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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 FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

1. Revenue increased by 9.8% to approximately RMB20,700.5 million (2024: RMB18,854.6 million).
2. Sales volume rose by 11.2% to 900,100 tonnes (2024: 809,312 tonnes).
3. Gross profit decreased by 26.2% to approximately RMB1,301.2 million (2024: RMB1,763.7 million).
4. Profit attributable to Shareholders for the Year decreased by 23.5% to approximately RMB632.2 million (2024: RMB826.0 million).
5. Earnings per share were RMB1.50 (2024: RMB1.96).
6. The Board recommended the payment of a final dividend of HKD0.50 per ordinary share for the year ended 31 December 2025 (2024: HKD0.64).

## RESULTS

The board (“**Board**”) of directors (“**Directors**”) of Xingfa Aluminium Holdings Limited (“**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”, “**our Group**”, “**we**”, “**our**”, “**us**”, “**Xingfa**” or “**Xingfa Aluminium**”) prepared under International Financial Reporting Standards (“**IFRSs**”) for the year ended 31 December 2025 (“**Year**”), together with the comparative figures for the corresponding financial year ended 31 December 2024 and the relevant explanatory notes as set out below.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	2	<b>20,700,535</b>	18,854,641
Cost of sales		<b>(19,399,383)</b>	(17,090,943)
<b>Gross profit</b>		<b>1,301,152</b>	1,763,698
Other income	3	<b>230,009</b>	200,851
Other gains and losses		<b>(3,706)</b>	20,571
Distribution costs		<b>(316,333)</b>	(399,438)
Administrative expenses		<b>(421,055)</b>	(447,887)
Impairment losses reversed (recognised) on trade and other receivables		<b>57,220</b>	(67,883)
Finance costs	4(a)	<b>(103,589)</b>	(104,558)
Share of loss of an associate		<b>(1,426)</b>	–
<b>Profit before taxation</b>	4	<b>742,272</b>	965,354
Income tax expense	5	<b>(112,774)</b>	(137,259)
<b>Profit for the year</b>		<b>629,498</b>	828,095
<b>Profit (loss) attributable to</b>			
Owners of the Company		<b>632,219</b>	826,033
Non-controlling interests		<b>(2,721)</b>	2,062
		<b>629,498</b>	828,095
<b>Earnings per share</b>	7		
Basic (in RMB yuan)		<b>1.50</b>	1.96

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 6.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in Renminbi)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Profit for the year</b>	<u>629,498</u>	<u>828,095</u>
<b>Other comprehensive (expenses) income for the year:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Exchange differences on translation from functional currency to presentation currency	(166,023)	134,209
Fair value losses on equity investments at fair value through other comprehensive income (“FVTOCI”), net of related income tax	<u>(139)</u>	<u>(1,581)</u>
	<u>(166,162)</u>	<u>132,628</u>
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	<u>165,937</u>	<u>(133,465)</u>
<b>Total other comprehensive (expenses) income for the year</b>	<u>(225)</u>	<u>(837)</u>
<b>Total comprehensive income for the year</b>	<u>629,273</u>	<u>827,258</u>
<b>Total comprehensive income attributable to:</b>		
Owner of the Company	631,994	825,196
Non-controlling interests	<u>(2,721)</u>	<u>2,062</u>
	<u>629,273</u>	<u>827,258</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in Renminbi)

	<i>Notes</i>	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
<b>Non-current assets</b>			
Investment properties		179,024	197,920
Property, plant and equipment		<u>3,702,157</u>	<u>3,562,266</u>
		<u>3,881,181</u>	<u>3,760,186</u>
Right-of-use assets		505,261	447,164
Intangible assets		1,269	3,823
Investment in an associate		7,905	—
Equity securities designated at FVTOCI		23,299	23,462
Derivative financial instruments		4,489	6,957
Fixed bank deposits		527,746	—
Prepayments	<i>9(b)</i>	53,191	72,700
Deferred tax assets		<u>214,034</u>	<u>214,098</u>
		<u>5,218,375</u>	<u>4,528,390</u>
<b>Current assets</b>			
Inventories	<i>8</i>	1,986,447	1,654,256
Trade and other receivables	<i>9(a)</i>	5,116,770	5,281,970
Prepayments	<i>9(b)</i>	106,880	155,702
Pledged deposits		326,115	196,062
Fixed bank deposits		561,356	—
Cash and cash equivalents		1,647,878	2,726,060
Prepaid income tax		<u>30,136</u>	<u>—</u>
		<u>9,775,582</u>	<u>10,014,050</u>
<b>Current liabilities</b>			
Trade and other payables	<i>10</i>	5,010,737	5,230,340
Contract liabilities	<i>11</i>	495,879	349,002
Bank and other borrowings		479,315	627,019
Lease liabilities		4,411	1,995
Tax liabilities		<u>32,760</u>	<u>37,716</u>
		<u>6,023,102</u>	<u>6,246,072</u>
<b>Net current assets</b>		<u>3,752,480</u>	<u>3,767,978</u>
<b>Total assets less current liabilities</b>		<u>8,970,855</u>	<u>8,296,368</u>

	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
<b>Non-current liabilities</b>		
Bank and other borrowings	2,485,877	2,250,332
Lease liabilities	46,603	331
Deferred income	131,161	117,570
Deferred tax liabilities	12,825	20,675
Other financial liabilities	7,209	—
	<u>2,683,675</u>	<u>2,388,908</u>
<b>Net assets</b>	<u><u>6,287,180</u></u>	<u><u>5,907,460</u></u>
<b>Capital and reserves</b>		
Share capital	3,753	3,753
Reserves	6,280,605	5,894,122
	<u>6,284,358</u>	5,897,875
<b>Total equity attributable to owners of the Company</b>	<u>6,284,358</u>	5,897,875
<b>Non-controlling interests</b>	<u>2,822</u>	9,585
	<u>6,287,180</u>	<u>5,907,460</u>
<b>Total equity</b>	<u><u>6,287,180</u></u>	<u><u>5,907,460</u></u>

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

(Expressed in Renminbi)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Operating activities</b>		
Profit before taxation	742,272	965,354
Adjustments for:		
Depreciation	658,571	578,806
Amortisation	405	1,062
(Reversal of) write down of inventories	(1,264)	3,000
Impairment losses (reversed) recognised on trade and other receivables	(57,220)	67,883
Impairment loss on prepayments for properties	5,100	—
Finance costs	103,589	104,558
Interest and dividend income	(88,848)	(46,070)
Loss on disposal of property, plant and equipment and other assets	1,068	370
Share of loss of an associate	1,426	—
Gain on disposal of a subsidiary/an associate	(1,274)	(12,960)
Changes in fair value of other derivative financial instruments and forward exchange contracts	2,468	(2,642)
Net foreign exchange gain (loss)	456	(1,938)
Government grants amortised from deferred income	(8,838)	(5,609)
	<u>1,357,911</u>	<u>1,651,814</u>
Operating cash flows before movements in working capital		
(Increase) in inventories	(338,368)	(295,133)
Decrease (increase) in trade and other receivables	198,190	(1,174,768)
Decrease (increase) in prepayment	35,949	(48,600)
Decrease (increase) in trade and other payables	(268,688)	1,522,459
Increase (decrease) in contract liabilities	151,034	(33,411)
	<u>1,136,028</u>	<u>1,622,361</u>
Cash generated from operations		
Income tax paid	(139,975)	(193,260)
Dividend withholding tax paid	(15,643)	(13,500)
Land Appreciation Tax ("LAT") paid	(10)	(111)
	<u>(155,628)</u>	<u>(320,371)</u>
<b>Net cash from operating activities</b>	<u>980,400</u>	<u>1,415,490</u>

## CONSOLIDATED CASH FLOW STATEMENT- CONTINUED

For the year ended 31 December 2025

(Expressed in Renminbi)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Investing activities</b>		
Interest and dividend received	88,848	46,070
Payment for purchase of property, plant and equipment	(667,901)	(955,826)
Placement of pledged deposits	(2,040,041)	(2,045,554)
Proceeds from government grants for property, plant and equipment acquisition	29,723	49,931
Proceeds received upon maturity of pledged deposits	1,909,988	1,973,742
Proceeds from disposal of property, plant and equipment	(2,725)	4,802
Proceeds from disposal of an associate	–	15,000
Repayment of loans from an associate	–	16,000
Proceeds from disposal of equity investments at FVTOCI	–	11,186
Net cash outflow on disposal of a subsidiary	(31,779)	–
Placement of fixed bank deposits with original maturity over three months	(1,089,102)	–
<b>Net cash used in investing activities</b>	<u>(1,802,989)</u>	<u>(884,649)</u>
<b>Financing activities</b>		
Payment of lease liabilities	(9,454)	(3,729)
Payment of interest on lease liabilities	(933)	(161)
Interest paid	(106,078)	(128,217)
Additions of bank and other borrowings	2,331,258	1,993,593
Repayment of bank and other borrowings	(2,233,426)	(2,263,734)
Dividends paid to owners of the Company	(245,511)	(245,629)
Cash inflows from investors contribution recognised as financial liabilities rather than equity	7,209	–
Capital contribution by non controlling interest	3,699	–
<b>Net cash used in financing activities</b>	<u>(253,236)</u>	<u>(647,877)</u>
<b>Net decrease cash and cash equivalents</b>	<u>(1,075,825)</u>	<u>(117,036)</u>
<b>Cash and cash equivalents at 1 January</b>	<u>2,726,060</u>	<u>2,840,415</u>
Effect of foreign exchange rates changes	(2,357)	2,681
<b>Cash and cash equivalents at 31 December</b>	<u><u>1,647,878</u></u>	<u><u>2,726,060</u></u>

Notes:

## 1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### (a) Statement of compliance

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025 but are extracted from those consolidated financial statements.

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

### (b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, which is the functional currency of the major subsidiaries carrying out the principal activities of the Group.

### (c) Application of new and amendments to IFRS Accounting Standards

#### *Amendments to IFRS Accounting Standards that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## ***New and amendments to IFRS Accounting Standards in issue but not yet effective***

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

## 2 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are manufacturing and sale of aluminium products and sale of completed properties. Further details regarding the Group's principal activities are disclosed in Note 2(b).

#### (i) Disaggregation of revenue

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b><i>Revenue from Contracts with Customers</i></b>		
Disaggregated of products or service lines		
– Sales of aluminium profiles	20,355,283	18,535,655
– Sales of aluminium panels, aluminium alloy, moulds and spare parts	344,559	315,292
– Sales of completed properties	693	3,694
	<u>20,700,535</u>	<u>18,854,641</u>

The Group's customer base is diversified and does not include any individual customer with whom transactions have exceeded 10% of the Group's revenue (2024: Nil).

For sales of aluminium products for which the control of the product is transferred at a point in time, revenue is recognised when control of goods has transferred, being when the customer accepts the products. The normal credit term is disclosed in Note 9.

For sale of property for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable.

The performance obligation under the contracts for the sales of products has original expected duration of less than one year and as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed below.

## (b) 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.

- Non-construction aluminium profiles: this operating and reportable segment manufactures and sells plain aluminium profiles, mainly for non-construction 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, sale of aluminium panels, aluminium alloy, moulds and spare parts, sale of office premises and residential properties.

### (i) Segment results

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 bases:

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.

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 years ended 31 December 2025 and 2024 is set out below:

	Non-construction aluminium profiles		Construction aluminium profiles		All other segments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers recognised by point in time	<u>3,471,529</u>	<u>1,914,451</u>	<u>16,883,754</u>	<u>16,621,204</u>	<u>345,252</u>	<u>318,986</u>	<u>20,700,535</u>	<u>18,854,641</u>
Reportable segment profit								
Gross profit	<u>113,768</u>	<u>72,299</u>	<u>970,440</u>	<u>1,539,299</u>	<u>216,944</u>	<u>152,100</u>	<u>1,301,152</u>	<u>1,763,698</u>

**(ii) Reconciliations of reportable segment profit**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Reportable segment profit derived from the Group's external customers	1,301,152	1,763,698
Other income	230,009	200,851
Other gains and losses	(3,706)	20,571
Distribution costs	(316,333)	(399,438)
Administrative expenses	(421,055)	(447,887)
Impairment losses on trade and other receivables	57,220	(67,883)
Finance costs	(103,589)	(104,558)
Share of loss of an associate	(1,426)	—
	<u>742,272</u>	<u>965,354</u>

**(iii) Geographic information**

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of non-current assets by geographical market has not been presented as over 98% (2024: 97%) of the revenue are generated from the Mainland China and over 98% (2024: 99%) of the non-current assets are located in Mainland China.

**3 OTHER INCOME**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	88,370	46,070
Dividend income	478	—
Government grants		
– Unconditional subsidies	11,571	15,308
– Conditional subsidies	8,838	5,609
Income from additional value-added tax (“VAT”) input deduction (i)	109,769	120,152
Rental income	10,983	13,712
	<u>230,009</u>	<u>200,851</u>

- (i) Income from additional VAT input deduction represented the deduction on VAT input granted by the government authorities in PRC.

#### 4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

**(a) Finance costs:**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest expenses on bank and other borrowings	<b>84,717</b>	98,931
Interest expenses on discounted bills and trade receivables	<b>21,361</b>	17,294
Interest on lease liabilities	<b>933</b>	161
	<hr/>	<hr/>
Total interest expenses	<b>107,011</b>	116,386
Less: interest expense capitalised into construction in progress	<b>(3,422)</b>	(11,828)
	<hr/>	<hr/>
	<b>103,589</b>	104,558
	<hr/> <hr/>	<hr/> <hr/>

**(b) Staff costs:**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contributions to defined contribution retirement plans	<b>131,218</b>	104,756
Salaries, wages and other benefits	<b>1,098,383</b>	1,083,561
	<hr/>	<hr/>
Total staff cost	<b>1,229,601</b>	1,188,317
	<hr/> <hr/>	<hr/> <hr/>

(c) **Other items:**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of investment properties	8,729	5,802
Depreciation of property, plant and equipment	634,082	559,028
Depreciation of right-of-use assets	15,760	13,976
Amortisation of intangible assets	405	1,062
Auditors' remuneration		
– audit services	2,500	1,450
– other services	1,994	1,518
Cost of inventories sold (i)	18,546,723	16,251,382
Research and development costs (ii)	852,660	839,561
	<u>852,660</u>	<u>839,561</u>

(i) Cost of inventories sold included RMB977,062,000 (2024: RMB913,397,000) 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, and included RMB1,264,000 (2024: RMB3,000,000) and 5,100,000 (2024: Nil) relating to (reversal of) write down of inventories – completed properties for sale and impairment loss on prepayments for properties, respectively.

(ii) Research and development costs included RMB218,659,000 (2024: RMB196,265,000) relating to staff costs of employees and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

**5 INCOME TAX EXPENSE**

**Taxation in the consolidated statement of profit or loss represents:**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current tax</b>		
Provision for PRC corporate income tax	83,190	132,869
Provision for Hong Kong Profits Tax	3,263	365
Provision for PRC LAT	3	–
PRC dividend withholding tax	15,643	13,500
Under provision in prior years	18,437	9,652
	<u>120,536</u>	156,386
<b>Deferred tax</b>		
Origination and reversal of temporary differences	7,881	(5,627)
Effect on distribution of dividends	(15,643)	(13,500)
	<u>112,774</u>	<u>137,259</u>

## 6 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividends proposed after the end of reporting year of HKD0.50 per ordinary share (2024: HKD0.64 per ordinary share)	<u>189,666</u>	<u>247,810</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividends in respect of the previous financial year, approved and paid during the year, of HKD0.64 per ordinary share (2024: HKD0.64 per ordinary share)	<u>245,511</u>	<u>245,629</u>

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB632,219,000 (2024: RMB826,033,000) and the weighted average number of 420,649,000 ordinary shares (2024: 420,649,000 ordinary shares) in issue during the year.

No diluted earnings per share is presented as the Group did not have dilutive potential ordinary share for both 2024 and 2025.

## 8 INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Aluminium profiles manufacturing		
– Raw materials	539,674	237,336
– Work in progress	331,220	307,600
– Finished goods	871,054	863,717
	<u>1,741,948</u>	<u>1,408,653</u>
<b>Completed properties for sale</b>		
– Properties developed by the Group	139,935	150,619
– Acquired properties ( <i>i</i> )	104,564	94,984
	<u>244,499</u>	<u>245,603</u>
	<u>1,986,447</u>	<u>1,654,256</u>

- (i) Up to 31 December 2025, the Group has entered into the sale and purchase agreements with property developers to obtain certain properties with total considerations of RMB231,997,000 (31 December 2024: RMB217,063,000). Also, the Group has settled the considerations by endorsing its trade receivables to the property developers without right of recourse.

As at 31 December 2025, the Group has completed the purchase of properties of RMB148,971,000 (31 December 2024: RMB136,091,000) with ownership certificates obtained as recorded at costs, net of the provision for write down of such acquired properties held for sale to net realisable value amounted to RMB44,407,000 (31 December 2024: RMB41,107,000).

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of inventories sold	18,547,987	16,248,382
(Reversal of) write down of inventories – completed properties for sale	<u>(1,264)</u>	<u>3,000</u>

All of the inventories are expected to be recovered within one year, except for the properties held for sale which are expected to be recovered after more than one year.

## 9 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

### (a) Trade and other receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade debtors and bills receivable, net of loss allowance (i)	4,806,320	4,939,460
Other debtors, net of loss allowance (ii)	310,450	342,510
	<u>5,116,770</u>	<u>5,281,970</u>

(i) As at 31 December 2025, loss allowance on trade debtors and bills receivable is RMB1,030,089,000 (31 December 2024: RMB1,094,199,000).

Bills receivable with carrying value of RMB513,569,000 were pledged as security of issuing bills payable by the Group as at 31 December 2025 (31 December 2024: RMB273,251,000).

(ii) As at 31 December 2025, VAT input receivable of RMB269,481,000 was included in other receivables (at 31 December 2024: RMB307,874,000). As at 31 December 2025, loss allowance on other debtors is RMB195,000 (31 December 2024: RMB363,000).

#### *Ageing analysis*

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	2,328,383	2,142,174
1 to 3 months	1,443,071	1,663,596
3 to 6 months	771,496	932,157
Over 6 months	263,370	201,533
	<u>4,806,320</u>	<u>4,939,460</u>

The credit period of trade receivables and bills receivable is within 30 days to 360 days from the invoice date or bills acceptance date.

**(b) Prepayments**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Prepayments for raw materials and others	<b>100,805</b>	170,654
Prepayments for properties (i)	<b>83,026</b>	80,972
	<b>183,831</b>	251,626
Less:		
Impairment loss on prepayments for properties (i)	<b>(23,760)</b>	(23,224)
Non-current portion included in prepayments	<b>(53,191)</b>	(72,700)
	<b>106,880</b>	155,702

- (i) The prepayments represented completed properties obtained from the property developers (Note 8) that have been delivered to the Group but without obtaining the related ownership certificates. The properties will be transferred to inventories of the Group subsequently upon the issuance of ownership certificate to the Group. As at 31 December 2025, impairment loss on prepayments for properties was amounted to RMB23,760,000 (31 December 2024: RMB23,224,000).

**10 TRADE AND OTHER PAYABLES**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<b>887,880</b>	1,084,474
Bills payable	<b>3,153,609</b>	3,377,143
Accrued payroll and benefits	<b>227,846</b>	274,627
Other payables and accruals	<b>567,542</b>	411,104
Payable for purchase of property, plant and equipment	<b>128,859</b>	42,613
Deferred income	<b>12,467</b>	5,173
Financial liabilities measured at amortised cost	<b>4,978,203</b>	5,195,134
Refund liabilities		
– arising from volume rebates	<b>32,534</b>	35,206
	<b>5,010,737</b>	5,230,340

All of the trade and other payables (including amounts due to related parties) are expected to be settled or recognised as income within one year or are repayable on demand.

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 month	<b>788,151</b>	567,917
1 to 3 months	<b>1,379,808</b>	1,906,863
3 to 6 months	<b>1,783,177</b>	1,509,035
Over 6 months	<b>90,353</b>	477,802
	<b><u>4,041,489</u></b>	<u>4,461,617</u>

The credit period on purchase of materials is within 120 days. The maturity period of bills payable ranges from six months to one year. The Group has financial risk management policies in place to monitor the settlement.

## 11 CONTRACT LIABILITIES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Aluminium profiles contracts		
– Billings in advance of performance	<b>495,879</b>	349,002
	<b><u>495,879</u></b>	<u>349,002</u>
Movements in contract liabilities		
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Balance at 1 January	<b>349,002</b>	382,413
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	<b>(349,002)</b>	(382,413)
Increase in contract liabilities as a result of billing in advance of manufacturing activities	<b>495,879</b>	349,002
	<b><u>495,879</u></b>	<u>349,002</u>
Balance at 31 December	<b>495,879</b>	349,002
	<b><u>495,879</u></b>	<u>349,002</u>

All of the contract liabilities are expected to be recognised as revenue within one year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY AND BUSINESS OVERVIEW

#### Industry Review

According to the data of the National Bureau of Statistics, the PRC's GDP reached RMB14.01879 trillion in 2025, representing a year-on-year increase of 5.0% at constant prices, successfully achieving the growth target set at the beginning of the year, with the national economy operating under pressure while advancing towards new and optimized development.

For the real estate market, central government policies in 2025 have exerted full force surrounding the objective of “halting declines and achieving stability”, establishing a multi-level policy system from the central to local levels. The intensity of monetary policy easing has increased, effectively reducing home purchase costs; fiscal tools have been innovated and upgraded, with special bonds being used for land reserves and the acquisition of existing commercial housing to promote inventory destocking. From the perspective of full-year data, market pressure has gradually eased, and the decline in various indicators has shown a narrowing trend. According to the data of the National Bureau of Statistics, the sales area of newly built commercial housing nationwide in 2025 was 881.01 million square meters, representing a year-on-year decrease of 8.7%. The amount of sales of newly built commercial housing nationwide was RMB8,393.7 billion, representing a year-on-year decrease of 12.6%. At the same time, structural characteristics of the market were prominent, with demand for improved housing continuing to be released, and market performance in core cities such as Beijing, Shanghai, Hangzhou, and Chengdu remaining relatively stable, becoming important pillars supporting market stabilization.

For the aluminium profiles industry, with the rapid development of emerging fields such as new energy vehicles and photovoltaics, the demand for non-construction aluminium profiles has continued to grow and has become a new engine for industry growth. Although construction aluminium profiles are affected by the adjustment of the real estate market, the renovation of existing housing, urban renewal and the promotion of green buildings have brought structural opportunities.

In the face of industry fluctuations and uncertainties, Xingfa Aluminium, as a major manufacturer and supplier of construction aluminium profiles in the PRC, 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 home improvement market and public facility projects, 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 31 December 2025, the Group had a total of 950 valid patents, including 145 invention patents, 338 utility model patents, 467 design patents, and participated in the drafting of approximately 169 national and occupation standards. In this year, the Group ranked first among the top 10 “2025 Strategic Integrity Service Providers in China’s Real Estate Industry Chain • Aluminum Category” and first among the top 10 “2025 Strategic Integrity Service Providers in China’s Real Estate Industry Chain • System Doors and Windows Category (Domestic Brands)”. The Group once again topped the list of “Top 10 Preferred Brands for Construction Profiles” and was successfully selected as a “TOP 10” brand for preferred innovative materials in the AL-Survey of the real estate, door, window, and curtain wall industry chain.

In 2025, China’s macroeconomy continued its recovery and progressive momentum supported by government policies. The real estate market gradually bottomed out under the policy keynote of “halting declines and achieving stability”, with the proportion of second-hand housing transactions increasing to 45%, demand for housing upgrades continuously released, and the construction of “good houses” progressing in an orderly manner. Despite ongoing industry adjustments and a challenging business environment, the Group adhered to its mission of “Pursuing Excellence in Quality, Serving Global Customers” and embraced the difficulties. Relying on continuous technological innovation, digital transformation and upgrading, and lean production management, the Group’s product competitiveness and brand influence continued to increase. Through the joint efforts of all employees, the Group successfully passed the re-assessment for the National Manufacturing Single-item Champion Enterprise designation during the year and was awarded the title of “Premium Brand” for three categories of aluminum alloy construction profile products, with its brand value highly recognized by industry authorities.

During the twelve months ended 31 December 2025, the Group achieved revenue of RMB20,700.5 million, representing a year-on-year increase of 9.8% compared to RMB18,854.6 million in 2024. The sales volume was 900,100 tonnes, representing a year-on-year increase of 11.2% compared to 809,312 tonnes in 2024. The net profit attributable to shareholders of the Group was RMB632.2 million, representing a year-on-year decrease of 23.5% compared to RMB826.0 million in 2024. 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 non-construction aluminium profiles. In terms of construction aluminium profiles, the Group will continue to consolidate its market share and enhance its profitability. In 2025, sales revenue from construction aluminium profiles was RMB16,883.8 million (RMB16,621.2 million in the corresponding period of 2024), representing a year-on-year increase of 1.6%. 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 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. During the year, the Group was successfully shortlisted for certain centralized procurement projects for aluminum alloy profiles, reflecting the market's continued recognition of the Group's products and services. This strategy effectively reduced financial risks, enabling the Group to maintain healthy cash flow for stable operations and enhance the certainty of its performance.

At the same time, the Group flexibly responded to market changes, promptly adjusted strategic direction, deeply explored and expanded the home decoration market. Compared to the construction market, although the home decoration market was also affected by the macroeconomic environment and the real estate market, its demand was closely related to factors such as demographic structure and consumption concept, resulting in relatively stable market performance and certain counter-cyclical characteristics during economic adjustments. In addition, the customer base in the home decoration market was broader, which was conducive to expanding the Group's market coverage, enhancing its brand influence, and further increasing market share and profitability. During the year, the Group continued to enhance its home door and window product lines. The development of regional distribution networks, such as the Chengdu processing center, achieved significant results, with distributors in certain regions achieving noticeable growth in sales. The Group believes that by expanding the home decoration market, it can bring the Group closer to the end market to gain an in-depth understanding of users' needs. Moreover, the coordination between the construction market and the home decoration market can help the Group diversify operational risks and seek steady growth.

To vigorously boost consumption and lead the development of new quality productivity through technological innovation, the National Development and Reform Commission and the Ministry of Finance issued the “Notice on Expanding the Implementation of Large-scale Equipment Renewal and Consumer Goods Trade-in Policy by 2025” in early 2025, arranging for ultra-long-term special treasury bond funds to support consumer goods trade-ins, with the scale further expanded compared to the past. Subsequently, six departments, including the Ministry of Commerce, jointly issued the “Notice on Implementing the Home Renovation and Kitchen & Bathroom ‘Refresh’ Initiative in 2025” in January 2025, which clearly included home decoration and building material products within the scope of policy subsidies, focusing on green, smart, and elderly-friendly initiatives, and supporting individual consumers in carrying out old house renovations, partial kitchen and bathroom renovations, and home modification for the elderly. The “Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026)”, subsequently issued by seven departments including the Ministry of Industry and Information Technology, further proposed to intensify and expand the implementation of the home decoration, kitchen and bathroom “refresh” initiative, and to support various localities in including green building materials within the scope of the consumer goods trade-in policy. Since the implementation of these policies, the demand for home decoration and building materials has been steadily released, residents’ attention to aluminum profile products such as green and energy-saving doors and windows has significantly increased, and activity in the existing housing renovation and partial modification market has strengthened. The Group believes that a series of policies to promote consumption will bring new development opportunities to the home decoration market and the Group.

In addition, in response 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 facility projects such as stadiums, schools, hospitals, roads and bridges. During the year, the Group successfully won certain bids for the centralized procurement project for system windows, reflecting the market’s high recognition of the Group’s products and services. The public facility projects not only provided performance growth opportunities to the Group, but also had a higher social value, thus enhancing the Group’s social reputation. In addition, the Group accelerated the pace of expanding its retail business, continuously improved and enriched the product lines of home doors and windows. The Group 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 enhancing the Group’s brand awareness.

Apart from the construction aluminium profile business, the Group also continued to develop the non-construction aluminium profile business. Non-construction 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 2025, sales revenue from non-construction aluminium profiles was RMB3,471.53 million (RMB1,914.5 million in the corresponding period of 2024), representing a year-on-year increase of 81.3%. To better capture market opportunities, the Group’s research and development team will continue to strengthen the research and development of non-construction 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 market 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 has built long-term stable cooperation with customers. The Group flexibly adjusted its business strategies to adapt to market trends and continuously strove for orders to drive the Group's long-term sustainable development. Currently, the Group has 7 production bases domestically, including Foshan, Guangdong (3); Yichun, Jiangxi; Chengdu, Sichuan; Qinyang, Henan; and Huzhou, Zhejiang, with a total production capacity exceeding 1,000,000 tons per year. The Group continuously improves the capacity layout to enhance production efficiency. In addition, the Group attaches great importance to digitalization and automation upgrades in the production process. The second-generation digital production base in Zhejiang has fully commenced production, effectively reducing the land use scale and personnel cost through these upgrades, and allowing for more effective use of land. During the year, the Group's "Full-Process Digital Intelligent Factory for the Aluminum Profile Industry" project was successfully selected as one of the "2025 Excellent Typical Cases in Key Laboratory Fields" by the National Industrial Information Security Development Research Center, driving effective improvements in several key indicators such as extrusion production efficiency and drawing design efficiency. The Group will align with the trend of digital transformation to continuously 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. In 2025, the Group's overseas projects achieved significant progress: the aluminium extrusion project in Australia with an annual production capacity of 20,000 tons officially commenced production in 2025; the new aluminium alloy material project in Vietnam with an annual production capacity of 180,000 tons is being advanced with full effort, and the procurement of supporting facilities such as the sewage treatment system was initiated in the second half of 2025; the Indonesia base is also under intensive construction. The Group believes that establishing professional sales teams in overseas and building overseas sales networks will effectively intensify the cooperation relationship with overseas customers. The Group is committed to realising the "zero-distance strategy" of local production, local users, and local services so as to provide higher quality and more efficient services to overseas customers, which will not only help expand the Group's business footprint in the global market, but also further consolidate the Group's industry position, propelling the Group to become a well-positioned pioneer in this industry.

## **Revenue**

For the year ended 31 December 2025, the revenue and sales volume of the Group increased by 9.8% and 11.2% to approximately RMB20,700.5 million and 900,100 tonnes respectively (2024: RMB18,854.6 million and 809,312 tonnes respectively), of which the sales of construction aluminium profiles and non-construction aluminium profiles accounted for 81.6% and 16.8% of the revenue respectively. The gross profit of the Group for the Year decreased by 26.2% year-on-year to approximately RMB1,301.2 million. The gross profit margin decreased to 6.3% (2024: 9.4%), and such decrease was mainly due to the intensified market competition during the Year. During the Year, the profit attributable to owners of the Company was approximately RMB632.2 million, representing a decrease of 23.5% year-on-year.

### **Construction Aluminium Profiles**

Construction aluminium profiles are surface treated aluminium profiles mainly used for the construction and installation of doors and windows, curtain walls, ceilings and blinds and other decorative products.

In 2025, the revenue of construction aluminium profiles increased by 1.6% year on year to approximately RMB16,883.8 million (2024: RMB16,621.2 million), and sales volume grew by 9.3% year on year to approximately 735,671 tonnes (2024: 672,915 tonnes).

### **Non-construction Aluminium Profiles**

Non-construction 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 non-construction aluminium profiles increased by 81.3% year on year to approximately RMB3,471.53 million (2024: RMB1,914.5 million) in 2025 while sales volume increased by 20.6% year on year to approximately 164,429 tonnes (2024: 136,397 tonnes).

## PROSPECT

Looking ahead to 2026, the Central Economic Work Conference has clearly stated the objective to “focus on stabilizing the real estate market”. The policy core has shifted towards consolidating the trend of “stability”, proposing a synergistic approach of “controlling new supply, reducing inventory, and optimizing supply”, and elevating “urban renewal” to an important task for expanding domestic demand. As the construction of “quality housing” proceeds in an orderly manner and the implementation of urban village redevelopment and the renovation of dilapidated and old housing accelerates, demand in the existing property market will be gradually released. In the aluminium profile industry, although the growth of aluminium for construction has slowed down, the demand for lightweighting and energy saving in emerging fields such as new energy vehicles and photovoltaics continues to grow, and non-construction aluminium profiles have become a new engine for industry growth. In the medium to long term, in line with the promotion of green buildings and energy-saving doors and windows under the “dual carbon” strategy, the aluminium profile sector, as a massive existing market, remains full of development opportunities. The Group maintains a cautiously optimistic attitude towards the industry development and its own growth.

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 consistently uphold the core values of “Customer First, Quality Foremost, Innovation Leading, Ingenious Craftsmanship”. We will continuously develop products that meet market demands, while vigorously expanding the market to achieve diversification in the business model for the aluminium profile industry. In terms of construction aluminium profiles, the Group will continue to reinforce cooperation with market partners who have healthy cash flow condition, and actively explore the potential of the home decoration market and public facility projects, as well as accelerate the layout of the retail market that can precisely reach consumers. During the year, the Group was successfully shortlisted for the centralized procurement projects of several leading real estate enterprises, reflecting the market’s high recognition of the Group’s products and services. In the field of non-construction aluminium profiles, the Group will continue to develop aluminium products that are highly resilient, lightweight, and have high added value, striving to gain a competitive advantage in such market with a wide range of applications, and to build the non-construction aluminium profiles business into an important growth engine beyond the construction segment.

In addition, to fully seize the market opportunities brought by the intensifying of global trade, the Group makes every effort to promote capacity expansion and overseas deployment to further improve the domestic and overseas sales and production networks. Domestically, the Group has multiple production bases, among which the second-generation digital production base in Zhejiang has fully commenced production. Through digital and automated upgrades, it has effectively reduced land use scale and personnel costs, achieving more efficient and intensive land use. With regard to overseas, the production base in Australia has successfully commenced production, while the projects in Vietnam and Indonesia are proceeding at full speed. 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 upheld a spirit of seeking progress and relentlessly pursued innovation and breakthroughs 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 changes in market with flexible marketing strategies, provide powerful and cost-effective products and services to customers nationwide and globally to satisfy the customers' growing demand for products, at the same time, the Group will realise sustainable growth, so as to continuously create 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 stock market, is full of development opportunities driven by trends such as the new energy revolution, the promotion of green buildings, and the renovation of existing housing stock, even though the industry is still facing adjustment pressure in the short run. As a major participant in the PRC's aluminium profile industry, Xingfa Aluminium, by virtue of the technical and brand advantages accumulated through honors such as National Manufacturing Single-item Champion Enterprise and National Green Factory, 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 and sales volume of the Group for the Year increased by 9.8% and 11.2% year-on-year to approximately RMB20,700.5 million and 900,100 tonnes respectively (2024: RMB18,854.6 million and 809,312 tonnes respectively). The growth of revenue was attributable to the increase in sales orders during the Year.

The sales volume of construction aluminium profiles and non-construction aluminium profiles for the Year both increased by 9.3% and 20.6% to approximately 735,671 tonnes (2024: 672,915 tonnes) and 164,429 tonnes (2024: 136,397 tonnes) respectively.

The following table sets forth the details of our revenue by reportable segments for the years ended 31 December 2025 and 2024:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Manufacturing and sale of aluminium profiles		
– Construction aluminium profiles	<b>16,883,754</b>	16,621,204
– Non-construction aluminium profiles	<b>3,471,529</b>	1,914,451
	<b>20,355,283</b>	18,535,655
All other segments	<b>345,252</b>	318,986
Total	<b>20,700,535</b>	18,854,641

*Note:* Our Group's revenue from all other segments represented 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 the Year decreased by 26.2% year-on-year to approximately RMB1,301.2 million (2024: RMB1,763.7 million).

The overall gross profit margin for the Year of the Group decreased by 3.1% to 6.3% (2024: 9.4%), and the sales to production ratio increased slightly to 99.3% (2024: 98.8%).

The following table sets forth the gross profit margin of our aluminium profiles in 2025 and 2024:

	<b>2025</b>	2024
Construction aluminium profiles	<b>5.7%</b>	9.3%
Non-construction aluminium profiles	<b>3.3%</b>	3.8%

The gross profit margin of construction aluminium profiles and non-construction aluminium profiles decreased to 5.7% and 3.3% for the Year respectively as compared to that of 2024. The decrease in gross profit margin of construction aluminium and non-construction aluminium was mainly due to the intensified competitive market.

## **Other income**

Other income of the Group for the Year increased to approximately RMB230.0 million (2024: RMB200.9 million), which was mainly attributable to the combined effect of the increase in interest income, offset by the decrease in income from VAT input deduction for the Year.

## **Distribution costs**

The distribution costs of the Group for the Year decreased by 20.8% to approximately RMB316.3 million (2024: RMB399.4 million), which accounted for 1.5% of the revenue (2024: 2.1%). The decrease was mainly due to the strengthening of cost control.

## **Administrative expenses**

The administrative expenses of the Group for the Year decreased by 6.0% to approximately RMB421.1 million (2024: RMB447.9 million), which accounted for 2.0% of the revenue (2024: 2.4%). The decrease was mainly due to the tightened cost control.

## Impairment loss reversed (recognised) on trade and other receivables

The impairment loss on trade and other receivables of the Group for the Year decreased by RMB125.1 million to a reversal of RMB57.2 million (2024: RMB67.9 million), which was mainly attributable to the recovery of receivables previously provided for as doubtful debts, reflecting an improvement in collection performance.

## Finance costs

Despite of the increase in the level of bank borrowings, finance costs remained stable at approximately RMB103.6 million (2024: RMB104.6 million) which is due to the decrease in the average interest rate of bank borrowings.

## Profit for the Year and net profit margin

The profit attributable to shareholders of the Company (“**Shareholders**”) for the Year decreased by 23.5% year-on-year to approximately RMB632.2 million (2024: RMB826.0 million). The decrease was mainly attributable to decrease in gross profit in the Year as a result of intensified market competition.

## ANALYSIS OF FINANCIAL POSITION

### Current and quick ratios

The following table sets out our Group’s current and quick ratios as at 31 December 2025 and 2024:

	2025	2024
Current ratio ( <i>Note i</i> )	1.62	1.60
Quick ratio ( <i>Note ii</i> )	1.29	1.34

#### Notes:

- (i) Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the 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 year.

Current ratio as at 31 December 2025 increased while quick ratio decreased slightly as compared to those as at 31 December 2024. This was mainly because of the strategic increase in inventories near the year end to support the anticipated business growth.

## Gearing ratio

The following table sets out our Group's gearing ratio as at 31 December 2025 and 2024:

	2025	2024
Gearing ratio ( <i>Note</i> )	19.8%	19.8%

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

The gearing ratio remained stable for the Year as compared to that of 2024, reflecting a prudent and well-balanced capital structure.

## Inventory turnover days

The following table sets out our Group's inventory turnover days during the years ended 31 December 2025 and 2024:

	2025	2024
Inventory turnover days ( <i>Note</i> )	34	32

*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 years multiplied by 365 days.

Inventory turnover days for the Year increased slightly as compared to that for 2024 due to enhanced arrangement on production plans, leading to a stable inventory backlog and inventory turnover days for the Year.

## Debtors' turnover days

The following table sets out our Group's debtors' turnover days during the years ended 31 December 2025 and 2024:

	2025	2024
Debtors' turnover days ( <i>Note</i> )	86	86

*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 years multiplied by 365 days.

The debtors' turnover days remained stable for the Year as compared to that of 2024. This was mainly because the Group maintained the consistent credit control to its debtors generally during the Year.

### **Creditors' turnover days**

The following table sets out our Group's creditors' turnover days during the years ended 31 December 2025 and 2024:

	2025	2024
Creditors' turnover days ( <i>Note</i> )	80	80

*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 years multiplied by 365 days.

The creditors' turnover days for the Year remained stable as compared to that of 2024. The stability reflects the Group's consistent payment arrangements with suppliers, supporting efficient working capital management while maintaining competitive purchase costs.

### **Bank and other borrowings**

As at 31 December 2025, the Group's loans and borrowings dominated in RMB amounted to approximately RMB2,965.2 million (31 December 2024: RMB2,877.4 million), of which approximately RMB49.3 million were fixed rate borrowings (31 December 2024: RMB564.8 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 31 December 2025, the banking facilities of the Group amounted to approximately RMB17,019.2 million (31 December 2024: RMB14,231.2 million), of which approximately RMB6,636.8 million were utilised (31 December 2024: RMB6,420.1 million).

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

### **Capital expenditure**

Capital expenditure was used for acquisition of property, plant and equipment and land use rights. During the Year, our Group's capital expenditure amounted to approximately RMB667.9 million (2024: RMB955.8 million). The increase in capital expenditure during the Year was mainly due to the acquisition of equipment and land use rights for our production plants.

## Capital structure

As at 31 December 2025, the Company had 420,649,000 ordinary shares of HKD0.01 each in issue. During the Year, no share of the Company was issued.

## TREASURY POLICIES

The Group's 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 the United States ("US") dollars, Australian dollars ("AU") and Hong Kong ("HK") dollars. Furthermore, certain trade receivables, trade payables, bank balances and bank loans 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 the years ended 31 December 2025 and 2024:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net cash generated from operating activities	<b>980,400</b>	1,415,490
Interest and dividend received	<b>88,848</b>	46,070
Payment for purchase of property, plant and equipment	<b>(667,901)</b>	(955,826)
Interest paid	<b>(106,078)</b>	(128,217)
Net increase/(decrease) in bank borrowings	<b>97,832</b>	(270,141)
Dividends paid to owners of the Company	<b>(245,511)</b>	(245,629)

We generally finance our operations through internally generated cash flows and bank borrowings. 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 31 December 2025, the Group had cash and cash equivalents of RMB1,647.8 million (31 December 2024: RMB2,726.1 million), among which 7.4% was held in US dollars, 0.3% was held in HK dollars, 0.4% was held in AU dollars and the remaining balance was held in RMB.

## SALE OF COMPLETED PROPERTIES

### (i) Xingfa Plaza

“Xingfa Plaza” (興發大廈), a property project wholly-owned by the Group, is located at the northern side of Jihua Road and western side of Changang Road, Chancheng District, Foshan City, Guangdong Province, the PRC. The land use rights of the property were 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 a gross floor area of approximately 123,527.29 sq.m..

During the Year, one unit of “Xingfa Plaza” (興發大廈) had been sold and delivered. There was revenue of RMB0.69 million recognized from the sale of completed properties for the Year (2024: RMB3.7 million).

## HUMAN RESOURCES

As at 31 December 2025, our Group employed a total of approximately 10,474 full time employees in the PRC, Hong Kong and Australia which included management staff, technicians, salespersons and workers. In 2025, our Group’s total expenses on the remuneration of employees were approximately RMB1,229.6 million, represented approximately 5.9% 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 for Hong Kong 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.

## **FINAL DIVIDEND**

The Directors recommended the payment of a final dividend of HKD0.50 per ordinary share for the year ended 31 December 2025 (2024: HKD0.64).

Subject to the approval of the Shareholders at the forthcoming annual general meeting, the final dividend will be paid in HK dollars on or around Tuesday, 23 June 2026.

## **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 the Year.

## **PLEDGE OF GROUP ASSETS**

As at 31 December 2025, the Group's pledged deposits amounting to approximately RMB326.1 million (31 December 2024: RMB196.1 million) and bills receivable with carrying value of approximately RMB513.6 million (31 December 2024: RMB273.3 million) were pledged as security for issuing bills.

As at 31 December 2025, certain plants with net book value of RMB258.4 million (31 December 2024: RMB375.4 million) and land use rights under right-of-use assets with carrying value of RMB269.6 million (31 December 2024: RMB390.7 million) were pledged as security for bank loans and borrowings of the Group.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

No significant event has occurred after the end of the year under review.

## **CORPORATE GOVERNANCE**

In the opinion of the Directors, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules for year ended 31 December 2025.

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

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

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.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain the Shareholders’ entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 25 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the Annual General Meeting, all transfer of Shares accompanied by the relevant Share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 20 May 2026.

To ascertain the Shareholders’ entitlement to the final dividend, subject to Shareholders’ approval at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 3 June 2026 to Friday, 5 June 2026 (both days inclusive). During such period, no transfer of the Shares will be registered. In order to qualify for the final dividend, all transfers, accompanied by the relevant Share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above address not later than 4:30 p.m. on Tuesday, 2 June 2026.

## **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, the majority thereof must be independent non-executive directors, and 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 is composed of three independent non-executive Directors 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 management, serves as the chairman of the audit committee of the Board.

The audit committee of the Board has met with the management and external auditors of the Company and has reviewed the consolidated results of our Group for the Year.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated cash flow statement and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been compared by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF 2025 ANNUAL 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 2025 annual 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*

26 March 2026

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

*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