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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) REVISION OF THE EXISTING 2023 ANNUAL CAP
FOR THE 2023 LESSO MASTER SUPPLY AGREEMENT;
AND
(2) THE SUPPLEMENTAL AGREEMENT TO
THE 2023 LESSO MASTER SUPPLY AGREEMENT**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



裕韜資本有限公司

Euto Capital Partners Limited

REVISION OF THE EXISTING 2023 ANNUAL CAP

Reference is made to the 2022 Announcement in connection with, among others, the 2023 Lesso Master Supply Agreement entered into between Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and China Lesso.

Pursuant to the 2023 Lesso Master Supply Agreement, Guangdong Xingfa Group members, as suppliers, agreed to sell to China Lesso Group members, as purchasers, aluminium profiles and/or panels specified by members of China Lesso Group on an on-going basis for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive).

Due to the anticipated increase in the purchase orders, the aggregate value of the continuing connected transactions under the 2023 Lesso Master Supply Agreement for the Year 2023 is expected to be higher than that as envisaged at the time of entering into of the 2023 Lesso Master Supply Agreement, and the Existing 2023 Annual Cap will not be sufficient to meet the business needs of the Group. In view of the aforesaid, the Board has resolved to revise the Existing 2023 Annual Cap, subject to the Independent Shareholders' approval.

SUPPLEMENTAL AGREEMENT

Given that the 2023 Lesso Master Supply Agreement will expire on 31 December 2023 and the parties thereto anticipated that the continuing connected transactions contemplated thereunder will continue on an on-going basis, on 27 October 2023, Guangdong Xingfa and China Lesso entered into the Supplemental Agreement to amend and extend the term of the 2023 Lesso Master Supply Agreement to 31 December 2025, subject to Independent Shareholders' approval.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Lesso, through Lesso Group Holdings Limited, being its direct wholly-owned subsidiary, holds approximately 26.11% of issued shares of the Company and therefore, China Lesso is a substantial Shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Lesso 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 New 2023 Annual Cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement exceeds 5%, the Proposed New 2023 Annual Cap is subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio relating to the highest proposed annual cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) exceeds 5%, the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) are subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened and held by the Company to consider and, if thought fit, approve (i) the Proposed New 2023 Annual Cap and (ii) the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025). The voting at the EGM will be taken by poll.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Proposed New 2023 Annual Cap, the Supplemental Agreement (and the proposed annual caps for the Year 2024 and Year 2025) and as to the voting actions therefor.

Euto Capital Partners has been appointed as the independent financial adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders on the Proposed New 2023 Annual Cap, the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) and as to the voting actions therefor.

A circular containing, among others, (i) details of the revision of the Existing 2023 Annual Cap for the Lesso Master Supply Agreement and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025); (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; (iv) a notice of the EGM; and (v) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 17 November 2023, which is within 15 business days after the publication of this announcement.

(1) REVISION OF THE EXISTING 2023 ANNUAL CAP FOR THE 2023 LESSO MASTER SUPPLY AGREEMENT

Reference is made to the 2022 Announcement in connection with, among others, the 2023 Lesso Master Supply Agreement entered into between Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and China Lesso.

Summary of major terms of the 2023 Lesso Master Supply Agreement

The principal terms of the 2023 Lesso Master Supply Agreement have been disclosed in the 2022 Announcement, a summary of which is set out as follows:

(a) Date : 30 December 2022

(b) Parties

(i) Supplier(s) : Guangdong Xingfa Group

(ii) Purchaser(s) : China Lesso Group

(c) Subject matter

Pursuant to the 2023 Lesso Master Supply Agreement, Guangdong Xingfa Group members, as suppliers, agreed to sell to China Lesso Group members, as purchasers, aluminium profiles and/or panels specified by members of the China Lesso Group. The aluminium profiles and/or panels to be purchased by China Lesso Group members will be further processed into building materials, home improvement products and renovation and installation materials and sold to their customers. There is no minimum supply amount under the 2023 Lesso Master Supply Agreement and any Guangdong Xingfa Group member is not contractually bound to supply, in response to a purchase order placed, to any China Lesso Group member any products referred to in any purchase order. The aluminium profiles and/or panels to be supplied by Guangdong Xingfa Group to China Lesso Group will be in accordance with the specifications of China Lesso Group members if accepted by the Guangdong Xingfa Group members, on a case-by-case basis.

(d) Pricing and payment terms

Pursuant to the 2023 Lesso Master Supply Agreement, the prices, payment terms, specifications and detailed terms with respect to the aluminium profiles and/or panels 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 China Lesso Group members 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/or panels and at prices and terms (including the payment terms) no more favourable to China Lesso Group members than prices and terms (including the payment terms) of sale of such aluminium profiles and/or panels by Guangdong Xingfa Group to other independent customers.

In determining the actual transaction prices of aluminium profiles and/or panels, the 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 average price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market, and the related processing costs of processing aluminium ingots to the aluminium profiles and/or panels as required by China Lesso Group. When supplying each batch of products to China Lesso Group, China Lesso Group members would need to specify the specifications of the aluminium profiles and/or panels required, as the aluminium profiles and/or panels required by a China Lesso Group member 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 and/or panels required will be different from batch to batch.

As different aluminium profiles and/or panels will be required by China Lesso Group members from order to order, for the purpose of a master supply agreement, it would not be commercially practicable for Guangdong Xingfa to agree with China Lesso the specific unit price of the aluminium profiles and/or panels under the 2023 Lesso Master Supply Agreement. The relevant sales department of Guangdong Xingfa Group will approve the proposed transactions to ensure that the aluminium profiles and/or panels to be supplied to China Lesso Group members are of comparable prices for such products being supplied to independent third parties.

(2) SUPPLEMENTAL AGREEMENT

Given that the 2023 Lesso Master Supply Agreement will expire on 31 December 2023 and the parties thereto anticipated that the continuing connected transactions contemplated thereunder will continue on an on-going basis, on 27 October 2023, Guangdong Xingfa and China Lesso entered into the Supplemental Agreement to amend and extend the term of the 2023 Lesso Master Supply Agreement to 31 December 2025, subject to Independent Shareholders' approval.

As amended and supplemented by the Supplemental Agreement, subject to Independent Shareholders' approval, the duration of the 2023 Lesso Master Supply Agreement shall be amended to a term of three years from 1 January 2023 to 31 December 2025 (both days inclusive). Save for the aforesaid, the other principal terms of the 2023 Lesso Master Supply Agreement shall remain unchanged and a summary of which has been

set out under the section headed “(1) Revision of the Existing 2023 Annual Cap for the 2023 Lesso Master Supply Agreement — Summary of major terms of the 2023 Lesso Master Supply Agreement” in this announcement.

(3) HISTORICAL AGGREGATE VALUE OF SALES TRANSACTIONS

For the two years ended 31 December 2021 and 31 December 2022, Guangdong Xingfa Group’s sale of aluminium profiles and/or panels to China Lesso Group (including Jiangxi Jingxing which became members of China Lesso Group since March 2021) amounted to approximately RMB63.2 million (equivalent to approximately HK\$68.9 million) and approximately RMB82.2 million (equivalent to approximately HK\$89.6 million) respectively.

For the six months ended 30 June 2023, Guangdong Xingfa Group’s sale of aluminium profiles and/or panels to China Lesso Group amounted to approximately RMB127.5 million (equivalent to approximately HK\$139.0 million).

(4) THE EXISTING 2023 ANNUAL CAP AND THE PROPOSED NEW ANNUAL CAPS

Due to the anticipated increase in the purchase orders, the aggregate value of the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement for the Year 2023 is expected to be higher than that as envisaged at the time of entering into of the 2023 Lesso Master Supply Agreement, and the Existing 2023 Annual Cap will not be sufficient to meet the business needs of the Group. Furthermore, it is expected that the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement will continue on an on-going basis. In view of the aforesaid, on 27 October 2023, the Board has resolved to revise the Existing 2023 Annual Cap and to amend and extend the term of the 2023 Lesso Master Supply Agreement to 31 December 2025, subject to the Independent Shareholders’ approval.

The Existing 2023 Annual Cap and the proposed annual caps for the Year 2023, Year 2024 and Year 2025 in respect of the transactions contemplated under the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders’ approval) are as follows:

Existing 2023 Annual Cap <i>(RMB)</i>	Proposed New 2023 Annual Cap <i>(RMB)</i>	Proposed Annual Cap for Year 2024 <i>(RMB)</i>	Proposed Annual Cap for Year 2025 <i>(RMB)</i>
153,712,000	300,000,000	350,000,000	400,000,000

(5) BASIS AND ASSUMPTIONS OF THE PROPOSED NEW ANNUAL CAPS

The Proposed New 2023 Annual Cap and the proposed annual caps for Year 2024 and Year 2025 are determined on the principal assumption 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 and/or panels sold by Guangdong Xingfa Group to China Lesso Group;
- (2) the projected future volume of aluminium profiles and/or panels to be sold to China Lesso Group during the Year 2023, Year 2024 and Year 2025;
- (3) the processing fee for processing aluminium ingots into aluminium profiles and panels in the Year 2023, Year 2024 and Year 2025; and
- (4) the recovery of market demand for aluminium profiles and/or panels from the COVID-19 pandemic.

As at the date of this announcement, the total actual value of the transactions carried out pursuant to the 2023 Lesso Master Supply Agreement in the Year 2023 has not exceeded the Existing 2023 Annual Cap.

(6) INTERNAL CONTROLS

The Group will undertake the following internal control measures to monitor the pricing and terms of the transactions contemplated under the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) and to ensure that the prices and terms offered by Guangdong Xingfa Group to China Lesso Group will be no more favourable than prices and terms offered to independent customers and that the Proposed New Annual Caps are not exceeded:

- (1) monitoring the prevailing average price of aluminium ingots as quoted on Guangdong Nanhai Nonferrous Metals Market on a daily basis;
- (2) comparing the prices and terms of the supply of aluminium profiles and/or panels to China Lesso Group with the prices and terms of aluminium profiles and/or panels 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 prices and terms of supply of aluminium profiles and/or panels offered by Guangdong Xingfa Group to China Lesso Group 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 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval), 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 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) 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 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) and the Proposed New Annual Caps of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.
- (7) REASONS FOR AND BENEFITS OF THE REVISION OF THE EXISTING 2023 ANNUAL CAP AND THE SUPPLEMENTAL AGREEMENT**

The Board has been closely monitoring the historical transacted amounts of the continuing connected transactions under the 2023 Lesso Master Supply Agreement. Taking into account the increase in the sales orders, it is considered that the expected aggregate value of continuing connected transactions under the 2023 Lesso Master Supply Agreement would exceed the Existing 2023 Annual Cap. Furthermore, it is expected that the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement will continue on an on-going basis.

As the prices and terms offered by the Group to China Lesso Group have not been more favourable to China Lesso Group than those offered to independent customers, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser)

consider that (i) the 2023 Lesso Master Supply Agreement and the Supplemental Agreement are entered into in the ordinary and usual course of business of the Group, (ii) the terms of the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) are on normal commercial terms and are fair and reasonable, (iii) the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) are fair and reasonable, and (iv) it is in the interests of the Group and the Shareholders as a whole to continue to supply aluminium profiles and/or panels to China Lesso Group pursuant to the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) with the Proposed New 2023 Annual Cap and the proposed annual caps for Year 2024 and Year 2025.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) therefore consider that the revision of the Existing 2023 Annual Cap and the entering into the Supplemental Agreement are necessary to meet the business needs of the Group and to supply aluminium profiles and/or panels to China Lesso Group on an on-going basis pursuant to the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval).

INFORMATION ON THE GROUP AND THE PARTIES

(i) The Group

The Group is principally engaged in (i) the manufacturing and sale of aluminium products; and (ii) sale of completed properties.

(ii) Guangdong Xingfa

Guangdong Xingfa is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Guangdong Xingfa is principally engaged in the business of manufacturing and sale of aluminium profiles.

(iii) China Lesso

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, China Lesso is a company incorporated in the Cayman Islands with limited liability and is interested in approximately 26.11% of the issued shares of the Company through Lesso Group Holdings Limited, its direct wholly-owned subsidiary. Accordingly, China Lesso is a substantial Shareholder.

The principal activity of China Lesso is investment holding. The principal business activities of the China Lesso Group are the manufacture and sale of building materials and home improvement products; sale of products and provision of services relating to new energy business; the provision of renovation and installation works, environmental engineering and other related services, logistics and other related services, financial services and property rental and other related services.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Lesso, through Lesso Group Holdings Limited, being its direct wholly-owned subsidiary, holds approximately 26.11% of issued shares of the Company and therefore, China Lesso is a substantial Shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Lesso 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 New 2023 Annual Cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement exceeds 5%, the Proposed New 2023 Annual Cap is subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio relating to the highest proposed annual cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders' approval) exceeds 5%, the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) are subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

APPROVAL OF THE BOARD

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, in respect of the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Shareholders' approval), (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 be deemed to have interest in the 2023 Lesso Master Supply Agreement, each of Mr. LUO Jianfeng and Mr. ZUO Manlun had abstained from voting on the resolutions of the Board approving the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025).

EGM

The EGM will be convened and held by the Company to consider and, if thought fit, approve the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025). The voting at the EGM will be taken by poll. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save for Lesso Group Holdings Limited (a substantial Shareholder and a direct wholly-owned subsidiary of China Lesso) which held 109,842,900 Shares, representing approximately 26.11% of issued shares of the Company as at the date of this announcement, will be required to abstain from voting at the EGM, no other Shareholders have a material interest and will be required to abstain from voting at the EGM in respect of the resolutions in relation to the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025).

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Proposed New 2023 Annual Cap, the Supplemental Agreement (and the proposed annual caps for the Year 2024 and Year 2025) and as to the voting actions therefor.

Euto Capital Partners has been appointed as the independent financial adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders on the Proposed New 2023 Annual Cap, the Supplemental Agreement (and the proposed annual caps for the Year 2024 and Year 2025) and as to the voting actions therefor.

A circular containing, among others, (i) details of the revision of the Existing 2023 Annual Cap for the Lesso Master Supply Agreement and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025); (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; (iv) a notice of the EGM; and (v) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 17 November 2023, which is within 15 business days after the publication of this announcement.

DEFINITIONS

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

“2022 Announcement”	the announcement of the Company dated 30 December 2022 in connection with, among others, the 2023 Lesso Master Supply Agreement
“2023 Lesso Master Supply Agreement”	the master supply agreement dated 30 December 2022 and entered into between Guangdong Xingfa and China Lesso in relation to the supply of aluminium profiles and/or panels from Guangdong Xingfa Group to China Lesso Group for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
“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 (Stock Code: 2128). As at the date of this announcement, China Lesso is interested in approximately 26.11% equity interest of the Company through Lesso Group Holdings Limited, its direct wholly-owned subsidiary
“China Lesso Group”	China Lesso, its subsidiaries and/or any company in the issued share capital of which China Lesso and/or any of its subsidiaries taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other threshold as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings from time to time
“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

“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025)
“Existing 2023 Annual Cap”	the existing maximum aggregate annual transaction value in respect of the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement for the Year 2023 as disclosed in the 2022 Announcement
“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 limited liability company 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 PRC
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. CHEN Mo, Mr. HO Kwan Yiu, Mr. LAM Ying Hung, Andy and Mr. WEN Xianjun, being all the independent non-executive Directors) established to advise the Independent Shareholders with regard to the Proposed New 2023 Annual Cap, the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) and as to the voting actions therefor

“Independent Financial Adviser” or “Euto Capital Partners”	Euto Capital Partners Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser appointed for the purpose of advising and making recommendations to the Independent Board Committee and the Independent Shareholders with regard to the Proposed New 2023 Annual Cap and the Supplemental Agreement (and the proposed annual caps for Year 2024 and Year 2025) and as to the voting actions therefor
“Independent Shareholders”	the Shareholders, other than Lesso Group Holdings Limited, a substantial Shareholder, who do not have any material interest in the 2023 Lesso Master Supply Agreement and the Supplemental Agreement and the transactions contemplated thereunder
“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 an indirect non-wholly owned subsidiary of China Lesso
“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed New 2023 Annual Cap”	the proposed revised maximum aggregate annual transaction value in respect of the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement for the Year 2023

“Proposed New Annual Caps”	collectively, the Proposed New 2023 Annual Cap, and the proposed annual caps for the Year 2024 and Year 2025 in respect of the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement (as amended and supplemented by the Supplemental Agreement subject to Independent Shareholders’ approval)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 27 October 2023 entered into between Guangdong Xingfa and China Lesso to amend and supplement the 2023 Lesso Master Supply Agreement
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Year 2023”	a period of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
“Year 2024”	the period of one year from 1 January 2024 to 31 December 2024 (both dates inclusive)
“Year 2025”	the period of one year from 1 January 2025 to 31 December 2025 (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\$1.09. 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
WANG Li
Chairman

27 October 2023

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

Executive Directors:

Mr. WANG Li (*Chairman*)
Mr. LIAO Yuqing (*Chief Executive Officer*)
Mr. WANG Lei
Mr. LAW Yung Koon
Mr. WANG Zhihua
Mr. LUO Jianfeng

Non-executive Directors:

Mr. ZUO Manlun
Ms. XIE Jingyun

Independent non-executive Directors:

Mr. CHEN Mo
Mr. HO Kwan Yiu
Mr. LAM Ying Hung, Andy
Mr. WEN Xianjun