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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)

PROFIT WARNING

This announcement is made by China Aluminum International Engineering Corporation Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company and all members of the board of directors of the Company (the “**Board**”) warrant that there are no misrepresentations and misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

I. ESTIMATED RESULTS FOR THE PERIOD

(1) Period for estimated results

From 1 January 2020 to 31 December 2020.

(2) Estimated results

1. Based on the preliminary calculations by the finance department, it is expected that the net profit attributable to shareholders of the listed company for 2020 will be at a loss, with the net profit attributable to shareholders of the listed company ranging from approximately RMB-1.7 billion to RMB-1.9 billion.
2. It is expected that the net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss for 2020 will be approximately RMB-1.8 billion to RMB-2.0 billion.
- (3) The estimated financial results have not been reviewed or audited by certified public accountants.**

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PRECEDING YEAR

- (1) Net profit attributable to shareholders of the listed company: RMB34.8526 million.

Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss: RMB-38.8283 million.

- (2) Earnings per share: RMB-0.02.

III. MAJOR REASONS FOR THE ESTIMATED LOSS IN RESULTS FOR THE PERIOD

(1) Decline in Operating Results

Amid the impact of the COVID-19 epidemic that takes place at home and abroad, the Company gradually resumed its work and production at the end of March. Although the Company has been actively promoting the resumption of work and production and accelerated the construction progress, the overall scale of operating income and profitability still declined significantly as compared with the same period last year. Operating income dropped by 25%, and gross profit margin decreased from 10.56% to approximately 8.5%.

(2) Increase in Amount of Provision for Impairment

According to the relevant regulations under the Accounting Standards for Business Enterprises of the PRC and the accounting policies and accounting estimates implemented by the Company, it is estimated that the provision for impairment of accounts receivable and contract assets is approximately RMB1.3 billion.

1. Accounts receivable

Due to the impact of the epidemic and thus difficulties in making payments by certain customers, such payment delays have led to an increase in the age of current accounts. The provision for impairment made for the year according to the age of the accounts is relatively large, and the provision for impairment of accounts receivable is approximately RMB900 million.

2. Contract assets

Based on the current status of contract assets as at the end of 2020 and future forecasts, the Company has made a provision for impairment of approximately RMB400 million.

IV. RISK WARNING

The Company does not have any significant uncertainties that affect the accuracy of the contents of this result forecast.

V. OTHER INFORMATION

The above estimated results are only preliminarily estimated and prepared in accordance with the Accounting Standards for Business Enterprises of the PRC. Finalized details of the financial information will be duly disclosed in the annual report of the Company for the year of 2020. Investors are advised to be aware of the investment risks involved.

Announcement is hereby given.

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

Beijing, the PRC, 29 January 2021

As at the date of this announcement, the non-executive director is Mr. LI Yihua; the executive directors are Mr. WU Jianqiang and Mr. ZHANG Jian; and the independent non-executive directors are Mr. GUI Weihua, Mr. CHEUNG Hung Kwong and Mr. FU Jun.