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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)

CONTINUING CONNECTED TRANSACTIONS –
(1) NEW MASTER SUPPLY AGREEMENT; AND
(2) TENANCY AGREEMENTS

CONTINUING CONNECTED TRANSACTIONS

(1) New Master Supply Agreement

Reference is made to the announcement of the Company dated 22 September 2017 in connection with, among others, the 2018-2020 Master Supply Agreement entered into between Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and Xingfa Curtain Wall.

As the 2018-2020 Master Supply Agreement will expire on 31 December 2020, and the Group expects that the continuing connected transactions contemplated under the 2018-2020 Master Supply Agreement will continue, on 30 September 2020, Guangdong Xingfa and Xingfa Curtain Wall entered into the New Master Supply Agreement pursuant to which Guangdong Xingfa Group agreed to supply and Xingfa Curtain Wall agreed to purchase aluminium profiles supplied by Guangdong Xingfa Group on an on-going basis.

(2) Tenancy Agreements

On 30 September 2020:

- (i) Henan Xingfa, an indirect wholly-owned subsidiary of the Company, as landlord, and Henan Jingxing, an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, as tenant, entered into the Tenancy Agreement A for a fixed term of three (3) months commencing from 1 October 2020 to 31 December 2020; and
- (ii) Jiangxi Xingfa, an indirect wholly-owned subsidiary of the Company, as landlord, and Jiangxi Jingxing, a connected subsidiary of the Company, as tenant, entered into the Tenancy Agreement B for a fixed term of three (3) months commencing from 1 October 2020 to 31 December 2020.

IMPLICATIONS UNDER THE LISTING RULES

(1) New Master Supply Agreement

In view of the fact that, as at the date of this announcement, Xingfa Curtain Wall is owned as to 21% by Mr. LIAO Yuqing, an executive Director and a substantial Shareholder, and as to 46% by Mr. LUO Su, the Honourable Adviser of the Group and the father-in-law of Mr. LIAO Yuqing, Xingfa Curtain Wall is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the New Master Supply Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio relating to the proposed Annual Caps for the continuing connected transactions contemplated under the New Master Supply Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions under the New Master Supply Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Tenancy Agreements

(i) Tenancy Agreement A

As at the date of this announcement, Henan Jingxing is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreement A constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio relating to the Annual Cap for the continuing connected transactions contemplated under the Tenancy Agreement A, when aggregated with the Previous Henan Transactions, exceeds 0.1% but is less than 5%, the continuing connected transactions under the Tenancy Agreement A are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(ii) Tenancy Agreement B

As at the date of this announcement, Jiangxi Jingxing is a connected subsidiary of the Company. Accordingly, the transactions contemplated under the Tenancy Agreement B constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio relating to the Annual Cap for the continuing connected transactions contemplated under the Tenancy Agreement B, when aggregated with the Previous Jiangxi Transactions, exceeds 0.1% but is less than 5%, the continuing connected transactions under the Tenancy Agreement B are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION – NEW MASTER SUPPLY AGREEMENT

Reference is made to the announcement of the Company dated 22 September 2017 in connection with, among others, the 2018-2020 Master Supply Agreement entered into between Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and Xingfa Curtain Wall.

As the 2018-2020 Master Supply Agreement will expire on 31 December 2020, and the Group expects that the continuing connected transactions contemplated under the 2018-2020 Master Supply Agreement will continue, on 30 September 2020, Guangdong Xingfa and Xingfa Curtain Wall entered into the New Master Supply Agreement pursuant to which Guangdong Xingfa Group agreed to supply and Xingfa Curtain Wall agreed to purchase aluminium profiles supplied by Guangdong Xingfa Group on an on-going basis. Major terms of the New Master Supply Agreement are set out below:

Date : 30 September 2020

Parties

Supplier : (1) Guangdong Xingfa, a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company, and its subsidiaries from time to time.

Purchaser : (2) Xingfa Curtain Wall, a limited liability company incorporated in the PRC which, as at the date of this announcement, is owned as to 21% by Mr. LIAO Yuqing, an executive Director and a substantial Shareholder, and as to 46% by Mr. LUO Su, the Honourable Adviser of the Group and the father-in-law of Mr. LIAO Yuqing. Accordingly, Xingfa Curtain Wall is a connected person of the Company under the Listing Rules. The principal activities of Xingfa Curtain Wall are the decoration, design, production and installation of curtain wall, door and window projects made from aluminium profiles.

Duration

The New Master Supply Agreement is for a term from 1 January 2021 to 31 December 2023 (both dates inclusive).

Nature of transaction

Pursuant to the New Master Supply Agreement, Guangdong Xingfa Group members agreed to sell to Xingfa Curtain Wall aluminium profiles specified by Xingfa Curtain Wall. The aluminium profiles to be purchased by Xingfa Curtain Wall will be further processed into windows and curtain walls and sold to its customers. There is no minimum supply amount under the New Master Supply Agreement and any Guangdong Xingfa Group members is not contractually bound to supply, in response to a purchase order placed, to Xingfa Curtain Wall any products referred to in the purchase order. The aluminium profiles to be supplied by the Guangdong Xingfa Group to Xingfa Curtain Wall will be in accordance with the specifications of Xingfa Curtain Wall if accepted by the Guangdong Xingfa Group, on a case by case basis.

Pricing and payment terms

Pursuant to the New Master Supply Agreement, the prices, payment terms, specifications and detailed terms with respect to the aluminium profiles to be sold by Guangdong Xingfa Group members shall be determined in accordance with the specific orders to be agreed between Guangdong Xingfa Group members and Xingfa Curtain Wall which shall be on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing market prices of aluminium profiles and at prices and terms (including the payment terms) no more favourable to Xingfa Curtain Wall than prices and terms (including the payment terms) of sale of such aluminium profiles by the Guangdong Xingfa Group to other independent customers.

In determining the actual transaction prices of aluminium profiles, Guangdong Xingfa Group will follow the market practice in the industry to determine the prevailing market price of the aluminium profiles, which is determined with reference to the prevailing price of aluminium ingots, taking into account of the prevailing price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market and/or Shanghai Changjiang Nonferrous Metals Market, and the related processing costs of processing aluminium ingots to the required aluminium profiles. When supplying each batch of products to Xingfa Curtain Wall, Xingfa Curtain Wall would need to specify the specifications of the aluminium profiles required, as the aluminium profiles required by Xingfa Curtain Wall for a particular order may be required for a specified application, and the physical properties such as tensile strength, density, ductility, formability, weldability, and corrosion resistance of the aluminium profiles required will be different from batch to batch.

As different aluminium profiles will be required by Xingfa Curtain Wall from order to order, for the purpose of a master supply agreement, it would not be commercially practicable for the Guangdong Xingfa to agree with Xingfa Curtain Wall the specific unit price of the aluminium profiles under the New Master Supply Agreement.

Internal Controls

The Group will undertake the following internal control measures to monitor the pricing and terms of the transactions contemplated under the New Master Supply Agreement and ensure that the prices and terms offered by Guangdong Xingfa Group to Xingfa Curtain Wall will be no more favourable than prices and terms offered to independent customers and that the proposed Annual Cap is not exceeded:

- (1) monitoring the prevailing average price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market and/or Shanghai Changjiang Nonferrous Metals Market on a daily basis;
- (2) comparing the price and terms of the supply of aluminium profiles to Xingfa Curtain Wall with the prices and terms of aluminium profiles supplied by the Group in the PRC as agreed with independent customers on a regular basis;
- (3) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the price and terms of supply of aluminium profiles offered by Guangdong Xingfa Group to Xingfa Curtain Wall to ensure that they shall be no more favourable than those offered by the Group to independent customers;
- (4) a monthly financial report which contains information on all connected transactions carried out by the Group, including the continuing connected transactions under the New Master Supply Agreement, will be submitted to the Board;

- (5) the independent non-executive Directors will review and confirm that the pricing and terms of the transactions contemplated under the New Master Supply Agreement are in the Group's ordinary and usual course of business and are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole on terms no more favourable than prices and terms offered to independent customers on an annual basis; and
- (6) the auditors of the Company will review the pricing and terms of the transactions contemplated under the New Master Supply Agreement and annual caps of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.

Historical figures

For the two years ended 31 December 2018 and 2019 and for the six months ended 30 June 2020, the Group's sale of aluminium profiles to Xingfa Curtain Wall amounted to approximately RMB147,213,000, approximately RMB127,091,000 and approximately RMB44,420,000 respectively.

Proposed Annual Caps

The projected sales and the proposed Annual Caps in respect of the transactions contemplated under the New Mater Supply Agreement for each of the Year 2021, Year 2022 and Year 2023 are as follows:

	Year 2021	Year 2022	Year 2023
Projected sales (<i>RMB</i>)	136,000,000	139,400,000	142,800,000
Annual Cap (<i>RMB</i>)	140,000,000	143,000,000	145,000,000

Such proposed Annual Caps are estimated on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and primarily with reference to:

- (1) the historical sales amount of aluminium profiles sold by Guangdong Xingfa Group to Xingfa Curtain in the past years;
- (2) the projected sales volume of aluminium profiles to Xingfa Curtain Wall in Year 2020 which would be similar to that for the year ended 31 December 2019;
- (3) the projected purchase price of aluminium ingots will remain stable in each of the Year 2021, Year 2022 and Year 2023; and
- (4) the processing fee for processing aluminium ingots into aluminium profiles will remain stable in each of the Year 2021, Year 2022 and Year 2023.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the New Master Supply Agreement

The Group is principally engaged in the manufacture and sale of aluminium profiles. Manufacture and sale of aluminium profiles is the principal business and sales income stream of the Group, while Xingfa Curtain Wall is principally engaged in the decoration, design, production and installation of curtain wall, door and window projects made from aluminium profiles. Since 2011, the Group has from time to time supplied aluminium profiles to Xingfa Curtain Wall. As the prices offered by the Group to Xingfa Curtain Wall have been comparable to those offered to independent customers after taking into account the quantity, specifications and the expected date of delivery of the aluminium profiles ordered, the Directors (including the independent non-executive Directors) consider that it is in the interest of the Shareholders and the Group as a whole to enter into the New Master Supply Agreement and continue to supply aluminium profiles to Xingfa Curtain Wall.

INTRODUCTION – TENANCY AGREEMENTS

On 30 September 2020, (i) Henan Xingfa, an indirect wholly-owned subsidiary of the Company, as landlord, and Henan Jingxing, a non-wholly owned subsidiary of China Lesso, a substantial Shareholder, as tenant, entered into the Tenancy Agreement A; and (ii) Jiangxi Xingfa, an indirect wholly-owned subsidiary of the Company, as landlord, and Jiangxi Jingxing, a connected subsidiary of the Company, as tenant, entered into the Tenancy Agreement B. The principal terms of each of the Tenancy Agreement A and the Tenancy Agreement B are set out below.

TENANCY AGREEMENT A

The principal terms of the Tenancy Agreement A are set out below:

Date 30 September 2020

Parties

Landlord : Henan Xingfa, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company.

The principal business activities of Henan Xingfa are the manufacture and sale of aluminium profiles.

Tenant : Henan Jingxing, a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, and therefore a connected person of the Company under the Listing Rules.

The principal business activities of Henan Jingxing are the manufacture and sale of aluminium panels.

Property : 中國河南省沁陽市沁北工業集聚區 (unofficial English translation being Qinbei Industrial District, Qinyang City, Henan Province, the PRC)

Use : The welding, assembling, recycling and maintenance of aluminium panels which are applied as construction materials and the sale of such aluminium panels.

Term : A fixed term of three (3) months commencing from 1 October 2020 to 31 December 2020 (both dates inclusive).

Rent : A monthly rent of RMB251,721 inclusive of management fee.

The monthly rent under the Tenancy Agreement A was arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rents in the same district.

Historical figures

For the two years ended 31 December 2018 and 2019 and the nine months ending 30 September 2020, the rental amount of property leased by the Group to Henan Jiangxi was approximately RMB2,200,000, RMB3,000,000 and RMB2,265,000 respectively.

Annual Cap

The Annual Cap for the transactions contemplated under Tenancy Agreement A is set out below:

For the three months ending 31 December	Annual Cap amount (RMB)
2020 (1 October 2020 to 31 December 2020)	755,163

The above Annual Cap is arrived at by translating the monthly rent of RMB251,721 into rent receivable by Henan Xingfa for the three months ending 31 December 2020 under the Tenancy Agreement A.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Annual Cap for the Tenancy Agreement A is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the Tenancy Agreement A

The Group is principally engaged in (i) the manufacture and sale of aluminium profiles which are applied as construction and industrial materials; and (ii) property development. Henan Xingfa is principally engaged in the manufacture and sale of aluminium profiles. Henan Jingxing is principally engaged in the manufacture and sale of aluminium panels.

In view of the stable rental income to be generated under the Tenancy Agreement A and the rent and terms under the Tenancy Agreement A will not be more favourable to Henan Jingxing than those offered to independent tenants, the Directors consider that the entering into the Tenancy Agreement A is in the interests of the Company and its Shareholders as a whole.

TENANCY AGREEMENT B

The principal terms of the Tenancy Agreement B are set out below:

Date	30 September 2020
Parties	
Landlord	: Jiangxi Xingfa, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. The principal business activities of Jiangxi Xingfa are the manufacture and sale of aluminium profiles.
Tenant	: Jiangxi Jingxing, a limited liability company established in the PRC and is owned as to 80% by Jiangxi Xingfa and as to 20% by a non-wholly owned subsidiary of China Lesso, a substantial Shareholder. Jiangxi Jingxi is accounted for as an associate of the Group and is a connected subsidiary of the Company. The principal business activities of Jiangxi Jingxing are the manufacture and sale of aluminium panels.
Property	: 中國江西省宜春經濟技術開發區經發大道21號 (unofficial English translation being No. 21, Jingfa Road, Yichun Economic Development Zone, Jiangxi Province, the PRC)
Use	: The welding, assembling, recycling and maintenance of aluminium panels which are applied as construction materials and the sale of such aluminium panels.

Term : A fixed term of three (3) months commencing from 1 October 2020 to 31 December 2020 (both dates inclusive).

Rent : A monthly rent of RMB303,821 inclusive of management fee.

The monthly rent under the Tenancy Agreement B was arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rents in the same area.

Historical figures

For the two years ended 31 December 2018 and 2019 and the nine months ending 30 September 2020, the rental amount of property leased by the Group to Jiangxi Jingxing was approximately RMB2,200,000, RMB2,700,000 and RMB2,678,000 respectively.

Annual Cap

The Annual Cap for the transactions contemplated under Tenancy Agreement B is set out below:

For the three months ending 31 December	Annual Cap amount (RMB)
2020 (1 October 2020 to 31 December 2020)	911,463

The above Annual Cap is arrived at by translating the monthly rent of RMB303,821 into rent receivable by Jiangxi Xingfa for the three months ending 31 December 2020 under the Tenancy Agreement B.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Annual Cap for the Tenancy Agreement B is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the Tenancy Agreement B

The Group is principally engaged in (i) the manufacture and sale of aluminium profiles which are applied as construction and industrial materials; and (ii) property development. Jiangxi Xingfa is principally engaged in the manufacture and sale of aluminium profiles. Jiangxi Jingxing is principally engaged in the manufacture and sale of aluminium panels.

In view of the stable rental income to be generated under the Tenancy Agreement B and the rent and terms under the Tenancy Agreement B will not be more favourable to Jiangxi Jingxing than those offered to independent tenants, the Directors consider that the entering into the Tenancy Agreement B is in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROLS – TENANCY AGREEMENTS

The Group will undertake the following internal control measures to monitor the rents and terms of the transactions contemplated under each of the Tenancy Agreement A and Tenancy Agreement B and ensure that the rents and terms offered by the Landlords to the Tenants under the Tenancy Agreements will be no more favourable than rents and terms offered to independent tenants and that the Annual Caps are not exceeded:

- (1) monitoring the prevailing market rents in the same district on a quarterly basis;
- (2) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the rents under the Tenancy Agreements to ensure that they shall be no more favourable than those offered by the Group to independent tenants;
- (3) a monthly financial report which contains information on all connected transactions carried out by the Group, including the continuing connected transactions under the Tenancy Agreements, will be submitted to the Board;
- (4) the independent non-executive Directors will review and confirm that the rents and terms under the Tenancy Agreements are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole, on terms no more favourable than rents and terms offered to independent tenants on a quarterly basis; and
- (5) the auditors of the Company will review the rents and terms under the Tenancy Agreements and the Annual Caps of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.

VIEWS OF THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the terms of each of the New Master Supply Agreement, the Tenancy Agreement A and the Tenancy Agreement B are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole. The Directors (including the independent non-executive Directors) also confirm that the Annual Caps set out above are fair and reasonable and in the interests of the Shareholders taken as a whole.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (a) in respect of the New Master Supply Agreement, Mr. LIAO Yuqing, an executive Director and a substantial Shareholder, is a shareholder of Xingfa Curtain Wall who has material interest in the New Master Supply Agreement and the transactions contemplated thereunder, Mr. LIAO Yuqing had abstained from voting on the resolutions of the Board to approve the New Master Supply Agreement and the Annual Caps; and (b) as regards to the Tenancy Agreements, as each of (i) Mr. LUO Jianfeng, an executive Director nominated by China Lesso and an executive director of China Lesso; and (ii) Mr. ZUO Manlun, a non-executive Director nominated by China Lesso and the chief executive officer of China Lesso, may deem to have an interest in the Tenancy Agreement A and Tenancy Agreement B, each of Mr. LUO Jianfeng and Mr. ZUO Manlun had abstained from voting on the resolutions of the Board to approve each of the Tenancy Agreement A and Tenancy Agreement B and their respective Annual Cap.

IMPLICATIONS UNDER THE LISTING RULES

New Master Supply Agreement

In view of the fact that, as at the date of this announcement, Xingfa Curtain Wall is owned as to 21% by Mr. LIAO Yuqing, an executive Director and a substantial Shareholder, and as to 46% by Mr. LUO Su, the Honourable Adviser of the Group and the father-in-law of Mr. LIAO Yuqing, Xingfa Curtain Wall is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the New Master Supply Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio relating to the proposed Annual Caps for the continuing connected transactions contemplated under the New Master Supply Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions under the New Master Supply Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Tenancy Agreement A

As at the date of this announcement, Henan Jingxing is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreement A constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

During the Relevant Period, Henan Xingfa has leased Property A to Henan Jingxing in an aggregate rental amount of approximately RMB2,265,000.

As the highest applicable percentage ratio relating to the Annual Cap for the continuing connected transactions contemplated under the Tenancy Agreement A, when aggregated with the Previous Henan Transactions, exceeds 0.1 % but is less than 5%, the continuing connected transactions under the Tenancy Agreement A are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Tenancy Agreement B

As at the date of this announcement, Jiangxi Jingxing is a connected subsidiary of the Company. Accordingly, the transactions contemplated under the Tenancy Agreement B constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

During the Relevant Period, Jiangxi Xingfa has leased Property B to Jiangxi Jingxing in an aggregate rental amount of approximately RMB2,678,000.

As the highest applicable percentage ratio relating to the Annual Cap for the continuing connected transactions contemplated under the Tenancy Agreement B, when aggregated with the Previous Jiangxi Transactions, exceeds 0.1 % but is less than 5%, the continuing connected transactions under the Tenancy Agreement B are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Annual Cap(s)”	the maximum aggregate annual transaction values in respect of the continuing connected transactions contemplated under (i) the New Master Supply Agreement for each of the Year 2021, the Year 2022 and the Year 2023; (ii) the Tenancy Agreement A and (iii) the Tenancy Agreement B (as the case may be)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Lesso”	China Lesso Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. As at the date of this announcement, China Lesso is interested in approximately 26.28% equity interest of the Company through its direct wholly-owned subsidiary
“Company”	Xingfa Aluminium Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Henan Jingxing”	河南省景興鋁模板製造有限公司 (unofficial English translation being Henan Province Jingxing Aluminium Panel Manufacturing Co., Ltd.), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of China Lesso
“Henan Xingfa”	廣東興發鋁業(河南)有限公司 (unofficial English translation being Guangdong Xingfa Aluminium (Henan) Co., Ltd.), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Guangdong Nanhai Nonferrous Metals Market”	being the unofficial English translation of 南海有色(靈通)
“Guangdong Xingfa”	廣東興發鋁業有限公司 (unofficial English translation being Guangdong Xingfa Aluminium Co., Ltd.), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company
“Guangdong Xingfa Group”	Guangdong Xingfa and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangxi Jingxing”	江西省景興鋁模板製造有限公司 (unofficial English translation being Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd.), a limited liability company established in the PRC and owned as to 80% by Jiangxi Xingfa and as to 20% by a non-wholly owned subsidiary of China Lesso. Jiangxi Jingxing is accounted for as an associate of the Group and is a connected subsidiary of the Company

“Jiangxi Xingfa”	廣東興發鋁業(江西)有限公司 (unofficial English translation being Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd.), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Landlords”	collectively, Henan Xingfa and Jiangxi Xingfa
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Master Supply Agreement”	the master supply agreement dated 30 September 2020 and entered into between Guangdong Xingfa and Xingfa Curtain Wall, in relation to the supply of aluminium profiles from Guangdong Xingfa Group to Xingfa Curtain Wall for a term from 1 January 2021 to 31 December 2023 (both dates inclusive)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Henan Transactions”	the leasing of Property A by Henan Xingfa to Henan Jingxing during the Relevant Period
“Previous Jiangxi Transactions”	the leasing of Property B by Jiangxi Xingfa to Jiangxi Jingxing during the Relevant Period
“Property A”	中國河南省沁陽市沁北工業集聚區 (unofficial English translation being Qinbei Industrial District, Qinyang City, Henan Province, the PRC)
“Property B”	中國江西省宜春經濟技術開發區經發大道21號 (unofficial English translation being No. 21, Jingfa Road, Yichun Economic Development Zone, Jiangxi Province, the PRC)
“Relevant Period”	a period of nine months from 1 January 2020 to 30 September 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Changjiang Nonferrous Metals Market”	being the unofficial English translation of 上海長江有色金屬現貨市場
“Share(s)”	shares of the Company of HK\$0.01 each

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement A”	the tenancy agreement dated 30 September 2020 and entered into between Henan Xingfa, as landlord, and Henan Jingxing, as tenant, in respect of the leasing of Property A for a term from 1 October 2020 to 31 December 2020 (both dates inclusive)
“Tenancy Agreement B”	the tenancy agreement dated 30 September 2020 and entered into between Jiangxi Xingfa, as landlord, and Jiangxi Jingxing, as tenant, in respect of the leasing of Property B for a term from 1 October 2020 to 31 December 2020 (both dates inclusive)
“Tenancy Agreements”	collectively, the Tenancy Agreement A and Tenancy Agreement B
“Tenants”	collectively, Henan Jingxing and Jiangxi Jingxing
“Xingfa Curtain Wall”	廣東興發幕牆門窗有限公司 (unofficial English translation being Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd.) (formerly known as 佛山市興發幕牆門窗有限公司 (unofficial English translation being Foshan Xingfa Curtain Wall, Door & Window Co., Ltd.)), a limited liability company established in the PRC and is owned as to 21% by Mr. LIAO Yuqing and 46% by Mr. LUO Su
“Year 2021”	a period of one year from 1 January 2021 to 31 December 2021
“Year 2022”	a period of one year from 1 January 2022 to 31 December 2022
“Year 2023”	a period of one year from 1 January 2023 to 31 December 2023
“2018-2020 Continuing Connected Transactions”	the transactions in respect of the supply of aluminium profiles by the Group to Xingfa Curtain Wall on an on-going basis as contemplated under the 2018-2020 Master Supply Agreement

“2018-2020 Master Supply Agreement”

the master supply agreement dated 22 September 2017 and entered into between Guangdong Xingfa and Xingfa Curtain Wall in relation to the supply of aluminium profiles to Xingfa Curtain Wall by Guangdong Xingfa, for a term from 1 January 2018 to 31 December 2020 (both dates inclusive)

“%”

per cent.

For the purpose of illustration only, the amounts denominated in RMB have been translated into HK\$ using the exchange rate of RMB1:HK\$1.13. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.

On behalf of the Board
Xingfa Aluminium Holdings Limited
LIU Libin
Chairman

30 September 2020

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

Executive Directors:

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

Non-executive Directors:

Mr. ZUO Manlun
Ms. XIE Jingyun

Independent non-executive Directors:

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