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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)

VOLUNTARY ANNOUNCEMENT

ISSUE OF US\$350,000,000 5.70% SENIOR GUARANTEED PERPETUAL CAPITAL SECURITIES BY A SUBSIDIARY

On 23 November 2016, the Company, the Issuer (a wholly-owned subsidiary of the Company) and the Joint Lead Managers entered into the Subscription Agreement in relation to the issue of US\$350,000,000 5.70% senior guaranteed perpetual capital securities by the Issuer.

The estimated net proceeds from the Securities Issue, after deducting underwriting commissions and other estimated expenses payable in connection with the Securities Issue, will be approximately US\$348 million. The Issuer intends to use the net proceeds from the Securities Issue to redeem the 2014 Securities and as a supplemental working capital for its overseas operations.

Application will be made to the Stock Exchange for the listing of the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) only. Listing of the Securities on the Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Securities, the Company, the Issuer or the Group.

The completion of the Subscription Agreement is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This is a voluntary announcement made by the Company.

THE SECURITIES ISSUE

The Board is pleased to announce that on 23 November 2016, the Company, the Issuer (a wholly-owned subsidiary of the Company) and the Joint Lead Managers entered into the Subscription Agreement in relation to the issue of US\$350,000,000 5.70% senior guaranteed perpetual capital securities by the Issuer.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers is an Independent Third Party. None of the Securities will be offered to the public in Hong Kong and none of the Securities will be placed to any connected persons of the Group.

PRINCIPAL TERMS OF THE SECURITIES

Issuer

Chalieco Hong Kong Corporation Limited, a wholly-owned subsidiary of the Company.

Guarantee

The Company will unconditionally and irrevocably guarantee the due payment in full of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed (the "**Guarantee**"). The Company's obligations in respect of the Guarantee will be contained in the Deed of Guarantee.

Issue

US\$350,000,000 in aggregate principal amount of 5.70% senior guaranteed perpetual capital securities.

Issue Price

100.00% of the principal amount of the Securities.

Form and Denomination

The Securities will be issued in registered form, in the denomination of US\$200,000 each and integral multiples of US\$1,000 in excess thereof.

Distribution

Subject to the terms and conditions of the Securities (the “**Terms and Conditions of the Securities**”), the Securities confer a right to receive distribution (each a “**Distribution**”) from 1 December 2016 at the Distribution Rate. Distribution shall be payable on the Securities semi-annually in arrear in equal instalments on 15 January and 15 July of each year (each, a “**Distribution Payment Date**”), except that the first payment of a Distribution, to be made on 15 July 2017, will be in respect of the period from, and including, the Issue Date to, but excluding, 15 July 2017 and will amount to US\$35.47 per US\$1,000 in principal amount of the Securities.

Distribution Rate

Subject to any increase pursuant to the Terms and Conditions of the Securities, the rate of distribution (the “**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding, 15 January 2020 (the “**First Call Date**”), 5.70% per annum (the “**Initial Distribution Rate**”); and
- (ii) in respect of the period (A) from, and including the First Call Date, to, but excluding, the Reset Date falling immediately after the First Call Date, and (B) from, and including, each Reset Date falling after the First Call Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Pursuant to the Terms and Conditions of the Securities, upon the occurrence of a Change of Control Event, a Breach of Covenants Event or a Relevant Indebtedness Default Event, unless (x) an irrevocable notice to redeem the Securities has been given to Securityholders by the Issuer by the 30th day following the occurrence of the Change of Control Event, Breach of Covenants Event or Relevant Indebtedness Default Event (as the case may be); or (y) in the case of a Breach of Covenants Event or a Relevant Indebtedness Default Event, the Covenant Breach or the Relevant Indebtedness Default Event (as the case may be) is remedied by the 30th day following the occurrence of such Breach of Covenants Event or such Relevant Indebtedness Default Event (as the case may be), the Distribution Rate will increase by 4.00% per annum with effect from (a) the next Distribution Payment Date or (b) if the date on which a Change of Control Event, a Breach of Covenants Event or a Relevant Indebtedness Default Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date provided that the maximum aggregate increase in the Distribution Rate shall be 4.00% per annum.

Issue Date

1 December 2016.

Maturity Date

There is no maturity date.

Status of the Securities

The Securities will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Securities shall, save for such exceptions as may be provided by applicable legislation and subject to condition 4(a) of the Terms and Conditions of the Securities, at all times rank at least equally with all the Issuer's other present and future unsecured, unconditional and unsubordinated obligations.

Status of the Guarantee

The obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to condition 4(a) of the Terms and Conditions of the Securities, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Maintenance of Total Equity of Issuer

For so long as the Securities are outstanding, the Company will undertake that it shall cause the Issuer to have a Total Equity of at least US\$1.00.

Redemption at the Option of the Issuer

The Issuer may, on giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee, the Agents and the Securityholders redeem in whole, but not in part, the Securities at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution (as defined in the Terms and Conditions of the Securities) and any Additional Distribution Amount (as defined in the Terms and Conditions of the Securities) on the First Call Date or on any Distribution Payment Date after the First Call Date.

Keepwell Deed

The Issuer, the Company and Chinalco will enter into a keepwell deed in favour of the Trustee (the "**Keepwell Deed**") on or before the Issue Date. Pursuant to the Keepwell Deed, the Chinalco will undertake, among other things:

- to directly or indirectly Control the Company;
- to cause the Company to have a Consolidated Net Worth (as defined in the Keepwell Deed) of at least US\$1.00 at all times;

- to cause the Company to have sufficient liquidity to ensure timely payment by the Company of any amounts payable in respect of any of its indebtedness (including all liabilities, whether actual or contingent then outstanding);
- to procure that the articles of association of each of the Issuer and the Company shall not be amended in a manner that is, directly or indirectly, adverse to any Securityholders;
- to cause each of the Issuer and the Company to remain in full compliance with the Terms and Conditions of the Securities, the Trust Deed and all applicable rules and regulations in Hong Kong and England;
- to promptly take any and all action necessary to comply with its obligations under the Keepwell Deed;
- to cause each of the Issuer and the Company to take all action necessary in a timely manner to comply with its obligations under the Keepwell Deed; and
- in the event that the Issuer on-lends the proceeds of the issue of the Securities to the Chinalco or any of the Chinalco's Subsidiaries or as any of them may direct, to cause any recipient of the proceeds of the Securities to pay the interest and principal in respect of such intercompany loan on time.

The Keepwell Deed is not, and nothing therein contained and nothing done pursuant thereto by Chinalco shall be deemed to constitute, a guarantee by Chinalco of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer or the Company under the laws of any jurisdiction.

USE OF PROCEEDS FROM THE SECURITIES ISSUE

The net proceeds from the Securities Issue will be used by the Issuer to redeem the 2014 Securities and as a supplemental working capital for its overseas operations.

LISTING

Application will be made to the Stock Exchange for the listing of the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) only. Listing of the Securities on the Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Securities, the Company, the Issuer or the Group.

The completion of the Subscription Agreement is subject to certain conditions precedent which may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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| “2014 Securities” | US\$300,000,000 6.875% senior guaranteed perpetual capital securities issued by the Issuer on 28 February 2014 |
| “a Subsidiary of any person” | (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person |
| “Agents” | the principal paying agent, the registrar, the transfer agent and together with any other agents appointed under the agency agreement to be dated on the Issue Date |
| “Board” | the board of Directors |
| “Breach of Covenants Event” | the occurrence of (a) a Covenant Breach and (b) the Trustee or the Securityholders holding 25% or more in aggregate principal amount of the Securities outstanding gives notice in writing to the Issuer that the Distribution Rate will be adjusted in accordance with the Terms and Conditions of the Securities unless the Securities are redeemed in accordance with the Terms and Conditions of the Securities |
| “Change of Control Event” | <p>the occurrence of one or more of the following events:</p> <ul style="list-style-type: none">(A) SASAC, directly or indirectly, ceasing to own and control at least 75% of Chinalco’s issued and outstanding share capital;(B) Chinalco, directly or indirectly, ceasing to Control the Company;(C) the Company, directly or indirectly, ceasing to own and control at least 100% of the issued and outstanding share capital of the Issuer |
| “Chinalco” | Aluminum Corporation of China, a state-owned enterprise incorporated under the laws of the PRC and wholly-owned by SASAC |

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| “Company” | China Aluminum International Engineering Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability and whose shares (stock code: 2068) are listed on the Main Board of the Stock Exchange |
| “connected persons” | has the meaning ascribed thereto under the Listing Rules |
| “Control” | either (i) Chinalco, directly or indirectly (through Subsidiaries or otherwise), owns, acquires or controls more than 50% of the voting rights of the issued share capital of the Company or (ii) a majority of the members of the Company’s Board or other equivalent or successor governing body are nominated by Chinalco and/or its Subsidiaries |
| “Covenant Breach” | a non-compliance and/or non-performance by the Issuer and/or the Company and/or Chinalco of any one or more of its obligations and covenants set out in the Terms and Conditions of the Securities or the Keepwell Deed |
| “Deed of Guarantee” | the deed of guarantee to be dated on the Issue Date between the Company and the Trustee |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | a party independent of the Group and its connected persons |
| “Issue Date” | 1 December 2016 |
| “Issuer” | Chalieco Hong Kong Corporation Limited, a company incorporated with limited liability in Hong Kong, which is wholly-owned by the Company |
| “Joint Lead Managers” | Morgan Stanley & Co. International plc, CLSA Limited, Bank of China Limited and Natixis |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan |

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| “Relevant Indebtedness” | any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market |
| “Relevant Indebtedness Default Event” | the occurrence of one or more of the following events (and such event is continuing): (i) any other present or future Relevant Indebtedness of the Issuer, the Company (and for this purpose, Relevant Indebtedness of the Company includes any Relevant Indebtedness that carries a Similar Credit Support given by the Company), any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such Relevant Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Company or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any such Relevant Indebtedness (and in each case, if required under the terms of the Relevant Indebtedness, relevant notice has been duly delivered), provided that the aggregate amount of such Relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this definition have occurred equals or exceeds US\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank on the day on which this definition operates) |
| “Relevant Reset Distribution Rate” | a rate of interest expressed as a percentage per annum equal to the sum of (a) the initial spread of 4.292%, (b) the Treasury Rate (as defined in the Terms and Conditions of the Securities) and (c) a margin of 4.00% per annum |
| “Reset Date” | the First Call Date and each day falling every 3 calendar years after the First Call Date |
| “SASAC” | the State-owned Assets Supervision and Administration Commission of the State Council of the PRC |
| “Securities” | US\$350,000,000 5.70% senior guaranteed perpetual capital securities to be issued by the Issuer and guaranteed by the Company |

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| “Securities Issue” | the issue of the Securities by the Issuer |
| “Securityholder” | a holder of the Securities |
| “Similar Credit Support” | any obligation assumed or expressed to be assumed by the Company under any contractual arrangements which is on substantially similar terms to that assumed by Chinalco under the Keepwell Deed (as if the Keepwell Deed were given by the Company on the Issue Date in respect of a Subsidiary) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Agreement” | the subscription agreement dated 23 November 2016 entered into between the Company, the Issuer and the Joint Lead Managers in relation to the Securities Issue |
| “Total Equity” | the excess of total assets of the Issuer over total liabilities of the Issuer, total assets and total liabilities each to be determined in accordance with Hong Kong Financial Reporting Standards consistently applied |
| “Trust Deed” | the trust deed to be dated on the Issue Date between the Issuer, the Company and the Trustee |
| “Trustee” | Citicorp International Limited |
| “US\$” or “US dollars” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent. |

By order of the Board
China Aluminum International Engineering Corporation Limited
Zhai Feng
Joint Company Secretary

Beijing, PRC, 24 November 2016

As at the date of this announcement, the non-executive Directors are Mr. WANG Jun and Mr. LI Yihua; the executive Directors are Mr. HE Zhihui and Mr. ZHANG Jian; and the independent non-executive Directors are Mr. SUN Chuanyao, Mr. CHEUNG Hung Kwong and Mr. FU Jun.