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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 accept legal responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

I. ESTIMATED RESULTS FOR THE CURRENT PERIOD

(1) Period for Estimated Results

From 1 January 2023 to 31 December 2023 (the “**Reporting Period**”).

(2) Estimated Results

1. Based on the preliminary calculations by the finance department of the Company, it is estimated that the Company’s net profit attributable to owners of the parent company for the year 2023 will record a loss, and the Company’s net loss attributable to owners of the parent company will be approximately RMB2.5 billion to RMB2.8 billion.
2. It is estimated that the Company’s net loss attributable to the owners of the parent company after deducting non-recurring profit and loss for the year 2023 will be approximately RMB2.8 billion to RMB3.1 billion.
- (3)** The estimated results of the Company for the current period have not been audited by certified public accountants.

II. OPERATING RESULTS AND FINANCIAL POSITION FOR THE CORRESPONDING PERIOD OF THE PRECEDING YEAR

- (1) The Company's net profit attributable to owners of the parent company was RMB113 million and net loss attributable to owners of the parent company after deducting non-recurring profit and loss was RMB426 million.
- (2) Loss per share: RMB0.0036.

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

(1) Effect of change in accounting estimate for impairment loss provision on contract assets

In order to more accurately and objectively reflect the credit risk faced by the same customer, the Company changed its accounting estimate for impairment loss provision on contract assets in the current year. The change in accounting estimate was applied prospectively, and all impairment losses on contract assets provided for under the new accounting estimate were recognised in the financial statements of the current year. The impact of the change on the results of the current year was fully reflected in the Company's 2023 interim financial report.

(2) Impact of disposal of non-principal subsidiaries and inefficient and ineffective assets

In order to further accelerate the pace of reform and development, focus on core competitiveness and core functions, and reduce costs and increase efficiency by slimming down, the Company has accelerated the divestment of non-principal operating subsidiaries and inefficient and ineffective assets during the current year and recognised corresponding losses.

(3) Effect of provision for other impairment losses

Due to the impact of changes in the external economic environment and the pace of the collections of customers' payment, the Company further analysed and made judgments on the items of receivables that are subject to risks of default and made provision for impairment. In addition, the Company conducted impairment losses tests on its assets such as inventories and made provision for impairment losses on assets based on the difference between the net realisable value.

During the Reporting Period, the Company adhered to the development strategy of "technology + internationalisation" and continued to "stabilise operation, promote transformation, mitigate risks and strengthen reforms" to further focus on the non-ferrous main business and advantageous industrial fields by virtue of its technological advantages, and further increasing the volume of orders on hand, the proportion of revenue and gross profit of the Company's survey and design and equipment manufacturing business with core competitiveness. At the same time, the engineering construction business has been further restructured and reformed, with the Company ceasing to add new PPP projects, gradually reducing its municipal and civil construction business, and vigorously promoting its general contracting business in the industrial sector. The above measures will further promote the Company to achieve high quality development.

IV. RISK WARNING

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

V. OTHER INFORMATION

During the Reporting Period, the Company has kept a close eye on cash flow refunds. According to the preliminary estimation of the finance department, the net cash flow from operating activities achieved a net inflow of approximately RMB700 million. The estimated figures as mentioned above are only preliminary estimates according to the PRC Accounting Standards for Enterprises. Finalized details of the financial information will be duly disclosed in the annual report of the Company for the year 2023. 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
LI Yihua
Chairman

Beijing, the PRC, 26 January 2024

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