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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) 2023 LESSO MASTER SUPPLY AGREEMENT;**

**(2) 2023 TENANCY AGREEMENTS;**

**(3) 2023 ENGINEERING SERVICE AGREEMENT; AND**

**(4) 2023 HAZARDOUS WASTE PROCESSING SERVICE AGREEMENT**

#### **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 31 December 2021 in connection with the Existing CCT Agreements. Given that the Existing CCT Agreements will expire on 31 December 2022 and the continuing connected transactions contemplated thereunder will continue on an on-going basis, on 30 December 2022,

- (i) Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and China Lesso, a substantial Shareholder, entered into the 2023 Lesso Master Supply Agreement;
- (ii) Henan Xingfa, an indirect wholly-owned subsidiary of the Company, and Henan Jingxing, an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, entered into the 2023 Tenancy Agreement A;
- (iii) Jiangxi Xingfa, an indirect wholly-owned subsidiary of the Company, and Jiangxi Jingxing, an indirect non-wholly owned subsidiary of China Lesso, entered into the 2023 Tenancy Agreement B; and
- (iv) Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and Xingfa Curtain Wall, entered into the 2023 Engineering Service Agreement.

In addition, on 30 December 2022, Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company, and Xingfa Environmental, an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, entered into the 2023 Hazardous Waste Processing Service Agreement, pursuant to which Xingfa Environmental agreed to provide the Hazardous Waste Processing Services to Guangdong Xingfa Group members subject to the terms and conditions thereof.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **(1) 2023 Lesso Master Supply Agreement**

As at the date of this announcement, China Lesso, through 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.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement is less than 5%, the continuing connected transactions under the 2023 Lesso Master Supply Agreement 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) 2023 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, Henan Jingxing is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Tenancy Agreement A constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Tenancy Agreement A, either standalone or when aggregated with 2023 Tenancy Agreement B, is less than 5%, the continuing connected transactions under the 2023 Tenancy Agreement A 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.

**(3) 2023 Tenancy Agreement B**

As at the date of this 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 2023 Tenancy Agreement B constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Tenancy Agreement B, either standalone or when aggregated with 2023 Tenancy Agreement A, is less than 5%, the continuing connected transactions under the 2023 Tenancy Agreement B 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.

**(4) 2023 Engineering Service Agreement**

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, and therefore, Xingfa Curtain Wall is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Engineering Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Engineering Service Agreement is less than 5%, the continuing connected transactions under the 2023 Engineering Service Agreement 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.

**(5) 2023 Hazardous Waste Processing Service Agreement**

As at the date of this announcement, Xingfa Environmental is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder and therefore, Xingfa Environmental is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement is less than 5%, the continuing connected transactions under the 2023 Hazardous Waste Processing Service Agreement 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.

## **INTRODUCTION**

Given that the Existing CCT Agreements will expire on 31 December 2022 and the continuing connected transactions contemplated thereunder will continue on an on-going basis, on 30 December 2022, the 2023 Lesso Master Supply Agreement, the 2023 Tenancy Agreement A, the 2023 Tenancy Agreement B and the 2023 Engineering Service Agreement were entered into by the respective parties thereto.

In addition, on 30 December 2022, Guangdong Xingfa, an indirect wholly-owned subsidiary of the Company and Xingfa Environmental, an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, entered into the 2023 Hazardous Waste Processing Service Agreement, pursuant to which Xingfa Environmental agreed to provide the Hazardous Waste Processing Services to Guangdong Xingfa Group members subject to the terms and conditions thereof.

Details of each of the 2023 Lesso Master Supply Agreement, the 2023 Tenancy Agreement A, the 2023 Tenancy Agreement B, the 2023 Engineering Service Agreement and the 2023 Hazardous Waste Processing Service Agreement are set out below.

### **2023 LESSO MASTER SUPPLY AGREEMENT**

**Date** : 30 December 2022

#### **Parties**

**(i) Supplier(s)** : Guangdong Xingfa and its subsidiaries from time to time.

**(ii) Purchaser(s)** : 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.

## **Duration**

The 2023 Lesso Master Supply Agreement is for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive).

## **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, interior decoration 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.

## **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 required aluminium profiles and/or panels. 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.

### **Historical figures**

For the two years ended 31 December 2020 and 31 December 2021, 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 RMB132.8 million (equivalent to approximately HK\$148.7 million) and RMB132.9 million (equivalent to approximately HK\$148.8 million) respectively.

For the eleven months ended 30 November 2022, Guangdong Xingfa Group's sale of aluminium profiles and/or panels to China Lesso Group amounted to approximately RMB117.21 million (equivalent to approximately HK\$131.3 million).

### **Annual Cap**

The Annual Cap in respect of the transactions contemplated under the 2023 Lesso Master Supply Agreement for the Year 2023 will be approximately RMB 153,712,000 (equivalent to approximately HK\$172,157,000). Such Annual Cap is estimated 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 sales volume of aluminium profiles and/or panels to China Lesso Group in Year 2023;
- (3) the projected purchase price of aluminium ingots will remain stable in Year 2023;
- (4) the processing fee for processing aluminium ingots into aluminium profiles and panels will remain stable in Year 2023; and
- (5) the recovery of general demand for aluminium profiles and/or panels from the COVID-19,

and 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.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Annual Cap for the 2023 Lesso Master Supply Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **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 and 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 Annual Cap is 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, 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 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 and the Annual Cap of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.

## **Reasons for and benefits of the 2023 Lesso Master Supply Agreement**

The Group has been supplying aluminium profiles and/or panels to China Lesso Group from time to time in its ordinary course of business.

The Group is one of the leading aluminium profiles manufacturers in the PRC with advanced research and development capability. China Lesso Group plans to continue to purchase aluminium profiles and/or panels from the Group in its ordinary course of business on an on-going basis. As it is in the ordinary and usual course of business of the Group to supply aluminium profiles and/or panels to China Lesso Group and the prices and terms offered by the Group to China Lesso Group will not be more favourable to China Lesso Group than those offered to independent customers, the Directors consider that it is in the interest of the Shareholders and the Group as a whole to enter into the 2023 Lesso Master Supply Agreement and to continue to supply aluminium profiles and/or panels to China Lesso Group on an on-going basis.

### **2023 TENANCY AGREEMENT A**

**Date** : 30 December 2022

#### **Parties**

**(i) Landlord** : Henan Xingfa

**(ii) Tenant** : Henan Jingxing

**Subject matter** : Henan Xingfa has agreed to lease the production plant and related facilities located at Property A to Henan Jingxing.

**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 one year commencing from 1 January 2023 to 31 December 2023 (both dates inclusive).

**Rent** : A monthly rent of RMB264,324 (equivalent to approximately HK\$296,043) (tax exclusive).

The monthly rent under the 2023 Tenancy Agreement A was arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rents at similar locations.

## **Historical figures**

For the two years ended 31 December 2020 and 31 December 2021 and the eleven months ended 30 November 2022, the rental amount (tax exclusive) of property leased by the Group to Henan Jingxing was approximately RMB3,020,000 (equivalent to HK\$3,382,400), RMB2,728,176 (equivalent to approximately HK\$3,055,557) and RMB2,728,462 (equivalent to approximately HK\$3,055,877) respectively.

## **Annual Cap**

The Annual Cap for the transactions contemplated under the 2023 Tenancy Agreement A for the Year 2023 will be RMB3,171,888 (equivalent to approximately HK\$3,552,515).

The above Annual Cap is arrived at by translating the monthly rent of RMB264,324 (equivalent to approximately HK\$296,043) (tax exclusive) into the rent receivable (tax exclusive) by Henan Xingfa for the Year 2023 under the 2023 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 2023 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 2023 Tenancy Agreement A**

In view of the stable rental income generated under the 2022 Tenancy Agreement A as well as the rental income expected to be generated under the 2023 Tenancy Agreement A and the rent and terms under the 2023 Tenancy Agreement A will not be more favourable to Henan Jingxing than those offered to independent tenants, the Directors (including the independent non-executive Directors) consider that the entering into the 2023 Tenancy Agreement A is in the interests of the Company and its Shareholders as a whole.

## **2023 TENANCY AGREEMENT B**

**Date** : 30 December 2022

### **Parties**

**(i) Landlord** : Jiangxi Xingfa

**(ii) Tenant** : Jiangxi Jingxing

**Subject matter** : Jiangxi Xingfa has agreed to lease the production plant and related facilities located at Property B to Jiangxi Jingxing.

- Use** : The manufacturing of aluminium panels.
- Term** : A fixed term of one year commencing from 1 January 2023 to 31 December 2023 (both dates inclusive).
- Rent** : A monthly rent of RMB358,044 (equivalent to approximately HK\$401,009) (tax exclusive).

The monthly rent under the 2023 Tenancy Agreement B was arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rents at similar locations.

### **Historical figures**

For the two years ended 31 December 2020 and 2021 and the eleven months ended 30 November 2022, the rental amount (tax exclusive) of property leased by the Group to Jiangxi Jingxing was approximately RMB3,589,000 (equivalent to HK\$4,019,680), RMB3,654,852 (equivalent to approximately HK\$4,093,434) and RMB3,938,484 (equivalent to approximately HK\$4,411,102) respectively.

### **Annual Cap**

The Annual Cap for the transactions contemplated under the 2023 Tenancy Agreement B for the Year 2023 will be RMB4,296,528 (equivalent to approximately HK\$4,812,111).

The above Annual Cap is arrived at by translating the monthly rent of RMB358,044 (equivalent to approximately HK\$401,009) (tax exclusive) into rent receivable (tax exclusive) by Jiangxi Xingfa for the Year 2023 under the 2023 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 2023 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 2023 Tenancy Agreement B**

In view of the stable rental income generated under the 2022 Tenancy Agreement B as well as the rental income expected to be generated under the 2023 Tenancy Agreement B and the rent and terms under the 2023 Tenancy Agreement B will not be more favourable to Jiangxi Jingxing than those offered to independent tenants, the Directors (including the independent non-executive Directors) consider that the entering into the 2023 Tenancy Agreement B is in the interests of the Company and its Shareholders as a whole.

## **INTERNAL CONTROLS — 2023 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 2023 Tenancy Agreement A and the 2023 Tenancy Agreement B and ensure that the rents and terms offered by the Landlords to the Tenants under the 2023 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 at similar locations on a quarterly basis;
- (2) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the rents under the 2023 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 2023 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 2023 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 an annual basis; and
- (5) the auditors of the Company will review the rents and terms under the 2023 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.

## **2023 ENGINEERING SERVICE AGREEMENT**

**Date** : 30 December 2022

**Parties** : (i) Guangdong Xingfa; and  
(ii) Xingfa Curtain Wall

### **Duration**

The 2023 Engineering Service Agreement is for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive).

## **Subject matter**

Pursuant to the 2023 Engineering Service Agreement, Xingfa Curtain Wall agreed to provide Engineering Services to Guangdong Xingfa Group members. The types of engineering services to be provided by Xingfa Curtain Wall will be in accordance with the specifications as requested by Guangdong Xingfa Group members, on a case-by-case basis. The 2023 Engineering Service Agreement is a non-exclusive agreement, during which Guangdong Xingfa Group members may engage other third parties to provide them with the Engineering Services and Xingfa Curtain Wall may also provide the Engineering Services to other third parties.

## **Pricing and payment terms**

Under the 2023 Engineering Service Agreement, the service fees, payment terms, specifications and other detailed terms with respect to the Engineering Services to be provided by Xingfa Curtain Wall to 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 service fees of the provision of engineering services which are identical to or comparable to such Engineering Services and at service fees and terms (including the payment terms) no less favourable than service fees and terms (including the payment terms) of provision of the Engineering Services to Guangdong Xingfa Group members by other independent suppliers.

As different engineering services will be required by Guangdong Xingfa Group members from order to order, for the purpose of a master agreement, it would not be commercially practicable for Guangdong Xingfa to agree with Xingfa Curtain Wall the specific service fee of any of the Engineering Services under the 2023 Engineering Service Agreement.

## **Historical figures**

The Group did not have any transaction with Xingfa Curtain Wall in respect of the provision of Engineering Services before 30 June 2021. The aggregate historical transactions in connection with the provision of Engineering Services by Xingfa Curtain Wall to Guangdong Xingfa Group for the period from 1 July 2021 to 31 December 2021 and the eleven months ended 30 November 2022 amounted to approximately RMB8,400,000 (equivalent to HK\$9,408,000) and RMB2,995,000 (equivalent to HK\$3,354,400) respectively.

## **Annual Cap**

The Annual Cap in respect of the transactions contemplated under the 2023 Engineering Service Agreement for the Year 2023 will be RMB7,500,000 (equivalent to HK\$8,400,000). Such Annual Cap is estimated 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 transaction amount in connection to the provision of the Engineering Services to Guangdong Xingfa Group by Xingfa Curtain Wall;
- (2) the projected amount of service fees in respect of the Engineering Services to be provided by Xingfa Curtain Wall to Guangdong Xingfa Group for the Year 2023;
- (3) the projected prevailing market service fees in connection with the provision of engineering services which are identical to or comparable to the Engineering Services will remain stable for the Year 2023; and
- (4) the costs (such as labour costs) in relation to the provision of Engineering Services will remain stable for the Year 2023.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Annual Cap for the 2023 Engineering Service Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **Internal controls**

The Group will undertake the following internal control measures to monitor the pricing and terms of the transactions contemplated under the 2023 Engineering Service Agreement and ensure that the service fees and terms offered by Xingfa Curtain Wall to Guangdong Xingfa Group will be no less favourable than service fees and terms offered to Guangdong Xingfa Group by independent suppliers and that the Annual Cap is not exceeded:

- (1) monitoring the prevailing average market service fee of engineering service which is identical to or comparable to the Engineering Services;
- (2) comparing the service fees and terms of the provision of Engineering Services by Xingfa Curtain Wall with the service fees and terms of the provision of engineering services in the PRC as agreed with or quoted by independent suppliers on a regular basis;
- (3) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the service fees and terms of provision of Engineering Services by Xingfa Curtain Wall to Guangdong Xingfa Group to ensure that they shall be no less favourable than those offered by independent suppliers;
- (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 Engineering Service 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 2023 Engineering Service Agreement are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole on terms no less favourable than service fees and terms offered by independent suppliers on an annual basis; and
- (6) the auditors of the Company will review the pricing and terms of the transactions contemplated under the 2023 Engineering Service Agreement and annual cap of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.

### **Reasons for and benefits of entering into the 2023 Engineering Service Agreement**

It is one of the development plans of the Group to optimize the production facilities so as to increase its production capacity. The Group engages Xingfa Curtain Wall to provide the Engineering Services for its production facilities. Although it is not in the ordinary course of business of the Group to enter into transactions contemplated under the 2023 Engineering Service Agreement, taking into account that the service fees and terms to be offered by Xingfa Curtain Wall would be no less favourable than those offered by independent suppliers and the credentials of Xingfa Curtain Wall, 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 2023 Engineering Service Agreement.

### **2023 HAZARDOUS WASTE PROCESSING SERVICE AGREEMENT**

**Date** : 30 December 2022

**Parties** : (i) Guangdong Xingfa; and  
(ii) Xingfa Environmental

#### **Duration**

The 2023 Hazardous Waste Processing Service Agreement is for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive).

#### **Subject matter**

Pursuant to the 2023 Hazardous Waste Processing Service Agreement, Xingfa Environmental agreed to provide Hazardous Waste Processing Services to Guangdong Xingfa Group members. The types of hazardous waste processing services to be provided by Xingfa Environmental will be in accordance with the specifications as requested by Guangdong Xingfa Group members, on a case-by-case basis. The 2023 Hazardous Waste Processing Service Agreement is a non-exclusive agreement, during which Guangdong

Xingfa Group members may engage other third parties to provide them with the Hazardous Waste Processing Services and Xingfa Environmental may also provide the Hazardous Waste Processing Services to other third parties.

### **Pricing and payment terms**

Under the 2023 Hazardous Waste Processing Service Agreement, the service fees, payment terms, specifications and other detailed terms with respect to the Hazardous Waste Processing Services to be provided by Xingfa Environmental to Guangdong Xingfa Group members shall be determined in accordance with the specific orders to be agreed between Guangdong Xingfa Group members and Xingfa Environmental which shall be on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing market service fees of the provision of hazardous waste processing services which are identical to or comparable to such Hazardous Waste Processing Services and at service fees and terms (including the payment terms) no less favourable than service fees and terms (including the payment terms) of provision of the Hazardous Waste Processing Services to Guangdong Xingfa Group members by other independent suppliers.

As different hazardous waste processing services will be required by Guangdong Xingfa Group members from order to order, for the purpose of a master agreement, it would not be commercially practicable for Guangdong Xingfa to agree with Xingfa Environmental the specific service fee of any of the Hazardous Waste Processing Services under the 2023 Hazardous Waste Processing Service Agreement.

### **Historical figures**

The Group did not have any transaction with Xingfa Environmental in respect of the provision of Hazardous Waste Processing Services before 30 November 2021. The aggregate historical transactions in connection with the provision of Hazardous Waste Processing Services by Xingfa Environmental to Guangdong Xingfa Group for the period from 1 December 2021 to 31 December 2021 and eleven months ended 30 November 2022 amounted to approximately RMB334,000 (equivalent to approximately HK\$374,000) and RMB1,426,000 (equivalent to approximately HK\$1,597,000) respectively.

### **Annual Cap**

The Annual Cap in respect of the transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement for the Year 2023 will be RMB5,610,000 (equivalent to HK\$6,283,000). Such Annual Cap is estimated 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 transaction amount in connection to the provision of the Hazardous Waste Processing Services to Guangdong Xingfa Group by Xingfa Environmental;

- (2) the projected amount of service fees in respect of the Hazardous Waste Processing Services to be provided by Xingfa Environmental to Guangdong Xingfa Group for the Year 2023;
- (3) the projected prevailing market service fees in connection with the provision of hazardous waste processing services which are identical to or comparable to the Hazardous Waste Processing Services will remain stable for the Year 2023; and
- (4) the costs (such as transportation costs) in relation to the provision of Hazardous Waste Processing Services will remain stable for the Year 2023.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Annual Cap for the 2023 Hazardous Waste Processing Service Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Internal controls**

The Group will undertake the following internal control measures to monitor the pricing and terms of the transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement and ensure that the service fees and terms offered by Xingfa Environmental to Guangdong Xingfa Group will be no less favourable than service fees and terms offered to Guangdong Xingfa Group by independent suppliers and that the Annual Cap is not exceeded:

- (1) monitoring the prevailing average market service fee of hazardous waste processing services which is identical to or comparable to the Hazardous Waste Processing Services;
- (2) comparing the service fees and terms of the provision of Hazardous Waste Processing Services by Xingfa Environmental with the service fees and terms of the provision of Hazardous waste processing services in the PRC as agreed with or quoted by independent suppliers on a regular basis;
- (3) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the service fees and terms of provision of Hazardous Waste Processing Services by Xingfa Environmental to Guangdong Xingfa Group to ensure that they shall be no less favourable than those offered by independent suppliers;
- (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 Hazardous Waste Processing Service 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 2023 Hazardous Waste Processing Service Agreement are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole on terms no less favourable than service fees and terms offered by independent suppliers on an annual basis; and
- (6) the auditors of the Company will review the pricing and terms of the transactions contemplated under the 2023 Hazardous Waste Processing Agreement and annual cap of such continuing connected transactions in compliance with the annual reporting and review requirements under the Listing Rules on an annual basis.

### **Reasons for and benefits of entering into the 2023 Hazardous Waste Processing Service Agreement**

The hazardous waste generated in the production of the Group has to be handled by companies with relevant capabilities and specialites. Accordingly, the Group engages Xingfa Environmental to provide the Hazardous Waste Processing Services for its production. Although it is not in the ordinary course of business of the Group to enter into transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement, taking into account that the service fees and terms to be offered by Xingfa Environmental would be no less favourable than those offered by independent suppliers and the credentials of Xingfa Environmental, 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 2023 Hazardous Waste Processing Service Agreement.

### **INFORMATION ON THE PARTIES**

#### **(i) The Group**

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.

#### **(ii) Guangdong Xingfa**

Guangdong Xingfa is a wholly foreign-owned enterprise 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**

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 its direct wholly-owned subsidiary as at the date of this announcement. Accordingly, China Lesso is a substantial Shareholder.

The principal business activities of China Lesso are the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services.

**(iv) Henan Xingfa**

Henan Xingfa, a limited company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company, is principally engaged in the manufacture and sale of aluminium profiles.

**(v) Henan Jingxing**

Henan Jingxing, a limited company incorporated in the PRC and an indirect non-wholly owned subsidiary of China Lesso, is principally engaged in the manufacture and sale of aluminium panels.

**(vi) Jiangxi Xingfa**

Jiangxi Xingfa, a limited company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company, is principally engaged in the manufacture and sale of aluminium profiles.

**(vii) Jiangxi Jingxing**

Jiangxi Jingxing, a limited company incorporated in the PRC and an indirect non-wholly owned subsidiary of China Lesso, is principally engaged in the manufacture and sale of aluminium panels.

**(viii) Xingfa Curtain Wall**

Xingfa Curtain Wall is a limited company incorporated in the PRC and 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. The principal business activities of Xingfa Curtain Wall includes the decoration, design, manufacture and installation of doors, windows and curtain walls made by aluminium profiles.

**(ix) Xingfa Environmental**

Xingfa Environmental is a limited company incorporated in the PRC and is owned as to 60% by Yongbao Environmental, which is in turn an indirect non-wholly owned subsidiary of China Lesso, and as to 40% by Guangdong Xingfa. Xingfa Environmental is principally engaged in (i) the processing of solid waste and pollutants and (ii) the business of research and development of various environmental protection and hazardous waste processing equipment.

By virtue of the aforesaid relationships between the Company and the parties, each of China Lesso, Henan Jinxing, Jiangxi Jinxing, Xingfa Curtain Wall and Xingfa Environmental is a connected person of the Company under the Listing Rules.

## **VIEWS OF THE DIRECTORS**

### **2023 Lesso Master Supply Agreement and 2023 Tenancy Agreements**

The Directors (including the independent non-executive Directors) are of the view that (i) the 2023 Lesso Master Supply Agreement and the 2023 Tenancy Agreements are entered into in the ordinary course of business of the Group; and (ii) the terms of each of the 2023 Lesso Master Supply Agreement, the 2023 Tenancy Agreement A and the 2023 Tenancy Agreement B are on normal commercial terms 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 related Annual Caps set out above are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

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, the 2023 Tenancy Agreement A and the 2023 Tenancy Agreement B, (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 an interest in the 2023 Lesso Master Supply Agreement, the 2023 Tenancy Agreement A and the 2023 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 2023 Lesso Master Supply Agreement, the 2023 Tenancy Agreement A and the 2023 Tenancy Agreement B and the transactions contemplated thereunder as well as their respective Annual Cap.

### **2023 Engineering Service Agreement**

Taking into account the reasons for and benefits of entering into the 2023 Engineering Service Agreement, although it is not in the ordinary course of business of the Group to enter into transactions contemplated under the 2023 Engineering Service Agreement, in view of the service fees and terms to be offered by Xingfa Curtain Wall would be no less favourable than those offered by independent suppliers and the credentials of Xingfa Curtain Wall, the Directors (including the independent non-executive Directors) consider that (i) the terms of the 2023 Engineering Service Agreement are on normal commercial terms and are fair and reasonable; and (ii) the related Annual Cap set out above is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, by virtue of the above-mentioned relationship between Mr. LIAO Yuqing, an executive Director and a substantial Shareholder, and Xingfa Curtain Wall, Mr. LIAO may be deemed to have an material interest in the 2023 Engineering Service Agreement and the transactions contemplated thereunder, Mr. LIAO had abstained from voting on the resolutions of the Board to approve the 2023 Engineering Service Agreement and the transactions contemplated thereunder as well as the related Annual Cap.

### **2023 Hazardous Waste Processing Service Agreement**

Taking into account the reasons for and benefits of entering into the 2023 Hazardous Waste Processing Service Agreement, although it is not in the ordinary course of business of the Group to enter into transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement, in view of the service fees and terms to be offered by Xingfa Environmental would be no less favourable than those offered by independent suppliers and the credentials of Xingfa Environmental, the Directors (including the independent non-executive Directors) consider that (i) the terms of the 2023 Hazardous Waste Processing Service Agreement are on normal commercial terms and are fair and reasonable; and (ii) the related Annual Cap set out above is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, in respect of the 2023 Hazardous Waste Processing Service Agreement, (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 an interest in the 2023 Hazardous Waste Processing Service Agreement and the transactions contemplated thereunder, each of Mr. LUO Jianfeng and Mr. ZUO Manlun had abstained from voting on the resolutions of the Board to approve the 2023 Hazardous Waste Processing Service Agreement and the transactions contemplated thereunder as well as the related Annual Cap.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **2023 Lesso Master Supply Agreement**

As at the date of this announcement, China Lesso, through 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.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Lesso Master Supply Agreement is less than 5%, the continuing connected transactions under the 2023 Lesso Master Supply Agreement 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.

### **2023 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, Henan Jingxing is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Tenancy Agreement A constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Tenancy Agreement A, either standalone or when aggregated with 2023 Tenancy Agreement B, is less than 5%, the continuing connected transactions under the 2023 Tenancy Agreement A 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.

### **2023 Tenancy Agreement B**

As at the date of this announcement, Jiangxi Jingxing is an indirect 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 2023 Tenancy Agreement B constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Tenancy Agreement B, either standalone or when aggregated with 2023 Tenancy Agreement A, is less than 5%, the continuing connected transactions under the 2023 Tenancy Agreement B 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.

## **2023 Engineering Service Agreement**

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, and therefore, Xingfa Curtain Wall is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Engineering Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Engineering Service Agreement is less than 5%, the continuing connected transactions under the 2023 Engineering Service Agreement 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.

## **2023 Hazardous Waste Processing Service Agreement**

As at the date of this announcement, Xingfa Environmental is an indirect non-wholly owned subsidiary of China Lesso, a substantial Shareholder, and therefore, Xingfa Environmental is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios relating to the Annual Cap for the continuing connected transactions contemplated under the 2023 Hazardous Waste Processing Service Agreement is less than 5%, the continuing connected transactions under the 2023 Hazardous Waste Processing Service Agreement 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.

## DEFINITIONS

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

- “2022 Engineering Service Agreement” the service agreement dated 31 December 2021 and entered into between Guangdong Xingfa and Xingfa Curtain Wall in relation to the provision of Engineering Services to Guangdong Xingfa Group by Xingfa Curtain Wall for a term of one year from 1 January 2022 to 31 December 2022 (both dates inclusive)
- “2022 Lesso Master Supply Agreement” the master supply agreement dated 31 December 2021 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 2022 to 31 December 2022 (both dates inclusive)
- “2022 Tenancy Agreement A” the tenancy agreement dated 31 December 2021 and entered into between Henan Xingfa, as landlord, and Henan Jingxing, as tenant, in respect of the leasing of Property A for a term of one year from 1 January 2022 to 31 December 2022 (both dates inclusive)
- “2022 Tenancy Agreement B” the tenancy agreement dated 31 December 2021 and entered into between Jiangxi Xingfa, as landlord, and Jiangxi Jingxing, as tenant, in respect of the leasing of Property B for a term of one year from 1 January 2022 to 31 December 2022 (both dates inclusive)
- “2023 Engineering Service Agreement” the service agreement dated 30 December 2022 and entered into between Guangdong Xingfa and Xingfa Curtain Wall in relation to the provision of Engineering Services to Guangdong Xingfa Group by Xingfa Curtain Wall for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
- “2023 Hazardous Waste Processing Service Agreement” the service agreement dated 30 December 2022 and entered into between Guangdong Xingfa and Xingfa Environmental in relation to the provision of the Hazardous Waste Processing Services to Guangdong Xingfa Group by Xingfa Environmental for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)

“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)
“2023 Tenancy Agreements”	collectively, the 2023 Tenancy Agreement A and the 2023 Tenancy Agreement B
“2023 Tenancy Agreement A”	the tenancy agreement dated 30 December 2022 and entered into between Henan Xingfa, as landlord, and Henan Jingxing, as tenant, in respect of the leasing of Property A for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
“2023 Tenancy Agreement B”	the tenancy agreement dated 30 December 2022 and entered into between Jiangxi Xingfa, as landlord, and Jiangxi Jingxing, as tenant, in respect of the leasing of Property B for a term of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
“Annual Cap(s)”	the maximum aggregate annual transaction values in respect of the continuing connected transactions contemplated under (1) the 2023 Lesso Master Supply Agreement; (2) the 2023 Tenancy Agreement A; (3) the 2023 Tenancy Agreement B; (4) the 2023 Engineering Service Agreement; and (5) the 2023 Hazardous Waste Processing Service Agreement (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 (Stock Code: 2128). As at the date of this announcement, China Lesso is interested in approximately 26.11% equity interest of the Company through 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
“Engineering Services”	certain engineering services including but not limited to the installation of doors, windows and curtain walls to be provided by Xingfa Curtain Wall to Guangdong Xingfa Group members pursuant to the 2022 Engineering Service Agreement or the 2023 Engineering Service Agreement (as the case may be)
“Existing CCT Agreements”	collectively, the 2022 Lesso Master Supply Agreement, the 2022 Tenancy Agreement A, the 2022 Tenancy Agreement B and the 2022 Engineering Service Agreement
“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

“Guangzhou Jingxing”	廣州景興建築科技有限公司 (unofficial English translation being Guangzhou Jingxing Construction Technology Co., Ltd.), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of China Lesso
“Guangzhou Jingxing Group”	Guangzhou Jingxing and its subsidiaries
“Hazardous Waste Processing Services”	certain hazardous waste processing and disposal services to be provided by Xingfa Environmental to Guangdong Xingfa Group members pursuant to the 2023 Hazardous Waste Processing Service Agreement
“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 an indirect 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
“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 an indirect non-wholly owned subsidiary of China Lesso
“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

“PRC”	the People’s Republic of China
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Takeovers Code”	the Codes on Takeovers and Mergers of Hong Kong
“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 as to 46% by Mr. LUO Su
“Xingfa Environmental”	廣東興發環境科技有限公司 (unofficial English translation being Guangdong Xingfa Environmental Technology Co., Ltd.), a company established in the PRC with limited liability and is owned as to 60% by Yongbao Environmental, which is in turn an indirect non-wholly owned subsidiary of China Lesso, the substantial Shareholder, and owned as to 40% by Guangdong Xingfa
“Year 2021”	a period of one year from 1 January 2021 to 31 December 2021 (both dates inclusive)
“Year 2022”	a period of one year from 1 January 2022 to 31 December 2022 (both dates inclusive)

“Year 2023”	a period of one year from 1 January 2023 to 31 December 2023 (both dates inclusive)
“Yongbao Environmental”	江蘇永葆環保科技股份有限公司 (unofficial English translation being Jiangsu Yongbao Environmental Technology Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of China Lesso
“%”	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\$1.12. 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*

30 December 2022

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

<i>Executive Directors:</i>	Mr. WANG Li ( <i>Chairman</i> ) Mr. LIAO Yuqing ( <i>Chief Executive Officer</i> ) Mr. WANG Lei Mr. LAW Yung Koon Mr. WANG Zhihua Mr. LUO Jianfeng
<i>Non-executive Directors:</i>	Mr. ZUO Manlun Ms. XIE Jingyun
<i>Independent non-executive Directors:</i>	Mr. CHEN Mo Mr. HO Kwan Yiu Mr. LAM Ying Hung, Andy Mr. WEN Xianjun