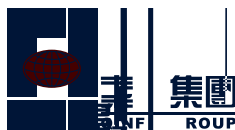


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中國秦發集團有限公司  
**CHINA QINF A GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00866)**

**PROFIT WARNING**

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 of directors of the Company (the “**Board**” or the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record a profit after taxation of not more than RMB500 million during the year ended 31 December 2022 as compared with a profit after taxation of RMB3.19 billion for the year ended 31 December 2021.

The change in the Group’s financial performance for the year is mainly attributable to:

- (i) COVID lockdown on transportation infrastructure causing a decrease in the Group’s sale volume by over 60% in the fourth quarter of 2022 as compared to fourth quarter of 2021;
- (ii) the absence of reversal of impairment losses on property, plant and equipment and coal mining rights of RMB2.3 billion for the year ended 31 December 2022, as compared to such reversal being made for the year ended 31 December 2021;

- (iii) an increase in the depreciation of property, plant and equipment and amortisation of coal mining rights for the year ended 31 December 2022 due to significant reversal of impairment losses on property, plant and equipment and coal mining rights as at 31 December 2021; and
- (iv) a decrease in net gain on the substantial/non-substantial modification of borrowings from approximately RMB238.7 million for the year ended 31 December 2021 to approximately RMB42.5 million for the year ended 31 December 2022.

The Group's annual results for the year ended 31 December 2022 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 2022, which is expected to be published by the end of March 2023 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 Qinfra Group Limited**  
**XU Da**  
*Chairman*

Guangzhou, 17 March 2023

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