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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)

SUPPLEMENTAL ANNOUNCEMENT
CONNECTED TRANSACTION
PROPOSED AMENDMENTS
TO THE EXISTING NON-COMPETITION UNDERTAKINGS

Reference is made to the announcement (the “**Announcement**”) of China Qinfa Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2022 in relation to the Proposed Amendments to the Existing Non-Competition Undertakings. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL DEED OF NON-COMPETITION

The Board announces that on 10 October 2022 (after trading hours), the Covenantors entered into a supplemental deed of non-competition (the “**Supplemental Deed**”) to amend and supplement certain terms of the 2022 Deed of Non-Competition. The amendments to the 2022 Deed of Non-Competition are set out below:

1. To revise one of the conditions required to be complied with before allowing a Covenantor to pursue a Business Opportunity

The original condition (d) as set out under the paragraph headed “Proposed Amendments – (i) Competing Business Opportunity” in the Announcement is revised as follows:

“(d) if the Company decides not to pursue the Business Opportunity pursuant to the decision of the Independent Board above, the Company shall notify the Offeror in a timely manner and in any case within 20 business days after receiving the notice of the Offeror made pursuant to sub-paragraph (a) above. If ~~(i)-the Company expressly declines the Business Opportunity; or (ii)-the Company does not issue the written~~

~~notice to the Offeror within 20 business days, the Offeror is allowed to take up the Business Opportunity (“New Business”) on the condition that the major terms of such investment shall not be more favourable than those made available to the Company, and such terms have been fully disclosed by the Offeror to the Company in a timely manner before the Company declines such Business Opportunity, provided however that if the Independent Board considers that the taking up of such Business Opportunity by the Offeror will result in Material Conflict (as defined in sub-paragraph (f)), the Offeror shall unconditionally forgo such Business Opportunity upon the request of the Company pursuant to the decision of the Independent Board even if the Company decides not to pursue such Business Opportunity;”~~

2. Ancillary amendment

In view of the amendment above, the following ancillary amendment is made:

“With respect to Mr. Xu Da, who is a Covenantor and an executive Director, to the extent that the Independent Board ~~decides not to pursue expressly declines~~ the Business Opportunity and does not request the Offeror to forgo such Business Opportunity, or does not elect to exercise the Call Option or the Right of First Refusal (as the case may be) pursuant to the 2022 Deed of Non-Competition, such decision by the Independent Board shall constitute a valid sanction of a resolution of the Board as required under the non-competition clause contained in the service agreement entered into between the Company and Mr. Xu Da.”

Save for the aforesaid amendments under the Supplemental Deed, all other terms of the 2022 Deed of Non-Competition shall remain unchanged.

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Advisor) believe that while the Supplemental Deed is not entered into in the ordinary and usual course of business of the Group, the terms of the Supplemental Deed are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and are on normal commercial terms.

By Order of the Board of
China Qinfra Group Limited
BAI Tao

Executive Director and Chief Executive Officer

Guangzhou, 10 October 2022

As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao 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.