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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)

**INSIDE INFORMATION
AND
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

HEADS OF AGREEMENTS

The Board is pleased to announce that on 31 December 2019 (after trading hours), PT Qinfa Mining, a wholly-owned subsidiary of the Company, SPE, Kokos Jiang and Inneke Wiratirana entered into the Heads of Agreement A in relation to the proposed acquisition of 70% shareholding interest and proposed investment in New Mining Company A by PT Qinfa Mining. On the same date (after trading hours), PT Qinfa Mining, SDE, Kokos Jiang and Heri Irawan entered into the Heads of Agreement B in relation to the proposed acquisition of 70% shareholding interest and proposed investment in New Mining Company B by PT Qinfa Mining.

Subject to the fulfillment of the conditions precedent under the Conditional Sale and Purchase Agreement A to be entered into by the relevant parties, it is contemplated that at completion, SPE shall transfer 70% shareholding interest in New Mining Company A to PT Qinfa Mining at par, after which New Mining Company A will be owned by PT Qinfa Mining, SPE and an individual third party as to 70%, 25% and 5%, respectively. After completion, PT Qinfa Mining shall be responsible for contributing funding and providing manpower, tools, equipment, and technologies to undertake the Mining Works of New Mining Company A. It is contemplated that PT Qinfa Mining as the investor shall reserve the rights and benefit upon 85% of the saleable coal production of New Mining Company A, and SPE as the holder of the Mining Business License A shall reserve the rights and benefit of 15% of the saleable coal production.

Moreover, subject to the fulfillment of the conditions precedent under the Conditional Sale and Purchase Agreement B to be entered into by the relevant parties, it is contemplated that at completion, SDE shall transfer 70% shareholding interest in New Mining Company B to PT Qinfra Mining at par, after which New Mining Company B will be owned by PT Qinfra Mining, SDE and an individual third party as to 70%, 25% and 5%, respectively. After completion, PT Qinfra Mining shall be responsible for contributing funding and providing manpower, tools, equipment, and technologies to undertake the Mining Works of New Mining Company B. It is contemplated that PT Qinfra Mining as the investor shall reserve the rights and benefit upon 85% of the saleable coal production of New Mining Company B, and SDE as the holder of the Mining Business License B shall reserve the rights and benefit of 15% of the saleable coal production.

The Conditional Sale and Purchase Agreement A and the Conditional Sale and Purchase Agreement B will not be interconditional upon one another.

LISTING RULES IMPLICATIONS

The proposed transactions under each of the Heads of Agreements, if materialise, will constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in compliance with the Listing Rules when the Conditional Sale and Purchase Agreements are entered into.

RESUMPTION OF TRADING

The Company refers to the trading halt announcement of the Company dated 2 January 2020 and would like to clarify that at the request of the Company, trading in the Shares has been halted with effect from 9:00 a.m. on 2 January 2020 pending the release of this announcement related to notifiable transactions (instead of very substantial acquisitions) which constitute inside information of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 3 January 2020.

The Board wishes to emphasize that the proposed transactions contemplated under the Heads of Agreements are subject to the fulfillment of the conditions under the Heads of Agreements and the conditions precedent under the Conditional Sale and Purchase Agreements. As such, further announcement(s) will be made by the Company in compliance with the Listing Rules when the Conditional Sale and Purchase Agreements are entered into. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 31 December 2019 (after trading hours), PT Qinf Mining, a wholly-owned subsidiary of the Company, entered into:

- (i) the Heads of Agreement A in relation to the proposed acquisition of 70% shareholding interest and proposed investment in New Mining Company A by PT Qinf Mining; and
- (ii) the Heads of Agreement B in relation to the proposed acquisition of 70% shareholding interest and proposed investment in New Mining Company B by PT Qinf Mining.

HEADS OF AGREEMENT A

Date

31 December 2019

Parties

- (i) PT Qinf Mining
- (ii) SPE
- (iii) Kokos Jiang
- (iv) Inneke Wiratirana

As at the date of this announcement, SPE is owned by Kokos Jiang and Inneke Wiratirana as to approximately 99.82% and 0.18%, respectively. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of SPE, Kokos Jiang and Inneke Wiratirana is a third party independent of the Company and connected persons of the Company.

Subject matter

The parties intend to cooperate in conducting coal mining business through New Mining Company A. SPE is the holder of the Mining Business License A for a coal mine located in Kelumpang Utara, Kotabaru, South Kalimantan, Indonesia. Under the Heads of Agreement A, it is contemplated that SPE shall transfer the Mining Business License A to New Mining Company A, a company to be established and owned by SPE as to 95% and an individual third party as to 5% at establishment.

Subject to the fulfillment of the conditions precedent under the Conditional Sale and Purchase Agreement A to be entered into by the relevant parties, at completion, SPE shall transfer its 70% shareholding interest in New Mining Company A to PT Qinfa Mining at par, after which New Mining Company A will be owned by PT Qinfa Mining, SPE and the individual third party as to 70%, 25% and 5%, respectively.

After completion, PT Qinfa Mining shall be responsible for contributing funding and providing manpower, tools, equipment, and technologies to undertake the Mining Works of New Mining Company A. It is contemplated that PT Qinfa Mining as the investor shall reserve the rights and benefit upon 85% of the saleable coal production of New Mining Company A, and SPE as the holder of the Mining Business License A shall reserve the rights and benefit of 15% of the saleable coal production. The terms of proposed acquisition and investment in New Mining Company A were determined after arm's length negotiations between PT Qinfa Mining and the other parties to the Heads of Agreement A.

At completion, the share certificates in respect of the 70% shareholding interest in New Mining Company A will be temporarily placed with an escrow agent and will be released to PT Qinfa Mining after PT Qinfa Mining provides the Financial Feasibility Confirmation to SPE. After PT Qinfa Mining has become the shareholder of New Mining Company A, and the coal potential in the coal mine under the Mining Business License A meets the requirements to carry out the Mining Works in accordance with the DED Document, the Mining Works will be carried out at the site, and PT Qinfa Mining through New Mining Company A will provide its best effort to reach the designed 3 million metric ton raw coal capacity. If the coal production is not commenced within certain period to be agreed between the parties, PT Qinfa Mining shall transfer all shares in New Mining Company A owned by PT Qinfa Mining to SPE, details of which are to be agreed by PT Qinfa Mining and SPE and set out in the Conditional Sale and Purchase Agreement A and Shareholders Agreement A.

Conditions

Pursuant to the Heads of Agreement A, the parties will enter into the transactions contemplated under the Heads of Agreement A and execute any other required documents if the following conditions are fulfilled:

- (a) Kokos Jiang and Inneke Wiratirana remained as the legal owner of SPE and will carry out the Heads of Agreement A;
- (b) PT Qinfa Mining has provided its written approval for the draft of deed of establishment of New Mining Company A;

- (c) SPE and an individual third party have established New Mining Company A and submitted the application to the Governor of South Kalimantan Province for the approval and/or recommendation of the transfer of the Mining Business License A from SPE to New Mining Company A;
- (d) the New Company A Shares Pledge Agreement has been executed between SPE and PT Qinfra Mining;
- (e) PT Qinfra Mining, on its own expenses, has conducted the drilling of three boreholes within the mining area with depth of 500 meters each, which PT Qinfra Mining deems necessary to find out potential coal reserves and its quality;
- (f) SPE, on PT Qinfra Mining's expenses, has complied with any formal requirements to be made under the prevailing laws and regulations for the purpose of transfer of the Mining Business License A to New Mining Company A;
- (g) SPE has received approval and recommendation from the relevant government authority of the Republic of Indonesia to transfer the Mining Business License A ownership to New Mining Company A pursuant to the prevailing laws and regulations, whereas the Mining Business License A has been legally registered under the name of New Mining Company A;
- (h) SPE has facilitated land acquisition from any landowners located in specific area within the mining area for the purpose of carrying out the drilling performed by PT Qinfra Mining as per paragraph (e) above. All of the costs and expenses for such land acquisition shall be fully borne by PT Qinfra Mining; and
- (i) the Conditional Sale and Purchase Agreement A has been executed.

PT Qinfra Mining will notify SPE its decision of whether to continue the project no later than 14 days after PT Qinfra Mining receives laboratory result in respect of the drilling of the boreholes per paragraph (e) above. If PT Qinfra Mining decides to continue the project, PT Qinfra Mining may carry out further drilling as per JORC standard for making further decision. In the event that the drilling result does not indicate an acceptable output, PT Qinfra Mining shall notify SPE in writing of its decision to withdraw and terminate the Heads of Agreement A. In addition, if any conditions under the Heads of Agreement A as set out above or any conditions under the Conditional Sale and Purchase Agreement A is not fulfilled, PT Qinfra Mining has the full right to withdraw and terminate the Heads of Agreement A and the transactions contemplated thereunder without obligation to provide financial compensation and/or indemnification whatsoever to SPE.

HEADS OF AGREEMENT B

Date

31 December 2019

Parties

- (i) PT Qinfa Mining
- (ii) SDE
- (iii) Kokos Jiang
- (iv) Heri Irawan

As at the date of this announcement, SDE is owned by Kokos Jiang and Heri Irawan as to approximately 99.82% and 0.18%, respectively. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of SDE, Kokos Jiang and Heri Irawan is a third party independent of the Company and connected persons of the Company.

Subject matter

The parties intend to cooperate in conducting coal mining business through New Mining Company B. SDE is the holder of the Mining Business License B for a coal mine located in Sungai Durian, Kotabaru, South Kalimantan, Indonesia. Under the Heads of Agreement B, it is contemplated that SDE shall transfer the Mining Business License B to New Mining Company B, a company to be established and owned by SDE as to 95% and an individual third party as to 5% at establishment.

Subject to the fulfillment of the conditions precedent under the Conditional Sale and Purchase Agreement B to be entered into by the relevant parties, at completion, SDE shall transfer its 70% shareholding interest in New Mining Company B to PT Qinfa Mining at par, after which New Mining Company B will be owned by PT Qinfa Mining, SDE and the individual third party as to 70%, 25% and 5%, respectively.

After completion, PT Qinfa Mining shall be responsible for contributing funding and providing manpower, tools, equipment, and technologies to undertake the Mining Works of New Mining Company B. It is contemplated that PT Qinfa Mining as the investor shall reserve the rights and benefit upon 85% of the saleable coal production of New Mining Company B, and SDE as the holder of the Mining Business License B shall reserve the rights and benefit of 15% of the saleable coal production. The terms of proposed acquisition and investment in New Mining Company B were determined after arm's length negotiations between PT Qinfa Mining and the other parties to the Heads of Agreement B.

At completion, the share certificates in respect of the 70% shareholding interest in New Mining Company B will be temporarily placed with an escrow agent and will be released to PT Qinfa Mining after PT Qinfa Mining provides the Financial Feasibility Confirmation to SDE. After PT Qinfa Mining has become the shareholder of New Mining Company B, and the coal potential in the coal mine under the Mining Business License B meets the requirements to carry out the Mining Works in accordance with the DED Document, the Mining Works will be carried out at the site, and PT Qinfa Mining through New Mining Company B will provide its best effort to reach the designed 3 million metric ton raw coal capacity. If the coal production is not commenced within certain period to be agreed between the parties, PT Qinfa Mining shall transfer all shares in New Mining Company B owned by PT Qinfa Mining to SDE, details of which are to be agreed by PT Qinfa Mining and SDE and set out in the Conditional Sale and Purchase Agreement B and Shareholders Agreement B.

Deposit

Pursuant to the Heads of Agreement B, PT Qinfa Mining agrees to deposit to SDE funds in a sum of US\$5 million (the “**Deposit Fund**”), which will be deemed as part of SDE's entitlement of 15% of the total saleable coal production of New Mining Company B. The Deposit Fund shall be provided in two stages as follows:

- (a) The first deposit in the amount of US\$4 million (the “**First Deposit Fund**”) shall be made by PT Qinfa Mining after: (i) the Mining Business License B has been registered in MODI System; (ii) the SDE Shares Pledge Agreement and New Company B Shares Pledge Agreement have been entered into; (iii) SDE has provided the report of drilling as referred to in paragraph (g) under the sub-section headed “Conditions” below; and (iv) PT Qinfa Mining has completed and accepted the result of due diligence including, if PT Qinfa Mining deems necessary, by conducting the drilling at the mining area.
- (b) The second deposit in the amount of US\$1 million shall be made by PT Qinfa Mining after the transfer of 70% shareholding interest in New Mining Company B from SDE to PT Qinfa Mining.

In the event that: (i) SDE fails to fulfil any of its obligation on the conditions under the Heads of Agreement B as set out below (including failure to transfer the Mining Business License B to New Mining Company B and/or to obtain relevant approval from the government authority of the Republic of Indonesia for the transfer of Mining Business License B within six months from the date of the Heads of Agreement B (or within any extended period as may be agreed by PT Qinfa Mining in writing)), or (ii) one of the obligations and conditions as set out in the Heads of Agreement B or in the Conditional Sale and Purchase Agreement B cannot be fulfilled, SDE must return the First Deposit Fund to PT Qinfa Mining within 14 days from the date of notification from PT Qinfa Mining (the “**Amount Due to QMI**”).

In the event SDE is unable or fails to refund the Amount Due to QMI, the Amount Due to QMI shall be treated as a debt (the “**Loan**”) and PT Qinfa Mining shall be entitled to immediately exercise the execution of the pledged shares under the SDE Shares Pledge Agreement and the New Company B Shares Pledge Agreement. Every legal entitlement and ownership of the pledged shares, to the extent transfer of ownership to PT Qinfa Mining is allowed by laws and regulations, shall be transferred to and owned by PT Qinfa Mining. Notwithstanding the above, SDE and PT Qinfa Mining may agree on any other manner to recover the Loan from SDE. After the Loan has been fully settled, the parties agree that the Heads of Agreement B is deemed automatically terminated.

Conditions

Pursuant to the Heads of Agreement B, the parties will enter into the transactions contemplated under the Heads of Agreement B and execute any other required documents if the following conditions are fulfilled:

- (a) Kokos Jiang and Heri Irawan remained as the legal owner of SDE and will carry out the Heads of Agreement B;
- (b) PT Qinfa Mining has provided its written approval for the draft of deed of establishment of New Mining Company B;
- (c) SDE and an individual third party have established New Mining Company B and submitted the application to the Governor of South Kalimantan Province for the approval and/or recommendation of the transfer of the Mining Business License B from SDE to New Mining Company B;
- (d) the SDE Shares Pledge Agreement has been executed between Kokos Jiang and PT Qinfa Mining;
- (e) the New Company B Shares Pledge Agreement has been executed between SDE and PT Qinfa Mining;

- (f) SDE has registered its Mining Business License B to MODI System within two months from the date of the Heads of Agreement B. Such period may be extended, subject to PT Qinfra Mining's prior written approval;
- (g) SDE has provided to PT Qinfra Mining: (i) the report of drilling activity on 15 wells performed in the site; and (ii) a statement letter from SDE who conducted the said drilling that the drilling report is true and accurate, in the form agreed by PT Qinfra Mining;
- (h) SDE, on PT Qinfra Mining's expenses, has complied with any formal requirements to be made under the prevailing laws and regulations for the purpose of transfer of the Mining Business License B to New Mining Company B;
- (i) SDE has received approval and recommendation from the relevant government authority of the Republic of Indonesia to transfer the Mining Business License B ownership to New Mining Company B pursuant to the prevailing laws and regulations, whereas the Mining Business License B has been legally registered under the name of New Mining Company B;
- (j) SDE has facilitated land acquisition from any landowners located in specific area within the mining area for the purpose of carrying out the drilling performed by PT Qinfra Mining as required for due diligence purpose. All of the costs and expenses for such land acquisition shall be fully borne by PT Qinfra Mining; and
- (k) the Conditional Sale and Purchase Agreement B has been executed.

EXCLUSIVITY

As of the date of the Heads of Agreements and until (i) the termination of the relevant Heads of Agreement or (ii) the date on which PT Qinfra Mining has been formally registered as a shareholder in the relevant New Mining Company, whichever earlier (the “**Exclusive Period**”), SPE or SDE (as the case may be) must act in a good faith to implement the relevant Heads of Agreement and provide full access to PT Qinfra Mining and any appointed parties by it to visit the site, conduct drilling in the mining area of the site, collect any documents, gather information and data required by PT Qinfra Mining for the purpose of the implementation of the relevant Heads of Agreement and the transactions contemplated thereunder. During the Exclusive Period, save for the transactions contemplated under the Heads of Agreements, unless approved in writing by PT Qinfra Mining, the other parties to the Heads of Agreements are prohibited to sell, agree or to negotiate with any parties to sell the shares, assets, ownership, or business of SPE or SDE, including to sell or enter into sale and purchase of coal agreement which related to the Mining Business License A or Mining Business License B.

IMPLEMENTATION OF BUSINESS AND DISTRIBUTION OF NEW MINING COMPANIES

It is contemplated that upon completion of the acquisition of shareholding interest in the New Mining Companies, PT Qinfa Mining will be responsible for contributing funding and providing manpower, tools, equipment, and technologies to undertake the Mining Works of the New Mining Companies. With respect to each of the New Mining Companies, PT Qinfa Mining as the investor shall reserve the rights and benefit upon 85% of the saleable coal production, and SPE or SDE as the holder of the mining business license shall reserve the rights and benefit of 15% of the saleable coal production.

INFORMATION ON THE GROUP, SPE AND SDE

The Group is principally engaged in coal mining, purchase and sales, filtering, storage, blending of coal and shipping transportation. PT Qinfa Mining is a limited liability company established in Indonesia and an indirect wholly-owned subsidiary of the Company. The scope of business of PT Qinfa Mining includes trading of coal.

SPE is a company duly registered and established in Indonesia with limited liability, which is principally engaged in coal trading. SPE is the holder of the Mining Business License A in respect of a coal mine (the “**Coal Mine A**”) located in Kelumpang Utara, Kotabaru, South Kalimantan, Indonesia with area of approximately 64 square kilometers. The Coal Mine A is surrounded by area that is proved to be rich in coal resources owned by a listed entity in Indonesia. Although no survey and exploration have been done on the area of the Coal Mine A, the management of the Company believes the likelihood of discovering coal resources in the Coal Mine A is high. The Group will carry out due diligence on the Coal Mine A, including conducting survey on both quantity and quality of coal reserves.

SDE is a company duly registered and established in Indonesia with limited liability, which is principally engaged in coal trading. SDE is the holder of the Mining Business License B in respect of a coal mine (the “**Coal Mine B**”) located in Sungai Durian, Kotabaru, South Kalimantan, Indonesia with area of approximately 184.92 square kilometers. The Coal Mine B is also surrounded by area that is proved to be rich in coal resources owned by a listed entity in Indonesia. Although certain drillings have been conducted on the Coal Mine B by SDE, the result is not yet verified by independent third party. Therefore, the Group will carry out due diligence on the Coal Mine B, including verifying existing exploration results and conducting survey on both quantity and quality of coal reserves.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS UNDER THE HEADS OF AGREEMENTS

The proposed acquisition of shareholding interest and investment in the New Mining Companies give PT Qinfu Mining the opportunity to obtain Mining Business License A and Mining Business License B with relatively low cost due to remote location and undeveloped status of the relevant coal mine. If the potential coal resources in Coal Mine A and/or Coal Mine B are proved to be resourceful upon the completion of due diligence, each of the mining business licenses has the potential to be developed into an advanced underground coal mine with large scale production output. The Company has been actively seeking possible investment opportunities in Indonesia since 2019. The proposed transactions under the Heads of Agreements will enable the Company to export mature exploration technology, and to expand the overseas market. Should the proposed transactions proved to be successful, the mining expertise of the Company and the natural resources of Indonesia shall create a synergy that sustains future growth of the Group.

The Directors are of the view that the proposed transactions under the Heads of Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The proposed transactions under each of the Heads of Agreements, if materialise, will constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in compliance with the Listing Rules when the Conditional Sale and Purchase Agreements are entered into.

RESUMPTION OF TRADING

The Company refers to the trading halt announcement of the Company dated 2 January 2020 and would like to clarify that at the request of the Company, trading in its Shares has been halted with effect from 9:00 a.m. on 2 January 2020 pending the release of this announcement related to notifiable transactions (instead of very substantial acquisitions) which constitute inside information of the Company. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 3 January 2020.

The Board wishes to emphasize that the proposed transactions contemplated under the Heads of Agreements are subject to the fulfillment of the conditions under the Heads of Agreements and the conditions precedent under the Conditional Sale and Purchase Agreements. As such, further announcement(s) will be made by the Company in compliance with the Listing Rules when the Conditional Sale and Purchase Agreements are entered into. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

“Board”	the board of Directors
“Company”	China Qinfa Group Limited (中國秦發集團有限公司) (Stock code: 866), a company incorporated in the Cayman Islands with limited liability with all the Shares listed on the Stock Exchange
“Conditional Sale and Purchase Agreement A”	the conditional sale and purchase agreement in respect of the sale and purchase of 70% shareholding interest in New Mining Company A to be entered into between PT Qinfa Mining and SPE
“Conditional Sale and Purchase Agreement B”	the conditional sale and purchase agreement in respect of the sale and purchase of 70% shareholding interest in New Mining Company B to be entered into between PT Qinfa Mining and SDE
“Conditional Sale and Purchase Agreements”	the Conditional Sale and Purchase Agreement A and the Conditional Sale and Purchase Agreement B
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“DED Document”	the detail engineering design document setting out a development of all required construction documents and drawings up to construction stage, and detailed bill of materials for the bulk material procurement based on the basic or front end engineering design for the first stage of Mining Works
“Director(s)”	the directors of the Company

“Financial Feasibility Confirmation”	a confirmation letter issued by PT Qinfu Mining or its affiliates stating that the Group has adequate funds at particular date, based on findings from a reputable independent accounting firm or bank, to undertake the first stage of the Mining Works namely the construction of the first long wall system at the site or as defined in the DED Document
“Group”	the Company and its subsidiaries
“Heads of Agreement A”	the heads of agreement dated 31 December 2019 entered into amongst PT Qinfu Mining, SPE, Kokos Jiang and Inneke Wiratirana in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company A
“Heads of Agreement B”	the heads of agreement dated 31 December 2019 entered into amongst PT Qinfu Mining, SDE, Kokos Jiang and Heri Irawan in relation to the proposed acquisition of shareholding interest and proposed investment in New Mining Company B
“Heads of Agreements”	the Heads of Agreement A and the Heads of Agreement B
“JORC”	Joint Ore Reserves Committee, the Australian standard and guideline to identify an estimation and to report of coal resources and reserves
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mining Business License A”	the mining business license of a coal mine located in Kelumpang Utara, Kotabaru, South Kalimantan, Indonesia
“Mining Business License B”	the mining business license of a coal mine located in Sungai Durian, Kotabaru, South Kalimantan, Indonesia
“Mining Works”	activities covering construction and production of coal mining in the mining area, including but not limited to mining system, materials handling system, ancillary facilities that will be constructed, and related management and production works for the underground coal mining

“MODI System”	Minerba One Data Indonesia System managed by the Ministry of Energy of Mineral Resources
“New Company A Shares Pledge Agreement”	the shares pledge agreement to be executed between SPE and PT Qinfra Mining, pursuant to which the share certificates that constitute 70% shareholding interest in New Mining Company A owned by SPE are pledged to PT Qinfra Mining until the fulfilment of the conditions precedent under the Conditional Sale and Purchase Agreement A
“New Company B Shares Pledge Agreement”	the shares pledge agreement to be executed between SDE and PT Qinfra Mining, pursuant to which the share certificates that constitute 70% shareholding interest in New Mining Company B owned by SDE are pledged to PT Qinfra Mining until the fulfilment of the conditions precedent under the Conditional Sale and Purchase Agreement B
“New Mining Companies”	New Mining Company A and New Mining Company B
“New Mining Company A”	a company to be established under the laws of Republic of Indonesia and to be owned by SPE as to 95% and an individual third party as to 5% at establishment
“New Mining Company B”	a company to be established under the laws of Republic of Indonesia and to be owned by SDE as to 95% and an individual third party as to 5% at establishment
“PT Qinfra Mining”	PT Qinfra Mining Industri, a company established under the laws of Republic of Indonesia and a wholly-owned subsidiary of the Company
“SDE”	PT Sumber Daya Energi, a company established under the laws of Republic of Indonesia, which is owned by Kokos Jiang and Heri Irawan as to approximately 99.82% and 0.18%, respectively
“SDE Shares Pledge Agreement”	the shares pledge agreement to be executed between Kokos Jiang and PT Qinfra Mining, pursuant to which the share certificates that constitute 75% shareholding interest in SDE owned by Kokos Jiang are pledged to PT Qinfra Mining until the fulfillment of the conditions precedent under the Conditional Sale and Purchase Agreement B

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shareholders Agreement A”	the agreement to be entered into among the shareholders of New Mining Company A at completion of the acquisition of 70% shareholding interest in New Mining Company A by PT Qinfra Mining
“Shareholders Agreement B”	the agreement to be entered into among the shareholders of New Mining Company B at completion of the acquisition of 70% shareholding interest in New Mining Company B by PT Qinfra Mining
“Shares”	shares of HK\$0.1 each in the share capital of the Company
“SPE”	PT Sugico Pendragon Energi, a company established under the laws of Republic of Indonesia, which is owned by Kokos Jiang and Inneke Wiratirana as to approximately 99.82% and 0.18%, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board of
China Qinfra Group Limited
Mr. XU Da
Chairman

Guangzhou, 3 January 2020

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