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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Qinfra Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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中國秦發集團有限公司
CHINA QINFRA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00866)

**REPURCHASE MANDATE AND GENERAL MANDATE,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF
AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO
HAS SERVED FOR MORE THAN NINE YEARS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Qinfra Group Limited to be held at Boardroom 6, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 30 June 2020 at 11:00 a.m. or any adjournment thereof is set forth in Appendix III to this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of China Qinfra Group Limited in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

13 May 2020

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 30 June 2020 at 11:00 a.m. or any adjournment thereof (as the case may be);
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“Close Associates”	has the meaning as defined under the Listing Rules;
“Companies Law”	the Companies Law (2007 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time;
“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 whose Shares are listed on the main board of the Stock Exchange (stock code: 00866);
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the case of the Company, means Mr. XU Jihua and Fortune Pearl;
“Directors”	the directors of the Company;
“Fortune Pearl”	Fortune Pearl International Limited, a company incorporated in the British Virgin Islands on 22 January 2008 with its issued share capital wholly-owned by Mr. XU Jihua, and which is one of the Controlling Shareholders;
“General Mandate”	the general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of not exceeding 20% of the total number of issued Shares of the Company as of the date of passing the resolution approving the said mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Latest Practicable Date”	7 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Notice”	the notice dated 13 May 2020 convening the Annual General Meeting as set forth in Appendix III to this circular;
“Options”	options (if any) granted or to be granted under the share option schemes of the Company;
“Ordinary Resolutions”	the proposed ordinary resolutions in respect of the matters referred to in the Notice;
“PRC”	The People’s Republic of China;
“Register of Members”	the register of members of the Company maintained by the Registrar in Hong Kong;
“Registrar”	the branch share registrar of the Company, Union Registrars Limited of Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong;
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10% of the total number of issued Shares of the Company as of the date of passing of the resolution approving the said mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. XU Da (*Chairman*)
Mr. BAI Tao (*Chief Executive Officer*)
Ms. WANG Jianfei
Mr. FUNG Wai Shing

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. LAU Sik Yuen
Prof. SHA Zhenquan
Mr. JING Dacheng

Principal place of business in Hong Kong:

Suite 5706, 57th Floor
Central Plaza
No. 18 Harbour Road
Wanchai
Hong Kong

13 May 2020

To the Shareholders and, for information only, holders of the Options

Dear Sir or Madam,

**REPURCHASE MANDATE AND GENERAL MANDATE,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF
AN INDEPENDENT NON-EXECUTIVE DIRECTOR WHO
HAS SERVED FOR MORE THAN NINE YEARS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information on the following resolutions to be proposed at the Annual General Meeting, so as to enable you to make an informed decision on the resolutions at the Annual General Meeting.

The resolutions include (i) the grant of the Repurchase Mandate; (ii) the grant of the General Mandate; (iii) the extension of the General Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set forth in this circular. In particular, you should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the total number of issued Shares of the Company as of the date of passing of the resolution (i.e. a total of 249,341,398 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting), subject to the requirements of the Listing Rules. The Repurchase Mandate will be expired on the earliest of the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles and the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement, which is set forth in Appendix I to this circular.

GENERAL MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of, representing up to 20% of the total number of issued Shares of the Company as of the date of passing of the resolution. As of the Latest Practicable Date, the issued share capital of the Company comprised 2,493,413,985 fully paid up Shares. Assuming that there is no change in the total number of issued Shares of the Company between the period from the Latest Practicable Date to the date of passing the aforesaid resolution, the maximum number of Shares which may be issued pursuant to the aforesaid general and unconditional mandate on the date of passing the aforesaid resolution will be 498,682,797 Shares.

The Directors wish to state that they have no immediate plan to issue any Shares pursuant to the General Mandate.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the General Mandate, a separate ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the General Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate, if granted.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years and shall then be eligible for re-election.

Mr. XU Da, Mr. FUNG Wai Shing and Mr. LAU Sik Yuen will retire by rotation in accordance with Article 84(1) of the Articles. All retiring Directors, being eligible, would offer themselves for re-election at the Annual General Meeting. Details of such retiring Directors are set forth in Appendix II to this circular.

Re-election of Independent Non-executive Director

In accordance with the Articles of Association of the Company, Mr. LAU Sik Yuen (“Mr. LAU”), an independent non-executive Director, shall retire by rotation and, being eligible, offer himself for re-election at the Annual General Meeting.

The Company has a Nomination Policy to provide key selection criteria and procedures for the Nomination Committee of the Company to nominate and make recommendation to the board of the Company on the appointment of directors and re-election for directors. The Nomination Committee shall consider a number of selection criteria including but not limited to integrity, qualifications, skills, knowledge, experience, independence, willingness and ability to devote adequate time to discharge the duties as an independent non-executive director. For the re-election of Director at general meeting, the Nomination Committee should also review and determine whether the retiring director continues to meet the criteria as set out above. On making recommendation, the Nomination Committee may submit the candidate’s personal profile to the Board for consideration. The Board shall have the final decision on all matters relating to the recommendation of a candidate to stand for election at a general meeting.

According to code provision A.4.3 of the Corporate Governance Code, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders. Mr. LAU has been appointed as an independent non-executive Director for more than nine years. The Company has received from Mr. LAU a confirmation of independence according to Rule 3.13 of the Listing Rules. Mr. LAU has participated in Board meetings to give impartial advice and exercise independent judgement but has not engaged in any executive management of the Group throughout his directorship with the Company. Taking into consideration the independent nature of his roles and duties in the past years, the Board considers Mr. LAU to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. The Board also believes that Mr. LAU’s continuous appointment will help to maintain the stability to the Board and the Board has benefited greatly from the presence of Mr. LAU who has contributed valuable insight into the Group.

LETTER FROM THE BOARD

The Board has assessed the independence of all the independent non-executive Directors of the Company, including Mr. LAU who will retire at the Annual General Meeting and, being eligible, offer himself for re-election, and considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the day-to-day management of the Company, and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment.

The biographical details of Mr. LAU are set out in Appendix II to this circular. Mr. LAU, being a chief financial officer and company secretary of a listed entity, has years of experience served as an independent non-executive director for various listed entities. The Board believes this could enable him to be more than capable of contributing to the financial perspective of strategic decision process.

In consideration of the financial background of Mr. LAU mentioned above, the Board believes that his expertise shall provide invaluable contribution and diversity to the Board.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice of the Annual General Meeting is set forth in Appendix III to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the General Mandate and the re-election of the retiring Directors. The Annual General Meeting will be held at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 30 June 2020 at 11:00 a.m..

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 23 June 2020 to Tuesday, 30 June 2020 (both days inclusive). During such period, no transfer of Shares will be registered for the purpose of determining the entitlement to attend and vote at the Annual General Meeting. All transfer documents accompanied by the relevant share certificates must be lodged with the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 22 June 2020.

VOTING BY WAY OF A POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, poll voting for all proposed resolutions of the Company will be proceeded with at the Annual General Meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the grant of the Repurchase Mandate and the General Mandate, the extension of the General Mandate and the proposed re-election of retiring Directors are in the best interest of the Company and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant Ordinary Resolutions to be proposed at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
XU Da
Chairman

This appendix contains particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting in relation to the Repurchase Mandate.

PROPOSED SHARE REPURCHASE MANDATE

It is proposed that the Directors be granted the Repurchase Mandate such that they may exercise the powers of the Company to repurchase up to 10% of the Shares in issue as of the date of passing of the relevant resolution. As of the Latest Practicable Date, the number of Shares in issue was 2,493,413,985 Shares and they were all fully paid up. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as of the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase a maximum of 249,341,398 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution).

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value for each Share and/or earnings for each Share. The Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

FUNDING OF REPURCHASES

In making repurchases, the Company proposes to apply funds legally available for such purpose in accordance with its memorandum of association, the Articles, the Listing Rules and the Companies Law. Under the Companies Law, Shares repurchased by the Company may only be paid out of profits or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its memorandum of association, the Articles and subject to the Companies Law, out of capital. Any premium payable on share repurchases may only be paid out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the Companies Law, out of capital.

IMPACT OF REPURCHASE

On the basis of the consolidated financial position of the Company as of 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position and the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would in the circumstances that would have a material adverse impact on the working capital position or gearing position of the Company (as compared with the position disclosed in the latest published audited consolidated financial statements).

PRICE OF SHARES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to (and including) the Latest Practicable Date were as follows:

Month	Share price	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2019		
April	0.41	0.335
May	0.34	0.28
June	0.295	0.24
July	0.255	0.226
August	0.435	0.226
September	0.244	0.12
October	0.265	0.2
November	0.215	0.172
December	0.217	0.176
2020		
January	0.205	0.172
February	0.191	0.156
March	0.22	0.151
April	0.18	0.15
May (up to the Latest Practicable Date)	0.164	0.15

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Articles and the Companies Law.

CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their Close Associates has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As of the Latest Practicable Date, none of the core connected persons (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to or can be ascertained after reasonable enquiry by the Directors, Mr. Xu Jihua and his wholly-owned company, Fortune Pearl, both being the Controlling Shareholders, were interested in an aggregate of 1,050,229,610 Shares, representing approximately 42.12% of the issued share capital of the Company. On the basis that no further Shares will be issued or repurchased after the Latest Practicable Date, in the event that the Directors exercise the Repurchase Mandate in full, the interests of Mr. Xu Jihua and Fortune Pearl in the Company would be increased to approximately 46.80% of the issued share capital. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to the extent that the repurchases would result in the amount of Shares being held by the public to fall below 25% of the total issued share capital of the Company nor to the extent that would result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code by any substantial shareholder (as defined in the Listing Rules). Save as the above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, there was no repurchase of its Shares made by the Company (whether on the Stock Exchange or otherwise).

The following sets out the biographical details of the Directors who will retire and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to the Articles.

A. Mr. XU Da

Mr. XU Da, aged 35, was appointed as an executive Director on 9 October 2014. Mr. XU is also a Chairman of the Group. Mr. XU achieved a bachelor degree in 2008. Mr. XU has more than 10 years of working experience in the Group. He joined the Group as import and export manager in 2009.

Pursuant to the service contract entered into between Mr. XU and the Company, he was appointed as executive Director for an initial term of three years commencing from the appointment date (i.e. 9 October 2014) and shall continue thereafter on a yearly basis subject to termination by either party with written notice. He is entitled to a fixed annual salary of RMB1,608,000 (after taxation), a fixed annual director's fee of RMB792,000 (after taxation) and a discretionary management bonus determined by the Board. The remuneration package was determined with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. XU was beneficially interested in 93,135,251 Shares, representing approximately 3.74% of the total number of Shares. In addition, Mr. XU is the son of Mr. XU Jihua, the Controlling Shareholder.

Save as disclosed above, (a) Mr. XU did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management, substantial or Controlling Shareholder of the Company and had no interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date; (c) there is no other information which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

B. Mr. FUNG Wai Shing

Mr. FUNG Wai Shing, aged 50, was appointed as an executive Director on 12 April 2017. Mr. FUNG graduated from University of London and The Hong Kong Polytechnic University with a bachelor degree in banking and finance and MBA in finance respectively. Mr. FUNG is an associate member of each of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants with over 20 years' experience in finance, auditing and accounting fields. Mr. FUNG joined the Group in 2014. Prior to joining the Group, he was the chief financial officer of a private group since June 2010. He was the qualified accountant and company secretary of Ko Yo Chemical (Group) Limited (previous stock code: 8042, current stock code: 827) from February 2002 to December 2005. From 16 August 2017 to 20 December 2019, Mr. FUNG was appointed as an independent non-executive director of Great Wall Belt & Road Holdings Limited (stock code: 524).

Pursuant to the service agreement entered into between Mr. FUNG and the Company, he has been appointed for an initial term of three years commencing from the appointment date (i.e. 12 April 2017) and shall continue thereafter on a yearly basis subject to termination by either party with written notice. He is entitled to a fixed annual salary of HKD1,536,000 (after taxation), a fixed annual director's fee of RMB792,000 (after taxation) and a discretionary management bonus determined by the Board. The remuneration package was determined with reference to his duties and responsibilities in the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. FUNG was beneficially interested in 25,000,000 Shares, representing approximately 1.00% of the total number of issued Shares. Besides, as at the Latest Practicable Date, Mr. Fung held 20,000,000 Share options to subscribe for the Shares under share option scheme of the Company.

Save as disclosed above, (a) Mr. FUNG did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management, substantial or Controlling Shareholder of the Company and had no interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date; (c) there is no other information which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

C. Mr. LAU Sik Yuen

Mr. LAU Sik Yuen, aged 53, was appointed as an independent non-executive Director on 12 June 2009. Mr. LAU is also the chairman of the audit committee of the Board. Mr. LAU graduated with a bachelor degree of science in Business Administration from Oregon State University in 1989. Mr. LAU is a fellow member of the Hong Kong Institute of Certified Public Accountants as well as a member of the American Institute of Certified Public Accountants. Mr. LAU has been serving as the chief financial officer and company secretary of Xinyi Glass Holdings Limited, a company listed on the Main Board of the Stock Exchange, since April 2003. Prior to joining Xinyi Glass Holdings Limited in 2003, Mr. LAU was the financial controller of a subsidiary of NWS Holdings Limited, a company listed on the Main Board, for over three years and had worked with an international accounting firm in Hong Kong for five years. Mr. LAU was appointed as an independent non-executive director of Dragon Crown Group Holdings Limited ("Dragon Crown") on 30 November 2010. Dragon Crown was listed on the Main Board of the Stock Exchange on 10 June 2011. Mr. LAU was also appointed as an independent non-executive director of SDM Group Holdings Limited ("**SDM Group**") on 26 September 2014. SDM Group was listed on GEM Board of the Stock Exchange on 13 October 2014. On 7 May 2018, Mr. LAU was appointed as an independent non-executive director of CTEH Inc. (stock code:1620).

Pursuant to the appointment letter entered into between Mr. LAU and the Company, he was appointed as independent non-executive Director for a term from 20 September 2019 to 19 September 2022 unless previously terminated by either the Company or him by giving at least three months' notice in writing. He is entitled to a monthly director's fee of RMB23,000 (after taxation) or such higher sum as the remuneration committee of the Board may from time to time decide. The remuneration package was determined with reference to the prevailing market conditions and based on the duties and responsibilities undertaken by him as director.

As at the Latest Practicable Date, Mr. LAU held 500,000 Share options to subscribe for the Shares under the share option scheme of the Company.

Save as disclosed above, (a) Mr. LAU did not hold any directorships in any listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management, substantial or Controlling Shareholder of the Company and had no interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date; (c) there is no other information which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

D. Company's policies concerning remuneration of the Directors

The Company's policies concerning remuneration of the Directors are as follows:

- (i) the amount of remuneration is determined by the remuneration committee of the Board on the basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided to the Directors under their remuneration arrangement; and
- (iii) the Directors may be granted, at the discretion of the Board with the endorsement of the remuneration committee of the Board, options pursuant to the share option scheme adopted by the Company, as part of their remuneration package.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of China Qinfa Group Limited (the “**Company**”) will be held at Boardroom 6, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 30 June 2020 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) of the Company and the auditors of the Company for the year ended 31 December 2019.
2. (A) (i) To re-elect Mr. XU Da as an executive Director.

(ii) To re-elect Mr. FUNG Wai Shing as an executive Director.

(iii) To re-elect Mr. LAU Sik Yuen (who has served the Company for more than nine years) as an independent non-executive Director.

(B) To authorise the board (the “**Board**”) of Directors to determine the remuneration of the Directors.
3. To re-appoint Moore Stephens CPA Limited as auditors of the Company and to authorise the Board to fix their remuneration.

4. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

(A) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.10 each (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the memorandum and articles of association of the Company (the **“Articles”**) and requirements of The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisations given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate number of Shares to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles to be held; or
- (iii) the date upon which the authority set forth in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

- (B) “THAT:
- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire Shares of the Company approved by the Stock Exchange, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles, shall not exceed 20% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“**Relevant Period**” shall have the same meaning as ascribed to it under paragraph (d) of resolution No. 4(A) above; and

“**Rights issue**” means the allotment, issue or grant of Shares pursuant to an offer open for a period fixed by the Directors to holders of the Shares or any class of shares thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or of such class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(C) “**THAT:**

conditional upon the passing of resolutions Nos. 4(A) and 4(B) as set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution No. 4(B) be and is hereby extended by the addition thereto an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to the resolution No. 4(A) above, PROVIDED THAT such amount shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution.”

By Order of the Board
XU Da
Chairman

Guangzhou, 13 May 2020

Notes:

- (1) A form of proxy for the annual general meeting of the Company to be held on 30 June 2020 is enclosed.
- (2) Any member entitled to attend and vote at the annual general meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the annual general meeting of the Company. A proxy need not be a member of the Company but must attend the annual general meeting in person to represent you.
- (3) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited at the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting of the Company or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.
- (4) In case of joint holders of any Share, any one of such joint holders may vote at the annual general meeting of the Company, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
- (5) The register of members of the Company will be closed from Tuesday, 23 June 2020 to Tuesday, 30 June 2020 (both days inclusive). During such period, no transfer of Shares will be registered for the purpose of determining the entitlement to attend and vote at the annual general meeting of the Company. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 22 June 2020.
- (6) A circular containing, inter alia, details of the proposed general mandates to issue and repurchase shares of the Company, and information of the retiring directors of the Company who are proposed to be re-elected at the annual general meeting will be dispatched to the shareholders of the Company on 13 May 2020.
- (7) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" announced by the HKSAR Government is/are in force in Hong Kong any time after 7:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at <http://www.qinfagroup.com> and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
- (8) As at the date of this notice, the executive Directors are Mr. XU Da (Chairman), Mr. BAI Tao (Chief Executive Officer), Ms. WANG Jianfei and Mr. FUNG Wai Shing and the independent non-executive Directors are Mr. LAU Sik Yuen, Prof. SHA Zhenquan and Mr. JING Dacheng.