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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record a considerable reduction in profit for the six months ended 30 June 2011 as compared to that of the Group for the corresponding period in 2010.

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

This announcement is made by Xingfa Aluminium Holdings Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”), pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a considerable reduction in profit for the six months ended 30 June 2011 as compared to that of the Group for the corresponding period in 2010.

The Board believes that such expected reduction is primarily attributable to (i) the drop of gross profit margin; (ii) the increase in the administrative expenses as a result of a rise of the pre-operating expenses for the new production plants of the Group, and (iii) the increase in the average borrowings and interest rates which led to a rise in finance costs.

The information contained in this announcement is only a preliminary assessment by the Board based on the consolidated management accounts of the Group for the six month ended 30 June 2011, which have not been reviewed or audited by the auditor of the Company. Further details of the Group's financial results and performance will be disclosed in the Company's interim results announcement to be published on 31 August 2011.

By Order of the Board
Xingfa Aluminium Holdings Limited
LUO Su
Chairman

Hong Kong, 12 August 2011

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

Executive directors:

Mr. LUO Su (*Chairman*)
Mr. LUO Riming (*Chief Executive Officer*)
Mr. LIAO Yuqing
Mr. LAW Yung Koon
Mr. WANG Zhihua

Non-executive director:

Mr. Wong Siu Ki

Independent non-executive directors:

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung Andy