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## **XINGFA ALUMINIUM HOLDINGS LIMITED**

**興發鋁業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 98)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **FINANCIAL HIGHLIGHTS**

1. Revenue increased by 6.7% to approximately RMB8,349.8 million (1H23: RMB7,826.7 million).
2. Sales volume increased by 3.1% to approximately 362,049 tonnes (1H23: 351,101 tonnes).
3. Profit attributable to owners of the Company increased by 45.2% to approximately RMB378.4 million (1H23: RMB260.6 million).
4. Earnings per share were RMB0.9 (1H23: RMB0.62).
5. The Board did not recommend any payment of an interim dividend for 1H24 (1H23: Nil).

## RESULTS

The board (“**Board**”) of directors (“**Directors**”) of Xingfa Aluminium Holdings Limited (“**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”, “**our Group**”, “**we**”, “**us**”, “**our**”, “**Xingfa Aluminium**”) prepared under International Financial Reporting Standards (“**IFRS**”) for the six months ended 30 June 2024 (“**1H24**”), together with the comparative figures for the corresponding period in 2023 (“**1H23**”) and the relevant explanatory notes as set out below. The condensed consolidated results are unaudited, but have been reviewed by the audit committee of the Board and the Company’s independent auditors, Deloitte Touche Tohmatsu.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2024*

	Notes	Six months ended 30 June	
		2024	2023
		RMB’000	RMB’000
		(unaudited)	(unaudited)
<b>Revenue</b>	3	<b>8,349,840</b>	7,826,701
Cost of sales		<b>(7,600,105)</b>	(6,959,847)
<b>Gross profit</b>		<b>749,735</b>	866,854
Other income		<b>97,181</b>	50,309
Other gains and losses		<b>16,273</b>	(9,908)
Distribution costs		<b>(178,973)</b>	(152,768)
Administrative expenses		<b>(212,728)</b>	(210,383)
Impairment losses on trade and other receivables		<b>(10,283)</b>	(208,166)
Finance costs	4	<b>(51,477)</b>	(65,327)
Share of loss of an associate		<b>—</b>	(1,919)
<b>Profit before taxation</b>		<b>409,728</b>	268,692
Income tax expense	5	<b>(31,010)</b>	(7,781)
<b>Profit for the period</b>	6	<b>378,718</b>	260,911
<b>Profit attributable to:</b>			
Owners of the Company		<b>378,355</b>	260,586
Non-controlling interests		<b>363</b>	325
		<b>378,718</b>	260,911
<b>Earnings per share, in RMB</b>	8		
Basic		<b>0.90</b>	0.62

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Profit for the period</b>	<u>378,718</u>	<u>260,911</u>
<b>Other comprehensive income for the period</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	<u>293</u>	<u>154</u>
<b>Total comprehensive income for the period</b>	<u><u>379,011</u></u>	<u><u>261,065</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	378,648	260,740
Non-controlling interests	<u>363</u>	<u>325</u>
	<u><u>379,011</u></u>	<u><u>261,065</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024 <i>RMB '000</i> (unaudited)	At 31 December 2023 <i>RMB '000</i> (audited)
<b>Non-current assets</b>			
Investment properties		191,115	193,580
Property, plant and equipment		3,465,695	3,303,653
Right-of-use assets		458,641	465,218
Intangible assets		2,174	2,586
Equity securities designated at fair value through other comprehensive income (FVTOCI)		36,508	36,508
Derivative financial instruments		4,315	4,315
Prepayments		23,804	31,432
Deferred tax assets		211,182	201,919
		<u>4,393,434</u>	<u>4,239,211</u>
<b>Current assets</b>			
Inventories		1,937,883	1,362,123
Trade and other receivables	9	4,740,938	4,191,085
Prepayments		109,204	107,102
Pledged deposits		174,167	124,250
Cash and cash equivalents		2,875,829	2,840,415
		<u>9,838,021</u>	<u>8,624,975</u>
Non-current assets held for sale		—	2,040
		<u>9,838,021</u>	<u>8,627,015</u>
<b>Current liabilities</b>			
Trade and other payables	10	4,853,340	3,822,213
Contract liabilities		435,961	382,413
Bank and other borrowings		831,830	499,590
Lease liabilities		2,305	2,518
Tax liabilities		62,066	88,201
		<u>6,185,502</u>	<u>4,794,935</u>
<b>Net current assets</b>		<u>3,652,519</u>	<u>3,832,080</u>
<b>Total assets less current liabilities</b>		<u><u>8,045,953</u></u>	<u><u>8,071,291</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**At 30 June 2024*

	At 30 June 2024	At 31 December 2023
<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
<b>Non-current liabilities</b>		
Bank and other borrowings	2,478,374	2,647,902
Lease liabilities	2,518	3,537
Deferred income	89,696	66,118
Deferred tax liabilities	14,403	27,903
	<u>2,584,991</u>	<u>2,745,460</u>
<b>NET ASSETS</b>	<u><b>5,460,962</b></u>	<u><b>5,325,831</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	3,753	3,753
Reserves	5,449,323	5,314,555
	<u>5,453,076</u>	<u>5,318,308</u>
<b>Total equity attributable to owner of the Company</b>	<u><b>5,453,076</b></u>	<u><b>5,318,308</b></u>
<b>Non-controlling interests</b>	<u>7,886</u>	<u>7,523</u>
<b>TOTAL EQUITY</b>	<u><b>5,460,962</b></u>	<u><b>5,325,831</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Operating activities</b>		
Operating cash flows before movements in working capital	724,016	758,040
(Increase) decrease in trade and other receivable	(555,570)	451,401
Increase (decrease) in trade and other payables	1,116,371	(284,426)
Movements in other working capital	(524,314)	(666,958)
	<u>760,503</u>	<u>258,057</u>
Cash generated from operations	760,503	258,057
Income tax paid	(79,908)	(61,365)
	<u>680,595</u>	<u>196,692</u>
<b>Investing activities</b>		
Interest received	15,763	29,859
Payment for the purchase of property, plant and equipment and land use rights	(530,511)	(492,344)
Proceeds from government grants for property, plant and equipment acquisition	25,994	–
Payment for pledged deposits	(1,300,375)	(1,076,662)
Proceeds received upon maturity of pledged deposits	1,250,458	1,086,315
Payment for deposit of futures contracts	–	(2,000)
Payment for purchase of equity securities	–	(27,516)
Proceeds from disposal of property, plant and equipment and land use rights	2,482	3,350
Repayment of loans from an associate	16,000	–
Proceeds from disposal of an associate	15,000	–
	<u>(505,189)</u>	<u>(478,998)</u>
<b>Financing activities</b>		
Payment of lease liabilities	(1,232)	(1,073)
Payment of interest on lease liabilities	(115)	(179)
Interest paid	(58,400)	(71,658)
Proceeds from bank and other borrowings	1,257,078	2,309,421
Repayment of bank and other borrowings	(1,094,366)	(873,222)
Dividends paid to owners of the Company	(243,880)	(141,047)
	<u>(140,915)</u>	<u>1,222,242</u>
<b>Net cash (used in) generated from financing activities</b>		
	<u>(140,915)</u>	<u>1,222,242</u>
<b>Net increase in cash and cash equivalents</b>	<b>34,491</b>	<b>939,936</b>
<b>Cash and cash equivalents at 1 January</b>	<b>2,840,415</b>	<b>1,849,773</b>
Effect of foreign exchange rates changes	923	3,538
	<u>2,875,829</u>	<u>2,793,247</u>
<b>Cash and cash equivalents at 30 June</b>	<b>2,875,829</b>	<b>2,793,247</b>

Notes:

## 1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) Interim Financial Reporting issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are manufacturing and sale of aluminium products.

The Group manages its businesses by product lines. In a manner consistent with the way in which the information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

- Industrial aluminium profiles: this operating and reportable segment manufactures and sells plain aluminium profiles, mainly for industrial usage.

- Construction aluminium profiles: this operating and reportable segment manufactures and sells aluminium profiles with surface finishing, including anodic oxidation aluminium profiles, electrophoresis coating aluminium profiles, powder coating aluminium profiles and PVDF coating aluminium profiles. Construction aluminium profiles are widely used in architecture decoration.
- All other segments: this reportable segment including the revenue generated from processing service contracts related to aluminium products and sale of aluminium panels, aluminium alloy, moulds and spare parts.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following basis:

Revenue are allocated to the reportable segments with reference to sales generated by those segments. The measure used for reporting segment profit is gross profit. The Group's most senior executive management is provided with segment information concerning segment revenue and gross profit. Segment assets and liabilities are not reported to the Group's most senior executive management regularly.

**(a) Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue from contracts with customers</b>		
Disaggregated of product or service lines		
– Sales of aluminium profiles	<b>8,083,355</b>	7,642,596
– Sales of aluminium panels, aluminium alloy, moulds and spare parts	<b>266,485</b>	183,795
– Revenue from processing service contracts	<b>–</b>	310
	<b>8,349,840</b>	7,826,701
Disaggregated by geographical location of customers		
– Mainland China, except for Hong Kong	<b>8,061,715</b>	7,712,591
– Hong Kong	<b>46,378</b>	42,178
– Asia Pacific, except for Mainland China and Hong Kong	<b>233,665</b>	64,745
– Other regions	<b>8,082</b>	7,187
	<b>8,349,840</b>	7,826,701



Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 3(b).

During the six months ended 30 June 2024, the Group's customer base is diversified and does not include any individual customer (six months ended 30 June 2023: Nil) with whom transactions have exceeded 10% of the Group's revenue.

**(b) Segment results**

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended on 30 June 2024 is set out below:

	Industrial aluminium profiles		Construction aluminium profiles		All other segments		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from external customers recognised by point in time	<u>1,388,461</u>	<u>1,245,711</u>	<u>6,694,894</u>	<u>6,396,885</u>	<u>266,485</u>	<u>184,105</u>	<u>8,349,840</u>	<u>7,826,701</u>
Reportable segment profit								
Gross profit	<u>55,782</u>	<u>78,882</u>	<u>624,639</u>	<u>741,803</u>	<u>69,314</u>	<u>46,169</u>	<u>749,735</u>	<u>866,854</u>

**(c) Reconciliations of reportable segment profit or loss**

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Reportable segment profit derived from the Group's external customers	749,735	866,854
Other income	97,181	50,309
Other gains and losses	16,273	(9,908)
Distribution costs	(178,973)	(152,768)
Administrative expenses	(212,728)	(210,383)
Impairment losses on trade and other receivables	(10,283)	(208,166)
Finance costs	(51,477)	(65,327)
Share of loss of an associate	—	(1,919)
Consolidated profit before taxation	<u>409,728</u>	<u>268,692</u>

#### 4 FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Interest expenses on bank and other borrowing	44,448	44,511
Interest expenses on discounted bills	13,067	27,427
Interest on lease liabilities	115	179
	<u>57,630</u>	72,117
Less: interest expense capitalised into construction in progress	<u>(6,153)</u>	<u>(6,790)</u>
	<u><u>51,477</u></u>	<u><u>65,327</u></u>

#### 5 INCOME TAX EXPENSE

(a) Taxation in the condensed consolidated statement of profit or loss represents:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
<b>Current tax</b>		
Provision for People's Republic of China ("PRC")		
corporate income tax	40,273	30,329
PRC dividend withholding tax	13,500	10,000
	<u>53,773</u>	40,329
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(9,263)	(22,548)
Effect on distribution of dividends	(13,500)	(10,000)
	<u>(22,763)</u>	<u>(32,548)</u>
	<u><u>31,010</u></u>	<u><u>7,781</u></u>

- (i) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Company are liable to PRC corporate income tax at a rate of 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 25%) except for Guangdong Xingfa Aluminium Co., Ltd. ("**Guangdong Xingfa**"), Xingfa Aluminium (Chengdu) Co., Ltd. ("**Xingfa Chengdu**"), Guangdong Xingfa Aluminium (Henan) Co., Ltd. ("**Xingfa Henan**"), Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. ("**Xingfa Jiangxi**") and Guangdong Xingfa Precision Manufacturing Co., Ltd. ("**Xingfa Precision**"), which were certified as "High and New Technology Enterprises" and entitled to the preferential income tax rate of 15% for the six months ended 30 June 2024 (six months ended 30 June 2023: 15%).

- (ii) At 30 June 2024, deferred tax liabilities of RMB13,448,000 (at 31 December 2023: RMB26,948,000) have been provided for in this regard based on the expected dividends to be distributed from Guangdong Xingfa in the foreseeable future.
- (iii) During the six months ended 30 June 2024, Guangdong Xingfa, Xingfa Chengdu, Xingfa Henan, Xingfa Jiangxi and Xingfa Precision were entitled to super deduction on research and development expenses. As such, the income tax of the aforesaid subsidiaries of the Company for the six months ended 30 June 2024 was reduced by RMB32,799,000 (six months ended 30 June 2023: RMB46,284,000). Such additional tax deduction on research and development expenses equals 100% (2023: 100%) of the amount of research and development expenses actually incurred.

**(b) Pillar Two income tax**

The Group is subject to the global minimum top-up tax the Global Anti-base Erosion Rules (“**GloBE Rules**” or “**Pillar Two Rules**”). Pillar Two Rules are enacted in certain jurisdiction in which the Company’s subsidiary is incorporated, and this implementation has no material tax impact to the Group. Pillar Two Rules has not yet been enacted in other certain jurisdictions in which the Company’s major subsidiaries are incorporated and will come into effect within the Group on or after 1 January 2025. Since the Pillar Two Rule is not yet effective at the reporting date for the Company’s major subsidiaries, the Group has no related current tax exposure during the interim period.

The Group is continuing to assess the impact of the Pillar Two income taxes on its future financial performance.

**6 PROFIT FOR THE PERIOD**

Profit for the period has been arrived at after changing (crediting):

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB’000</b>	RMB’000
	<b>(unaudited)</b>	(unaudited)
Depreciation charge		
– Investment properties	2,465	3,024
– Property, plant and equipment	243,450	196,098
– Right-of-use assets	6,577	6,376
Amortisation cost of intangible assets	822	475
Net foreign exchange gain	(3,533)	(4,285)
Total staff costs	555,630	532,985
Changes in fair value of forward exchange contracts	–	3,402
Interest income	(15,763)	(29,859)
Cost of inventories (i)	7,600,105	6,959,847
Research and development costs (ii)	395,236	371,676
Income from additional value-added tax (“VAT”) input deduction (iii)	54,939	–
	<u>                    </u>	<u>                    </u>

- (i) Cost of inventories for the six months ended 30 June 2024 included RMB553,004,000 (six months ended on 30 June 2023: RMB512,650,000) relating to depreciation and staff costs, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

- (ii) Research and development costs for the six months ended 30 June 2024 included RMB88,672,000 (six months ended 30 June 2023: RMB78,156,000) relating to staff costs of employees which amount is also included in total staff costs as disclosed above.
- (iii) Income from additional VAT input deduction represented the deduction on VAT input granted by the government authorities in the PRC, which amount is included in other income.

## 7 DIVIDENDS

### (a) Dividends payable to owners of the Company attributable to the interim period

The directors of the Company do not propose any payment of interim dividends for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### (b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the interim period:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Final dividends in respect of the previous financial year, approved and paid during the interim period ended 30 June 2024 of HKD0.64 per share (six months ended 30 June 2023: HKD0.37 per share)	<b>243,880</b>	<b>141,047</b>

## 8 EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB378,355,000 (six months ended 30 June 2023: RMB260,586,000) and the weighted average number of 420,649,134 ordinary shares (six months ended 30 June 2023: 420,649,134 ordinary shares) in issue during the interim period. No diluted earnings per share is presented as the Group did not have dilutive potential ordinary share in both periods.

## 9 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the aging analysis of trade receivables and bills receivables (which are included in trade and other receivables), based on the invoice date or bills acceptance date and net of allowance for credit losses, is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	2,272,611	2,009,535
1 to 3 months	1,116,304	1,217,612
3 to 6 months	679,817	672,929
Over 6 months	<u>334,291</u>	<u>95,533</u>
Trade receivables and bills receivables, net of allowance for credit losses (i)(ii)	4,403,023	3,995,609
Other receivables, net of loss allowance (iii)	<u>337,915</u>	<u>195,476</u>
Financial assets measured at amortised cost	<u><u>4,740,938</u></u>	<u><u>4,191,085</u></u>

- (i) The credit period of trade receivables and bills receivables is within 30 days to 360 days from the invoice date or bills acceptance date. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted.

As at 30 June 2024, loss allowances of RMB1,046,379,000 was recognised on trade receivables and bills receivables (at 31 December 2023: RMB1,033,451,000).

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses (“ECLs”).

For the credit-impaired trade receivables, the loss allowances are assessed individually based on the estimated future cash flows derived from the collateralised assets. As at 30 June 2024, the gross carrying amount of credit-impaired trade receivables was RMB838,398,000 (at 31 December 2023: RMB796,661,000), against which a loss allowance of RMB838,398,000 was recognised (at 31 December 2023: RMB796,661,000).

For the remaining trade receivables, ECLs are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and the forward-looking information, including but not limited to the economic condition on the domestic real estate industry at the reporting date.

- (ii) All the bills receivables are due within one year and the aging are counted starting from the date of acceptance.

Certain bills receivables with carrying value of RMB390,162,000 were pledged as securities for bills payable of the Group as at 30 June 2024 (at 31 December 2023: RMB887,325,000).

- (iii) As at 30 June 2024, VAT input receivable of RMB316,477,000 was included in other receivables (at 31 December 2023: RMB164,600,000). As at 30 June 2024, loss allowances of RMB195,000 was recognised on other receivables (at 31 December 2023: RMB1,476,000).

## 10 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the aging analysis of trade payable and bills payable (which are included in trade and other payables), based on the invoice date or bills issuance date, is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	1,137,880	508,500
1 to 3 months	1,735,420	1,205,945
3 to 6 months	1,153,735	1,018,991
Over 6 months	217,701	273,316
	<u>4,244,736</u>	<u>3,006,752</u>
Trade payable and bills payable		
Trade payables	754,606	1,153,505
Bills payable ( <i>Note</i> )	3,490,130	1,853,247
Accrued payroll and benefits	209,391	253,667
Other payables and accruals	294,610	361,621
Payable for the purchase of property, plant and equipment	53,464	137,823
Interest payable	11,107	11,992
Deferred income	4,221	12,303
	<u>4,817,529</u>	<u>3,784,158</u>
Financial liabilities measured at amortised cost		
Refund liabilities		
– arising from volume rebates	35,811	38,055
	<u>4,853,340</u>	<u>3,822,213</u>

*Note:* These relate to trade payable in which the Group has issued bills to the relevant suppliers for future settlement of trade payable. The Group continues to recognise these trade payable as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Review

According to the data of the National Bureau of Statistics (“NBS”), in the first half of 2024, China’s Gross Domestic Product (“GDP”) reached RMB61,683.6 billion, representing a year-on-year increase of 5.0% at constant prices. Generally, in the first half of the year, the national economy continued to restore to the positive momentum, with overall stable and progressive operation, stable growth in production, and continuous recovery in demand. However, there were still new challenges brought by the significantly increasing complexity and severity of the external environment, and the continuous reinforcement of domestic structural adjustment. In terms of real estate market, the key note of the real estate policy in the first half of 2024 continued to be lenient. Since the meeting of the Political Bureau held in April, the policy focus has shifted to “de-stocking”. After the “17 May New Policy”, residents’ credit policies have ushered in epic benefits, namely lowering the down payment ratio to as low as 15%, and cancellation of the minimum mortgage rate for housing loans. At the same time, the real estate financing coordination mechanism has been established and accelerated, and the Whitelist Projects have been approved for nearly trillion financing quotas. Overall, in the first half of the year, the real estate market continued its weak recovery trend. Although there were positive signals in the market, the overall downward pressure on the market remained unabated. According to data from the NBS, the sales area of newly built commercial housing nationwide in the first half of 2024 was 479,160,000 square meters, representing a year-on-year decrease of 19.0%. The amount of sales of newly built commercial housing nationwide was RMB4,713.3 billion, representing a year-on-year decrease of 25.0%. In face of industry fluctuations and uncertainties, Xingfa Aluminium, as a major manufacturer and supplier of construction aluminium profiles in China, adopted a proactive business attitude, flexibly adjusted its business principles, reinforced its cooperation with real estate developers with healthy cash flow conditions, as well as actively expanded its business scope, effectively resisted market risks, so as to maintain the Group’s market competitiveness and profitability through the diversified development of the aluminium profile business.

### Business Review

Xingfa Aluminium is one of the leading aluminium profile manufacturers in the PRC and is principally engaged in the manufacture and sale of aluminium profiles. As of 30 June 2024, the Group had a total of 1,259 valid patents, including 105 invention patents, 310 utility model patents, 844 design patents, and participated in the drafting of approximately 137 national and industrial standards. In the first half of this year, the Group was honoured with the title of “2024 Top 500 Preferred Suppliers Brand of Comprehensive Strengths in Real Estate Supply Chain” and “2024 Benchmark of Investment Value of China Real Estate Suppliers”.



In the first half of 2024, the real estate market, which was in the process of adjustment and weak recovery, posed significant challenges to the Group's daily operations and sales. Nevertheless, the Group still adhered to the mission of "Pursuing Excellence in Quality, Serving Global Customers". Through the persistence and efforts of the team, leveraging on our own advantages on product technology and outstanding quality, the Group continued to consolidate its good brand image and market reputation in the industry, and demonstrated its competitive advantages in a challenging business environment.

During the six months ended 30 June 2024, the Group achieved revenue of RMB8,349.8 million, representing a year-on-year increase of 6.7% compared to RMB7,826.7 million in the first half of 2023. The sales volume was 362,049 tonnes, representing a year-on-year increase of 3.1% compared to 351,101 tonnes in the first half of 2023. The net profit attributable to owners of the Group was RMB378.4 million, representing a year-on-year significant increase of 45.2% compared to RMB260.6 million in the first half of 2023. Although the market competition was intense, the Group had fully demonstrated the inherent resilience of its business model, and improved its profitability.

In terms of business development, the Group, as one of the earliest enterprises to manufacture aluminium profiles in Mainland China, specialises in the production of construction aluminium profiles and industrial aluminium profiles. In terms of construction aluminium profiles, the Group will continue to consolidate its market share and enhance its profitability. In the first half of 2024, sales revenue from construction aluminium profiles was RMB6,694.9 million (in the first half of 2023: RMB6,396.9 million), representing a year-on-year increase of 4.7%. Confronted with the increasing overall volatility in the construction market and pressure on order volumes, as well as the uncertain business environment, the Group adopted a more prudent business strategy, which proactively chose to establish partnerships with central-government-controlled enterprises, state-owned enterprises, and real estate developers with good reputations, strong financial positions, and healthy cash flows, to reduce financial risks, so as to ensure the Group possessed healthy cash flow for stable operations. At the same time, the Group actively responded to market changes, promptly adjusted strategic direction, actively explored and expanded the home decoration market, and got closer to the end market to gain an in-depth understanding of users' needs, and diversified risks and sought steady growth. Home building materials consumption is an important carrier of consumers' aspirations for a better life. Aluminium profiles have unique environmental protection, durability, non-deformation, fire resistance, and moisture resistance and other unique properties. Therefore, the demand in the household market continues to support the development of the aluminium profile industry. In addition, to actively respond to the call for national infrastructure construction and improvement of people's livelihood, and to explore commercial opportunities outside the commercial housing market, the Group continuously reinforced cooperation with the government on public construction projects such as stadiums, schools, hospitals, and roads and bridges. The public construction projects not only brought performance growth opportunities to the Group, but also had a higher social value. In addition, the Group accelerated the pace of expanding its retail business, continuously improved and enriched the product lines of home doors and windows. We enhanced the market penetration through the provision of door and window products that targeted at the household market, expanded the brand's influence at the retail level, and made the retail business and engineering business complement each other, jointly enhanced the Group's brand awareness.



While the Group implemented the in-depth adjustment and optimization of the layout in the construction aluminium profile business, at the same time, the Group also continued to develop the industrial aluminium profile business. Industrial aluminium profiles are widely used in various industries such as new energy photovoltaics, automotive parts, durable consumer goods, medical devices, electromechanical equipment, aerospace, electronic consumer goods, and transportation, with good development prospects. In the first half of 2024, sales revenue from industrial aluminium profiles was RMB1,388.5 million (in the first half of 2023: RMB1,245.7 million), representing a year-on-year increase of 11.5%. To better capture market opportunities, the Group's research and development team will continue to strengthen the research and development of industrial aluminium profile products, so as to seek to develop new products with better performance, continuously leverage the market competitive advantage accumulated through research and development, and achieve diversified business development.

Despite the challenging business environment in the short term, with years of industry experience and excellent product quality, the Group has established a good brand reputation in the market and maintained close and good cooperation with customers. The Group can flexibly adjusted its business strategies to adapt to market trends and continuously strived for orders to drive the Group's development. Therefore, the Group actively enhanced its production capacity to capture market opportunities. Currently, the Group has 7 production bases domestically and continuously improves the capacity layout to enhance production efficiency. Among them, the digital and automated production base located in Zhejiang can reduce the land use scale and personnel cost, allowing for more effective use of land. Currently, the first phase of such production base has commenced its production with output gradually increasing with scale of business. The Group will align with the trend of digital transformation to enhance the quality and efficiency of the production process.

In terms of overseas business, the Group actively increased production capacity to enhance competitiveness in overseas markets such as Australia and Southeast Asia. The equipment installation work of the plant of the project in Australia is expected to be officially launched this year, with a planned capacity of 20,000 tonnes. The project in Vietnam was also underway in an orderly manner, and it is expected to commence the application process for the construction of the plant in the second half of this year, with a project planned capacity of 180,000 tonnes. The Group believes that building professional sales teams, sales networks and production bases overseas will effectively intensified the cooperation ties with overseas customers, realise the "zero-distance strategy" of local production, local users, and local services, provide higher quality and more efficient services to overseas customers, expand the Group's business footprint in the global market, consolidate its industry position, and help the Group become a well-positioned pioneer in this industry.

## Revenue

Driven by the slight increase in sales volume combined with decrease in average prices of aluminium products, the Group's revenue remained stable during 1H24. For the six months ended 30 June 2024, the revenue of the Group increased by 6.7% to RMB8,349.8 million (1H23: RMB7,826.7 million), and the sales volume was 362,049 tonnes (1H23: 351,101 tonnes). The sales of construction aluminium profiles and industrial aluminium profiles accounted for 80.2% (1H23: 81.7%) and 16.6% (1H23: 15.9%) of the revenue, respectively.

### *Construction Aluminium Profiles*

Construction aluminium profiles are surface treated aluminium profiles which are mainly used for the construction and installation of doors and windows, curtain walls, ceilings and blinds and other decorative products. In the first half of 2024, the revenue of construction aluminium profiles increased by 4.7% year-on-year to approximately RMB6,694.9 million (1H23: RMB6,396.9 million), and sales volume grew by 1.7% year-on-year to approximately 289,689 tonnes (1H23: 284,850 tonnes).

### *Industrial Aluminium Profiles*

Industrial aluminium profiles are mainly plain aluminium profiles, which can be used as container frames and other products such as new conductive profiles of urban railway locomotives and ship components. In addition, they can also be made into different forms and shapes, such as heat sinks of central processing units (CPUs) and displays and frames of consumer electronic products. The revenue of industrial aluminium profiles increased by 11.5% year-on-year to approximately RMB1,388.5 million (1H23: RMB1,245.7 million) in the first half of 2024, and sales volume increased by 10.3% year-on-year to approximately 69,083 tonnes (1H23: 62,650 tonnes).

## Prospect

Entering into the second half of 2024, in terms of real estate, the central government's policies to "stabilize the market" and "de-stocking" are expected to continue to be implemented. Local policies will continue to be increased, namely stabilize the market from both supply and demand sides. With the positive effectiveness of various measures, the boosting effect of policies will continue to ferment, and the high base effect will significantly be weakened. The activity level of the real estate market has shown marginal improvement, and the downward trend of the market is likely to further slowdown. In terms of aluminium profile industry, although the industry may show marginal adjustment trend in the short term, it is expected that with the recovery of the global economy and the continuous expansion of aluminium application segment, the market size of aluminium profiles will show a stable growth trend. Especially, with the rapid development of new energy, photovoltaic, and aerospace sectors, the demand for aluminium profiles will continue to increase. From a medium to long-term perspective, the aluminium profile industry, as a huge market, is still full of development opportunities. The Group maintains a cautiously optimistic attitude toward the aluminium profile industry and its own development.

The Group firmly believes that opportunities are embedded within challenges. In face of multiple market challenges, all employees of the Group will work together, firmly believe in our mission, and uphold the core values of “Customer First, Quality Foremost, Innovation Leading, Ingenious Craftsmanship”. We will continuously develop products that meet market demands and actively expand nationwide as well as develop a diversified business model for the aluminium profile industry. In terms of construction aluminium profiles, the Group will continue to reinforce cooperation with market participants who have healthy cash flow condition, and actively explore and expand the home decoration market and public construction projects, as well as accelerate the promotion of the retail market that can reach consumers more precisely. In the field of industrial aluminium profiles, the Group will also continue to develop aluminium products that are highly resilient, lightweight, and have high added value, aiming to gain a competitive advantage in such market with a wide range of applications, and to build the industrial aluminium profile business into a new growth engine beyond the construction segment.

In addition, to seize the market opportunities brought by the intensifying of global trade, the Group will continue to promote capacity expansion and overseas deployment to expand and improve the domestic and overseas sales and production networks. Domestically, the Group owned 7 production bases, among which, the production base located in Zhejiang achieved higher production efficiency through digital and automated technologies. With regard to overseas, the project in Australia and the project in Vietnam were underway in a smooth manner. Upon completion and put into production, these projects will further improve the Group’s overseas sales network. By then, in terms of production and sales, both domestic and overseas are expected to form strong synergies to jointly enhance the Group’s industry position and brand awareness globally.

Since its establishment, the Group has been striving for progress and continuous innovation with the help and support of customers, suppliers, and various business partners. In the current challenging market environment, the Group has always maintained a proactive stance. We deeply understand that challenges and opportunities coexist, and only through continuous self-innovation and market adaptation can we maintain a competitive advantage in the wave of competition. Looking ahead, the Group will continue to respond to rapid changes in market with flexible marketing strategies, provide powerful and cost-effective products and services to customers nationwide to satisfy the customers’ growing demand for products, at the same time, the Group will realise sustainable growth, so as to create maximum returns for the shareholders of the Group.

In the long run, the Group remains optimistic about the medium and long-term development of the aluminium profile industry. The aluminium profile industry, as a huge market, is full of development opportunities, even though the industry is facing increasing pressure in the short run. As a major participant in China’s aluminium profile industry, Xingfa Aluminium is confident to increase its market share and lay a solid foundation for sustainable development in the medium and long run.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group for 1H24 were increased by 6.7% to approximately RMB8,349.8 million while the sales volume increased by 3.1% to approximately 362,049 tonnes (1H23: RMB7,826.7 million and 351,101 tonnes respectively).

The sales volume of construction aluminium profiles for 1H24 increased by 1.7% to 289,689 tonnes (1H23: 284,850 tonnes) and the sales volume of industrial profiles for 1H24 increased by 10.3% to 69,083 tonnes (1H23: 62,650 tonnes).

The following table sets forth the details of our revenue by segments for 1H24 and 1H23:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Sale of aluminium profiles		
– Construction aluminium profiles	6,694,894	6,396,885
– Industrial aluminium profiles	1,388,461	1,245,711
	<u>8,083,355</u>	<u>7,642,596</u>
Others (Note)	<u>266,485</u>	<u>184,105</u>
Total	<u><u>8,349,840</u></u>	<u><u>7,826,701</u></u>

*Note:* Our Group's revenue generated from other segments represents revenue generated from processing service contracts related to aluminium products and sale of aluminium panels, aluminium alloy, moulds and spare parts.

## Gross profit and gross profit margin

The gross profit of the Group for 1H24 decreased by 13.5% to approximately RMB749.7 million (1H23: RMB866.9 million).

The overall gross profit margin for 1H24 of the Group decreased to 9.0%, while the sales to production ratio maintained stable at 96.5% (1H23: 96.9%).

The following table sets forth the gross profit margin of our segments:

	Six months ended 30 June	
	2024	2023
Overall	9.0%	11.1%
Construction aluminium profiles	9.3%	11.6%
Industrial aluminium profiles	4.0%	6.3%
All other segments ( <i>Note</i> )	26.0%	25.1%

*Note:* Our Group's all other segments include processing service contracts related to aluminium products and sale of aluminium panels, aluminium alloy, moulds and spare parts.

The gross profit margin of construction aluminium profiles and industrial aluminium profiles segments decreased to 9.3% and 4.0% respectively. Such decrease in gross profit margin was mainly due to the intensified market competition.

## Other income

The other income of the Group for 1H24 increased by 93.2% to approximately RMB97.2 million (1H23: RMB50.3 million). Such increase was mainly attributable to the increase in the amount of government grants received during 1H24.

## Distribution costs

The distribution costs of the Group for 1H24 increased by 17.2% to approximately RMB179.0 million (1H23: RMB152.8 million), which was 2.1% of the revenue (1H23: 2%). During 1H24, the distribution costs increased as compared to that of 1H23 and such increase is in line with the increase in the growth of sales volume.

## Administrative expenses

The administrative expenses of the Group for 1H24 increased by 1.1% to RMB212.7 million (1H23: RMB210.4 million), which was 2.5% of the revenue (1H23: 2.7%).

## Profit attributable to owners of the Company and net profit margin

The profit attributable to owners of the Company for 1H24 increased by 45.2% to approximately RMB378.4 million (1H23: RMB260.6 million), whilst the net profit margin increased to 4.5% (1H23: 3.3%).

The Board believes that such increase in profit was primarily attributable to the decrease in impairment losses on trade and other receivables.

## ANALYSIS OF FINANCIAL POSITION

### Current and quick ratios

The following table sets out our Group's current and quick ratios as at 30 June 2024 and 31 December 2023:

	At <b>30 June</b> <b>2024</b>	At 31 December 2023
Current ratio ( <i>Note i</i> )	<b>1.59</b>	1.80
Quick ratio ( <i>Note ii</i> )	<b>1.28</b>	1.52

*Note:*

- (i) Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the period/year.
- (ii) Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the period/year.

Current ratio and quick ratio as at 30 June 2024 decreased as compared to that as at 31 December 2023. Such decrease was mainly due to higher utilisation of bills payables to settle the payment of suppliers and short-term bank and other borrowings during 1H24.

### Gearing ratio

The following table sets out our Group's gearing ratio as at 30 June 2024 and 31 December 2023:

	At <b>30 June</b> <b>2024</b>	At 31 December 2023
Gearing ratio ( <i>Note</i> )	<b>23.3%</b>	24.5%

*Note:*

Gearing ratio is calculated based on the loans and borrowings divided by total assets and multiplied by 100%.

The gearing ratio as at 30 June 2024 decreased slightly as compared to that as at 31 December 2023, mainly because the combined effect of the increase in the amount of bank and other borrowings and the increase in the amount of current assets during 1H24.

### **Inventory turnover days**

The following table sets out our Group's inventory turnover days during 1H24 and 1H23:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
Inventory turnover days ( <i>Note</i> )	<b>39</b>	<b>42</b>

*Note:*

Inventory turnover days is calculated based on the average of the beginning and ending inventory balance before provision for the periods divided by the total cost of sales during the periods multiplied by 181 days.

Inventories balance as at the respective periods ended 30 June 2024 and 2023 represents aluminium profiles segment including our raw materials, work in progress and the unsold finished goods and completed properties for sale.

The Group's inventory turnover days for 1H24 decreased as compared to that of 1H23 because the Group has imposed tighter control on the balance of inventories during 1H24.

### **Debtors' turnover days**

The following table sets out our Group's debtors' turnover days during 1H24 and 1H23:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
Debtors' turnover days ( <i>Note</i> )	<b>91</b>	<b>99</b>

*Note:*

Debtors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills receivables (net of allowance for credit losses) for the corresponding period divided by revenue during the period under review multiplied by 181 days.

The debtor's turnover days decreased in 1H24 as compared to that of 1H23 because the Group reinforces credit control to shorten the collection period.

### **Creditors' turnover days**

The following table sets out our Group's creditors' turnover days during 1H24 and 1H23:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
Creditors' turnover days ( <i>Note</i> )	<b>86</b>	<b>92</b>

*Note:*

Creditors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the corresponding period divided by the total cost of sales for the period under review multiplied by 181 days.

The creditors' turnover days decreased in 1H24 as compared to that of 1H23 as the Group accelerated the repayment schedules of suppliers to secure stable supply of materials in view of increased sales volume during 1H24.

### **Loans and borrowings**

As at 30 June 2024, the Group's loans and borrowings amounted to approximately RMB3,310.2 million (31 December 2023: RMB3,147.5 million), among which amounted to approximately RMB552.4 million were at fixed interest rates (31 December 2023: RMB1,146.6 million). All of the Group's loans and borrowings as at 30 June 2024 were denominated in RMB.

Save for typically lower borrowing requirements in the first quarter of the year due to holidays during the Chinese Lunar New Year, there was no seasonality in the Group's bank borrowing requirements.

### **Banking facilities and guarantee**

As at 30 June 2024, the banking facilities of the Group amounted to approximately RMB14,536.2 million (31 December 2023: RMB14,176.2 million), of which approximately RMB6,183.5 million were utilized (31 December 2023: RMB4,509.0 million).

No banking facilities were guaranteed by related parties of the Group.



## Capital structure

As at 30 June 2024, the Company had 420,649,134 ordinary shares of HK\$0.01 each in issue. No shares of the Company has been issued or repurchased during 1H24.

## Treasury Policies

The Group's treasury policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in both short term and long term.

Certain sales and purchases of inventories of the Group are denominated in United States ("US") dollars and Hong Kong ("HK") dollars. Furthermore, certain trade receivables, trade payables, loans and borrowings and bank balances are denominated in US dollars and HK dollars, therefore exposing the Group to the currency risk of US dollars and HK dollars.

## CASH FLOW HIGHLIGHTS

The following table sets out our Group's cash flow highlights during 1H24 and 1H23:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net cash generated from operating activities	<b>680,595</b>	196,692
Payment for the purchase of property, plant and equipment and land use rights	<b>(530,511)</b>	(492,344)
Payment for deposit of futures contracts	–	(2,000)
Net (increase)/decrease in pledged deposits	<b>(49,917)</b>	9,653
Interest paid	<b>(58,400)</b>	(71,658)
Net increase in bank borrowings	<b>162,712</b>	1,436,199
Dividends paid	<b>(243,880)</b>	(141,047)

We generally finance our operations through internally generated cash flows, bank borrowings and our cash and cash equivalents. Our Directors believe that on a long-term basis, our liquidity will be funded from operations and, if necessary, additional equity financing or bank borrowings.

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB2,875.8 million (31 December 2023: RMB2,840.4 million), among which 0.47% was held in US dollars, 1.85% was held in HK dollars and the remaining balance was held in RMB.

## **SUBSEQUENT EVENT**

There was no significant subsequent event affecting the Group that had occurred since the end of 1H24.

## **HUMAN RESOURCES**

As at 30 June 2024, our Group employed a total of approximately 10,069 full time employees in the PRC and Hong Kong which included management staff, technicians, salespersons and workers. In 1H24, our Group's total expenses on the remuneration of employees were approximately RMB555.6 million (1H23: approximately RMB533.0 million), representing approximately 6.7% (1H23: 6.8%) of the revenue of our Group. Our Group's emolument policies are formulated on the performance of individual employees and directors, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong) for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees), housing fund, medical insurance, unemployment insurance and other relevant insurance (according to the PRC rules and regulations for PRC employees), discretionary bonuses and employee share options would also be awarded to employees according to the assessment of individual performance. In-house and external training programmes are provided as and when required. The Group did not have any share award scheme for its employees during 1H24.

## **INTERIM DIVIDEND**

The Directors did not propose the payment of interim dividend for 1H24 (1H23: Nil).

## **CORPORATE GOVERNANCE**

In the opinion of the Directors, the Company had complied with all the code provisions of the Corporate Governance Code (“**Corporate Governance Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules for 1H24.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' securities transactions. After having made specific enquiry with all Directors, our Company has received confirmations from all Directors that they have complied with the required standards as set out in the Model Code for 1H24.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions of the employees who are likely to be in possession of unpublished inside information of the Company.

## **REVIEW BY THE AUDIT COMMITTEE**

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company has an audit committee which is accountable to the Board and the primary duties of the audit committee include the review and supervision of our Group's financial reporting process and internal control measures.

The audit committee of the Board ("**Audit Committee**") is composed of three independent non-executive Directors of the Company namely, Mr. CHEN Mo, Mr. HO Kwan Yiu and Mr. LAM Ying Hung, Andy ("**Mr. LAM**") and one non-executive Director namely, Mr. WANG Lei. Mr. LAM, who has professional qualification and experience in financial matters, serves as the chairman of the Audit Committee.

The Audit Committee has met with the management and external auditors of the Company and has reviewed the unaudited condensed consolidated results of our Group for 1H24.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during 1H24.

## **PUBLICATION OF 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.xingfa.com](http://www.xingfa.com)), and the 2024 interim report of the Company containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Xingfa Aluminium Holdings Limited**  
**WANG Li**  
*Chairman*

28 August 2024

*As at the date of this announcement, the directors of the Company are as follows:*

*Executive Directors:*

Mr. WANG Li (*Chairman*)  
Mr. LIAO Yuqing (*Chief Executive Officer*)  
Ms. ZHENG Jianhua (*Chief Financial Officer*)  
Mr. LAW Yung Koon  
Mr. WANG Zhihua  
Mr. LUO Jianfeng

*Non-executive Directors:*

Mr. ZUO Manlun  
Mr. WANG Lei

*Independent non-executive Directors:*

Mr. CHEN Mo  
Mr. HO Kwan Yiu  
Mr. LAM Ying Hung, Andy  
Mr. WEN Xianjun