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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 2022**

#### **FINANCIAL HIGHLIGHTS**

1. Revenue increased by 18.2% to approximately RMB7,855.0 million (1H21: RMB6,645.6 million).
2. Sales volume increased by 0.8% to approximately 317,780 tonnes (1H21: 315,357 tonnes).
3. Profit attributable to shareholders of the Company decreased by 20.8% to approximately RMB307.6 million (1H21: RMB388.5 million).
4. Earnings per share were RMB0.73 (1H21: RMB0.93).
5. The Board did not recommend any payment of an interim dividend for 1H22 (1H21: Nil).

## RESULTS

The board (“**Board**”) of directors (“**Directors**”) of Xingfa Aluminium Holdings Limited (“**Company**”) is pleased to announce the unaudited 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 2022 (“**1H22**”), together with the comparative figures for the corresponding period in 2021 (“**1H21**”) and the relevant explanatory notes as set out below. The consolidated results are unaudited, but have been reviewed by the audit committee of the Board and the Company’s independent auditors, KPMG.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022 — unaudited

(Expressed in Renminbi)

		Six months ended 30 June	
		2022	2021
	Note	RMB’000	RMB’000
<b>Revenue</b>	3	<b>7,854,963</b>	6,645,617
Cost of sales	4 & 8	<b>(7,073,677)</b>	(5,888,958)
<b>Gross profit</b>		<b>781,286</b>	756,659
Other income		<b>64,547</b>	71,372
Distribution costs		<b>(121,132)</b>	(148,557)
Administrative expenses		<b>(189,834)</b>	(183,048)
Impairment losses on trade and other receivables		<b>(125,457)</b>	(19,608)
<b>Profit from operations</b>		<b>409,410</b>	476,818
Finance costs	4(a)	<b>(66,303)</b>	(37,080)
Share of loss of an associate		<b>(2,872)</b>	–
Gain on disposal of an associate		–	3,460
<b>Profit before taxation</b>	4	<b>340,235</b>	443,198
Income tax	5	<b>(31,745)</b>	(55,801)
<b>Profit for the period</b>		<b>308,490</b>	387,397
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>307,612</b>	388,520
Non-controlling interests		<b>878</b>	(1,123)
<b>Profit for the period</b>		<b>308,490</b>	387,397
<b>Earnings per share</b>	7		
Basic (RMB yuan)		<b>0.73</b>	0.93
Diluted (RMB yuan)		<b>0.73</b>	0.93

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2022 — unaudited*

*(Expressed in Renminbi)*

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Profit for the period</b>	<b>308,490</b>	387,397
<b>Other comprehensive income for the period may be reclassified to profit or loss:</b>		
Exchange differences on translation of financial statements of operations outside the Mainland China	<b>1,327</b>	(2,571)
Cash flow hedge: net movement in the hedging reserve	<b>(28,581)</b>	20,139
<b>Other comprehensive income for the period</b>	<b>(27,254)</b>	17,568
<b>Total comprehensive income for the period</b>	<b>281,236</b>	404,965
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>280,358</b>	406,088
Non-controlling interests	<b>878</b>	(1,123)
<b>Total comprehensive income for the period</b>	<b>281,236</b>	404,965

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022 — unaudited

(Expressed in Renminbi)

		At 30 June 2022	At 31 December 2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Investment property		183,592	169,427
Property, plant and equipment		2,722,121	2,534,160
		<u>2,905,713</u>	<u>2,703,587</u>
Right-of-use assets		405,213	330,465
Intangible assets		3,160	3,410
Interest in an associate		6,103	8,975
Equity securities designated at fair value through other comprehensive income (FVOCI)		11,183	11,183
Deferred tax assets		85,451	68,434
		<u>3,416,823</u>	<u>3,126,054</u>
<b>Current assets</b>			
Derivative financial instruments		49,965	15,289
Inventories and other contract costs	8	1,748,695	1,481,803
Trade and other receivables	9	4,741,828	4,667,569
Prepayments		254,126	199,421
Pledged deposits		282,285	208,919
Cash and cash equivalents		1,933,220	1,643,133
		<u>9,010,119</u>	<u>8,216,134</u>
<b>Current liabilities</b>			
Trade and other payables	10	4,826,609	4,725,224
Contract liabilities	11	268,396	228,274
Loans and borrowings		1,719,422	492,617
Lease liabilities		1,521	2,005
Derivative financial instruments		—	5,908
Current taxation		44,319	89,057
		<u>6,860,267</u>	<u>5,543,085</u>
<b>Net current assets</b>		<u>2,149,852</u>	<u>2,673,049</u>
<b>Total assets less current liabilities</b>		<u>5,566,675</u>	<u>5,799,103</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***At 30 June 2022 — unaudited**(Expressed in Renminbi)*

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Loans and borrowings	1,026,570	1,258,742
Lease liabilities	4,914	5,447
Deferred income	26,831	25,566
Deferred tax liabilities	30,136	29,948
	<u>1,088,451</u>	<u>1,319,703</u>
<b>NET ASSETS</b>	<u>4,478,224</u>	<u>4,479,400</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	3,748	3,744
Reserves	4,473,540	4,475,598
<b>Total equity attributable to equity shareholders of the Company</b>	<u>4,477,288</u>	<u>4,479,342</u>
<b>Non-controlling interests</b>	<u>936</u>	<u>58</u>
<b>TOTAL EQUITY</b>	<u>4,478,224</u>	<u>4,479,400</u>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022 — unaudited

(Expressed in Renminbi)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Operating activities</b>		
Cash generated from operations	327,402	574,767
Income tax paid	(88,089)	(70,899)
Land Appreciation Tax paid (“LAT”)	(179)	(73)
	<u>239,134</u>	<u>503,795</u>
<b>Investing activities</b>		
Interest received	37,849	34,645
Payment for the purchase of property, plant and equipment and land use rights	(586,652)	(330,670)
Payment for pledged deposits	(1,387,011)	(1,097,329)
Proceeds received upon maturity of pledged deposits	1,313,645	1,036,117
Payment for deposit of future contracts	(115,000)	(15,000)
Proceeds from future contracts investment	138,006	35,080
Proceeds from disposal of property, plant and equipment and land use rights	17,561	1,557
Payment for loans to an associate	(11,200)	–
Dividend received from an associate	–	27,655
Proceeds from disposal of an associate	–	10,000
	<u>(592,802)</u>	<u>(297,945)</u>
<b>Financing activities</b>		
Capital element of lease rentals paid	(1,017)	(770)
Interest element of lease rentals paid	(165)	(212)
Interest paid	(70,464)	(68,865)
Proceeds from loans and borrowings	1,403,620	2,116,429
Repayment of loans and borrowings	(408,987)	(1,439,294)
Proceeds from shares issued under share option scheme	2,790	5,653
Dividends paid to equity shareholders of the Company	(285,419)	(123,631)
	<u>640,358</u>	<u>489,310</u>
<b>Net cash generated from financing activities</b>		
	<u>640,358</u>	<u>489,310</u>
<b>Net increase in cash and cash equivalents</b>	<b>286,690</b>	<b>695,160</b>
<b>Cash and cash equivalents at 1 January</b>	<b>1,643,133</b>	<b>509,639</b>
<b>Effect of foreign exchange rates changes</b>	<b>3,397</b>	<b>(7,400)</b>
<b>Cash and cash equivalents at 30 June</b>	<b>1,933,220</b>	<b>1,197,399</b>

*Notes:*

## **1 BASIS OF PREPARATION**

The unaudited interim financial information was extracted from the interim financial report of Xingfa Aluminium Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standards (“**IAS**”) 34, Interim financial reporting, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on 26 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements.

Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

## **2 CHANGES IN ACCOUNTING POLICIES**

The Group has applied the following amendments to IFRSs issued by IASB to this interim financial report for the current accounting period:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of amended IFRSs are discussed below:

### **Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use***

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

### **Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract***

The amendments clarify that for the purposes of assessing whether a contract is onerous, the costs of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

## **3 REVENUE AND SEGMENT REPORTING**

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 segment manufactures and sells plain aluminium profiles, mainly for industrial usage.
- Construction aluminium profiles: this 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: include the revenue generated from processing service contracts related to aluminium products, sale of office premises and residential properties and sale of aluminium panels, aluminium alloy, moulds and spare parts.



(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>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated of product lines		
— Construction aluminium profiles	<b>6,193,091</b>	4,949,735
— Industrial aluminium profiles	<b>1,461,412</b>	1,469,472
— Other products and services	<b>200,460</b>	226,410
	<b><u>7,854,963</u></b>	<u>6,645,617</u>
Disaggregated by geographical location of customers		
— Mainland China, except for Hong Kong	<b>7,765,415</b>	6,534,116
— Hong Kong	<b>37,740</b>	49,517
— Asia Pacific, except for Mainland China and Hong Kong	<b>45,482</b>	56,645
— Other regions	<b>6,326</b>	5,339
	<b><u>7,854,963</u></b>	<u>6,645,617</u>

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 2022, the Group's customer base is diversified and does not include any individual customer (six months ended 30 June 2021: Nil) with whom transactions have exceeded 10% of the Group's revenue.

**(b) Information about profit or loss, assets and liabilities**

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 2022 is set out below:

	Industrial		Construction		All other segments		Total	
	aluminium profiles		aluminium profiles					
	2022	2021	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Revenue from external customers recognised by point in time</b>	<b>1,461,412</b>	1,469,472	<b>6,193,091</b>	4,949,735	<b>200,460</b>	226,410	<b>7,854,963</b>	6,645,617
<b>Reportable segment profit</b>								
Gross profit	<b>81,698</b>	104,423	<b>651,023</b>	574,020	<b>48,565</b>	78,216	<b>781,286</b>	756,659

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Reportable segment profit derived from the Group's external customers	<b>781,286</b>	756,659
Other income	<b>64,547</b>	71,372
Distribution costs	<b>(121,132)</b>	(148,557)
Administrative expenses	<b>(189,834)</b>	(183,048)
Impairment losses on trade and other receivables	<b>(125,457)</b>	(19,608)
Finance costs	<b>(66,303)</b>	(37,080)
Share of loss of an associate	<b>(2,872)</b>	–
Gain on disposal of an associate	–	3,460
Consolidated profit before taxation	<b>340,235</b>	443,198

#### 4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) **Finance costs:**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Interest expenses on bank loans	39,626	27,841
Interest expenses on discounted bills	26,512	9,027
Interest on lease liabilities	165	212
	<u>66,303</u>	<u>37,080</u>

(b) **Staff costs:**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Salaries, wages, bonuses and benefits	458,181	413,349
Equity-settled share-based payment expenses	217	545
Contribution to defined contribution retirement schemes	47,244	35,964
	<u>505,642</u>	<u>449,858</u>

(c) **Other items:**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Depreciation charge		
— Investment properties	2,364	1,875
— Property, plant and equipment	233,049	190,002
— Right-of-use assets	5,419	4,762
Amortisation cost of intangible assets	250	207
Net foreign exchange gain	(5,043)	(2,913)
Changes in fair value of futures contracts recognised as hedge ineffectiveness	6,569	(3,233)
Changes in fair value of forward exchange contracts	(1,832)	(267)
Interest income	(37,849)	(34,645)
Cost of inventories (i)/(Note 8)	7,073,677	5,888,958
Research and development costs (ii)	379,610	272,876
	<u>7,073,677</u>	<u>5,888,958</u>

- (i) Cost of inventories for the six months ended 30 June 2022 included RMB542,546,000 (six months ended on 30 June 2021: RMB486,421,000) relating to depreciation and staff costs, which amount is also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses, and net loss of RMB17,616,000 (six months ended on 30 June 2021: gain of RMB13,496,000) reclassified from other comprehensive income on commodity futures contracts which were designated as cash flow hedging instruments.
- (ii) Research and development costs for the six months ended 30 June 2022 included RMB78,350,000 (six months ended 30 June 2021: RMB54,529,000) relating to staff costs of employees which amount is also included in total staff costs as disclosed in Note 4(b).

## 5 INCOME TAX

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Current tax</b>		
Provision for PRC corporate income tax	<b>29,638</b>	53,909
Provision for Hong Kong Profits Tax	–	536
Provision for PRC LAT	<b>994</b>	789
PRC dividend withholding tax	<b>14,718</b>	8,000
Over-provision for PRC income tax in respect of prior years	<b>(1,820)</b>	–
	<b>43,530</b>	63,234
<b>Deferred tax</b>		
Reversal and origination of temporary differences	<b>(11,785)</b>	(7,433)
	<b>31,745</b>	55,801

- (i) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Group are liable to PRC corporate income tax at a rate of 25% for the six months ended 30 June 2022 (six months ended 30 June 2021: 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” (“**HNTE**”) and entitled to the preferential income tax rate of 15% for the six months ended 30 June 2022 (six months ended 30 June 2021: 15%).
- (ii) At 30 June 2022, deferred tax liabilities of RMB29,861,000 (31 December 2021: RMB28,583,000) 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 2022, Guangdong Xingfa, Xingfa Chengdu, Xingfa Henan, Xingfa Jiangxi and Xingfa Precision obtained approval from local tax authorities for 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 2022 was reduced by RMB39,695,000 (six months ended 30 June 2021: RMB22,124,000). Such additional tax deduction on research and development expenses equals to 100% (2021: 75%) of the amount of research and development expenses actually incurred.

## 6 DIVIDENDS

### (i) Dividends payable to equity shareholders attributable to the interim period

The directors do not propose any payment of interim dividends for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

### (ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
Final dividends in respect of the previous financial year, approved and paid during the interim period ended 30 June 2022 of HKD0.80 per share (six months ended 30 June 2021: HKD0.36 per share)	<b>285,419</b>	123,631

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB307,612,000 (six months ended 30 June 2021: RMB388,520,000) and the weighted average number of 419,853,000 ordinary shares (six months ended 30 June 2021: 418,471,000 shares) in issue during the interim period.

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>'000</b>	'000
Issued ordinary shares at 1 January	<b>419,496</b>	418,068
Effect of share option exercised	<b>357</b>	403
Weighted average number of ordinary shares at 30 June	<b>419,853</b>	418,471

**(b) Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB307,612,000 (six months ended 30 June 2021: RMB388,520,000) and the weighted average number of ordinary shares of 420,758,000 shares (six months ended 30 June 2021: 419,832,000 shares), calculated as follows.

*(i) Profit attributable to ordinary equity shareholders of the Company (diluted)*

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Profit attributable to ordinary equity shareholders (diluted)	<u>307,612</u>	<u>388,520</u>

*(ii) Weighted average number of ordinary shares (diluted)*

	Six months ended 30 June	
	2022	2021
	'000	'000
Weighted average number of ordinary shares at 30 June	419,853	418,471
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<u>905</u>	<u>1,361</u>
Weighted average number of ordinary shares (diluted) at 30 June	<u>420,758</u>	<u>419,832</u>

## 8 INVENTORIES AND OTHER CONTRACT COSTS

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Aluminium profiles manufacturing		
— Raw materials	334,670	473,738
— Work in progress	195,773	146,574
— Finished goods	<u>1,066,659</u>	<u>728,692</u>
	<u>1,597,102</u>	<u>1,349,004</u>
Completed properties for sale		
— Land use right	46,857	27,843
— Deed tax	4,698	2,796
— Construction costs	<u>100,038</u>	<u>102,160</u>
	<u>151,593</u>	<u>132,799</u>
	<u><u>1,748,695</u></u>	<u><u>1,481,803</u></u>

*Note:*

During the six months ended 30 June 2022, inventories of RMB7,073,677,000 (six months ended 30 June 2021: RMB5,888,958,000) were recognised as an expense and included in “cost of sales”. No inventory provision was recorded in this period (six months ended 30 June 2021: Nil).

## 9 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 month	2,105,835	2,099,689
1 to 3 months	1,287,419	1,187,352
3 to 6 months	503,840	790,216
Over 6 months	<u>691,885</u>	<u>448,898</u>
Trade debtors and bills receivable, net of allowance for doubtful debts (i)(ii)	4,588,979	4,526,155
Other debtors, net of loss allowance (iii)	<u>152,849</u>	<u>141,414</u>
Financial assets measured at amortised cost	<u><u>4,741,828</u></u>	<u><u>4,667,569</u></u>

- (i) Trade debtors are due within 30 days to 120 days from the date of billing. 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 2022, loss allowances of RMB348,158,000 was recognised on trade debtors (31 December 2021: RMB223,611,000).

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses (“ECLs”). ECLs on trade receivables 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 forecast general economic conditions, including but not limited to the economic condition on the domestic real estate industry at the reporting date. In view of the unfavorable change of the domestic real estate industry, the Group increased the loss allowances for the six months ended 30 June 2022.

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

Certain bills receivable with carrying value of RMB755,507,000 were pledged as securities for bills payable of the Group as at 30 June 2022 (31 December 2021: RMB968,015,000).

- (iii) As at 30 June 2022, loss allowances of RMB3,172,000 was recognised on other debtors (31 December 2021: RMB2,262,000).



## 10 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors 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 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Within 1 month	1,291,561	1,566,333
1 to 3 months	1,204,980	709,742
Over 3 months but within 6 months	714,514	609,776
Over 6 months	<u>1,028,243</u>	<u>1,106,917</u>
Trade creditors and bills payable	<u>4,239,298</u>	<u>3,992,768</u>
Trade payables	965,048	1,723,242
Bills payable	3,274,250	2,269,526
Accrued payroll and benefits	180,130	258,855
Other payables and accruals	383,576	447,329
Interest payable	5,394	9,720
Deferred income	<u>18,211</u>	<u>16,552</u>
Financial liabilities measured at amortised cost	<u>4,826,609</u>	<u>4,725,224</u>

## 11 CONTRACT LIABILITIES

	At 30 June 2022 <i>RMB'000</i>	At 31 December 2021 <i>RMB'000</i>
Aluminium profiles		
— Billings in advance of performance	268,178	228,274
Completed properties for sale		
— Forward sales deposits and instalments received	<u>218</u>	<u>—</u>
	<u>268,396</u>	<u>228,274</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY REVIEW**

In the first half of 2022, dragged down by a series of uncertain factors such as the domestic COVID-19 pandemic in the People's Republic of China (“**PRC**”), fluctuations in raw material prices and ongoing disruption of supply chains, the macro market environment remained sluggish. Meanwhile, the real estate industry experienced drastic adjustments, which resulted in a significant decline in the sales and development of commercial housing nationwide. According to the National Bureau of Statistics, the investment in real estate development and the floor area of new construction in the first half of the year recorded a year-on-year decrease by 5.4% and 34.4%, respectively. The adjustments of the real estate industry are expected to prolong for a period of time. Hit by a double whammy of instability in macroeconomic environment and the downturn in the real estate market, the market demand for the construction and manufacturing industry continued to decline, dragging down the demand for aluminium profiles. Amid the severe challenges faced by the industry, the Group actively maintained its relationship with high-quality customers from the real-estate industry, and flexibly adjusted its marketing strategy, in order to minimize the impact. These efforts had enabled the Group to achieve growth in sales and revenue.

### **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 which are being used as construction and industrial materials. In 2002, 2012 and 2017, the Group was awarded the “No. 1 of the National Construction Aluminium Profiles Enterprise” by the China Non-Ferrous Metals Fabrication Industrial Association for three consecutive sessions and was awarded the “Made-in-China Beauty — Industry Benchmark Award (中國製造之美行業標杆獎)” and the “Top 500 Enterprises in Guangdong Manufacturing Industry (ranking 60th)” in 2020 and 2021, respectively. As of 30 June 2022, the Group had obtained approximately 1,828 national patents and participated in the drafting of approximately 107 national and industry standards. Currently, Xingfa Aluminium is also one of the largest global suppliers of electrical conductive aluminium profiles for metro vehicles. In recent years, the Group focuses on gradually establishing our sales outlets in the prefecture-level cities in Southern China and Eastern China, and at the same time has invested its resources to increase its establishment of sales outlets mainly in key cities of relatively under-developed regions, and apparent positive results were seen from the regional sales data.

The first half of 2022 was a critical period featuring the co-existence of opportunities and challenges for Xingfa Aluminium. The domestic pandemic outbreak in several cities in the PRC and the strict lockdown measures had posed major challenges to sales, production and transportation. On the one hand, due to the combined influence of strained cash flow and the suspension of construction projects under the pandemic, customers from the real estate industry became more conservative when purchasing aluminum profiles and reduced the scale of orders; on the other hand, lockdown measures in many cities restricted the mobility of personnel and supply chains were disrupted, resulting in a significant increase in transportation costs. However, all staff of Xingfa Aluminium took a positive approach, and succeeded in minimising the impact. During the 1H22, the Group adopted a more flexible approach to manage operations, continued to strengthen communication with customers, selected customers from the real estate industry with healthy cash flow and provided more flexible options on credit term. The Group also adjusted the inventory level of raw material in a timely manner to reduce operational risks, while maintaining business volume. At the same time, under the difficult business environment, the Group continued to improve its logistics and distribution capabilities to ensure on-time delivery of orders. With the unremitting efforts and preparations in advance, the Group embraced the challenge, and achieved a year-on-year increase in sales and sales volume by 18.2% and 0.8% respectively.

Although uncertainties in business environment persist in the short and medium term, the Group successfully maintained its capacity utilisation at a high level through its solid customer relationships and efficient marketing strategies. In response to development needs, the Group proactively upgraded its production technology and expanded its production capacity. Among them, the Group's flagship plant in Foshan, Guangdong, the precision manufacturing base, has been put into operation since 2021, focusing on the production of high-end industrial aluminum profiles in the fields of electronic communication equipment, radiator equipment, medical equipment and military applications. As the Group's investment in industrial aluminum profiles is gradually entering the stage of harvest, the sales team has successively received more new orders, helping the Group to gradually realise the dual-engine model for construction profiles and industrial profiles. In addition, the Group has completed the land survey for its planned manufacturing base in Zhejiang in the first half of the year. A new manufacturing base is expected to commence construction in the second half of the year, with a target to fully put into operation in 2023. At that time, the Group's total production capacity will achieve a breakthrough, which will establish a solid foundation for diversified development.

In terms of overseas markets, the Group continued to actively develop emerging markets including Southeast Asia, South America and Africa. During the first half of 2022, the sales generated by overseas markets reached RMB89.5 million, accounting for approximately 1.1 % of the total sales. While developing our business, the Group continued to explore opportunities to set up its production plants overseas. During the Period, the Group completed the study in Vietnam, representing an important step for the Group to establish its first outlet in Southeast Asia. At the same time, the production plant invested by the Group earlier in Australia would be put into production. The Group believes that the establishment of overseas production facilities will help strengthen the connection with overseas customers, enhance the operational efficiency of overseas business, thereby enhancing brand awareness and diversifying operational risks, which is crucial for the long-term development of the Xingfa Aluminium.

In terms of research and development, the Group continued to actively develop and launch aluminum profile products that respond to the needs for energy conservation, environmental protection and light weight. Its own products “Xingfa System (興發系統)”, “Xingfa Doors and Windows (興發門窗)” and “Paxdon System (帕克斯頓系統)” which were launched earlier continued to receive positive market response. The Group believes research and development is the key to enhancing product strength and strengthening competitive advantages, and therefore it has been committed in research and development. As of 30 June 2022, the Group applied for a total of 2,058 patents and licensed 1,159 valid patents, including 51 invention patents.

## **Revenue**

Driven by the increase in sales volume and raw material prices, the Group’s revenue maintained a growth momentum during the first half of 2022. For the six months ended 30 June 2022, the revenue of the Group increased by 18.2% to RMB7,855.0 million (1H21: RMB6,645.6 million), and the sales volume was 317,780 tonnes (1H21: 315,357 tonnes). The sales of construction aluminium profiles and industrial aluminium profiles accounted for 78.8% and 18.6 % of the revenue, respectively.

### ***Construction aluminium profiles***

The construction aluminium profiles are aluminium profiles with surface finishing, which are mainly used for the construction and installation of doors and windows, curtain walls, ceilings and blinds and other decorative products.

In first half of 2022, the revenue of construction aluminium profiles increased by 25.1% to approximately RMB6,193.1 million (1H21: RMB4,949.7 million), and sales volume increased by 4.4% to approximately 244,670 tonnes (1H21: 234,348 tonnes).

### ***Industrial aluminium profiles***

The 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. Moreover, the industrial aluminium profiles can be produced into different forms and shapes, such as central processing unit (CPU) and display thermal sinks and electronic consumer product frames.

The revenue of industrial aluminium profiles in the first half of 2022 slightly decreased by 0.6% to approximately RMB1,461.4 million (1H21: RMB1,469.5 million), and sales volume decreased by 16.2 % to approximately 65,466 tonnes (1H21: 78,164 tonnes).

### **Prospect**

Looking forward to the second half of the year, amid the complex and volatile global economic situation, issues such as the domestic pandemic, disrupted supply chains and increasing transportation costs will continue to impose pressure on the macro economy and even Xingfa Aluminium. However, as the aluminum processing industry is the cornerstone of economic development, the Group remains prudently optimistic about the development in the medium and long term.

With a series of favorable policies recently introduced by the Chinese government to support infrastructure financing, the Group expects that the environment of the construction industry will gradually improve, but there shall still be certain risks. On the premise of strengthening risk management and control, the Group will cooperate with leading real estate developers with stable financial position to maintain its own financial stability while increasing business scale.

Apart from commercial housing, the Group will actively participate in the construction of public infrastructure. As the urbanisation is nearly complete in the PRC, local governments are striving to improve the quality and coverage rate of public infrastructures, creating more demand for construction aluminum profiles. As a participant in urbanisation, the Group will actively involve in public construction projects such as construction of hospitals, schools and municipal buildings to develop different revenue streams.

In terms of industrial aluminum profiles, the Group will continue to explore development opportunities, enrich the application of its products, and expand the customer base of industrial aluminum profiles, so as to increase its sales. The Group plans to enter the new energy vehicle industry, and seize the opportunity of lightweight vehicles. It will be committed to the research and development of aluminum profiles with higher quality and lighter weight, to meet the needs of major automobile manufacturers, and establish a new growth engine for the Group, thus injecting new impetus to corporate development.

## FINANCIAL REVIEW

### Revenue

The revenue and sales volume of the Group for 1H22 were increased by 18.2% and 0.8% year-on-year to approximately RMB7,855.0 million and 317,780 tonnes respectively (1H21: RMB6,645.6 million and 315,357 tonnes respectively). The increase were mainly attributable to increase in prices of aluminium raw materials and in line with the slight growth in sales orders.

The sales volume of construction aluminium profiles for 1H22 increased by 4.4% to 244,670 tonnes (1H21: 234,348 tonnes). Meanwhile, the sales volume of industrial profiles for 1H22 decreased by 16.2% to 65,466 tonnes (1H21: 78,164 tonnes).

The following table sets forth the details of our revenue by category for 1H22 and 1H21:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Manufacturing and sale of aluminium profiles		
— Construction aluminium profiles	<b>6,193,091</b>	4,949,735
— Industrial aluminium profiles	<b>1,461,412</b>	1,469,472
	<b>7,654,503</b>	6,419,207
Others ( <i>Note</i> )	<b>200,460</b>	226,410
Total	<b>7,854,963</b>	6,645,617

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

## Gross profit and gross profit margin

The gross profit of the Group for 1H22 increased by 3.3% year-on-year to approximately RMB781.3 million (1H21: RMB756.7 million).

The overall gross profit margin for 1H22 of the Group decreased to 9.9%, while the sales to production ratio decreased slightly at 96.4%.

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

	Six months ended 30 June	
	2022	2021
Overall	9.9%	11.4%
Construction aluminium profiles	10.5%	11.6%
Industrial aluminium profiles	5.6%	7.1%
All other segments ( <i>Note</i> )	24.2%	34.5%

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

The gross profit margin of construction aluminium profiles, industrial aluminium profiles and all other segments decreased to 10.5%, 5.6% and 24.2% respectively. The decrease in gross profit margin was mainly due to the rising costs of production.

## Other income

The other income of the Group for 1H22 decreased by 9.6% year-on-year to approximately RMB64.5 million (1H21: RMB71.4 million), which was mainly attributable to decrease in government subsidy.

## Distribution costs

The distribution costs of the Group for 1H22 decreased by 18.5% to approximately RMB121.1 million (1H21: RMB148.6 million), which was 1.5% of the revenue (1H21: 2.2%). During 1H22, the distribution costs decreased as compared to that of 1H21 as a result of continuous effort of tighter cost control.

## Administrative expenses

The administrative expenses of the Group for 1H22 increased by 3.7% to RMB189.8 million (1H21: RMB183.0 million), which was 2.4% of the revenue (1H21: 2.8%).

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

The profit attributable to shareholders of the Company for 1H22 decreased by 20.8% to approximately RMB307.6 million (1H21: RMB388.5 million), whilst the net profit margin decreased to 3.9% (1H21: 5.8%).

The Board believes that such decrease in profit was primarily attributable to the increase in impairment losses on trade and other receivables during 1H22.

## ANALYSIS OF FINANCIAL POSITION

### Current and quick ratios

The following table sets out our Group's current and quick ratios as at 30 June 2022 and 31 December 2021:

	At <b>30 June</b> <b>2022</b>	At 31 December 2021
Current ratio ( <i>Note i</i> )	<b>1.31</b>	1.48
Quick ratio ( <i>Note ii</i> )	<b>1.06</b>	1.21

*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.

Both ratios decreased as at 30 June 2022 as compared to that as at 31 December 2021. Such decrease was in line with higher level of loans and borrowings as of 30 June 2022.



## Gearing ratio

The following table sets out our Group's gearing ratio as at 30 June 2022 and 31 December 2021:

	At <b>30 June</b> <b>2022</b>	At 31 December 2021
Gearing ratio ( <i>Note</i> )	<b>22.1%</b>	15.4%

*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 2022 increased as compared to that as at 31 December 2021, mainly because the Group had utilised more banking facilities for the increased demand in working capital during the period under review.

## Inventory turnover days

The following table sets out our Group's inventory turnover days during 1H22 and 1H21:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
Inventory turnover days ( <i>Note</i> )	<b>41</b>	37

*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 2022 and 2021 represents aluminium profiles segment including our raw materials, work in progress and the unsold finished goods and property under development for sale.

The Group's inventory turnover days for 1H22 increased slightly as compared to that of 1H21. This was mainly due to a slower turnover in goods during 1H22.

## Debtors' turnover days

The following table sets out our Group's debtors' turnover days during 1H22 and 1H21:

	Six months ended 30 June	
	2022	2021
Debtors' turnover days ( <i>Note</i> )	105	100

*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 doubtful debts) for the periods divided by revenue during the periods multiplied by 181 days.

The debtor's turnover days increased in 1H22 as compared to that of 1H21 because the repayment schedules of the debtors have been slightly lengthened.

## Creditors' turnover days

The following table sets out our Group's creditors' turnover days during 1H22 and 1H21:

	Six months ended 30 June	
	2022	2021
Creditors' turnover days ( <i>Note</i> )	105	60

*Note:*

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

The creditors' turnover days increased in 1H22 as compared to that of 1H21 as some suppliers offered longer payment term due to the uncertain business environment arising from COVID-19 pandemic.

## Loans and borrowings

As at 30 June 2022, the Group's loans and borrowings amounted to approximately RMB2,746.0 million (31 December 2021: RMB1,751.4 million), among which amounted to approximately RMB927.3 million were at fixed interest rates (31 December 2021: RMB632.6 million).

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 2022, the banking facilities of the Group amounted to approximately RMB9,387.6 million (31 December 2021: RMB9,023.0 million), of which approximately RMB6,379.5 million were utilized (31 December 2021: RMB5,185.0 million).

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

### **Capital structure**

As at 30 June 2022, the Company had 420,043,334 ordinary shares of HK\$0.01 each in issue. During the 1H22, a total of 547,000 ordinary shares of the Company were issued upon the exercise of share options granted under the share option scheme of the Company at an exercise price of HK\$5.46 per share by a Director and certain employees of the Group. No shares of the Company has been repurchased during 1H22.

### **Financial instruments for hedging purposes**

As at 30 June 2022, the Group used aluminium products futures contracts in the Shanghai Futures Exchange to manage the commodity price risk exposure in respect of the highly probable forecast purchase of aluminium products. The Group designates those futures contracts as hedging instruments in cash flow hedges and does not separate the forward and spot element of the futures contracts but instead designates the futures contract in its entirety in a hedging relationship.

### **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 US dollars and 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 1H22 and 1H21:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Net cash generated from operating activities	239,134	503,795
Payment for the purchase of property, plant and equipment and land use rights	(586,652)	(330,670)
Payment for deposit of futures contracts	(115,000)	(15,000)
Proceeds from futures contracts investment	138,006	35,080
Net increase in pledged deposits	(73,366)	(61,212)
Interest paid	(70,464)	(68,865)
Net increase in bank borrowings	994,633	677,135
Dividends paid	(285,419)	(123,631)

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 2022, the Group had cash and cash equivalents of approximately RMB1,933.2 million (31 December 2021: RMB1,643.1 million), among which 1.9% was held in US dollars, 3.2% was held in HK dollars and the remaining balance was held in RMB.

## PROPERTY DEVELOPMENT

“Xingfa Plaza (興發大廈)”, a property project wholly-owned by the Group, is located at the northern side of Jihua Road and the western side of Changang Road, Chancheng District, Foshan City, Guangdong Province, the PRC. The land use rights of the property have been granted for a term of 40 years expiring on 19 May 2050 for commercial service, office, culture and entertainment uses. The property comprises a parcel of land with a site area of approximately 16,961.36 sq.m. and the gross floor area is approximately 123,527.29 sq.m.. As at 30 June 2022, around 42% of the saleable floor area have been delivered to the customers.

During 1H22, 8 units of Xingfa Plaza had been sold and delivered, The revenue recognized from such sale for 1H22 amounted to approximately RMB5.2 million (1H21: RMB3.0 million).

## **SUBSEQUENT EVENT**

There was no significant subsequent event affecting the Group that had occurred since the end of 1H22.

## **HUMAN RESOURCES**

As at 30 June 2022, our Group employed a total of approximately 9,652 full time employees in the PRC and Hong Kong which included management staff, technicians, salespersons and workers. In 1H22, our Group's total expenses on the remuneration of employees were approximately RMB505.6 million (1H21: approximately RMB449.9 million), representing approximately 6.4% (1H21: 6.8%) of the revenue of our Group. Our Group's emolument policies are formulated on the performance of individual employees, 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 are also awarded to employees according to the assessment of individual performance. In-house and external training programmes are provided as and when required.

## **INTERIM DIVIDEND**

The Directors did not propose the payment of interim dividend for 1H22 (1H21: 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 14 to the Listing Rules for 1H22.

## **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 10 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 1H22.

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, Ms. XIE Jingyun. 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 consolidated results of our Group for 1H22.

## **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 1H22.

**PUBLICATION OF 2022 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) and the Company (www.xingfa.com), and the 2022 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and 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*

26 August 2022

*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*)  
Mr. WANG Lei  
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. WEN Xianjun