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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
TERMINATION OF CONTRACTUAL ARRANGEMENTS AND DEEMED DISPOSAL OF EQUITY INTERESTS IN SUBSIDIARIES AND LEASE OF PREMISES UNDER A LEASE AGREEMENT

Reference is made to the Prospectus and the Annual Report. Qinfa Logistics, a wholly-owned subsidiary of the Company, entered into the Contractual Arrangements with Zhuhai Trading and Zhuhai Shipping on 12 June 2009 (renewed on 12 June 2019), which have enabled the Group, through the Contractual Arrangements, to obtain effective control over, and receive all the economic benefits generated by Zhuhai Trading and Zhuhai Shipping. In order to simplify the Group's corporate and operational structure and reduce the ongoing compliance costs and risks historically associated with maintaining the Contractual Arrangements, the Board announces that the respective parties of the Contractual Arrangements have entered into agreements to terminate the Contractual Arrangements.

On 3 November 2026, Qinfa Logistics entered into (i) the Zhuhai Shipping Termination Agreement with Zhuhai Shipping and the shareholders of Zhuhai Shipping, namely Mr. Xu Jihua and Mr. Xu Da; and (ii) the Zhuhai Trading Termination Agreement with Zhuhai Trading, Mr. Xu Jihua, a shareholder of Zhuhai Trading, and Mr. Xu Da, being the transferee. Pursuant to the Termination Agreements, the parties agreed among others, to terminate the entrusted management and operation agreements and the equity pledge agreements previously entered into between Qinfa Logistics, Mr. Xu Da and/or Mr. Xu Jihua (as the case may be) and each of Zhuhai Shipping and Zhuhai Trading.

In addition, Qinfa Logistics and Mr. Xu Da entered into the Zhuhai Trading Equity Transfer Agreement on 3 November 2026, pursuant to which Qinfa Logistics agreed to transfer its 10% equity interest in Zhuhai Trading to Mr. Xu Da for a consideration of RMB9,792,000. As part of the Group's internal restructuring, on 2 November 2026, Zhuhai Trading and Qinfa Logistics entered into the Guangzhou Guangyihai Equity Transfer Agreement, pursuant to which Zhuhai Trading agreed to transfer its 100% equity interests in Guangzhou Guangyihai to Qinfa Logistics for a consideration of RMB5,000,000.

Further, on 3 November 2026, Guangzhou Qinfa, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with Zhuhai Trading in respect of the leasing of certain premises in Guangzhou for office use by Guangzhou Qinfa.

LISTING RULES IMPLICATIONS

As Mr. Xu Jihua is a controlling shareholder of the Company and Mr. Xu Da is an executive Director of the Company, each of Mr. Xu Jihua and Mr. Xu Da is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, upon the termination of the Contractual Arrangements and completion of the Disposal, Zhuhai Trading becomes an associate of Mr. Xu Jihua and Mr. Xu Da and therefore a connected person of the Company under the Listing Rules. Further, in accordance with IFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of premises under the Lease Agreement. Accordingly, the entering into of the Lease Agreement is regarded as an acquisition of assets by the Group which constitutes a one-off connected transaction for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Agreements are less than 5%, the entering into of the Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules. As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Lease Agreement and the transactions contemplated thereunder are less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

INTRODUCTION

Qinfa Logistics, a wholly-owned subsidiary of the Company, entered into (i) the Zhuhai Shipping Termination Agreement with Zhuhai Shipping and its shareholders, namely Mr. Xu Jihua and Mr. Xu Da; and (ii) the Zhuhai Trading Termination Agreement with Zhuhai Trading, Mr. Xu Jihua, being a shareholder of Zhuhai Trading, and Mr. Xu Da, being the transferee under the Zhuhai Trading Equity Transfer Agreement, to terminate the respective Contractual Arrangements. In addition, on 3 November 2026, Qinfa Logistics and Mr. Xu Da also entered into the Zhuhai Trading Equity Transfer Agreement in respect of Qinfa Logistics's 10% equity interest in Zhuhai Trading. On 2 November 2026, as part of the Group's internal restructuring, Zhuhai Trading and Qinfa Logistics entered into the Guangzhou Guangyihai Equity Transfer Agreement, pursuant to which Zhuhai Trading agreed to transfer its 100% equity interests in Guangzhou Guangyihai to Qinfa Logistics.

In addition, on 3 November 2026, Guangzhou Qinfa, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with Zhuhai Trading, pursuant to which Zhuhai Trading, as landlord, agreed to lease certain office premises in Guangzhou to Guangzhou Qinfa, as tenant. Further details of the Termination Agreements, the Zhuhai Trading Equity Transfer Agreement, the Guangzhou Guangyihai Equity Transfer Agreement and the Lease Agreement and the transactions contemplated thereunder are set out below.

BACKGROUND OF THE CONTRACTUAL ARRANGEMENTS

On 12 June 2009, Qinfa Logistics, a wholly-owned subsidiary of the Company, entered into the Contractual Arrangements (renewed on 12 June 2019), comprising entrusted management and operation agreements and the equity pledge agreements, with Zhuhai Trading and Zhuhai Shipping, which have enabled the Group, through the Contractual Arrangements, to obtain effective control over, and receive all the economic benefits generated by Zhuhai Trading and Zhuhai Shipping.

In order to simplify the Group's corporate and operational structure and reduce the ongoing compliance costs and risks historically associated with maintaining the Contractual Arrangements, the Board announces that the respective parties of the Contractual Arrangements have entered into agreements to terminate the Contractual Arrangements.

Immediately before the completion of the Termination Agreements and the Zhuhai Trading Equity Transfer Agreement, Zhuhai Shipping is owned as to 80% by Mr. Xu Jihua and 20% by Mr. Xu Da and Zhuhai Trading is owned as to 90% by Mr. Xu Jihua and 10% by Qinfa Logistics. Pursuant to the Contractual Arrangements, the Group is entitled to the economic benefits of Zhuhai Shipping and Zhuhai Trading, and the financial results of Zhuhai Shipping and Zhuhai Trading have been consolidated into the financial statements of the Group. In view of the termination of Contractual Arrangements and the Disposal, upon the

completion, the Group will cease to have any interests in Zhuhai Shipping and Zhuhai Trading, and Zhuhai Shipping and Zhuhai Trading will cease to be accounted for as subsidiaries of the Group.

PRINCIPAL TERMS OF THE AGREEMENTS, GUANGZHOU GUANGYIHAI EQUITY TRANSFER AGREEMENT AND LEASE AGREEMENT

(a) Zhuhai Shipping Termination Agreement

1. Date

3 November 2026

2. Parties

(i) Qinfa Logistics;

(ii) Zhuhai Shipping; and

(iii) Mr. Xu Jihua and Mr. Xu Da, being the shareholders of Zhuhai Shipping.

3. Subject Matter

Pursuant to the Zhuhai Shipping Termination Agreement, the parties agreed to terminate, with effect from the effective date of the agreement, (a) the entrusted management and operation agreement dated 12 June 2009 (renewed on 12 June 2019) (together with its appendices) entered into, among other parties, between Qinfa Logistics and Zhuhai Shipping and (b) the equity pledge agreement entered into between Qinfa Logistics and the shareholders of Zhuhai Shipping, pursuant to which Mr. Xu Jihua and Mr. Xu Da had pledged their entire equity interest in Zhuhai Shipping in favour of Qinfa Logistics. Upon the Zhuhai Shipping Termination Agreement becoming effective, all powers of attorney and authorisations granted to Qinfa Logistics under the Contractual Arrangements in respect of Zhuhai Shipping will be terminated, and the pledge over the equity interest in Zhuhai Shipping in favour of Qinfa Logistics will be released. The Zhuhai Shipping Termination Agreement has become effective on the date of signing.

4. Consideration

The consideration payable by Mr. Xu Jihua and Mr. Xu Da to Qinfa Logistics for the termination of the Contractual Arrangements in respect of Zhuhai Shipping and the deemed disposal of Zhuhai Shipping shall be RMB24,404,000 (the "**Shipping**

Disposal Consideration"), which was determined with reference to the market value of Zhuhai Shipping as assessed by an independent professional valuer in its valuation report as of the valuation benchmark date, being 30 September 2026.

The Shipping Disposal Consideration shall be settled within 10 business days after the Zhuhai Shipping Termination Agreement becomes effective.

(b) Zhuhai Trading Termination Agreement

1. Date

3 November 2026

2. Parties

(i) Qinfa Logistics;

(ii) Zhuhai Trading;

(iii) Mr. Xu Jihua, being a shareholder of Zhuhai Trading; and

(iv) Mr. Xu Da, being the transferee

3. Subject Matter

Pursuant to the Zhuhai Trading Termination Agreement, the parties agreed to terminate, with effect from the effective date of the agreement, (a) the entrusted management and operation agreement dated 12 June 2009 (renewed on 12 June 2019) (together with its appendices) entered into, among other parties, between Qinfa Logistics and Zhuhai Trading and (b) the equity pledge agreement entered into between Qinfa Logistics and Mr. Xu Jihua, pursuant to which Mr. Xu Jihua had pledged his 90% equity interest in Zhuhai Trading in favour of Qinfa Logistics. From the effective date of the Zhuhai Trading Termination Agreement, all powers of attorney and authorisations granted to Qinfa Logistics under the Contractual Arrangements in respect of Zhuhai Trading will be terminated, and the pledge over Mr. Xu Jihua's equity interest in Zhuhai Trading in favour of Qinfa Logistics will be released. The Zhuhai Trading Termination Agreement has become effective on the date of signing.

4. Consideration

The consideration payable by Mr. Xu Jihua to Qinfa Logistics for the termination of the Contractual Arrangements in respect of Zhuhai Trading and the deemed disposal of Zhuhai Trading (inclusive of the consideration for the Disposal

referred to below) is RMB97,920,000 (the **Trading Disposal Consideration**), which was determined with reference to the market value of Zhuhai Trading including the properties held by Zhuhai Trading as assessed by an independent professional valuer in its valuation report as at the valuation benchmark date of 30 September 2026.

The Trading Disposal Consideration shall be settled within 10 business days after the agreement becomes effective.

(c) Zhuhai Trading Equity Transfer Agreement

1. Date

3 November 2026

2. Parties

(i) Qinfa Logistics, as transferor; and

(ii) Mr. Xu Da, as transferee.

3. Subject matter

Pursuant to the Zhuhai Trading Equity Transfer Agreement, Qinfa Logistics agreed to transfer its 10% equity interest in Zhuhai Trading to Mr. Xu Da for a consideration of RMB9,792,000, which constitutes part of the Trading Disposal Consideration referred to above. The Zhuhai Trading Equity Transfer Agreement becomes effective upon signing and both parties shall cooperate with each other in handling the shareholder change registration procedures with the relevant government authority.

(d) The Guangzhou Guangyihai Equity Transfer Agreement

As part the Group's internal restructuring, Zhuhai Trading has entered into the Guangzhou Guangyihai Equity Transfer Agreement, pursuant to which Zhuhai Trading agreed to transfer the entire equity interest in Guangzhou Guangyihai to Qinfa Logistics.

1. Date

2 November 2026

2. Parties

(i) Zhuhai Trading, as transferor; and

(ii) Qinfa Logistics, as transferee

3. Subject matter

Pursuant to the Guangzhou Guangyihai Equity Transfer Agreement, Zhuhai Trading agreed to transfer its entire 100% equity interest in Guangzhou Guangyihai to Qinfa Logistics, for a consideration of RMB5,000,000.

4. Completion

Completion of the Guangzhou Guangyihai Equity Transfer Agreement shall take place upon registration of the relevant change of shareholder with the competent authority in the PRC, following which Qinfa Logistics will, in accordance with PRC law and the articles of association of Guangzhou Guangyihai, exercise the shareholder's rights and assume the shareholder's obligations in respect of the Guangzhou Guangyihai, and Zhuhai Trading will cease to hold any shareholder rights or obligations in respect of Guangzhou Guangyihai.

(e) The Lease Agreement

In connection with the termination of the Contractual Arrangements, upon which Zhuhai Trading ceases to be a subsidiary of the Group, Zhuhai Trading has entered into the Lease Agreement with Guangzhou Qinfa, pursuant to which Zhuhai Trading has agreed to lease the premises located in Guangzhou to Guangzhou Qinfa to facilitate the continued operation of the Group's business. The principal terms of the Lease Agreement are set out as follows:

1. Date

3 November 2026

2. Parties

(i) Zhuhai Trading, as landlord; and

(ii) Guangzhou Qinfa, as tenant.

3. Subject Matter

Pursuant to the Lease Agreement, Zhuhai Trading agreed to lease to Guangzhou Qinfa the premises located in Guangzhou, the PRC, with a gross floor area of 1,758.35 square metres, located at Rooms 2201–2208, No. 1 Pazhou Avenue East, Haizhu District, Guangzhou for office use (the "**Leased Premises**").

4. Term

The term of the Lease Agreement is 36 months, commencing from 3 November 2026 and expiring on 2 November 2029.

5. Rent, deposit and payment terms

The monthly rent payable by Guangzhou Qinfa to Zhuhai Trading under the Lease Agreement is RMB176,000 per month, settled annually, payable before 15 November each year.

Guangzhou Qinfa is also required to pay a rental deposit of RMB0.5 million to Zhuhai Trading within three working days after signing of the Lease Agreement.

The rent payable under the Lease Agreement was determined after arm's length negotiations between the parties with reference to the prevailing market rent for comparable properties in the vicinity of the Leased Premises.

6. Renewal term

Upon expiry of the lease term, if Guangzhou Qinfa intends to renew the lease, Guangzhou Qinfa shall submit a written request for renewal to Zhuhai Trading at least 30 days in advance. Subject to Zhuhai Trading's consent, the parties shall enter into a new lease agreement.

BASIS OF CONSIDERATION AND VALUATION

Valuation approach and method

Asset-based approach was considered to be the most appropriate valuation approach in the valuation. It is assumed that the market values of all assets and liabilities of Zhuhai Trading and Zhuhai Shipping apart from properties, other fixed assets and intangible asset at market values as at the date of valuation are the same as the book values as at 30 September 2026.

For the properties held by Zhuhai Trading, the properties are valued on market basis by the comparison approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the real property and the comparables in terms of time, floor level, size and other relevant factors.

For valuations of equipment and intangible asset, cost approach is adopted. The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowances for accrued

depreciation arising from condition, utility, age, wear and tear, and/or obsolescence present (physical, functional and/or economic), taking into consideration the past and present maintenance policy and rebuilding history. This approach generally furnishes the most reliable indication of the values of assets in the absence of a known market based on comparable sales.

Regarding the other receivables, other current assets and cash and cash equivalents, the net book values of the assets should reasonably represent their market values as at the date of valuation.

The book values of other payables, tax payables and other liabilities as at the valuation date have been adopted.

Valuation scope

Appraised market value of 100% equity interest in Zhuhai Trading and Zhuhai Shipping as at the valuation benchmark date of 30 September 2026.

Sources of information

Financial and operational information of Zhuhai Trading and Zhuhai Shipping, market data, industry information and statistical figures from publicly available sources are used.

Valuation assumptions

General market assumptions

There will be no material change in the existing political, legal, fiscal, technological, economic and market conditions in the jurisdiction where Zhuhai Trading and Zhuhai Shipping are currently or will be situated;

There will be no material change in the taxation laws and regulations in the jurisdiction where Zhuhai Trading and Zhuhai Shipping are currently or will be situated, that the tax rates will remain unchanged and that all applicable laws and regulations will be complied with;

The market return, market risk, interest rates and exchange rates will not differ materially from those of present or expected; and

The market data, industry information and statistical figures obtained from publicly available sources are true and accurate.

Company-specific assumptions

All licenses, permits, certificates and consents issued by any local, provincial or national government or other authorized entity or organization that will affect the operation of Zhuhai Trading and Zhuhai Shipping have been obtained or can be obtained upon request with an immaterial cost;

The information in respect of Zhuhai Trading and Zhuhai Shipping have been prepared on a reasonable basis that have been arrived at after due and careful consideration by the senior management of the Company; and

The senior management of Zhuhai Trading and Zhuhai Shipping will implement only those prospective financial and operational strategies, where applicable, that will maximize the efficiency of the operation of Zhuhai Trading and Zhuhai Shipping.

Key inputs

Zhuhai Trading

Market value of non-current assets (properties & equipment) approximately: RMB31.3 million (Book value: RMB2.3 million; property market value: RMB31.3 million, equipment: RMB0.04 million).

Market value of current assets (other receivables & bank balances) approximately: RMB80 million.

Market value of total liabilities approximately: RMB13.4 million.

Zhuhai Shipping

Market value of non-current Assets (net fixed assets & intangible assets) approximately: RMB0.165 million (net fixed assets: RMB0.006 million, intangible assets: RMB0.16 million).

Market value of current assets (bank balances, other receivables, other current assets) approximately: RMB24.3 million.

Market value of total liabilities approximately: RMB0.024 million.

RIGHT-OF-USE ASSETS

In accordance with IFRS 16 ''Leases'' and IFRS 15 ''Revenue from Contracts with Customers'', the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises under the Lease

Agreement. Accordingly, the transaction under the Lease Agreement is regarded as an acquisition of right-of-use assets by the Group. The value (unaudited) of the right-of-use asset to be recognised by the Company under the Lease Agreement is estimated to be approximately RMB0.4 million, being the present value of the aggregate lease payments throughout the lease term under the Lease Agreement. The annual discount rate of approximately 5.01% is applied to compute the present value of the aggregate lease payments under the Lease Agreement.

INFORMATION ABOUT ZHUHAI SHIPPING AND ZHUHAI TRADING

Upon completion of the Agreements, the shareholding structure of Zhuhai Shipping and Zhuhai Trading will be as follows:

Relevant Entity	**Shareholders before completion of the Agreements**	**Shareholders after completion of the Agreements**
Zhuhai Shipping	Mr. Xu Jihua: 80% Mr. Xu Da: 20%	Mr. Xu Jihua: 80% Mr. Xu Da: 20%
Zhuhai Trading	Mr. Xu Jihua: 90% Qinfa Logistics: 10%	Mr. Xu Jihua: 90% Mr. Xu Da: 10%

Prior to completion of the Agreements, the Group controlled Zhuhai Shipping and Zhuhai Trading through the Contractual Arrangements and held a 10% equity interest in Zhuhai Trading. Upon completion of the Agreements, the Group will cease to hold any equity interest in, or exercise any control over, Zhuhai Shipping or Zhuhai Trading, whether through direct equity ownership or the Contractual Arrangements.

The audited net assets of Zhuhai Shipping and Zhuhai Trading were approximately RMB0.74 million and RMB2.78 million as at 31 December 2025, excluding the balances between Zhuhai Shipping, Zhuhai Trading and the Group. Set out below is the audited financial information of Zhuhai Shipping and Zhuhai Trading for the years ended 31 December 2024 and 2025, excluding the transactions between the Zhuhai Shipping and Zhuhai Trading and the Group:

	For the year ended 31 December	
	2024	**2025**
	RMB million	*RMB million*
Revenue	—	—
Loss before taxation	2.0	2.6
Loss after taxation	2.0	2.6

INFORMATION ON THE PARTIES

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.

Qinfa Logistics

Qinfa Logistics is a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Company.

Zhuhai Shipping

Zhuhai Shipping is a company established in the PRC with limited liability, owned as to 80% by Mr. Xu Jihua and 20% by Mr. Xu Da. Prior to the entering into of the Zhuhai Shipping Termination Agreement, Zhuhai Shipping had been controlled by the Company through the Contractual Arrangements, and its financial results had been consolidated into the financial statements of the Group.

Zhuhai Trading

Zhuhai Trading is a company established in the PRC with limited liability, owned as to 90% by Mr. Xu Jihua and 10% by Qinfa Logistics. Prior to the entering into of the Zhuhai Trading Termination Agreement and the Zhuhai Trading Equity Transfer Agreement, Zhuhai Trading had been controlled by the Company through the Contractual Arrangements, and its financial results had been consolidated into the financial statements of the Group.

Guangzhou Qinfa

Guangzhou Qinfa is a company established in the PRC with limited liability, which is principally engaged in supply chain management business and a wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The Directors consider that the termination of the Contractual Arrangements will simplify the Group's corporate and operational structure and reduce the ongoing compliance costs and risks historically associated with maintaining the Contractual Arrangements. The Directors further consider that the consideration payable under the Termination Agreements, determined with reference to independent professional valuations, provides fair value to the Group for its interests in, and control over, Zhuhai Shipping and Zhuhai Trading. In

addition, the Directors consider that entering into the Lease Agreement enables Guangzhou Qinfa to continue its use of the Leased Premises, which it has been occupying for its business operations, on terms negotiated on an arm's length basis and consistent with prevailing market rent.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements and the Lease Agreement are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPACT OF THE DEEMED DISPOSAL

Upon completion of the Agreements, the Group will cease to have any interest in, and will deconsolidate the financial results of, Zhuhai Shipping and Zhuhai Trading, which will cease to be accounted for as subsidiaries of the Group.

Subject to final audit, it is expected that the Group will realise a gain on the termination of the Contractual Arrangements and the Disposal as equity transaction of approximately RMB23.9 million (or approximately RMB29.0 million before taking into account the impact of approximately RMB5.1 million arising from the leaseback arrangement). The Company intends to use the proceeds from the termination of the Contractual Arrangements and the Disposal to enhance the working capital of the Group.

LISTING RULES IMPLICATIONS

As Mr. Xu Jihua is a controlling shareholder of the Company and Mr. Xu Da is an executive Director of the Company, each of Mr. Xu Jihua and Mr. Xu Da is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, upon the termination of the Contractual Arrangements and completion of the Disposal, Zhuhai Trading becomes an associate of Mr. Xu Jihua (our Controlling Shareholder and father of Mr. Xu Da) and Mr. Xu Da and therefore a connected person of the Company under the Listing Rules. Further, in accordance with IFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of premises under the Lease Agreement. Accordingly, the entering into of the Lease Agreement is regarded as an acquisition of assets by the Group which constitutes a one-off connected transaction for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Agreements are less than 5%, the entering into of the Agreements and the transactions contemplated thereunder are subject to the reporting and

announcement requirements, but are exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules. As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Lease Agreement and the transactions contemplated thereunder are less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

GENERAL

Save for Mr. Xu Da, who is an executive Director of the Company and has a material interest in the Agreements and the Lease Agreement and has abstained from voting on the relevant Board resolutions approving the Agreements and the Lease Agreement, no other Director has a material interest in the Agreements, the Lease Agreement and the transactions contemplated thereunder requiring abstention from voting on the relevant Board resolutions.

DEFINITIONS

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

"Agreements"	the Zhuhai Trading Equity Transfer Agreement and the Termination Agreements
"Annual Report"	the annual report of the Company for the financial year ended 31 December 2025 dated 31 March 2026
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	China Qinfa Group Limited (中國秦發集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00866)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

''Contractual Arrangements''	the contractual arrangements under the entrusted management and operation agreements and the equity pledge agreements entered into between Qinfa Logistics, Mr. Xu Da and/or Mr. Xu Jihua (as the case may be) and each of Zhuhai Shipping and Zhuhai Trading on 12 June 2009 (renewed on 12 June 2019)
''Controlling Shareholder''	has the meaning ascribed to it under the Listing Rules
''Director(s)''	the director(s) of the Company
''Disposal''	the transfer by Qinfa Logistics of its 10% equity interest in Zhuhai Trading to Mr. Xu Da pursuant to the Zhuhai Trading Equity Transfer Agreement
''Group''	the Company and its subsidiaries
''Guangzhou Guangyihai''	Guangzhou Guangyihai Trading Co., Ltd.* (廣州廣懿海貿易有限公司), a wholly owned subsidiary of Zhuhai Trading established in the PRC with limited liability
''Guangzhou Guangyihai Equity Transfer Agreement''	the equity transfer agreement dated 2 November 2026 entered into between Zhuhai Trading and Qinfa Logistics in relation to the transfer of equity interests in Guangzhou Guangyihai
''Guangzhou Qinfa''	Guangzhou Qinfa Supply Chain Management Co., Ltd.* (廣州秦發供應鏈管理有限公司), a wholly-owned subsidiary of the Company established in the PRC with limited liability
''Hong Kong''	the Hong Kong Special Administrative Region of the PRC
''Lease Agreement''	the lease agreement dated 3 November 2026 entered into between Zhuhai Trading and Guangzhou Qinfa in relation to the lease of the Leased Premises
''Leased Premises''	has the meaning ascribed to it in the paragraph headed ''The Lease Agreement — Subject Matter'' above
''Listing Rules''	the Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Xu Da"	Mr. Xu Da (徐達), an executive Director of the Company and a connected person of the Company under the Listing Rules
"Mr. Xu Jihua"	Mr. Xu Jihua (徐吉華), a controlling shareholder of the Company and a connected person of the Company under the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 19 June 2009
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Termination Agreements"	the Zhuhai Shipping Termination Agreement and the Zhuhai Trading Termination Agreement
"Qinfa Logistics"	Zhuhai Qinfa Logistics Co., Ltd.* (珠海秦發物流有限公司), a wholly-owned subsidiary of the Company established in the PRC with limited liability
"Zhuhai Shipping"	Zhuhai Qinfa Shipping Co., Ltd.* (珠海秦發航運有限公司), which was controlled by the Company through the Contractual Arrangements before the entering into of the Termination Agreements
"Zhuhai Shipping Termination Agreement"	the termination agreement dated 3 November 2026 entered into between Qinfa Logistics, Zhuhai Shipping, Mr. Xu Jihua and Mr. Xu Da in relation to the termination of the Contractual Arrangements in respect of Zhuhai Shipping
"Zhuhai Trading"	Zhuhai Qinfa Trading Co., Ltd.* (珠海秦發貿易有限公司), which was controlled by the Company through the Contractual Arrangements before the entering into of the Termination Agreements
"Zhuhai Trading Equity Transfer Agreement"	the equity transfer agreement dated 3 November 2026 entered into between Qinfa Logistics and Mr. Xu Da in relation to the Disposal

''Zhuhai Trading Termination Agreement''	the termination agreement dated 3 November 2026 entered into between Qinfa Logistics, Zhuhai Trading, Mr. Xu Da and Mr. Xu Jihua in relation to the termination of the Contractual Arrangements in respect of Zhuhai Trading
''%''	per cent

* *English translation for identification only*

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

Hong Kong, China, 3 November 2026

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.