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Q I N F A

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 TRANSACTION
PROVISION OF GUARANTEE**

PROVISION OF GUARANTEE

On 7 June 2024, the Company, the Huameiao Energy Subsidiaries and Qinf a Logistic, as guarantors, entered into the Guarantee Agreements in favor of the Creditor, under which they agreed to provide guarantee in the amount of RMB249,000,000, on a joint and several basis, in respect of the repayment obligations of Tongmei Qinf a to the Creditor.

LISTING RULES IMPLICATIONS

As the highest of all applicable percentage ratios in respect of the guaranteed amount of the Guarantee is more than 5% but less than 25%, the entering into of the Guarantee Agreements and provision of the Guarantee constitute a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

PROVISION OF GUARANTEE

The Board announces that on 7 June 2024, the Company, the Huameiao Energy Subsidiaries and Qinf a Logistic, as guarantors, entered into the Guarantee Agreements in favor of the Creditor, under which they have agreed to provide guarantee in the amount of RMB249,000,000, on a joint and several basis, in respect of the repayment obligations of Tongmei Qinf a to the Creditor.

A summary of the principal terms of the Guarantee Agreements is set out below:

Date:	7 June 2024
Subject matter:	The Company, the Huameiao Energy Subsidiaries and Qinfal Logistic, as guarantors, have agreed to provide guarantee in the amount of RMB249,000,000 in favour of the Creditor to secure the due performance of Tongmei Qinfal's repayment obligations to the Creditor and the interests, compensations and other expenses incurred by the Creditor from the realisation of such debt.
Guarantee Period:	Commencing from the effective date of the Guarantee Agreements and ending three years after the expiry of Tongmei Qinfal's repayment obligation.
Guarantee method:	The guarantee method is joint liability guarantee. When Tongmei Qinfal fails to perform the repayment obligation as stipulated in the loan contract, the Creditor has the right to directly seek repayment from any of the Guarantors.
Effective date of Guarantee Agreements:	The Guarantee Agreements become effective upon due execution, being 7 June 2024.

INFORMATION OF THE PARTIES

The Guarantors

The Company is listed on the main board of The Stock Exchange of Hong Kong Limited and is the holding company of the Group. The Group is principally engaged in coal operation business involving mining, purchase and sales, filtering, storage and blending of coal.

Qinfal Logistic is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of coal trading.

Each of the Huameiao Energy Subsidiaries is an indirect non-wholly owned subsidiary of the Company and is principally engaged in coal mining.

Each of the Huameiao Energy Subsidiaries is wholly-owned by Huameiao Energy, a limited liability company established on 12 January 2004 under the laws of the PRC and a non-wholly owned subsidiary of the Company. As at the date of this announcement, Huameiao Energy is owned as to 80% by Guangfa Energy, 10% by JIN Huiguo, 5% by GUAN Gexia and 5% by Huiyong Jinyuan Energy.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for their shareholding interest in the Huameiao Energy, each of JIN Huiguo, GUAN Gexia and Huiyong Jinyuan Energy and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Tongmei Qinfa

Tongmei Qinfa is a company established on 28 May 2012 under the laws of PRC with limited liability, which engaged in coal trading business. Datong Coal Industry International Trade Co., Ltd. (大同煤業國際貿易有限責任公司) (“**Datong Coal Industry**”) and the Group holds 51% and 49% of Tongmei Qinfa respectively. Datong Coal Industry is wholly-owned by Jinneng Holding Coal Mining Group Foreign Economic and Trade Co., Ltd. (晉能控股煤業集團外經貿有限責任公司), a company held as to 100% by Jinneng Holding Coal Industry Group Company Limited (晉能控股煤業集團有限公司) which is ultimately majority owned by Shanxi Provincial People's Government State-owned Assets Supervision and Administration Commission (山西省人民政府國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Datong Coal Industry and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The Creditor

The Creditor is a licensed bank established under the laws of the PRC with limited liability, which is a branch of China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司) and is principally engaged in banking business in PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Creditor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Tongmei Qinfa, which is owned as to 49% by the Group, was established under a strategic partnership between the Group and Datong Coal Industry. As at 31 May 2024, the Group had a total amount due to Tongmei Qinfa of approximately RMB344,487,000. Therefore, the provision of the Guarantee enables the Group to maintain its relationship with Datong Coal Industry and enables Tongmei Qinfa to meet its financial needs and continue its coal trading business.

The Directors (including the independent non-executive Directors) are of the view that (i) the terms of the Guarantee Agreements are fair and reasonable; (ii) the Guarantee Agreements are on normal commercial terms; and (iii) the Guarantee Agreements are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of all applicable percentage ratios in respect of the guaranteed amount of the Guarantee is more than 5% but less than 25%, the entering into of the Guarantee Agreements and the provision of the Guarantee constitute a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	China Qinfa Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 00866)
“Creditor”	中國光大銀行股份有限公司珠海分行 (China Everbright Bank Company Limited), Zhu Hai Branch, a joint-stock commercial bank in PRC, being the lender under the loan contract and the creditor under the Guarantee Agreements
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“GUAN Gexia”	關革俠 (GUAN Gexia), a non-controlling shareholder of the Huameiao Energy
“Guangfa Energy”	朔州市廣發能源投資有限公司 (Shuozhou Guangfa Energy Investment Company Limited*), a limited liability company established on 1 September 2010 under the laws of the PRC and a wholly-owned subsidiary of the Company

“Guarantee”	the guarantee provided by the Company, Qinfra Logistic and each of the Huameiao Energy Subsidiaries to the Creditor pursuant to the Guarantee Agreements
“Guarantee Agreements”	the guarantee agreements dated 7 June 2024 entered into between the Guarantors and the Creditor, pursuant to which, the Guarantors agreed to provide the Guarantee in favour of the Creditor as security for the repayment obligations of Tongmei Qinfra under a loan contract
“Guarantors”	the Company, Huameiao Energy Subsidiaries and Qinfra Logistic
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huameiao Energy”	山西華美奧能源集團有限公司 (Shanxi Huameiao Energy Group Company Limited*), a limited liability company established on 12 January 2004 under the laws of the PRC and a non-wholly owned subsidiary of the Company. As at the date of this announcement, Huameiao Energy is owned as to 80% by Guangfa Energy, 10% by JIN Huiguo, 5% by GUAN Gexia and 5% by Huiyong Jinyuan Energy
“Huameiao Energy Subsidiaries”	Shanxi Shuozhou Pinglu District Huameiao Xingtao Coal Company Limited (山西朔州平魯區華美奧興陶煤業有限公司), Shanxi Shuozhou Pinglu District Huameiao Fengxi Coal Company Limited (山西朔州平魯區華美奧馮西煤業有限公司) and Shanxi Shuozhou Pinglu District Huameiao Chongsheng Coal Company Limited (山西朔州平魯區華美奧崇升煤業有限公司), which are indirect non-wholly owned subsidiaries of the Company
“Huiyong Jinyuan Energy”	山西匯永金源能源技術有限責任公司 (Shanxi Huiyong Jinyuan Energy Technology Company Limited*), a limited liability company established on 4 August 2008 under the laws of the PRC, a non-controlling shareholder of the Huameiao Energy and a wholly-owned subsidiary of 匯永控股集團有限公司 (Huiyong Holding Group Co., Ltd.*), which in turn is held as to 75% by 北京永燁投資有限公司 (Beijing Yongye Investment Co., Ltd.*), a company majority owned by 浙江舟山恒宇國青投資有限公司 (Zhejiang Zhoushan Hengyu Guoqing Investment Co., Ltd.*), 15% by 北京英勁泰和科技發展有限公司 (Beijing Yingjintaihe Technology Development Co., Ltd.*) and 10% by (Beijing Huiyong Guoqing Venture Capital Center (Limited Partnership)*) 北京匯永國青創業投資中心(有限合夥), respectively

“JIN Huiguo”	靳衛國 (JIN Huiguo), a non-controlling shareholder of the Huameiao Energy
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC or “China”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qinfa Logistic”	珠海秦發物流有限公司 (Zhuhai Qinfa Logistics Co., Ltd*), a company established in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of China
“Shareholders”	the holder(s) of the shares of the Company
“Tongmei Qinfa”	同煤秦發(珠海)控股有限公司 (Tongmei Qinfa (Zhuhai) Holdings Co, Ltd.), a company established in the PRC with limited liability, which is owned as to 49% by the Group as at the date of this announcement

* *English translation for identification only*

By Order of the Board of
China Qinfa Group Limited
XU Da
Chairman

Guangzhou, 7 June 2024

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