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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)**

**DEBT RESTRUCTURING**

This announcement is made by China Qinfa Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

A major lending bank of the Group (the “**Original Creditor**”) has sold the outstanding debts owed by a subsidiary of the Group of approximately RMB275 million in total comprised of debts with principal amount of approximately RMB247 million and related accrued interest of approximately RMB28 million in total as at 20 January 2022 (the “**Original Debt**”) to a domestic asset management company by way of discounting. Subsequently, the domestic asset management company sold the Original Debt to a trading company (the “**Current Creditor**”). As at 20 December 2023, the Original Debt of approximately RMB325 million in total comprised of debt with principal amount of approximately RMB247 million and related accrued interest of approximately RMB78 million.

On 20 December 2023, the Group and the Current Creditor reached a loan restructuring proposal for the repayment of the Original Debt (the “**Loan Restructuring Proposal**”). According to the Loan Restructuring Proposal, the Current Creditor agreed to reduce the Original Debt as at 20 December 2023 by approximately RMB195 million (the “**Debt Reduction**”). Thus, the balance of the outstanding debt shall be approximately RMB130 million (the “**Current Debt**”). The Current Creditor agreed that the Group shall repay the Current Debt in 18 months in 7 tranches starting from 20 December 2023.

As provided by the Loan Restructuring Proposal, since the Group has already repaid RMB34.5 million to the Current Creditor, such amount will be deducted from the first tranche of the Current Debt.

In addition, on 20 December 2023, the Company and Shuozhou Guangfa Energy Investment Co., Ltd (“**Shuozhou Guangfa**”) (a wholly-owned subsidiary of the Company) entered into letters of guarantee (the “**Letters of Guarantee**”), pursuant to which the Company and Shuozhou Guangfa agreed to guarantee the due performance of the payment obligation of the Group under the Loan Restructuring Proposal in the amount of up to approximately RMB130 million in favour of the Current Creditor.

The Letters of Guarantee are entered into to enable the Group to reach the Loan Restructuring Proposal with the Current Creditor in order to support its normal commercial operation and fulfill its financial needs. The Directors are of the view that the terms of the Letters of Guarantee are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The financial impact of debt restructuring is in the process of assessment by the management and will be reviewed by the Group’s auditors upon finalization of the consolidated financial statements of the Group for the year ending 31 December 2023. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By the order of the Board  
**China Qinfra Group Limited**  
**XU DA**  
*Chairman*

Guangzhou, 20 December 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.*