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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNOUNCEMENT OF THE COMPANY DATED 31 DECEMBER 2025

Reference is made to the announcement (the “**Announcement**”) of the Company dated 31 December 2025. Unless otherwise defined, capitalized terms herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the Shareholders and potential investors of the Company with the following additional information in relation to the 2025 Henan Tenancy Agreements and the 2025 Jiangxi Tenancy Agreements.

INTRODUCTION

Further details on the 2025 Henan Tenancy Agreements and the 2025 Jiangxi Tenancy Agreements are set out below.

(1) 2025 HENAN TENANCY AGREEMENTS

Subject assets:	Item	Basic Requirements	Quantity
	Manufacturing workshop	Fully enclosed steel structure workshop with water, electricity, lighting, and fire protection facilities inside	15,085.23 m ²
	Outdoor assembly yard (1)	Includes concrete hardened ground with drainage, fence and kerb	5,191.10 m ²

Subject assets:	Item	Basic Requirements	Quantity
	Outdoor assembly yard (2)	Includes land leveling, concrete hardened ground, drainage, lighting, and washing tank. Semi-enclosed steel structure workshop	9,700 m ² (<i>starting from 1 July 2025, this yard was no longer leased</i>)
	Office	Water, electricity, lighting, air conditioning, weak current, office furniture, finished decoration	91 m ²
	Workshop office	Water, electricity, lighting, weak current, finished decoration	176.40 m ²
	Crane	4 units of 5-ton cranes, including initial crane inspection	4 units
	Facility management fee	Gate security, weighbridge facilities, road sweeping, waste removal	1 month
Payment terms:	Quarterly		

(2) 2025 JIANGXI TENANCY AGREEMENTS

Subject assets:	Item	Basic Requirements	Quantity
	Workshop	Complete workshop power distribution according to 1000KW power requirement; install two overhead cranes in workshop as required, etc.	14,491 m ²
	Site/Area	Roads on the west, north, and east sides of the formwork workshop	5,068 m ²
	Site/Area	Open area for mold storage	36,212.50 m ²
	Office	Water, electricity, lighting, air conditioning, office network, etc. Xingfa office second floor southeast corner area, factory office and factory toilet area. Basic decoration completed	267.50 m ²
	Dormitory	Basic decoration, water, electricity, lighting, air conditioning, private bathroom, hot water, three bunk beds (six berths), one wardrobe (six compartments), etc. Each room: 3.6m × 10m = 36m ² , total 31 rooms, plus one 68m ² suite in Building 1. Total area: 1,184 m ² . See floor plan	1,184 m ² (<i>starting from 1 July 2025, the leased area was reduced by 972 m²</i>)

Subject assets:	Item	Basic Requirements	Quantity
	Crane	Provide two cranes, including initial crane inspection	2 units
	Canteen	Canteen area: 615 m ² and a set of related equipment	615 m ² (<i>starting from 1 July 2025, the canteen was no longer leased</i>)
	Property Fee	Property management fee	1 month
Payment terms:	Monthly		

PRICING POLICIES AND INTERNAL CONTROL PROCEDURES

The reduction in monthly rent under the 2025 Henan Tenancy Agreement and the 2025 Jiangxi Tenancy Agreement effective from 1 July 2025 resulted from a decrease in leased space. Specifically: (a) under the 2025 Henan Tenancy Agreement, outdoor space leased was reduced by 9,700 m²; and (b) under the 2025 Jiangxi Tenancy Agreement, the area of leased dormitory was reduced from 1,184 m² to 212 m², and canteen area of 615 m² was no longer leased.

For both tenancy agreements, the Company adopted a market-benchmarking policy. The rental price were benchmarked against prevailing market rates. For the purpose of rent benchmarking, Jiangxi Xingfa sourced comparable industrial factories of the same type within a 5-kilometre radius surrounding the subject premises, while Henan Xingfa selected comparable factories within a 20-kilometre radius around the subject premises. Properties with specifications fully identical to the subject premises are scarce in the local market. Minor discrepancies exist amongst market comparable tenancy samples in terms of floor area, supporting facilities and geographical location. The Company collected multiple third-party factory tenancy agreements entered into by unrelated counterparties within the same industrial clusters as reference benchmarks, and determined the rent for the subject transactions with reference to the average rental rate derived from such comparable transactions. The Board is of a view that such market comparison approach is widely adopted by operators of local industrial zones and factories within the same zones to ascertain fair rental values. The Company assessed and marked the rental to market levels, and ensured that the monthly rent is not more favourable than terms offered to independent third parties for comparable transactions. The Board is of the view that such rental levels fall entirely within the reasonable market ranges mentioned above and are fully consistent with the

prevailing market rental levels. The terms of such transactions are fair and reasonable and entered into on normal commercial terms, ensuring that the relevant monthly rentals are no more favourable than those of similar transactions between the Group and independent third parties, and are in the interests of the Company and the Shareholders as a whole.

In determining the pricing terms, the Company has strictly implemented its internal control and connected transaction pricing policies, and has consistently adhered to establishing the lease mechanism based on fair and equitable market prices. The relevant functional departments of the Company conducted a comparative analysis between the proposed lease rental price and the gathered market data, and compiled a comprehensive evaluation report to ensure that the pricing mechanism precisely reflects the fair and equitable market prices and values, which is in line with common commercial practices. Upon submission of the relevant evaluation results and the draft lease agreements to the management for internal review, the Board conducted a final review and approved the relevant terms to ensure the relevant transactions were entered into based on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

OVERDUE PAYMENTS

The Board confirms that as at the date of this supplemental announcement, there are no overdue payments from either counterparty of the 2025 Henan Tenancy Agreements and the 2025 Jiangxi Tenancy Agreements. The Board further confirms that the total transaction amounts actually utilised under these agreements for the Year 2025 are within the respective Annual Caps as disclosed in the Announcement.

All rental payments and related charges have been settled in a timely manner. In respect of the 2025 Henan Tenancy Agreements, the monthly rent for the actual leased premises and periods have been settled in full around the first week of each subsequent month. In respect of the 2025 Jiangxi Tenancy Agreements, the monthly rent for the actual leased premises and periods, which were agreed in principle on February 2025, have been settled in full around the first week of each subsequent month, save the rent for January 2025, which was settled in March 2025.

IMPLICATIONS UNDER THE LISTING RULES

(1) 2025 Henan Tenancy Agreements

As at the date of this supplemental announcement, Henan Jingxing is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, and therefore, Henan Jingxing is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Henan Tenancy Agreements 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 2025 Henan Tenancy Agreements standalone are less than 0.1%, the 2025 Henan Tenancy Agreements standalone constitute de minimis transactions under Chapter 14A of the Listing Rules and are fully exempted.

As the highest applicable percentage ratio relating to the Annual Cap for the continuing connected transactions contemplated under the 2025 Henan Tenancy Agreements, when aggregated with the transactions contemplated under the 2025 Jiangxi Tenancy Agreements, exceeds 0.1% but are less than 5%, the continuing connected transactions contemplated under the 2025 Henan Tenancy Agreements are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) 2025 Jiangxi Tenancy Agreements

As at the date of this supplemental announcement, Jiangxi Jingxing is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, and therefore, Jiangxi Jingxing is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Jiangxi Tenancy Agreements 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 2025 Jiangxi Tenancy Agreements, either standalone or when aggregated with the transactions contemplated under the 2025 Henan Tenancy Agreements, exceeds 0.1% but are less than 5%, the continuing connected transactions contemplated under the 2025 Jiangxi Tenancy Agreements are subject to the reporting, announcement and annual review requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

VIEWS OF THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the 2025 Tenancy Agreements were entered into on normal commercial terms, fair and reasonable, and in the interests of the Group and its shareholders as a whole. This determination was based on: (i) benchmarking of rental price against prevailing market rates; (ii) alignment of rental amounts with actual leased space; and (iii) the fact that the agreements generated market-rate rental revenue for the Group.

The Board acknowledges that there was a procedural delay, which was primarily due to ongoing negotiations over contractual terms and tenancy duration for the 2025 Jiangxi Tenancy Agreements. Upon the expiry of the 2024 Jiangxi Tenancy Agreements, Jiangxi Jingxing expressed its intention to renew the tenancy. The Company prepared a draft of the relevant tenancy agreement to be renewed and completed the first round of internal approval. However, Jiangxi Jingxing repeatedly requested amendments to the contractual terms, which hindered a written agreement from being finalised and executed before the commencement date of the tenancy term on 1 January 2025. Given the variation to the rental terms, the full set of internal approval procedures of the Company had to be re-performed. Between June and July 2025, Jiangxi Jingxing submitted further written applications requesting additional rental concessions, early surrender of part of the factory and dormitory premises, and early termination of the tenancy.

As Jiangxi Jingxing submitted multiple requests for amendments in respect of rent, leased area and tenancy term throughout the year, the contractual terms and amended clauses for the 2025 Jiangxi Tenancy Agreements were only fully finalised in the third quarter of 2025, and a written agreement was not entered into prior to the commencement of the connected transaction, in breach of Rule 14A.34 of the Listing Rules. The Board has since identified that the internal control procedures for regarding connected transactions had to be revised. Enhancements are being implemented as set out in the remedial measures.

The aforementioned delay was mainly attributable to the fact that, the Group's original contract review procedures did not incorporate mandatory pre-signing compliance checkpoints specifically designed for continuing connected transactions. Jiangxi Xingfa conducted multiple rounds of tenancy negotiations with Jiangxi Jingxing independently throughout the whole process. The then Company Secretary was not engaged at the early stage of negotiations to carry out compliance assessment under the Listing Rules, nor was the entering into of a written agreement prior to the commencement of the connected transaction mandated.

The Company would like to express its deep regrets for its unintentional error on failure to enter into a written agreement in a timely manner and confirms that it had no intention to withhold any information relating to the 2025 Tenancy Agreements. The aforementioned incident was purely an isolated incident, and did not involve any intentional disregard of the Listing Rules.

REMEDIAL ACTIONS

The Company has taken the following remedial measures:

- (i) going forward, a pre-review procedure undertaken by the Company Secretary shall be introduced at the project initiation assessment stage for all contracts in respect of tenancies, asset utilisation and services. Where any transaction with a connected party is involved, the business department shall keep the Company Secretary informed at the early stage of commercial negotiations, and in any event no later than 2 months before the expiry of any connected transaction that is intended to be renewed, or no later than 2 months before any connected transaction is contemplated to commence. The Company Secretary shall participate in the negotiation of contractual terms throughout the process, identify connected transactions and calculate the corresponding percentage ratios to manage disclosure obligations at the outset. All connected transactions shall comply with the provisions of Chapters 14 and 14A of the Listing Rules, and the Company Secretary shall ensure that written agreements must be entered into prior to the commencement of any connected transaction. In the event that a written agreement cannot be entered into before the intended commencement date, the Company shall not proceed with or perform such connected transaction until a duly executed written agreement is in place.
- (ii) in the event that a tenancy arrangement with a connected person is not renewed by one month prior to its termination or expiry, in which case the tenancy shall be treated as to be discontinued, the Company shall, subject to the advice of the legal department, serve a formal notice of non-renewal on the tenant no later than one month prior to the termination or expiry of the existing tenancy agreement, requiring the tenant to vacate the premises promptly upon such termination or expiry.
- (iii) with effect from 1 July 2026, the finance department of the Company and the Company Secretary will jointly conduct a comprehensive monthly review of all types of transactions between the Group and all connected parties, including tenancies, service provision and capital transactions. All such transactions shall be consolidated by the finance department and submitted to the Company Secretary for review to ensure compliance with Chapter 14 and Chapter 14A of the Listing Rules;
- (iv) the Group has formulated an internal connected transactions and information disclosure policy, which has been distributed to all directors, finance heads, relevant employees, the Company Secretary and contract handling staff of business divisions. Regular training sessions and compliance assessments on regulatory requirements will be arranged to strengthen awareness among frontline business staff of the need to identify connected transactions and report them in a timely manner. On 11 June 2026, training was provided by the Company's legal advisers to the Directors, senior management and relevant employees of the Group to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group and to enhance their awareness and knowledge on, and also to allow them to keep abreast of the latest development of the Listing Rules, especially Chapter 14 and Chapter 14A of the Listing Rules.

- (v) should the business department of the Company negotiate any adjustments to contractual terms with connected parties, including rental concessions, rent adjustments, tenancy term variations and partial surrender of factory premises, the proposed variations and supplementary agreements shall be submitted in writing to the Group's legal department and the Company Secretary for filing and review at least 2 months in advance. All connected transactions ought to require a written agreement before its commencement. The total transaction consideration shall be prepared and updated in a timely manner by the business department and disclosure requirements ought to be reassessed by the Company Secretary and legal department to prevent any potential delay in information flow and late execution of written agreements.

By order of the Board
Xingfa Aluminium Holdings Limited
WANG Li
Chairman

2 September 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