

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF LISTED SECURITIES**

THE ACQUISITION

The Board is pleased to announce that, on 27 February 2023, the Subsidiary acquired on the open market a total of 20,083,783 Keda Shares, representing approximately 1.03% of the entire issued share capital of Keda as at the date of this announcement, at an aggregate consideration of approximately RMB323 million (equivalent to approximately HK\$364 million) (excluding brokerage and other transaction costs).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated under Rule 14.22 of the Listing Rules in respect of the Previous Acquisitions, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that, on 27 February 2023, the Subsidiary acquired on the open market a total of 20,083,783 Keda Shares, representing approximately 1.03% of the entire issued share capital of Keda as at the date of this announcement, at an aggregate consideration of approximately RMB323 million (equivalent to approximately HK\$364 million) (excluding brokerage and other transaction costs), which was financed by the Group's internal resources. The average price (excluding brokerage and other transaction costs) for each of the Acquired Share was approximately RMB16.08 (equivalent to approximately HK\$18.13).

The Acquired Shares represent approximately 1.03% of the entire issued share capital of Keda as at the date of this announcement. Together with the Previous Acquisitions, the Subsidiary is interested in an aggregate of 88,711,577 Keda Shares immediately following

the Acquisition, representing approximately 4.55% of the entire issued share capital of Keda as at the date of this announcement. Keda will not be a subsidiary of the Company following the Acquisition.

THE PREVIOUS ACQUISITIONS

Between 18 January 2023 and 24 February 2023, the Subsidiary acquired on the open market a total of 68,627,794 Keda Shares at an aggregate consideration of approximately RMB1,076 million (equivalent to approximately HK\$1,214 million) (excluding brokerage and other transaction costs), which was financed by the Group's internal resources. The average price (excluding brokerage and other transaction costs) for each of the Keda Share acquired in the Previous Acquisitions was approximately RMB15.68 (equivalent to approximately HK\$17.69).

As the Acquisition and the Previous Acquisitions were made on the open market, the identities of the seller(s) cannot be ascertained. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the seller(s) of the Acquired Shares and the Keda Shares acquired in the Previous Acquisitions and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

INFORMATION ON THE GROUP AND THE SUBSIDIARY

The Group is principally engaged in the business of manufacturing and sales of plastic piping, building materials and home improvement, environmental protection, photovoltaic integrated energy solutions and operating a supply chain service platform. The Subsidiary is principally engaged in the manufacturing and sale of plastic pipes and pipe fittings in the PRC.

INFORMATION ON KEDA

Keda is a company listed on the Shanghai Stock Exchange (stock code: 600499). It was founded in 1992 and its business covers, among others, ceramic machinery, brick machinery, stone machinery and other building materials machinery manufacturing and sale, clean energy environmental protection equipment, lithium battery materials and smart energy.

The following financial information is extracted from the annual reports of Keda for the two financial years ended 31 December 2021:

	Year ended 31 December	
	2021	2020
	(RMB'000)	(RMB'000)
Revenue	9,796,680	7,297,621
Net profit before taxation	1,492,273	447,034
Net profit after taxation	1,463,000	406,150

Based on the third quarterly report of Keda for the three months ended 30 September 2022, the unaudited consolidated net asset value of Keda as at 30 September 2022 was approximately RMB12,992 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE PREVIOUS ACQUISITIONS

The Group has always been promoting sustainable development in the industry by investing in green practices and environmental protection. Keda's business covers, including but not limited to, clean energy environmental protection equipment and smart energy. It is committed to the development direction of energy saving and emission reduction as well as new materials, etc. Keda's enterprise mission of "green solution, greener life" is consistent with the Group's strategy to promote green development. The Group will strengthen its connection with Keda by actively seeking business cooperation in overseas markets such as Africa and exploring new business development.

The Directors are optimistic about the current business portfolio and the future development of Keda and believe that it has long-term investment value. As the Acquired Shares and the Keda Shares acquired in the Previous Acquisitions were acquired on the open market based on prevailing trading prices of the Keda Shares at the time of acquisition, the Directors are of the view that the terms of the Acquisition and the Previous Acquisitions are fair and reasonable on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated under Rule 14.22 of the Listing Rules in respect of the Previous Acquisitions, is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquired Share(s)”	a total of 20,083,783 Keda Shares acquired by the Subsidiary on the open market on 27 February 2023
“Acquisition”	the acquisition of the Acquired Shares by the Subsidiary on the open market for an aggregate consideration of approximately RMB323 million (equivalent to approximately HK\$364 million) (excluding brokerage and other transaction costs)
“Board”	the board of Directors
“Company”	China Lesso Group Holdings Limited (中國聯塑集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with its connected persons (as defined under the Listing Rules)
“Keda”	Keda Industrial Group Co., Ltd. (科達製造股份有限公司) (stock code: 600499), a company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange
“Keda Share(s)”	ordinary share(s) of RMB1.00 each in the issued share capital of Keda
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisitions”	the acquisitions of a total of 68,627,794 Keda Shares by the Subsidiary during the period from 18 January 2023 to 24 February 2023 on the open market at an aggregate consideration of approximately RMB1,076 million (equivalent to approximately HK\$1,214 million) (excluding brokerage and other transaction costs)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Subsidiary”	Guangdong Liansu Technology Industrial Co., Ltd* (廣東聯塑科技實業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.12807 has been used for currency translation. Such exchange rate is for illustration purposes and does not constitute a representation that any amount in RMB or HK\$ have been, could have been or may be converted at such rate.

By Order of the Board
China Lesso Group Holdings Limited
Wong Luen Hei
Chairman

Hong Kong, 27 February 2023

As at the date of this announcement, the executive Directors are Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang, Mr. Kong Zhaocong, Mr. Chen Guonan, Dr. Lin Shaoquan, Mr. Huang Guirong, Mr. Luo Jianfeng and Mr. Lin Dewei; and the independent non-executive Directors are Mr. Wong Kwok Ho Jonathan, Ms. Lan Fang, Dr. Tao Zhigang, Mr. Cheng Dickson and Ms. Lu Jiandong.