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QINFA

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 E TO NEW MINING COMPANY E

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**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the announcement of the Company dated 13 May 2021, pursuant to the Heads of Agreement E, PLKK shall transfer the Mining Business License E to New Mining Company E, a company to be established and owned by PLKK as to 95% and an individual third party as to 5% at establishment. At completion, PLKK shall transfer its 70% shareholding interest in New Mining Company E to Qinfa Overseas or its nominee at par.

As the transfer of the Mining Business License E to New Mining Company E has not yet completed, the transfer of 70% shareholding interest in New Mining Company E from PLKK to Qinfa Overseas has not yet taken place as at the date of this announcement. No deposit has been paid in respect of the transactions contemplated under the Heads of Agreement E.

After due and careful consideration, on 1 March 2024 (after trading hour), the Group entered into a side letter to Heads of Agreement E to terminate the transactions contemplated under the Heads of Agreement E.

Reason for the termination of proposed transactions

Regarding the termination of Heads of Agreement E, following the passing of Kokos Jiang in 2021, who introduced the Group to PLKK, PLKK expressed its reluctance to proceed with the transactions contemplated under the Heads of Agreement E. After arm's length negotiation between the parties of the Heads of Agreement E, it was decided to terminate the transactions contemplated under the Heads of Agreement E.

The Directors are of the view that the termination of the Heads of Agreement E 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, 1 March 2024

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.