understand the progress of the Company's business. If 2 or more of the independent non-executive Directors hold the opinion that the information is insufficient or the demonstration is not precise, they can jointly propose in writing to the Board to postpone the meeting of the Board or to postpone the consideration of such matters and the Board shall accept the proposal.</p> <p>.....</p>	<p><b>Article 14.....</b></p> <p>The Board shall give prior notice to all the Directors within the prescribed time and provide sufficient information, including the relevant background materials of the topics to be discussed in the meeting and other information and data which may assist Directors to understand the progress of the Company's business. If <del>2 or more of the</del> <b>more than two independent non-executive</b> Directors hold the opinion that the information is insufficient or the demonstration is not precise, they can jointly propose in writing to the Board to postpone the meeting of the Board or to postpone the consideration of such matters and the Board shall accept the proposal. <b>However, such proposal shall be sent to the office of the Board by fax three days before the Board meeting.</b></p> <p>.....</p>
7	<p><b>Article 17</b> The Convening of the Meeting</p> <p>Board meetings shall be held only if more than half of the Directors are present. Where the requirement of the minimum number of participants fails to be met due to some relevant director's refusal or failure to attend the meeting, the chairman of the Board and the secretary to the Board shall report it to the regulatory authorities timely.</p>	<p><b>Article 18</b> The Convening of the Meeting</p> <p><b>Unless otherwise stipulated herein,</b> board meetings shall be held only if more than half of the Directors <b>and more than half of the external directors</b> are present. Where the requirement of the minimum number of participants fails to be met due to some relevant director's refusal or failure to attend the meeting, the chairman of the Board and the secretary to the Board shall report it to the regulatory authorities timely.</p>

No.	Before revision	After revision
	<p>Each director shall have one vote on an open and written ballot. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.</p> <p>A supervisor may be present at meetings of the Board in a non- voting capacity; The president and the secretary to the Board, if they do not concurrently serve as directors, shall attend meetings of the Board of Directors in a non-voting capacity. When he or she deems it necessary, the chairman of the meeting may notify other relevant persons to attend a meeting of the Board of Directors in a non-voting capacity.</p>	<p>Each director shall have one vote on an open and written ballot. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.</p> <p>A supervisor may be present at meetings of the Board in a non- voting capacity; The president and the secretary to the Board, if they do not concurrently serve as directors, shall attend meetings of the Board of Directors in a non-voting capacity. When he or she deems it necessary, the chairman of the meeting may notify other relevant persons to attend a meeting of the Board of Directors in a non-voting capacity.</p>
8	<p><b>Article 19</b> Restrictions on proxy attendance</p> <p>Attendance at Board meetings by proxy and by proxy shall be governed by the following principles:</p> <p>(i) When considering connected transactions, a non-related director shall not appoint a related director to attend on his or her behalf; nor shall a related director accept an appointment from a non-related director;</p>	<p><b>Article 20</b> Restrictions on proxy attendance</p> <p>Attendance at Board meetings by proxy and by proxy shall be governed by the following principles:</p> <p>(i) When considering connected transactions, a non-related director shall not appoint a related director to attend on his or her behalf; nor shall a related director accept an appointment from a non-related director;</p>

No.	Before revision	After revision
	<p>(b) A director shall not give his or her full powers to another director to attend on his or her behalf without stating his or her personal views on the proposal and his or her intention to vote, nor shall a director accept a full power of attorney or a proxy with unclear authority;</p> <p>(iii) A director shall not accept appointments from more than two directors, nor shall a director appoint another director who has already accepted appointments from two other directors to attend in his place.</p>	<p>(b) A director shall not give his or her full powers to another director to attend on his or her behalf without stating his or her personal views on the proposal and his or her intention to vote, nor shall a director accept a full power of attorney or a proxy with unclear authority;</p> <p>(iii) A director shall not accept appointments from more than two directors, nor shall a director appoint another director who has already accepted appointments from two other directors to attend in his place.;</p> <p><b>(iv) An external director shall not appoint a non-external director to attend a meeting; and</b></p> <p><b>(v) An independent director shall not appoint a non-independent director to attend on his or her behalf, nor shall a non-independent director accept an appointment from an independent director.</b></p>

No.	Before revision	After revision
9	<p><b>Article 20</b> Means for convening a meeting</p> <p>Meetings of the Board shall be held on site as a matter of principle. When necessary, with the consent of the convener and the proposer, it may also be held by video, telephone, fax or e-mail voting, provided that the right of the directors to express their opinions is fully guaranteed. Meetings of the Board may also be held on site and by other means at the same time.</p> <p>If the meeting is not held by on-site means, the number of directors present at the meeting shall be counted by the number of the directors who are shown to be present by video, the directors who express their opinions during the teleconference, the actual receipt of valid votes such as fax or e-mail within the prescribed period, or the written confirmation of having attended the meeting submitted by the directors afterwards.</p>	<p><b>Article 21</b> Means for convening a meeting</p> <p>Meetings of the Board shall be held on site as a matter of principle. When necessary, with the consent of the convener and the proposer, it may also be held by video, telephone, fax or e-mail voting, provided that the right of the directors to express their opinions is fully guaranteed. Meetings of the Board may also be held on site and by other means at the same time.</p> <p>If the meeting is not held by on-site means, the number of directors present at the meeting shall be counted by the number of the directors who are shown to be present by video, the directors who express their opinions during the teleconference, the actual receipt of valid votes such as fax or e-mail within the prescribed period, or the written confirmation of having attended the meeting submitted by the directors afterwards.</p> <p><b>Except for special circumstances such as force majeure, Directors' attendance of regular Board meetings in a working year shall not be less than three-fourths of all meetings.</b></p>

No.	Before revision	After revision
10	<p><b>Article 24</b> Formation of the Resolution</p> <p>Except the situations specified in Article 26 of the Rules, the attendance of more than half of the directors (or their proxies) is required for the Board to pass a proposal and form the relevant resolutions, which shall become effective, while the consent of more than half of the directors is required for the Board to pass the resolution formed by the Board. In case of any discrepancy on the contents or meanings of different resolutions, the resolution formed later shall prevail.</p>	<p><b>Article 25</b> Formation of the Resolution</p> <p>Except the situations specified in Article 26<sup>7</sup> of the Rules, the attendance of more than half of the directors (or their proxies) <b>and more than half of the external directors (or their proxies)</b> is required for the Board to pass a proposal and form the relevant resolutions<sup>7</sup>. <b>Except as otherwise provided in the laws and administrative regulations of the place of listing, the relevant listing rules and the Articles of Association of the Company,</b> a Board resolution shall become effective when the consent of more than half of the directors is obtained. In case of any discrepancy on the contents or meanings of different resolutions, the resolution formed later shall prevail.</p>
11	<p><b>Article 26</b> Avoiding a Vote</p> <p>Any director connected to the enterprises being discussed at the Board meeting is forbidden to vote on the related items, and is forbidden to vote on the item on behalf of other Directors. The directors shall avoid voting on the relevant proposal in the following circumstances:</p> <p>(1) When the relevant laws and regulations or listing rules of the place where the Company is listed stipulates the directors should avoid voting;</p> <p>(2) When the directors deem necessary to avoid voting;</p>	<p><b>Article 27</b> Avoiding a Vote</p> <p>Any director connected to the enterprises being discussed at the Board meeting is forbidden to vote on the related items, and is forbidden to vote on the item on behalf of other Directors. The directors shall avoid voting on the relevant proposal in the following circumstances:</p> <p>(1) When the relevant laws and regulations or listing rules of the place where the Company is listed stipulates the directors should avoid voting;</p> <p>(2) When the directors deem necessary to avoid voting;</p>



No.	Before revision	After revision
	<p>(3) When the Articles of Association specifies the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal.</p> <p>Where the directors are necessary to avoid voting, the relevant Board meeting can be convened provided that more than half of non-affiliated directors can attend the meeting and the resolution can be formed upon the consent of more than half of non-affiliated directors. Where the number of the participating non-affiliated directors is less than three, the relevant proposal shall be submitted to the shareholders meeting for deliberation other than be put to a vote.</p>	<p>(3) When the Articles of Association specifies the directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal.</p> <p>Where the directors are necessary to avoid voting, the relevant Board meeting can be convened provided that more than half of non-affiliated directors can attend the meeting, <b>except as otherwise provided in the laws and administrative regulations of the place of listing, the relevant listing rules and the Articles of Association of the Company,</b> and the resolution can be formed upon the consent of more than half of non-affiliated directors, <b>if the matter involves a special resolution of the Board, consent of two-thirds or more of the unrelated directors shall be obtained.</b> Where the number of the participating non-affiliated directors is less than three, the relevant proposal shall be submitted to the shareholders meeting for deliberation other than be put to a vote.</p>

No.	Before revision	After revision
12	<p><b>Article 30</b> Suspension of Voting</p> <p>When more than one fourth of the participating directors or more than two independent directors believe that they cannot make a judgment on the relevant matters because the proposal is not clear or specific, or because of other reasons such as inadequate meeting materials, they may propose in joint names to postpone the Board meeting or postpone the discussion of certain matters in the Board meeting and the Board shall so adopt.</p> <p>The directors who propose to suspend voting shall provide explicit prerequisite for the proposal to be resubmitted for deliberation.</p>	<p><b>Article 31</b> Suspension of Voting</p> <p>When more than one fourth of the participating directors or more than two <del>independent</del> <b>external</b> directors believe that they cannot make a judgment on the relevant matters because the proposal is not clear or specific, or because of other reasons such as inadequate meeting materials, they may propose in joint names to postpone the Board meeting or postpone the discussion of certain matters in the Board meeting and the Board shall so adopt.</p> <p>The directors who propose to suspend voting shall provide explicit prerequisite for the proposal to be resubmitted for deliberation.</p>
13	<p><b>Article 31</b> Minutes of Meeting</p> <p>When convening Board meetings, the secretary of the Board shall arrange the relevant staff to keep proper minutes of the Board meeting.</p> <p>The minutes of the Board meeting shall include the following items:</p> <p>(1) session, date, venue and name of the convener of the meeting;</p> <p>(2) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the Board meeting;</p> <p>(3) agenda of the meeting;</p>	<p><b>Article 32</b> Minutes of Meeting</p> <p>When convening Board meetings, the secretary of the Board shall <del>arrange the relevant staff to keep</del> <b>be responsible for keeping</b> proper minutes of the Board meeting.</p> <p>The minutes of the Board meeting shall include the following items:</p> <p>(1) session, date, venue and name of the convener of the meeting;</p> <p>(2) names of the directors attending the meeting and names of the directors (proxies) appointed by others to attend the Board meeting;</p> <p>(3) agenda of the meeting;</p>

No.	Before revision	After revision
	<p>(4) summaries of the statements of the directors;</p> <p>(5) voting method and result of each resolution (including the number of votes "For", "Against" or "Abstain");</p> <p>(6) such other matters considered necessary by the Board.</p> <p>Directors attending the meeting, the secretary to the Board and note taker of the meeting shall sign on the minutes of meeting. The minutes of Board meeting shall be properly kept by the Company as important documents and important basis for clarifying liabilities of directors in the future.</p>	<p>(4) summaries of the statements of the directors;</p> <p>(5) voting method and result of each resolution (including the number of votes "For", "Against" or "Abstain");</p> <p>(6) such other matters considered necessary by the Board.</p> <p>Directors attending the meeting, the secretary to the Board and note taker of the meeting shall sign on the minutes of meeting. The minutes of Board meeting shall be properly kept by the Company as important documents and important basis for clarifying liabilities of directors in the future.</p>
14	<p><b>Article 36</b> Preservation of Meeting Documents</p> <p>The documents of the Board meetings, including meeting notices and meeting materials, meeting sign-in books, power of attorney for directors to attend on their behalf, minutes of meetings signed and confirmed by the participating directors, meeting resolutions and announcements of resolutions, shall be kept by the secretary of the Board, and such documents of the Board meetings shall be kept for more than ten years.</p>	<p><b>Article 37</b> Preservation of Meeting Documents</p> <p>The documents of the Board meetings, including meeting notices and meeting materials, meeting sign-in books, power of attorney for directors to attend on their behalf, minutes of meetings signed and confirmed by the participating directors, meeting resolutions and announcements of resolutions, shall be kept by the secretary of the Board, and such documents of the Board meetings <b>shall be kept permanently for</b> <del>more than ten years.</del></p>

No.	Before revision	After revision
15	—	For the sake of consistency, the Chinese expression “ 公司章程 ” in the former Rules of Procedure of the Board of Directors without Chinese guillemet has been replaced with “《公司章程》”; the expression “independent non-executive directors” in the former Rules of Procedure of the Board of Directors has been replaced with “independent directors”.

<b>APPENDIX IV      AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE</b>
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No.	Before revision	After revision
1	<p><b>Article 13</b> The administrative body of the Board of Supervisors is the discipline inspection and audit department of the Company.</p>	<p><b>Article 13</b> The administrative body of the Board of Supervisors is the <del>discipline inspection and audit</del> <b>legal compliance</b> department of the Company.</p>
2	<p><b>Article 16</b> Regular Board of Supervisors meetings shall be held at least once every six months, including interim results meetings and annual results meetings.</p> <p>The interim results meeting shall be held within three months after the end of the first six months of the Company's fiscal year to hear and consider the Company's interim report and to deal with other related matters.</p> <p>The annual results meeting shall be held within four months after the end of the Company's fiscal year to hear and consider the Company's annual report and to deal with other related matters.</p> <p>The organization of the work of the Board of Supervisors, reports on its work and relevant motions and resolutions may be included in the content of regular or ad hoc meetings upon approval by the chairman of the Board of Supervisors.</p>	<p><b>Article 16</b> Regular Board of Supervisors meetings shall be held at least once every six months, including interim results meetings and annual results meetings.</p> <p>The interim results meetings shall be held within <del>three</del> <b>two</b> months after the end of the first six months of the Company's fiscal year to hear and consider the Company's interim report and to deal with other related matters.</p> <p>The annual results meeting shall be held within four months after the end of the Company's fiscal year to hear and consider the Company's annual report and to deal with other related matters.</p> <p>The organization of the work of the Board of Supervisors, reports on its work and relevant motions and resolutions may be included in the content of regular or ad hoc meetings upon approval by the chairman of the Board of Supervisors.</p>
3	<p><b>Article 31</b> The minutes of meeting and resolutions of the Board of Supervisors shall constitute important documents of the Company and shall be properly kept at the address of the Company by the discipline inspection and audit department for ten years.</p>	<p><b>Article 31</b> The minutes of meeting and resolutions of the Board of Supervisors shall constitute important documents of the Company and shall be properly <b>and permanently</b> kept at the address of the Company by the <del>discipline inspection and audit</del> <b>legal compliance</b> department <del>for ten</del> <b>years</b>.</p>

<p align="center"><b>APPENDIX IV      AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE</b></p>
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No.	Before revision	After revision
4	<p><b>Article 37</b> These Rules and their amendments shall become effective upon approval at the shareholders’ general meeting and 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 on Shanghai Stock Exchange, and shall be annexed to the Articles of Association. The former Rules of Procedures for the Board of Supervisors shall be rescinded upon these Rules become effective.</p>	<p><b>Article 37</b> These Rules and their amendments shall become effective upon approval at the shareholders’ general meeting <del>and 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 on Shanghai Stock Exchange</del>, and shall be annexed to the Articles of Association. The former Rules of Procedures for the Board of Supervisors shall be rescinded upon these Rules become effective.</p>
5	—	<p>Due to the adjustment of the duties of relevant departments, the “discipline inspection and audit department” in the original Rules of Procedures for the Supervisory Committee has been replaced with “legal compliance department”.</p>

**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 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 who holds position in Chinalco, 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 2020 (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 2020 (being the date to which the latest published audited annual financial statements of the Company were made up); and

- e) 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 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 2020, 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 share	Beneficiary owner	2,176,758,534 (Long position)	85.04	73.56
The Seventh Metallurgical Construction Corp. Ltd.	H share	Beneficiary owner	69,096,000 (Long position)	17.30	2.34
CNMC Trade Company Limited	H share	Beneficiary owner	59,225,000 (Long position)	14.83	2.00
Peaktrade Investments Ltd.	H share	Beneficiary owner	59,210,000 (Long position)	14.82	2.00
China XD Group	H share	Beneficiary owner	29,612,000 (Long position)	7.41	1.00
Yunnan Tin (Hong Kong) Yuan Xing Company Limited	H share	Beneficiary owner	29,612,000 (Long position)	7.41	1.00
Leading Gain Investments Limited (Note 3)	H share	Nominee of another person (other than passive trustee)	29,611,000 (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 directly holds 2,176,758,534 A Shares of the Company, representing approximately 73.56% 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. Furthermore, Yunnan Aluminum International Company Limited (雲鋁國際有限公司), an associate of Chinalco, holds 19,495,000 H Shares of the Company. Pursuant to the SFO, Chinalco is also deemed to be interested in the H Shares held by Yunnan Aluminum International Company Limited (雲鋁國際有限公司).
- (3) Leading Gain Investments Limited is the nominee holder of Beijing Jundao Technology Development Co., Ltd.

## 8. QUALIFICATION AND CONSENT OF EXPERT

The 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 proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2020 (being the date to which the latest published audited annual financial statements of the Company were made up).

**9. OTHER INFORMATION**

- a) Mr. ZHANG Jian and Ms. Ng Ka Man (吳嘉雯) are the joint company secretaries of the Company. Mr. ZHANG Jian has been granted by the Stock Exchange a waiver from complying with the company secretary qualification requirement for Hong Kong listed companies.
- 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 Chinese version and the English version, the Chinese version shall prevail over the English version.

**10. MATERIAL CONTRACT**

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

**11. DOCUMENTS ON DISPLAY**

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

- a) The Articles of Association of China Aluminum International Engineering Corporation Limited;
- b) 2021 Factoring Agreement;
- c) the Letter from the Independent Board Committee, the text of which is set out in this circular;
- d) the Letter from Gram Capital, the text of which is set out in this circular;
- e) the written consent from the experts mentioned in the paragraph 8 of this appendix;
- f) The annual reports of the Company for the two financial years ended 31 December 2019 and 2020, respectively; and
- g) 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 SECOND EXTRAORDINARY  
GENERAL MEETING IN 2021**

**NOTICE IS HEREBY GIVEN** that the second extraordinary general meeting in 2021 of China Aluminum International Engineering Corporation Limited (the “**Company**”) will be held at Conference Room 211 of China Aluminum International Engineering Corporation Limited, Building C, No. 99, Xingshikou Road, Haidian District, Beijing, at 9:30 a.m. on Thursday, 30 December 2021 to consider and, if thought fit, pass the following resolution.

**SPECIAL RESOLUTIONS**

1. To consider and approve the amendments to the Articles of Association
2. To consider and approve the amendments to the Rules of Procedures for the Shareholders' General Meeting
3. To consider and approve the amendments to the Rules of Procedures for the Board of Directors
4. To consider and approve the amendments to the Rules of Procedures for the Supervisory Committee

**ORDINARY RESOLUTION**

5. To consider and approve the renewal of the Factoring Agreement

Details of the above resolution are set out in the circular of the second extraordinary general meeting in 2021 despatched by the Company on 14 December 2021. Unless otherwise specified, capitalised terms defined in the circular shall have the same meanings as those used in this notice.

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

Beijing, the PRC, 14 December 2021

## NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2021

*Notes:*

1. In order to determine the list of Shareholders who are entitled to attend the second extraordinary general meeting in 2021 to be convened on Thursday, 30 December 2021, the register of members will be closed from Friday, 24 December 2021 to Thursday, 30 December 2021, 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 second extraordinary general meeting in 2021, 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, 23 December 2021.
2. A shareholder who is entitled to attend and vote at the second extraordinary general meeting in 2021 may appoint one or more proxies (regardless whether he/she is a shareholder) to attend and vote at the second extraordinary general meeting in 2021 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 second extraordinary general meeting in 2021. 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 second extraordinary general meeting in 2021 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 second extraordinary general meeting in 2021 is expected to take less than half a day. Shareholders who attend the second extraordinary general meeting in 2021 shall be responsible for their own travel and accommodation expenses.

*As at the date of this notice, the non-executive Director is Mr. LI Yihua; the executive Directors are Mr. WU Jianqiang, Mr. LIU Jing and Mr. ZHANG Jian; and the independent non-executive Directors are Mr. GUI Weihua, Mr. CHEUNG Hung Kwong and Mr. FU Jun.*