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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)

CONNECTED TRANSACTIONS
COAL SUPPLY AGREEMENT

COAL SUPPLY AGREEMENT

The Board is pleased to announce that SDE (a non-wholly owned subsidiary of the Company) and Zhejiang Energy Asia Pacific entered into the Coal Supply Agreement in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company by virtue of being a substantial shareholder of Lead Far, an indirect non-wholly owned subsidiary of the Company. Accordingly, the entering into of the Coal Supply Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company; (ii) the Board has approved the transactions contemplated under the Coal Supply Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the Coal Supply Agreement 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 Coal Supply Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

COAL SUPPLY AGREEMENT

The Board is pleased to announce that SDE entered into the Coal Supply Agreement with Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE. The principal terms of the Coal Supply Agreement are set out below:

Date

14 November 2025

Parties

(i) SDE, as the seller; and

(ii) Zhejiang Energy Asia Pacific, as the buyer.

Subject Matter

SDE agreed to sell, and Zhejiang Energy Asia Pacific agreed to purchase, 150,000 MT of Indonesian steam coal (the "**Base Quantity**"). Pursuant to the Coal Supply Agreement, the parties may mutually agree to adjust the Base Quantity upward or downward by 10%.

Shipping Schedule

The parties agree that the delivery of the shipment shall commence from November 2025 and end when the delivery of and the payment for the coal of the contracted quantity under the Coal Supply Agreement has been fully performed by the parties. The Base quantity shall be loaded in two shipments. The loading quantity of each shipment shall be 75,000 MT (subject to a 10% upward or downward adjustment).

Consideration and payment terms

The base price of the steam coal will be determined based on ((ICI 2 + ICI 3) / 2 / 5,050 × 5,000 + USD5) × exchange rate. It is elaborated as the sum of Indonesia coal price index no. two and three divided by two and divided by 5,050 kcals times 5,000 kcals plus USD5 per tonne, subject to price adjustment for coal quality and coal's net calorific value. The price of the contract is paid in RMB. The exchange rate means the last spot average of buying and selling price in remittance appearing on Bank of China foreign exchange page as of 16: 30 Beijing time on the bill of lading date.

Zhejiang Energy Asia Pacific shall pay by telegraphic transfer within five working days (China and Hong Kong official bank business days) after receiving the original documents prescribed under the Coal Supply Agreement, which include SDE's signed commercial invoice, clean on-board bills of lading, electronic-certificate of origin issued by Department of Trade of Republic of Indonesia, certificate of sampling and analysis, certificate of weight, certificate of origin and draft survey report issued by independent surveyor.

Estimated transaction amount

Within 12 months prior to the entering into of the Coal Supply Agreement, SDE and Zhejiang Energy Asia Pacific had entered into the January Coal Supply Agreement on 24 January 2025, the April Coal Supply Agreement on 10 April 2025, the September Coal Supply Agreement I on 5 September 2025, the September Coal Supply Agreement II on 30 September 2025 and the October Coal Supply Agreement on 24 October 2025, details of which have been disclosed in the announcements of the Company dated 24 January 2025, 10 April 2025, 5 September 2025, 30 September 2025 and 24 October 2025. The actual transaction amount in respect of the purchases of coal by Zhejiang Energy Asia Pacific from SDE within 12 months prior to the entering into of the Coal Supply Agreement and up to the date of the Coal Supply Agreement was approximately RMB319 million. The estimated transaction amount in respect of the purchases of coal under the Coal Supply Agreement is expected to be not more than RMB90 million based on latest coal price (the "**Estimated Transaction Amount**"). If the transaction amount exceeds the Estimated Transaction Amount resulting from coal price movements, the Company will re-comply with the announcement requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As disclosed in the Company's announcement dated 25 June 2024, initially, it was contemplated that Zhejiang Energy would enter into a coal supply agreement with SDE for a term of 20 years. However, more time is required to evaluate its annual production capacity before the parties could commit to a long-term agreement. As such, the parties decided to enter into the Coal Supply Agreement with a shorter term, for the time being. By entering into the Coal Supply Agreement, the Group will have a stable source of revenue due to continual demand from the stated-owned power plant of the holding company of Zhejiang Energy.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Coal Supply Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and the terms of the Coal Supply Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, SDE AND ZHEJIANG ENERGY ASIA PACIFIC

The Company

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. Its subsidiaries are principally engaged in the coal operation business, which involves the mining, purchase and sales, filtering, storage and blending of coal.

SDE

SDE is a company established under the laws of Republic of Indonesia, which is held indirectly as to 75% by Lead Far and directly as to 25% by WM. Lead Far is in turn held as to 60% by the Group and 40% by Zhejiang Energy Asia Pacific. WM is an indirect wholly-owned subsidiary of the Company. SDE is the holder of mining business license in respect of the Coal Mine located in Sungai Durian, Kotabaru, South Kalimantan, Indonesia with a total area of approximately 185 square kilometers.

Zhejiang Energy Asia Pacific

Zhejiang Energy Asia Pacific, a company incorporated in Hong Kong with limited liability, is a trading and investment holding company, which is wholly-owned by Zhejiang Energy. Zhejiang Energy is owned as to approximately 71.22% and 28.78% by Zhejiang Provincial Energy Group Co., Ltd. and Zhejiang Zheneng Fuel Group Co., Limited (浙江浙能燃料集團有限公司), respectively.

Zhejiang Zheneng Fuel Group Co., Limited is owned as to 100% by Zhejiang Provincial Energy Group Co., Ltd.

Zhejiang Provincial Energy Group Co., Ltd., a company established in the PRC, is headquartered in Hangzhou, the PRC, and holds and manages over 500 enterprises, with business covering areas such as electricity, coal, natural gas, petroleum, new energy, energy services, energy finance, energy technology innovation, and high-end energy equipment manufacturing. It is a modern comprehensive energy group with a full range of energy categories. The State-owned Assets Supervision and Administration Commission of Zhejiang Provincial People's Government (浙江省人民政府國有資產監督管理委員會) and Zhejiang Financial Development Co., Ltd. (浙江省財務開發有限責任公司) hold 90% and 10% of the state-owned equity of Zhejiang Provincial Energy Group Co., Ltd., respectively.

Zhejiang Financial Development Co., Ltd. is owned as to 100% by the Department of Finance of Zhejiang Province (浙江省財政廳).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company by virtue of being a substantial shareholder of Lead Far, an indirect non-wholly owned subsidiary of the Company. Accordingly, the entering into of the Coal Supply Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company; (ii) the Board has approved the transactions contemplated under the Coal Supply Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the Coal Supply Agreement 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 Coal Supply Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

GENERAL

The Board confirms that none of the Directors has a material interest in the transactions contemplated under the Coal Supply Agreement and hence no Director is required to abstain from voting on the resolutions of the Board approving the transactions contemplated under the Coal Supply Agreement.

DEFINITIONS

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

"April Coal Supply Agreement"	the agreement dated 10 April 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 10 April 2025
"Board"	board of directors of the Company
"China" or "PRC"	the People's Republic of China
"Coal Mine"	the coal mine located in Indonesia, the mining rights of which are held by SDE
"Coal Supply Agreement"	the agreement dated 14 November 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE
"Company"	China Qinfa Group Limited, a company incorporated in the Cayman Islands with limited liabilities, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 866)
"Connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries and consolidated affiliated entities from time to time
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"January Coal Supply Agreement"	the agreement dated 24 January 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 24 January 2025

"Lead Far"	Lead Far Development Limited (力遠發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company, which is held as to 60% by Qinfa Investment and 40% by Zhejiang Energy Asia Pacific
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MT"	Metric Tonne of 1,000 Kgs as defined in International System of Units
"October Coal Supply Agreement"	the agreement dated 24 October 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 24 October 2025
"Qinfa Investment"	Qinfa Investment Limited (秦發投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SDE"	PT Sumber Daya Energi, a company established under the laws of Republic of Indonesia, which is held indirectly as to 75% by Lead Far and directly as to 25% by WM
"September Coal Supply Agreement I"	the agreement dated 5 September 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 5 September 2025
"September Coal Supply Agreement II"	the agreement dated 30 September 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 30 September 2025
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"USD"	US Dollar, the lawful currency of the United States of America
"WM"	PT Widyanusa Mandiri, a company established under the laws of the Republic of Indonesia and an indirect wholly-owned subsidiary of the Company, which holds 25% equity interest of SDE
"Zhejiang Energy"	Zhejiang Energy International Limited (浙江能源國際有限公司), a company incorporated in Hong Kong with limited liability
"Zhejiang Energy Asia Pacific"	Zhejiang Energy Asia Pacific Holding Limited (浙江能源亞太控股有限公司), a company incorporated in Hong Kong with limited liability which is wholly-owned by Zhejiang Energy

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

Hong Kong, 14 November 2025

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. HO Ka Yiu Simon and Mr. LONG Yufeng as the independent non-executive directors.