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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)

POSITIVE PROFIT ALERT

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).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 and the information currently available to the Board, the Group is expected to record a profit after taxation of not more than RMB560 million for the year ended 31 December 2024 as compared with a profit after taxation of approximately RMB192 million for the year ended 31 December 2023.

The expected increase in the profit after taxation was mainly due to the net effect of:

- (i) an increase in net gain on the substantial/non-substantial modification of borrowings;
- (ii) the decrease in the average coal selling price; and
- (iii) impairment losses on property, plant and equipment and coal mining rights due to decrease in average coal selling price.

In accordance with International Financial Reporting Standards 10, no gain or loss arised on the disposal of 40% interest in Lead Far Development Limited in the Group's consolidated statement of comprehensive income. Lead Far Development Limited is the intermediate parent of SDE coal mine. For details please refer to our announcement dated 28 November 2024.

The Group's annual results for the year ended 31 December 2024 have yet to be finalised. Hence, the information contained in this announcement is only a preliminary assessment performed by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2024, which is expected to be published by the end of March 2025 in accordance with requirements under the Listing Rules.

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

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

Guangzhou, 10 March 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. JING Dacheng and Mr. HO Ka Yiu Simon as the independent non-executive Directors.