
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Qinfa Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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中國秦發集團有限公司
CHINA QINF A GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00866)

**REPURCHASE MANDATE AND GENERAL MANDATE,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Qinfa Group Limited to be held at Meeting Room One, Level 2, InterContinental Guangzhou Exhibition Center, No. 828, Yuejiang Middle Road, Haizhu District, Guangzhou City, the PRC on Tuesday, 20 June 2023 at 11:00 a.m. or any adjournment thereof is set forth in Appendix III to this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of China Qinfa Group Limited in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Important Information

Please see page 1 of this circular for the arrangements for the AGM, including guidance on joining the AGM.

No refreshment will be served. There will not be any provision of souvenir or gifts for attending the AGM.

ARRANGEMENT FOR THE AGM

The Company will adopt the following arrangements at the AGM:

- (a) If a Shareholder wishes to vote on any resolution at the AGM, Shareholder is encouraged to appoint the chairman of the AGM as his/her/its proxy to exercise his/her/its right to vote at the AGM. Shareholders should specifically indicate how they wish to vote for or vote against the resolutions set out in the notice convening the AGM. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the AGM (or any adjourned meeting thereof).
- (b) Shareholders can submit questions relevant to the business of the AGM by email to ir@qinfagroup.com in advance. If considered appropriate by the Directors at their absolute discretion, the questions will be answered at the AGM.
- (c) No refreshments will be served. There will not be any provision of souvenir or gifts for attending the AGM.

The Company reminds Shareholders who wish to exercise his/her/its voting rights that he/she/it is encouraged to appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolutions at the AGM.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Meeting Room One, Level 2, InterContinental Guangzhou Exhibition Center, No. 828, Yuejiang Middle Road, Haizhu District, Guangzhou City, the PRC on Tuesday, 20 June 2023 at 11:00 a.m. or any adjournment thereof (as the case may be);
“Articles” or “Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“Close Associates”	has the meaning as defined under the Listing Rules;
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time;
“Company”	China Qinfra Group Limited (中國秦發集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange (stock code: 00866);
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the case of the Company, means Mr. XU Jihua and Fortune Pearl;
“Directors”	the directors of the Company;
“Fortune Pearl”	Fortune Pearl International Limited, a company incorporated in the British Virgin Islands on 22 January 2008 with its issued share capital wholly-owned by Mr. XU Jihua, and which is one of the Controlling Shareholders;
“General Mandate”	the general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of not exceeding 20% of the total number of issued Shares of the Company as of the date of passing the resolution approving the said mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Latest Practicable Date”	24 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the memorandum of association of the Company;
“Notice”	the notice dated 27 April 2023 convening the Annual General Meeting as set forth in Appendix III to this circular;
“Options”	options (if any) granted or to be granted under the share option schemes of the Company;
“Ordinary Resolutions”	the proposed ordinary resolutions in respect of the matters referred to in the Notice;
“PRC”	The People’s Republic of China;
“Register of Members”	the register of members of the Company maintained by the Registrar in Hong Kong;
“Registrar”	the branch share registrar and transfer office of the Company, Union Registrars Limited of Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong;
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10% of the total number of issued Shares of the Company as of the date of passing of the resolution approving the said mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

LETTER FROM THE BOARD



中國秦發集團有限公司
CHINA QINFA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00866)

Executive Directors:

Mr. XU Da (*Chairman*)

Mr. BAI Tao (*Chief Executive Officer*)

Mr. ZHAI Yifeng

Independent non-executive Directors:

Mr. LAU Sik Yuen

Prof. SHA Zhenquan

Mr. JING Dacheng

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

Suite 5706, 57th Floor

Central Plaza

No. 18 Harbour Road

Wanchai

Hong Kong

27 April 2023

To the Shareholders and, for information only, holders of the Options

Dear Sir or Madam,

**REPURCHASE MANDATE AND GENERAL MANDATE,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information on the following resolutions to be proposed at the Annual General Meeting, so as to enable you to make an informed decision on the resolutions at the Annual General Meeting.

The resolutions include (i) the grant of the Repurchase Mandate; (ii) the grant of the General Mandate; (iii) the extension of the General Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set forth in this circular. In particular, you should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the total number of issued Shares of the Company as of the date of passing of the resolution (i.e. a total of 249,341,398 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting), subject to the requirements of the Listing Rules. The Repurchase Mandate will be expired on the earliest of the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles and the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement, which is set forth in Appendix I to this circular.

GENERAL MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of, representing up to 20% of the total number of issued Shares of the Company as of the date of passing of the resolution. As of the Latest Practicable Date, the issued share capital of the Company comprised 2,493,413,985 fully paid up Shares. Assuming that there is no change in the total number of issued Shares of the Company between the period from the Latest Practicable Date to the date of passing the aforesaid resolution, the maximum number of Shares which may be issued pursuant to the aforesaid general and unconditional mandate on the date of passing the aforesaid resolution will be 498,682,797 Shares.

The Directors wish to state that they have no immediate plan to issue any Shares pursuant to the General Mandate.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the General Mandate, a separate ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the General Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate, if granted.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed pursuant to Article 83(3) of the Articles shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years and shall then be eligible for re-election.

Mr. ZHAI Yifeng, who was appointed by the Board on 1 March 2023, will retire in accordance with Article 83(3) of the Articles while Mr. BAI Tao and Mr. LAU Sik Yuen will retire by rotation in accordance with Article 84(1) of the Articles. Mr. ZHAI Yifeng and Mr. BAI Tao, being eligible, would offer themselves for re-election at the Annual General Meeting. Details of such retiring Directors are set forth in Appendix II to this circular.

Mr. LAU Sik Yuen, an independent non-executive Director and the chairman of audit committee of the Company, will be subject to retirement by rotation according to the Company's Articles of Association and will not offer himself for re-election at the Annual General Meeting due to his work re-allocation. Upon the conclusion of the Annual General Meeting to be held, Mr. LAU Sik Yuen will cease to be an independent non-executive Director and the chairman of audit committee of the Company. Mr. LAU Sik Yuen confirmed that he has no disagreement with the Board and there are no matters relating to his retirement that need to be brought to the attention of the Shareholders of the Company.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice of the Annual General Meeting is set forth in Appendix III to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the General Mandate, and the re-election of the retiring Directors. The Annual General Meeting will be held at Meeting Room One, Level 2, InterContinental Guangzhou Exhibition Center, No. 828, Yuejiang Middle Road, Haizhu District, Guangzhou City, the PRC on Tuesday, 20 June 2023 at 11:00 a.m.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 13 June 2023 to Tuesday 20 June 2023 (both days inclusive). During such period, no transfer of Shares will be registered for the purpose of determining the entitlement to attend and vote at the Annual General Meeting. All transfer documents accompanied by the relevant share certificates must be lodged with the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 12 June 2023.

VOTING BY WAY OF A POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, poll voting for all proposed resolutions of the Company will be proceeded with at the Annual General Meeting.

RECOMMENDATION

The Board considers that the grant of the Repurchase Mandate and the General Mandate, the extension of the General Mandate, and the proposed re-election of retiring Directors are in the best interest of the Company and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
XU Da
Chairman

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This appendix contains particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting in relation to the Repurchase Mandate.

PROPOSED SHARE REPURCHASE MANDATE

It is proposed that the Directors be granted the Repurchase Mandate such that they may exercise the powers of the Company to repurchase up to 10% of the Shares in issue as of the date of passing of the relevant resolution. As of the Latest Practicable Date, the number of Shares in issue was 2,493,413,985 Shares and they were all fully paid up. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as of the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase a maximum of 249,341,398 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution).

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value for each Share and/or earnings for each Share. The Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

FUNDING OF REPURCHASES

In making repurchases, the Company proposes to apply funds legally available for such purpose in accordance with its memorandum of association, the Articles, the Listing Rules and the Companies Act. Under the Companies Act, Shares repurchased by the Company may only be paid out of profits or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its memorandum of association, the Articles and subject to the Companies Act, out of capital. Any premium payable on share repurchases may only be paid out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the Companies Act, out of capital.

IMPACT OF REPURCHASE

On the basis of the consolidated financial position of the Company as of 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position and the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would in the circumstances that would have a material adverse impact on the working capital position or gearing position of the Company (as compared with the position disclosed in the latest published audited consolidated financial statements).

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

PRICE OF SHARES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to (and including) the Latest Practicable Date were as follows:

Month	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.485	0.33
May	0.53	0.365
June	0.58	0.435
July	0.52	0.445
August	0.45	0.36
September	0.405	0.26
October	0.31	0.229
November	0.305	0.237
December	0.27	0.206
2023		
January	0.255	0.209
February	0.29	0.229
March	0.285	0.206
April (up to the Latest Practicable Date)	0.238	0.191

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Articles and the Companies Act.

CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their Close Associates has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As of the Latest Practicable Date, none of the core connected persons (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to or can be ascertained after reasonable enquiry by the Directors, Mr. Xu Jihua and his wholly-owned company, Fortune Pearl, both being the Controlling Shareholders, were interested in an aggregate of 1,197,229,610 Shares, representing approximately 48.02% of the issued share capital of the Company. On the basis that no further Shares will be issued or repurchased after the Latest Practicable Date, in the event that the Directors exercise the Repurchase Mandate in full, the interests of Mr. Xu Jihua and Fortune Pearl in the Company would be increased to approximately 53.35% of the issued share capital. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to the extent that the repurchases would result in the amount of Shares being held by the public to fall below 25% of the total issued share capital of the Company nor to the extent that would result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code by any substantial shareholder (as defined in the Listing Rules). Save as the above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, there was no repurchase of its Shares made by the Company (whether on the Stock Exchange or otherwise).

APPENDIX II DETAILS OF RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

The following sets out the biographical details of the Directors who will retire and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to the Articles.

A. MR. BAI TAO

Mr. BAI Tao (白韜), aged 39, was appointed as an executive Director on 9 October 2014. Mr. BAI is also the Chief Executive Officer and a member of the remuneration committee, nomination committee and the Environmental, Social and Governance Committee of the Board. Mr. BAI is principally responsible for the Group's overall management and operation. Mr. BAI graduated from Cardiff University with a bachelor and master degree in civil engineering. In 2022, Mr. BAI obtained a master degree in business administration from Tsinghua University. Mr. BAI has more than 5 years of working experience in construction project management. He joined the Group as general manager of Zhuhai Hengqin Coal Exchange Centre in 2012.

Pursuant to the service contract entered into between Mr. BAI and the Company, he was appointed as executive Director for a term from 9 October 2020 to 8 October 2023 and shall continue thereafter unless terminated by either party with written notice. He is entitled to a fixed annual salary of RMB1,608,000 (after taxation), a fixed annual director's fee of RMB792,000 (after taxation) and a discretionary management bonus determined by the Board. The remuneration package was determined with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. BAI was beneficially interested in 50,000,000 Shares, representing approximately 2.01% of the total number of issued Shares.

Save as disclosed above, (a) Mr. BAI did not hold any directorships in any listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management, substantial or controlling Shareholder of the Company and had no interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date; (c) there is no other information which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

B. MR. ZHAI YIFENG

Mr. ZHAI Yifeng (翟依峰), aged 39, was appointed as an executive Director on 1 March 2023. Mr. ZHAI is also a member of the Environmental, Social and Governance Committee. Mr. ZHAI joined the Group in 2008 and is currently the vice president of the Group and the chairman of the sales and logistics department of the Group, responsible for overseeing the logistics and sales of coal. Mr. ZHAI is also a director of certain subsidiaries of the Company. Mr. ZHAI has over 14 years of experience in coal marketing and coal import-export business.

APPENDIX II DETAILS OF RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

Pursuant to the service contract entered into between Mr. ZHAI and the Company, he was appointed as executive Director for a term from 1 March 2023 to 28 February 2026 and shall continue thereafter unless terminated by either party with written notice. He is entitled to a fixed annual salary of RMB1,200,000 (after taxation), a fixed annual director's fee of RMB792,000 (after taxation) and a discretionary management bonus determined by the Board. The remuneration package was determined with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market conditions.

Save as disclosed above, (a) Mr. ZHAI did not hold any directorships in any listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management, substantial or controlling Shareholder of the Company and had no interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date; (c) there is no other information which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

C. COMPANY'S POLICIES CONCERNING REMUNERATION OF THE DIRECTORS

The Company's policies concerning remuneration of the Directors are as follows:

- (i) the amount of remuneration is determined by the remuneration committee of the Board on the basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the Directors under their remuneration arrangement; and
- (iii) the Directors may be granted, at the discretion of the Board with the endorsement of the remuneration committee of the Board, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.



中國秦發集團有限公司
CHINA QINFA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00866)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of China Qinfa Group Limited (the “**Company**”) will be held at Meeting Room One, Level 2, InterContinental Guangzhou Exhibition Center, No. 828, Yuejiang Middle Road, Haizhu District, Guangzhou City, the PRC on Tuesday, 20 June 2023 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) of the Company and the auditors of the Company for the year ended 31 December 2022.
2. (A) (i) To re-elect Mr. BAI Tao as an executive Director.

(ii) To re-elect Mr. ZHAI Yifeng as an executive Director.

(B) To authorise the board (the “**Board**”) of Directors to determine the remuneration of the Directors.
3. To re-appoint Moore Stephens CPA Limited as auditors of the Company and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:
 - (A) “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.10 each (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the memorandum and articles of association of the Company (the “**Articles**”) and requirements of The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall be in addition to any other authorisations given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate number of Shares to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles to be held; or
- (iii) the date upon which the authority set forth in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

(B) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate number of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire Shares of the Company approved by the Stock Exchange, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles, shall not exceed 20% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” shall have the same meaning as ascribed to it under paragraph (d) of resolution No. 4(A) above; and

“**Rights issue**” means the allotment, issue or grant of Shares pursuant to an offer open for a period fixed by the Directors to holders of the Shares or any class of shares thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or of such class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(C) “THAT:

conditional upon the passing of resolutions Nos. 4(A) and 4(B) as set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution No. 4(B) be and is hereby extended by the addition thereto an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to the resolution No. 4(A) above, PROVIDED THAT such amount shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution.”

By Order of the Board

XU Da

Chairman

Guangzhou, 27 April 2023

Notes:

- (1) A form of proxy for the annual general meeting of the Company to be held on 20 June 2023 is enclosed.
- (2) Any member entitled to attend and vote at the annual general meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the annual general meeting of the Company. A proxy need not be a member of the Company but must attend the annual general meeting in person to represent you.
- (3) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited at the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting of the Company or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.
- (4) In case of joint holders of any Share, any one of such joint holders may vote at the annual general meeting of the Company, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
- (5) The register of members of the Company will be closed from Tuesday, 13 June 2023 to Tuesday, 20 June 2023 (both days inclusive). During such period, no transfer of Shares will be registered for the purpose of determining the entitlement to attend and vote at the annual general meeting of the Company. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 12 June 2023.
- (6) A circular containing, inter alia, details of the proposed general mandates to issue and repurchase shares of the Company, and information of the retiring directors of the Company who are proposed to be re-elected at the annual general meeting will be dispatched to the shareholders of the Company on 27 April 2023.
- (7) As at the date of this notice, the executive Directors are Mr. XU Da (Chairman), Mr. BAI Tao (Chief Executive Officer) and Mr. ZHAI Yifeng and the independent non-executive Directors are Mr. LAU Sik Yuen, Prof. SHA Zhenquan and Mr. JING Dacheng.
- (8) There shall be no distribution of physical corporate souvenirs/gifts and no refreshments will be served.