

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中鋁國際工程股份有限公司

China Aluminum International Engineering Corporation Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2068)

ANNOUNCEMENT IN RELATION TO PROVISION FOR IMPAIRMENT OF ASSETS FOR 2022

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 board of directors (the “**Board**”) of the Company hereby announces that at the meeting of the Board and the meeting of the board of supervisors (the “**Board of Supervisors**”) convened on 7 March 2023, the Proposal on the Provision for Impairment of Assets of the Company for 2022 was considered and approved. The provision for impairment of assets for the current period shall be submitted to the general meeting for consideration, and the details of which are as follows:

I. BASIC INFORMATION OF THE PROVISION FOR IMPAIRMENT OF ASSETS FOR THE CURRENT PERIOD

The Company evaluated the carrying amount of assets as of 31 December 2022 in accordance with the Accounting Standards of China and relevant provisions of the accounting policies of the Company, and the provision for impairment of assets was made based on the principle of prudence. After the calculation of the Company, the provision for impairment of assets for 2022 was RMB390 million in total, and the details of which are as follows:

(I) PROVISION FOR IMPAIRMENT OF INVENTORY

The Company carried out a comprehensive inventory check on the balance sheet date. The provision for impairment of inventory will be made at the lower of cost and net realizable value when its net realizable value is lower than the cost. The provision for impairment of inventory will be made based on the difference between the cost of a single inventory item and the net realizable value. After making the provision for impairment of inventory, in case the factors causing impairment of inventory no longer exist, and the net realizable value of an inventory is higher than its carrying amount, the original provision for impairment of inventory shall be released to the profit or loss for the current period.

Based on the above method, the Company made provision for impairment of inventory of RMB43 million in total in 2022.

(II) PROVISION FOR BAD DEBTS OF RECEIVABLES

The Company made provisions in accordance with the calculation method of provision for bad debts of the receivables. Such method is mainly divided into single provision for bad debts and a provision based on aging analysis. For aging analysis method, a provision of 0.5% is made for items due within 1 year, 10% for items due within 1-2 years, 20% for items due within 2-3 years, 30% for items due within 3-4 years, 50% for items due within 4-5 years and 100% for items due for over 5 years. The Company will continue to make provisions for bad debts in accordance with the above method in future.

Based on the above method for provision for bad debts, the Company made provisions for bad debts of receivables of RMB364 million in total in 2022.

Save for the provision for impairment of assets mentioned above, the other assets, after impairment testing, had made a reverse of impairment provision of RMB17 million in total.

II. IMPACT OF PROVISION FOR IMPAIRMENT OF ASSETS ON THE COMPANY'S FINANCIAL POSITION

The Company's provision for impairment of assets for the current period was RMB390 million, which in turn reduced the Company's total profit under its consolidated statements by RMB390 million.

III. OPINIONS OF THE BOARD ON THE PROVISION FOR IMPAIRMENT OF ASSETS

The Board is of the view that the Company's provision for impairment of assets for the current period was in compliance with the Accounting Standards of China for Business Enterprises and the accounting policies of the Company. Such provision was made based on the principle of prudence, which could fairly reflect the position of the Company's assets. The Board agreed that the provision for impairment of assets for the current period should be made.

IV. OPINIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS ON THE PROVISION FOR IMPAIRMENT OF ASSETS

Independent non-executive directors are of the view that the Company's provision for impairment of assets for 2022 was in compliance with the relevant accounting policies, which fairly reflected the position of the Company's assets. In addition to the approval at the general meeting, the necessary decision-making procedures have been fulfilled and were in compliance with the relevant regulations of the China Securities Regulatory Commission, the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited. Such provision was in line with the actual position of the Company, and would not harm the interests of the Company and its minority shareholders. Independent non – executive directors agreed that the provision for impairment of assets for the current period should be made.

V. OPINIONS OF THE BOARD OF SUPERVISORS ON THE PROVISION FOR IMPAIRMENT OF ASSETS

The Board of Supervisors is of the view that the Company's provision for impairment of assets for the current period was in compliance with the relevant provisions under the Accounting Standards of China for Business Enterprises and the accounting policies of the Company, and was in line with the actual position of the Company. Such provision could fairly reflect the position of the Company's assets. The decision-making procedures for the provision for impairment was legal. The Board of Supervisors agreed that the provision for impairment of assets for the current period should be made.

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

Beijing, the PRC, 7 March 2023

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