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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).

Two major lending banks of the Group (the “**Original Creditors**”) have sold the outstanding debts owed by a subsidiary and an associate of the Group of approximately RMB448,433,819 in total comprised of debts with principal amounts of approximately RMB148,276,013 and related accrued interest of approximately RMB78,001,702 in total as at 10 February 2020 and debt with principal amount of approximately RMB195,925,179 and related accrued interest of approximately RMB26,230,925 in total as at 13 April 2020 (the “**Original Debt**”) to a domestic state-owned asset management company (the “**Current Creditor**”) by way of discounting last year. The transactions were commercial decision between the Original Creditors and the Current Creditor.

On 8 May 2021, the Group and the Current Creditor reached a loan restructuring proposal for the repayment of the Original Debt (the “**Proposal**”). According to the Proposal, the Current Creditor agreed to reduce the Original Debt by approximately RMB220,576,319 (the “**Debt Reduction**”). Thus, the principal balance of the outstanding debt shall be RMB227,857,500 (the “**Current Debt**”) which is non-interest bearing. The Current Creditor agreed that the Group shall repay the Current Debt in 11 tranches starting from 10 May 2021 (the “**Revised Repayment Schedule**”). The annual repayment amounts shall be approximately RMB27,410,000 in 2021, RMB35,227,500 in 2022 and RMB165,220,000 in 2023 respectively.

According to the Proposal, the Group shall be entitled to early repayment of the Current Debt in part or in full to further reduce the Current Debt by RMB677,500 if an early repayment is made. On the contrary, according to the Proposal, if the Group is unable to repay the Current Debt according to the Revised Repayment Schedule, the Current Creditor shall have the right to withdraw the Debt Reduction and the Revised Repayment Schedule granted to the Group.

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 2021. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Guangzhou, 10 May 2021

*As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao, Ms. WANG Jianfei and Mr. TAN Yingzhong as the executive Directors, and Mr. LAU Sik Yuen, Prof. SHA Zhenquan and Mr. JING Dacheng as the independent non-executive Directors.*