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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that the Group is expected to record a net profit attributable to owners of the Company of not less than RMB480.0 million for the year ended 31 December 2018 as compared to a net profit attributable to owners of the Company of approximately RMB382.6 million for the year ended 31 December 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Xingfa Aluminium Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that the Group is expected to record a net profit attributable to owners of the Company of not less than RMB480.0 million for the year ended 31 December 2018 as compared to a net profit attributable to owners of the Company of approximately RMB382.6 million for the year ended 31 December 2017 (“**Profit Alert Statement**”).

The Board believes that such increase was primarily attributable to (i) the significant increase in sales orders due to the successful implementation of marketing strategies and expansion of sales channels; and (ii) the completion of sales of certain units of Xingfa Plaza in the second half of 2018.

The information contained in this announcement is only a preliminary assessment by the Board based on the consolidated management accounts of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the auditors of the Company. Further details of the Group's financial results and performance will be disclosed in the Company's results announcement for the year ended 31 December 2018 which is expected to be published before the end of March 2019.

Reference is made to the announcement jointly issued by the Company and Guangxin Aluminium (HK) Limited ("Offeror") dated 13 February 2019 in relation to, among others, the conditional mandatory cash offers ("Offers") by Huatai Financial Holdings (Hong Kong) Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding share options of the Company ("Joint Announcement").

With the publication of the Joint Announcement, the offer period has commenced since 13 February 2019. Pursuant to Rule 10 of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"), the Profit Alert Statement constitutes a profit forecast and must be reported on by the Company's financial adviser and auditors or reporting accountants. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Alert Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Alert Statement in assessing the merits and demerits of the Offer and in dealing with the securities of the Company. The announcement of the audited final results of the Company for the year ended 31 December 2018 is expected to be published before the end of March 2019, and is expected to be published prior to the despatch of the composite document in connection with the Offers to be sent to the Shareholders. Following the publication of the audited final results of the Company for the year ended 31 December 2018, the requirement to report on the Profit Alert Statement under Rule 10 of the Takeovers Code will no longer apply.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Xingfa Aluminium Holdings Limited
LIU Libin
Chairman

21 February 2019

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

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

Non-executive Directors:

Mr. ZUO Manlun
Ms. XIE Jingyun

Independent non-executive Directors:

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung, Andy
Mr. LIANG Shibin

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.