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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)

**TERMINATION OF THE PROPOSED TRANSACTIONS IN RESPECT
OF THE TRANSFER OF MINING BUSINESS LICENSE D
TO NEW MINING COMPANY D**

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References are made to the announcements of China Qinfa Group Limited (the “**Company**”) dated 13 May 2021, 12 November 2021 and 3 January 2022 (the “**Announcements**”). As disclosed in the Announcements, pursuant to the Heads of Agreement D (as amended and supplemented by the Addendum D), Qinfa Overseas and PBJs shall establish New Mining Company D, which shall be owned as to 75% by Qinfa Overseas and 25% by PBJs and Mining Business License D will be transferred to New Mining Company D within a specified period. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As at the date of this announcement, New Mining Company D owned as to 75% and 25% by Qinfa Overseas and PBJs, respectively, has been established, but the transfer of the Mining Business License D to New Mining Company D has not yet completed.

As of the date of this announcement, the Group has paid Deposit Fund D of US\$1 million pursuant to the Heads of Agreement D (as amended and supplemented by the Addendum D).

After due and careful consideration, on 20 November 2023 (after trading hour), the Group entered into a second addendum of the Heads of Agreement D (as amended and supplemented by the Addendum D) to terminate the transactions contemplated under the Heads of Agreement D (as amended and supplemented by the Addendum D). According to the second addendum of the Heads of Agreement D (as amended and supplemented by the Addendum D), the return of Deposit Fund D shall be made by PBJs to the Group within agreed timeline after signing of second addendum to Heads of Agreement D (as amended and supplemented by the Addendum D) or through the deduction of WM's rights to 15% portion of saleable coals at SDE.

Reason for the termination of proposed transactions

PBJs has failed to obtain approval from the government authority for the transfer of Mining Business License D to New Mining Company D, namely PT Palawa Jaya Sentosa, within the timeframe specified in the Heads of Agreement D (as amended and supplemented by the Addendum D). Consequently, the Group decided to terminate the transactions as contemplated under Heads of Agreement D (as amended and supplemented by the Addendum D).

The Directors are of the view that the termination of the Heads of Agreement D (as amended and supplemented by the Addendum D) and the transactions contemplated thereunder has no material adverse impact on the business operations and financial position of the Group.

By order of the Board
China Qinfra Group Limited
XU Da
Chairman

Guangzhou, 20 November 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.