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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
NEW HEADS OF AGREEMENTS IN RELATION TO
THE ACQUISITION OF MINING BUSINESS LICENSE C AND
MINING BUSINESS LICENSE G AND
REDUCTION OF SHAREHOLDING INTEREST IN
NEW MINING COMPANY C AND NEW MINING COMPANY G**

**NEW HEADS OF AGREEMENTS IN RELATION TO ACQUISITION OF MINING
BUSINESS LICENSE C AND MINING BUSINESS LICENSE G AND REDUCTION OF
SHAREHOLDING INTEREST IN NEW MINING COMPANY C AND NEW MINING
COMPANY G**

This announcement is made by China Qinfa Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

References are made to the announcements of the Company dated 13 May 2021, 12 November 2021 and 3 January 2022 in respect of, among others, the Heads of Agreement C and Heads of Agreement G (as amended and supplemented by the Addendum C and Addendum G). Pursuant to the Heads of Agreement C and Heads of Agreement G (as amended and supplemented by the Addendum C and Addendum G), it was contemplated that the New Mining Company C and New Mining Company G, i.e. IMJ and VSE, which are owned as to 75% by the Group would be established, and subsequently each of the Mining Business license C and Mining Business License G shall be transferred from each of the Sellers, i.e. IME and VPE, to IMJ and VSE, respectively, within a specific period.

During the vetting process of obtaining approval for the transfer of the Mining Business License C and Mining Business License G to IMJ and VSE, respectively, the Minister of Energy and Mineral Resources in Indonesia advised that the foreign ownership in IMJ and VSE shall be limited to 70%. At the date of this announcement, IMJ and VSE have been established, which are owned as to 75% by the Group and 25% by Inneke Wiratirana, but the transfer of the Mining Business License C and Mining Business License G to IMJ and VSE, respectively, is not yet completed.

In light of the foreign ownership limitation, on 30 October 2023 (after trading hours), Initiative Energy and Veneration Energy, the wholly-owned subsidiaries of the Company, entered into the New Heads of Agreements to restructure the transaction and reduce its shareholding interest in IMJ and VSE to 70% and to amend certain terms of the Heads of Agreement C and Heads of Agreement G.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the New Heads of Agreements, when aggregated with the transactions contemplated under the Heads of Agreements (as amended and supplemented by the Addendums), exceeds 5% but all are less than 25%, the transactions contemplated under the New Heads of Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, heirs of Kokos Jiang, who hold over 99% shareholding interest in each of the Sellers, own 25% equity interest in SDE, which is a non-wholly owned subsidiary of the Company. As SDE does not fall within the ambit of insignificant subsidiaries under Rule 14A.09 of the Listing Rules, (i) heirs of Kokos Jiang, including Inneke Wiratirana (who are substantial shareholder of SDE), (ii) the Sellers (which are owned as to over 99% by heirs of Kokos Jiang), (iii) Eric Wiratirana (brother of Inneke Wiratirana) and (iv) WM (a company owned as to 99% by heirs of Kokos Jiang) are regarded as connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the New Heads of Agreements constituted connected transactions under Chapter 14A of the Listing Rules. As (i) the Board (including the independent non-executive Directors) has approved the New Heads of Agreements and the transactions contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the transactions under the New Heads of Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the New Heads of Agreements are subject to reporting and announcement requirements but are exempt from circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Board wishes to emphasize that the New Heads of Agreements and the transactions contemplated thereunder are subject to the fulfillment of the Conditions (as defined below). Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

References are made to the announcements of the Company dated 13 May 2021, 12 November 2021 and 3 January 2022 in respect of, among others, the Heads of Agreement C and Heads of Agreement G (as amended and supplemented by the Addendum C and Addendum G). Pursuant to the Heads of Agreement C and Heads of Agreement G (as amended and supplemented by the Addendum C and Addendum G), it was contemplated that the New Mining Company C and New Mining Company G, i.e. IMJ and VSE, which are owned as to 75% by the Group would be established, and subsequently each of the Mining Business license C and Mining Business License G shall be transferred from each of the Sellers, i.e. IME and VPE, to IMJ and VSE, respectively, within a specific period.

During the vetting process of obtaining approval for the transfer of the Mining Business License C and Mining Business License G to IMJ and VSE, respectively, the Minister of Energy and Mineral Resources in Indonesia advised that the foreign ownership in IMJ and VSE shall be limited to 70%. At the date of this announcement, IMJ and VSE have been established, which are owned as to 75% by the Group and 25% by Inneke Wiratirana, but the transfer of Mining Business License C and Mining Business License G to IMJ and VSE, respectively, is not yet completed.

In light of the foreign ownership limitation, on 30 October 2023 (after trading hours), Initiative Energy and Veneration Energy, the wholly-owned subsidiaries of the Company, entered into the New Heads of Agreements to restructure the transaction and reduce the Group's shareholding interest in IMJ and VSE to 70% and amend certain terms of the Heads of Agreement C and Heads of Agreement G, as detailed below.

If the completion of the New Heads of Agreements and the transfer of the Mining Business License C and Mining Business License G are successful, IMJ and VSE shall become 70% non-wholly-owned subsidiaries of the Company.

NEW HEADS OF AGREEMENT C AND NEW HEADS OF AGREEMENT G

Date: 30 October 2023

Parties: (1) Initiative Energy or Veneration Energy (as the case may be), which are wholly-owned subsidiaries of the Company

(2) IME or VPE (as the case may be)

(3) Inneke Wiratirana, WM and heirs of Kokos Jiang

(4) Eric Wiratirana

Transaction Structure

As at the date of this announcement, both IMJ and VSE are owned as to 75% by the Group and 25% by Inneke Wiratirana.

In light of the foreign ownership limitation, the parties will undergo the following steps after which Initiative Energy's or Veneration Energy's (as the case may be) shareholding interest in IMJ or VSE (as the case may be) will be reduced to 70%:

- (i) a new company (the "SPV"), which will be owned as to 99% by Inneke Wiratirana and as to 1% by Eric Wiratirana, will be established;
- (ii) transfer of 25% shareholding in IMJ or VSE (as the case may be) from Inneke Wiratirana to the relevant SPV;
- (iii) transfer of 5% shareholding in IMJ or VSE (as the case may be) from Initiative Energy or Veneration Energy (as the case may be) to the relevant SPV; and
- (iv) completion of the transfer of Mining Business License C or Mining Business License G (as the case may be) from IME or VPE (as the case may be) to IMJ or VSE (as the case may be).

Upon completion of the above, IMJ and VSE, which will hold the Mining Business License C and Mining Business License G, respectively, will become 70% non-wholly-owned subsidiaries of the Company.

Conditions

Pursuant to the New Heads of Agreements, the parties will enter into the transactions contemplated under the New Heads of Agreements and execute other documents as required to give effect to the transactions if the following conditions (the "Conditions") are fulfilled:

- (a) Inneke Wiratirana and Eric Wiratirana have legally incorporated a SPV, where Inneke Wiratirana shall own 99% of all the shares in the SPV and Eric Wiratirana shall own 1% of all shares in the SPV;
- (b) Initiative Energy or Veneration Energy (as the case may be) has provided its written approval for the draft of document which will become the basis for the shares transfer in IMJ or VSE (as the case may be) to the relevant SPV;
- (c) amendment of IMJ or VSE's articles of association (as the case may be) to stipulate shares classification for applicable for shares that will be owned by the relevant SPV resulting from share transfer in IMJ or VSE (as the case may be) become shares without voting rights;

- (d) Initiative Energy or Veneration Energy (as the case may be), Inneke Wiratirana and the relevant SPV have satisfied all requirements as specified under the laws and regulations in the Republic of Indonesia and obtained all necessary approvals and/or recommendations from the government authority for carrying out the shares transfer in IMJ or VSE (as the case may be);
- (e) the shares transfer in IMJ or VSE (as the case may be) from Initiative Energy or Veneration Energy (as the case may be) and Inneke Wiratirana to the relevant SPV must be completed within two months since the Effective Date of New Heads of Agreement C or New Heads of Agreement G (as the case may be) (or within the extension period agreed in writing between the parties of New Heads of Agreement C or New Heads of Agreement G (as the case may be));
- (f) the respective SPV (as the case may be) has given a statement to Initiative Energy or Veneration Energy (as the case may be) and IMJ or VSE (as the case may be) stating that it has no right over 15% coal portion in IMJ or VSE (as the case may be), its shares in IMJ or VSE (as the case may be) does not have voting rights, and it has no right to receive a portion from the remaining assets of the company in the event that IMJ or VSE (as the case may be) goes bankrupt or liquidated;
- (g) IME or VPE (as the case may be) and IMJ or VSE (as the case may be) have: (i) satisfied all requirements for the transfer of Mining Business License C or Mining Business License G (as the case may be) from IME or VPE (as the case may be) to IMJ or VSE (as the case may be) as specified under the laws and regulations in the Republic of Indonesia; (ii) obtained all necessary approvals and/or recommendations from the government authority for the transfer of Mining Business License C or Mining Business License G (as the case may be) from IME or VPE (as the case may be) to IMJ or VSE (as the case may be); and (iii) obtained decree of Mining Business License C or Mining Business License G (as the case may be) validity extension from the government authority;
- (h) the transfer of Mining Business License C or Mining Business License G (as the case may be) from IME or VPE (as the case may be) to IMJ or VSE (as the case may be) shall be legally completed according to the laws and regulations in the Republic of Indonesia within three months since the Effective Date of New Heads of Agreement C or New Heads of Agreement G (or within the extension period agreed in writing by the parties of New Heads of Agreement C or New Heads of Agreement G);
- (i) Mining Business License C or Mining Business License G (as the case may be) is valid and effective pursuant to the laws and regulations in the Republic of Indonesia, and has been registered in the MODI System as the property of IMJ or VSE (as the case may be);

- (j) heirs of Kokos Jiang and Eric Wiratirana remain as the shareholders of IME or VPE (as the case may be) in accordance with the percentage composition of their respective shares' ownership in IME or VPE (as the case may be) on the Effective Date of New Heads of Agreement C or New Heads of Agreement G (as the case may be) and are legally allowed to bind themselves into and to carry out New Heads of Agreement C or New Heads of Agreement G (as the case may be);
- (k) Inneke Wiratirana remains as the holder of 2,500 shares in IMJ or VSE (as the case may be) with a total nominal value of IDR2,500,000,000 or equivalent to 25% of all shares in IMJ or VSE (as the case may be) and is legally allowed to bind herself into and carry out New Heads of Agreement C or New Heads of Agreement G (as the case may be);
- (l) Initiative Energy or Veneration Energy (as the case may be) remains as the holder of 7,500 shares in IMJ or VSE (as the case may be) with a total nominal value of IDR7,500,000,000 or equivalent to 75% of all shares in IMJ or VSE (as the case may be) and is legally allowed to bind itself into and carry out New Heads of Agreement C or New Heads of Agreement G (as the case may be);
- (m) a statement undertaking obligations from Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang, Eric Wiratirana, and WM, which shall at least contain statements required by New Heads of Agreement C or New Heads of Agreement G (as the case may be) have been signed;
- (n) unless for the purpose of the Heads of Agreement C or Heads of Agreement G (as the case may be), the implementation of the New Heads of Agreement C or New Heads of Agreement G (as the case may be) and the transactions contemplated thereunder, the following shares shall always be free from any encumbrances and any outstanding obligations that have not been settled: (i) heirs of Kokos Jiang's shares in WM; (ii) WM's shares in SDE; and (iii) all shares of Inneke Wiratirana and Initiative Energy or Veneration Energy (as the case may be) in IMJ or VSE (as the case may be); and
- (o) satisfaction of all legal and regulatory compliance required for Initiative Energy or Veneration Energy (as the case may be) and its affiliates, including but not limited to the applicable rules in the Hong Kong Special Administrative Region, and internal governance of Initiative Energy or Veneration Energy (as the case may be) and its affiliates, to the extent that such compliance is mandatory by the relevant laws and regulations or the relevant institutions in Hong Kong Special Administrative Region, including the Hong Kong Stock Exchange.

Amendments to the terms to the Heads of Agreement C and Heads of Agreement G

Originally pursuant to the Heads of Agreement C and the Heads of Agreement G, (a) the Sellers are entitled to 15% of total saleable coal production instead of dividend payment from IMJ or VSE (as the case may be); and (b) the Deposit Fund C and Deposit Fund G shall be returned to Qinfra Overseas either from 15% saleable coal entitlement of WM from SDE or 15% saleable coal entitlement of IME or VPE (as the case may be) from IMJ or VSE (as the case may be). Pursuant to the New Heads of Agreements, the parties agreed to amend such terms as follows.

The parties of the New Heads of Agreement C or New Heads of Agreement G (as the case may be) agree that if the completion of the transactions contemplated under the New Heads of Agreement C or New Heads of Agreement G (as the case may be) is fully successful according to the terms and conditions set out therein, then:

- (a) Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang and Eric Wiratirana are no longer entitled to 15% portion of saleable coal in IMJ or VSE (as the case may be) according to the Heads of Agreement C or Heads of Agreement G (as the case may be); and
- (b) Initiative Energy or Veneration Energy (as the case may be) and Qinfra Overseas release heirs of Kokos Jiang and IME or VPE (as the case may be) from the obligation to return the deposit fund of USD1,000,000 in accordance with the Heads of Agreement C or Heads of Agreement G (as the case may be) and the deposit fund debt will be deemed repaid by Qinfra Overseas.

Failure to complete transactions contemplated under the New Heads of Agreements

For each of the New Heads of Agreements, Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang, Eric Wiratirana, and WM shall (i) pay a compensation in the amount of IDR500,000,000 (equivalent to approximately USD31,000) to Initiative Energy or Veneration Energy (as the case may be) for the transfer of 5% shareholding interest in IMJ or VSE (as the case may be) from Initiative Energy or Veneration Energy (as the case may be) to the respective SPV and (ii) return the deposit fund in the amount of USD1,000,000 to Qinfra Overseas for each IMJ or VSE (as the case may be) in the event of:

- (a) Completion of the transactions contemplated under New Heads of Agreement C or New Heads of Agreement G (as the case may be) does not take place within three months since the Effective Date of New Heads of Agreement C or New Heads of Agreement G (as the case may be) (or in extended period as agreed in writing by the parties of New Heads of Agreement C or New Heads of Agreement G (as the case may be)) due to the whatever reason from Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang, WM, and/or Eric Wiratirana either intentionally or unintentionally; and/or

- (b) the Mining Business License C or Mining Business License G (as the case may be) is invalid and/or the validity of which cannot be extended even after the completion of the transactions as contemplated under New Heads of Agreement C or New Heads of Agreement G.

Expenses incurred in connection to the New Heads of Agreements

Under the New Heads of Agreements, Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang, Eric Wiratirana, and WM shall at any time be responsible for and bear obligations to pay and settle all costs, fees, expenses, and arrears before the Effective Date of New Heads of Agreement C or New Heads of Agreement G (as the case may be), which are overdue, billed or may arise at a later date, arising from and required to fulfill the completion of the transactions contemplated under New Heads of Agreement C or New Heads of Agreement G (as the case may be), including costs, fees, expenses, and certain arrears.

Further, Initiative Energy or Veneration Energy (as the case may be) is fully entitled to demand the responsibility and compensation from Inneke Wiratirana, IME or VPE (as the case may be), heirs of Kokos Jiang, Eric Wiratirana, and WM if they failed to settle the aforesaid obligations after completion of the transactions contemplated under New Heads of Agreement C or New Heads of Agreement G (as the case may be).

Loans and repayment of loans

The parties of the New Heads of Agreement C and New Heads of Agreement G (as the case may be) agree that loans that have been given or will be given to IME or VPE (as the case may be) and heirs of Kokos Jiang from Initiative Energy or Veneration Energy (as the case may be) in accordance with statements of undertaking obligations, which provided that, among other things, IME or VPE (as the case may be) and heirs of Kokos Jiang will take full responsibility for all costs, fees, expenses and arrears related to Mining Business License C and Mining Business License G (as the case may be) prior to the Effective Date of the New Heads of Agreement C or New Heads of Agreement G (as the case may be), shall be repaid by IME or VPE (as the case may be) within two years since the Effective Date of the New Heads of Agreement C or New Heads of Agreement G (as the case may be) or through the deduction of WM's rights over 15% of saleable coals at SDE unilaterally by SDE and Initiative Energy or Veneration Energy (as the case may be).

To facilitate the transactions contemplated under the New Heads of Agreements, the Group has already granted advance to IME and VPE which amounted to approximately USD162,000 and USD273,000, respectively (“**Existing Advance**”) up to the date of this announcement. As all of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Existing Advance are below 1%, and these transactions only involve connected persons at the subsidiary level, these transactions constitute de minimis connected transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

It is contemplated under the New Heads of Agreements that the Group may make further advance (“**Further Advance**”) of approximately USD1,367,000 to IME and VPE to facilitate the transactions contemplated under the New Heads of Agreements.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Further Advance, in aggregate with the Existing Advance provided to IME and VPE within 12 months, exceed 1% but all are below 5%, the provision of the Further Advance is subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The New Heads of Agreements and the transactions contemplated thereunder will give the Group the opportunity to acquire majority interest in IMJ and VSE, which will hold the Mining Business License C and Mining Business License G, with relatively low cost due to remote location and undeveloped status of the relevant Coal Mines. As such, although the Existing Advance and the Further Advance is on an interest free basis, the Directors (including the independent non-executive Directors) consider it to be a reasonable arrangement as both Existing Advance and Further Advance had been/will be used for the purposes of paying or settling the fees and expenses arising from or in relation to the transfer of the Mining Business License C and Mining Business License G to New Mining Company C and New Mining Company G, respectively.

In view of the above, the Directors (including the independent non-executive Directors) has approved the provision of the Further Advance; and the Directors (including the independent non-executive Directors) have confirmed that the terms of the provision of the Further Advance are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As none of the Directors has a material interest in the provision of the Further Advance, no Director is required to abstain from voting on the Board resolution(s) approving the provision of the Further Advance.

INFORMATION OF THE SELLERS

As at the date of this announcement, the Sellers are owned by heirs of Kokos Jiang and Eric Wiratirana in the following manner:

| | Heirs of Kokos Jiang | Eric Wiratirana |
|-----|---------------------------------|----------------------------|
| IME | 99.982% | 0.018% |
| VPE | 99.982% | 0.018% |

As at the date of this announcement, heirs of Kokos Jiang own 25% equity interest in SDE, which is a non-wholly owned subsidiary of the Company. As SDE does not fall within the ambit of insignificant subsidiaries under Rule 14A.09 of the Listing Rules, (i) heirs of Kokos Jiang, including Inneke Wiratirana (who are substantial shareholder of SDE), (ii) the Sellers (which are owned as to over 99% by heirs of Kokos Jiang), (iii) Eric Wiratirana (brother of Inneke Wiratirana) and (iv) WM (a company owned as to 99% by heirs of Kokos Jiang) are regarded as connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

FINANCIAL INFORMATION OF MINING BUSINESS LICENSE C AND MINING BUSINESS LICENSE G

As at the date of the New Heads of Agreements, although the New Mining Company C and New Mining Company G have been established, no profit before and after taxation have been generated from the Mining Business License C and Mining Business License G.

INFORMATION ON THE GROUP, IME AND VPE

The Group is principally engaged in coal mining, purchase and sales, filtering, storage and blending of coal. Initiative Energy and Veneration Energy are limited liability companies established in Hong Kong and an indirect wholly-owned subsidiaries of the Company. The scope of business of Initiative Energy and Veneration Energy is investment holding.

IME is a company duly registered and established in Indonesia with limited liability, which is principally engaged in material mining. IME is the holder of the Mining Business License C in respect of the Coal Mine C located in Kelumpang Hulu and Hampang District, Kotabaru Regency, South Kalimantan Province, Indonesia with area of approximately 33.05 square kilometers.

VPE is a company duly registered and established in Indonesia with limited liability, which is principally engaged in material mining. VPE is the holder of the Mining Business License G in respect of the Coal Mine G located in Kelumpang Tengah and Kelumpang Hulu, Kotabaru Regency, South Kalimantan Province, Indonesia with area of approximately 91.38 square kilometers.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS UNDER THE NEW HEADS OF AGREEMENTS

To address the requirements raised by the Minister of Energy and Mineral Resources in Indonesia, the Group entered into the New Heads of Agreements with relevant parties to restructure the transaction and reduce its interest in IMJ and VSE to 70%, as well as to amend certain terms of the Heads of Agreement C and Heads of Agreement G.

The New Heads of Agreements and the transactions contemplated thereunder will give the Group the opportunity to acquire majority interest in the New Mining Company C and New Mining Company G which will hold the Mining Business License C and Mining Business License G with relatively low cost due to remote location and undeveloped status of the relevant Coal Mines. Through preliminary exploration of SDE coal mining area, the result is so far satisfactory and positive. After conducting further due diligence work on exploration, the Coal Mines subject to the Mining Business License C and Mining Business License G may have the potential to be developed into an advanced underground coal mine with large scale production output. The Company has been actively expanding into Indonesia since 2020. The New Heads of Agreements will enable the Company to export mature exploration technology, and to expand the overseas market. The funding of the Deposit Funds, the subscription prices and the project development is mainly from internal resource. Should the New Heads of Agreements proved to be successful, the mining expertise of the Company and the natural resources of Indonesia shall create a synergy that sustains future growth of the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the New Heads of Agreements are fair and reasonable and on normal commercial terms and the New Heads of Agreements are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. As none of the Directors has a material interest in the New Heads of Agreements, no Director is required to abstain from voting on the Board resolution(s) approving the New Heads of Agreements and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the New Heads of Agreements, when aggregated with the transactions contemplated under the Heads of Agreements (as amended and supplemented by the Addendums), exceeds 5% but all are less than 25%, the transactions contemplated under the New Heads of Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, heirs of Kokos Jiang, who hold over 99% shareholding interest in each of the Sellers, own 25% equity interest in SDE, which is a non-wholly owned subsidiary of the Company. As SDE does not fall within the ambit of insignificant subsidiaries under Rule 14A.09 of the Listing Rules, (i) heirs of Kokos Jiang, including Inneke Wiratirana (who are substantial shareholder of SDE), (ii) the Sellers (which are owned as to over 99% by heirs of Kokos Jiang), (iii) Eric Wiratirana (brother of Inneke Wiratirana) and (iv) WM (a company owned as to 99% by heirs of Kokos Jiang) are regarded as connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the New Heads of Agreements also constituted connected transactions under Chapter 14A of the Listing Rules. As (i) the Board (including the independent non-executive Directors) has approved the New Heads of Agreements and the transactions contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the transactions under the New Heads of Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the New Heads of Agreements are subject to reporting and announcement requirements but are exempt from circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Board wishes to emphasize that the New Heads of Agreements and the transactions contemplated thereunder are subject to the fulfillment of the Conditions. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

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| “Addendum A” | the addendum of the Heads of Agreement A dated 31 December 2021 entered into amongst Qinfa Mining, SPE, heirs of Kokos Jiang and Eric Wiratirana in relation to the proposed establishment of New Mining Company A and the transfer of the Mining Business License A to New Mining Company A |
| “Addendum C” | the addendum of the Heads of Agreement C dated 31 December 2021 entered into amongst Qinfa Overseas, IME, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to the proposed establishment of New Mining Company C and transfer of the Mining Business License C to New Mining Company C |
| “Addendum D” | the addendum of the Heads of Agreement D dated 31 December 2021 entered into amongst Qinfa Overseas, PBJs, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to the proposed establishment of New Mining Company D and the transfer of the Mining Business License D to New Mining Company D |

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| “Addendum F” | the addendum of the Heads of Agreement F dated 31 December 2021 entered into amongst Qinfa Overseas, TME, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to the proposed establishment of New Mining Company F and the transfer of the Mining Business License F to New Mining Company F |
| “Addendum G” | the addendum of the Heads of Agreement G dated 31 December 2021 entered into amongst Qinfa Overseas, VPE, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to the proposed establishment of New Mining Company G and the transfer of the Mining Business License G to New Mining Company G |
| “Addendums” | Addendum A, Addendum C, Addendum D, Addendum F and Addendum G |
| “Board” | the board of Directors of the Company |
| “Coal Mine C” | IME is the holder of the Mining Business License C in respect of the coal mine |
| “Coal Mine G” | VPE is the holder of the Mining Business License G in respect of the coal mine |
| “Coal Mines” | Coal Mine C and Coal Mine G |
| “Company” | China Qinfa Group Limited (中國秦發集團有限公司) (Stock code: 866), a company incorporated in the Cayman Islands with limited liability with all the Shares listed on the Stock Exchange |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Deposit Fund C” | a sum of USD1 million which Qinfa Overseas agreed to deposit to IME and would be refunded to Qinfa Overseas either from 15% saleable coal entitlement of WM from SDE or 15% saleable coal entitlement of IME from New Mining Company C pursuant to the Heads of Agreement C |

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|------------------------|---|
| “Deposit Fund G” | a sum of USD1 million which Qinfa Overseas agreed to deposit to VPE and would be refunded to Qinfa Overseas either from 15% saleable coal entitlement of WM from SDE or 15% saleable coal entitlement of VPE from New Mining Company G pursuant to the Heads of Agreement G |
| “Deposit Funds” | Deposit Fund C and Deposit Fund G |
| “Director(s)” | the directors of the Company |
| “Effective Date” | the effective and binding date of the New Heads of Agreement C or New Heads of Agreement G (as the case may be) to the parties thereto or the date where a SPV has become the shareholder of IMJ or VSE (as the case may be)(whichever occurs later) |
| “Eric Wiratirana” | Eric Wiratirana, who is the brother of Inneke Wiratirana |
| “Group” | the Company and its subsidiaries |
| “Heads of Agreement A” | the heads of agreement dated 31 December 2019 entered into amongst Qinfa Mining, SPE, Kokos Jiang and Inneke Wiratirana in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company A |
| “Heads of Agreement C” | the heads of agreement dated 12 May 2021 entered into amongst Qinfa Overseas, IME, Kokos Jiang, Amirah Rukmamaya Hadyanisa Harrydanni and WM in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company C |
| “Heads of Agreement D” | the heads of agreement dated 12 May 2021 entered into amongst Qinfa Overseas, PBJs, Kokos Jiang, Lindawaty and WM in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company D |
| “Heads of Agreement E” | the heads of agreement dated 12 May 2021 entered into amongst Qinfa Overseas, PLKK, Very Wintara, Tju Lie and WM in relation to the proposed acquisition of 70% shareholding interest in a new mining company in respect of Mining Business License E |

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| “Heads of Agreement F” | the heads of agreement dated 12 May 2021 entered into amongst Qinfa Overseas, TME, Kokos Jiang, Angela Ningsih and WM in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company F |
| “Heads of Agreement G” | the heads of agreement dated 12 May 2021 entered into amongst Qinfa Overseas, VPE, Kokos Jiang, Meina and WM in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company G |
| “Heads of Agreements” | Heads of Agreement A, Heads of Agreement C, Heads of Agreement D, Heads of Agreement E, Heads of Agreement F and Heads of Agreement G |
| “HKD” | Hong Kong Dollars, the lawful currency of Hong Kong |
| “IDR” | Indonesian Rupiah, the lawful currency of the Indonesia |
| “IME” | PT Indonesia Multi Energi, a company established under the laws of Indonesia, which is owned by heirs of Kokos Jiang and Eric Wiratirana as to approximately 99.818% and 0.182%, respectively |
| “Indonesia” | Republic of Indonesia |
| “Initiative Energy” | Initiative Energy Investment Limited, a company established under the laws of Hong Kong and a wholly-owned subsidiary of the Company |
| “Inneke Wiratirana” | Inneke Wiratirana, who is the heir of Kokos Jiang |
| “Kokos Jiang” | Kokos Jiang, the former majority shareholder of the Sellers |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mining Business License A” | the mining business license of a coal mine located in Kelumpang Utara, Kotabaru Regency, South Kalimantan, Indonesia |

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| “Mining Business License C” | the mining business license of a coal mine located in Kelumpang Hulu and Hampang District, Kotabaru Regency, South Kalimantan, Indonesia |
| “Mining Business License D” | the mining business license of a coal mine located in Kelumpang Hulu District, Kotabaru Regency, South Kalimantan, Indonesia |
| “Mining Business License E” | the mining business license of a coal mine located in Kelumpang Hulu District, Kotabaru Regency, South Kalimantan, Indonesia |
| “Mining Business License F” | the mining business license of a coal mine located in Kotabaru Regency, South Kalimantan, Indonesia |
| “Mining Business License G” | the mining business license of a coal mine located in Kelumpang Tengah and Kelumpang Hulu District, Kotabaru Regency, South Kalimantan, Indonesia |
| “MODI System” | Minerba One Data Indonesia System managed by the Ministry of Energy of Mineral Resources |
| “New Heads of Agreement C” | the heads of agreement dated 30 October 2023 entered into amongst Initiative Energy, IME, Inneke Wiratirana, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to restructure the transaction contemplated under Heads of Agreement C and reduce the Group’s interest in IMJ and VSE to 70% shareholding interest in the New Mining Company C |
| “New Heads of Agreement G” | a heads of agreement dated 30 October 2023 entered into amongst Veneration Energy, VPE, Inneke Wiratirana, heirs of Kokos Jiang, Eric Wiratirana and WM in relation to restructure the transaction contemplated under Heads of Agreement C and reduce the Group’s interest in IMJ and VSE to 70% shareholding interest in the New Mining Company G |
| “New Heads of Agreements” | New Heads of Agreement C and New Heads of Agreement G |
| “New Mining Company A” | PT Suprema Marulabo Energi, a company established under the laws of Indonesia and is owned by the Group as to 75% and SPE as to 25% |
| “New Mining Company C” or “IMJ” | PT Inisiasi Merdeka Jaya, a company established under the laws of Indonesia and is owned by the Group as to 75% and Inneke Wiratirana as to 25% as of the date of this announcement |

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| “New Mining Company D” | PT Palama Jaya Sentosa, a company established under the laws of Indonesia and is owned by the Group as to 75% and PBJs as to 25% |
| “New Mining Company F” | PT Tangguh Sentosa Energi, a company established under the laws of Republic of Indonesia and to be owned by the Group as to 75% and TME as to 25% at establishment |
| “New Mining Company G” or “VSE” | PT Venerasi Sejahtera Energi, a company established under the laws of Indonesia and is owned by the Group as to 75% and Inneke Wiratirana as to 25% as of the date of this announcement |
| “PBJs” | PT Persada Berau Jaya Sakti, a company established under the laws of Indonesia, which is owned by Kokos Jiang and Lindawaty as to approximately 99.9999% and 0.0001%, respectively |
| “PLKK” | PT Pengelola Limbah Kutai Kartanegara, a company established under the laws of Indonesia, which is owned by Very Wintara, who is a family member of Kokos Jiang, and Tju Lie as to approximately 97.32% and 2.68%, respectively |
| “Qinfa Mining” | PT Qinfa Mining Industri, a company established under the laws of Indonesia and a wholly-owned subsidiary of the Company |
| “Qinfa Overseas” | Qinfa Overseas Investment Limited, a company established under the laws of Hong Kong and a wholly-owned subsidiary of the Company |
| “SDE” | PT Sumber Daya Energi, a company established under the laws of Indonesia and a non-wholly owned subsidiary of the Group, which is owned by the Group, heirs of Kokos Jiang and PT Linta Timur Investama as to approximately 70%, 25% and 5%, respectively |
| “Sellers” | IME and VPE |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) |
| “Shareholders” | holders of the Shares |

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| “Shares” | shares of HK\$0.1 each in the share capital of the Company |
| “SPE” | PT Sugico Pendragon Energi, a company established under the laws of Indonesia, which is owned by heirs of Kokos Jiang and Eric Wiratirana as to approximately 99.818% and 0.182%, respectively |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “TME” | PT Tansri Madjid Energi, a company established under the laws of Republic of Indonesia, which is owned by heirs of Kokos Jiang and Eric Wiratirana as to approximately 99.996% and 0.004% respectively |
| “Veneration Energy” | Veneration Energy Investment Limited, a company established under the laws of Hong Kong and a wholly-owned subsidiary of the Company |
| “VPE” | PT Vipronity Power Energy, a company established under the laws of Indonesia, which is owned by heirs of Kokos Jiang and Eric Wiratirana as to approximately 99.982% and 0.018% respectively |
| “USD” | United States Dollars, the Lawful currency of the United States of America |
| “WM” | PT Widyanusa Mandiri, a company established under the laws of Indonesia, which is owned by heirs of Kokos Jiang and Heri Irawan as to approximately 99% and 1%, respectively |
| “%” | per cent. |

By Order of the Board of
China Qinfra Group Limited
Mr. XU Da
Chairman

Guangzhou, 30 October 2023

As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao and Mr. ZHAI Yifeng as the executive Directors, and Prof. SHA Zhenquan, Mr. JING Dacheng and Mr. Ho Ka Yiu Simon as the independent non-executive Directors.