QINFA

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)

CONTINUING CONNECTED TRANSACTIONS
COAL SUPPLY AGREEMENT

COAL SUPPLY AGREEMENT

The Board is pleased to announce that on 21 August 2026, Far Link (an indirect non-wholly owned subsidiary of the Company) and Zhejiang Energy Asia Pacific entered into the Coal Supply Agreement in relation to the purchase of coal by Zhejiang Energy Asia Pacific from Far Link for a term from the date of the Coal Supply Agreement to 31 December 2026.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company by virtue of being a substantial shareholder of Lead Far, an indirect non-wholly owned subsidiary of the Company. Accordingly, the entering into of the Coal Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company; (ii) the Board has approved the transactions contemplated under the Coal Supply Agreement and the Proposed Cap; and (iii) the independent non-executive Directors have confirmed that the terms of the Coal Supply Agreement and the Proposed Cap are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Coal Supply Agreement and the Proposed Cap are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

COAL SUPPLY AGREEMENT

The Board is pleased to announce that Far Link entered into the Coal Supply Agreement with Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific. The principal terms of the Coal Supply Agreement are set out below:

Date

21 August 2026

Parties

(i) Far Link, as the seller; and

(ii) Zhejiang Energy Asia Pacific, as the buyer.

Subject Matter

Far Link agreed to sell, and Zhejiang Energy Asia Pacific agreed to purchase, Indonesian steam coal in a tentative aggregate quantity of 1,900,000 MT, comprising tentatively 700,000 MT of NAR 5,000 kcal/kg coal and tentatively 1,200,000 MT of NAR 4,200 kcal/kg coal (the "**Tentative Quantity**"), in each case subject to a tolerance of +/- 10%.

Of the Tentative Quantity, only one shipment of 70,000–75,000 MT (+/- 10%, at the vessel's option) of NAR 4,200 kcal/kg coal, scheduled for delivery in August 2026, has been firmly committed under the Coal Supply Agreement (the "**Firm Quantity**"). The remaining Tentative Quantity (i.e. the remaining quantity of NAR 4,200 kcal/kg coal and all of the NAR 5,000 kcal/kg coal) is not firmly committed and will only become binding if and when separately confirmed by Zhejiang Energy Asia Pacific at its option by placing separate purchase order with Far Link.

Term

From the date of the Coal Supply Agreement to 31 December 2026

Shipping Schedule

The parties agree that the laycans of all shipments shall fall within the period from the date of the Coal Supply Agreement to December 2026, or until the delivery of and the payment for the coal of the contracted quantity under the Coal Supply Agreement has been fully performed by the parties. The loading quantity of a shipment shall be 70,000–75,000 MT (subject to a 10% upward or downward adjustment).

Pricing and payment terms

For steam coal with NAR 5,000 kcal/kg, the base price of the steam coal will be determined based on ((average of all ICI 3 published on the month that 1st day of the laycan falls in) / 4600 × 5000) × exchange rate. It is elaborated as monthly average of ICI 3 published during the month in which the first day of the relevant laycan falls in and divided by 4,600 kcals times 5,000 kcals and converting the product into RMB at the prevailing exchange rate.

For steam coal with NAR 4,200 kcal/kg, the base price of the steam coal will be determined based on ((average of all ICI 4 published on the month that 1st day of the laycan falls in) / 3800 × 4200) × exchange rate. It is elaborated as monthly average of ICI 4 published during the month in which the first day of the relevant laycan falls by and divided by 3,800 kcals times 4,200 kcals converting the product into RMB at the prevailing exchange rate.

The price of the contract is paid in RMB. The exchange rate means the last spot average of buying and selling price in remittance appearing on Bank of China foreign exchange page as of 16:30 Beijing time on the bill of lading date.

Zhejiang Energy Asia Pacific shall pay by telegraphic transfer within five official banking business days in Mainland China and/or Hong Kong China after receiving the original documents prescribed under the Coal Supply Agreement, which include signed commercial invoice, clean on-board bills of lading, electronic-certificate of origin issued by Department of Trade of Republic of Indonesia, certificate of sampling and analysis, certificate of weight, certificate of origin and draft survey report issued by the appointed independent surveyor.

Historical transaction amount

Within 12 months prior to the entering into of the Coal Supply Agreement, SDE and Zhejiang Energy Asia Pacific had entered into the September 2025 Coal Supply Agreement I on 5 September 2025, the September 2025 Coal Supply Agreement II on 30 September 2025, the October 2025 Coal Supply Agreement on 24 October 2025, the November 2025 Coal Supply Agreement on 14 November 2025, the December 2025 Coal Supply Agreement on 2 December 2025, the February 2026 Coal Supply Agreement on 27 February 2026, the March 2026 Coal Supply Agreement on 31 March 2026, the May 2026 Coal Supply Agreement on 7 May 2026 and the June 2026 Coal Supply Agreement on 27 June 2026, details of which have been disclosed in the announcements of the Company dated 5 September 2025, 30 September 2025, 24 October 2025, 14 November 2025, 2 December 2025, 27 February 2026, 31 March 2026, 7 May 2026 and 29 June 2026. The transaction amount in respect of the purchases of coal by Zhejiang Energy Asia Pacific from SDE within 12 months prior to the entering into of the Coal Supply Agreement and up to the date of the Coal Supply Agreement was approximately RMB441 million. Of this amount, the transaction amount for the period from 1 January 2026 to the date of this announcement was approximately RMB176 million.

Proposed Cap

The parties agree that the aggregate transaction amount in respect of the purchases of coal by Zhejiang Energy Asia Pacific from Far Link pursuant to the Coal Supply Agreement for the period from the date of the Coal Supply Agreement to 31 December 2026 shall not exceed RMB1,095.2 million (the "**Proposed Cap**").

Basis for the Proposed Cap

The above Proposed Cap in respect of the purchases of coal by Zhejiang Energy Asia Pacific from Far Link is determined based on the estimated demand of coal from Zhejiang Energy Asia Pacific, the production capacity of SDE and the Indonesia Coal Price Index.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As disclosed in the Company's announcement dated 25 June 2024, initially, it was contemplated that Zhejiang Energy International would enter into a coal supply agreement with SDE for a term of 20 years. However, more time is required to evaluate its annual production capacity before the parties could commit to a long-term agreement. As such, the parties decided to enter into the Coal Supply Agreement with a shorter term for the time being. By entering into the Coal Supply Agreement, the Group will have a stable source of revenue due to continual demand from the stated-owned power plant of the holding company of Zhejiang Energy Asia Pacific.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Coal Supply Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and the terms of the Coal Supply Agreement (including the Proposed Cap) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, FAR LINK AND ZHEJIANG ENERGY ASIA PACIFIC

The Company

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. Its subsidiaries are principally engaged in the coal operation business, which involves the mining, purchase and sales, filtering, storage and blending of coal.

Far Link

Far Link is a company incorporated in Hong Kong with limited liability, which is held as to 100% by Lead Far. Lead Far is in turn held as to 60% by the Group and 40% by Zhejiang Energy Asia Pacific.

Zhejiang Energy Asia Pacific

Zhejiang Energy Asia Pacific, a company incorporated in Hong Kong with limited liability, is a trading and investment holding company, which is wholly-owned by Zhejiang Energy International. Zhejiang Energy International is owned as to approximately 71.22% and 28.78% by Zhejiang Provincial Energy Group Co., Ltd. and Zhejiang Zheneng Energy Fuel Group Co., Limited (浙江浙能燃料集團有限公司), respectively.

Zhejiang Zheneng Energy Fuel Group Co., Limited is owned as to 100% by Zhejiang Provincial Energy Group Co., Ltd.

Zhejiang Provincial Energy Group Co., Ltd., a company established in the PRC, is headquartered in Hangzhou, the PRC, and holds and manages over 500 enterprises, with business covering areas such as electricity, coal, natural gas, petroleum, new energy, energy services, energy finance, energy technology innovation, and high-end energy equipment manufacturing. It is a modern comprehensive energy group with a full range of energy categories. The State-owned Assets Supervision and Administration Commission of Zhejiang Provincial People's Government (浙江省人民政府國有資產監督管理委員會) and Zhejiang Financial Development Co., Ltd. (浙江省財開集團有限公司) hold 90% and 10% of the state-owned equity of Zhejiang Provincial Energy Group Co., Ltd., respectively.

Zhejiang Financial Development Co., Ltd. is owned as to 100% by the Department of Finance of Zhejiang Province (浙江省財政廳).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company by virtue of being a substantial shareholder of Lead Far, an indirect non-wholly owned subsidiary of the Company. Accordingly, the entering into of the Coal Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As (i) Zhejiang Energy Asia Pacific is a connected person at subsidiary level of the Company; (ii) the Board has approved the transactions contemplated under the Coal Supply Agreement and the Proposed Cap; and (iii) the independent non-executive Directors have confirmed that the terms of the Coal Supply Agreement and the Proposed Cap are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Coal Supply Agreement and the Proposed Cap are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

GENERAL

The Board confirms that none of the Directors has a material interest in the transactions contemplated under the Coal Supply Agreement and hence no Director is required to abstain from voting on the resolutions of the Board approving the transactions contemplated under the Coal Supply Agreement.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China
"Coal Supply Agreement"	the agreement dated 21 August 2026 entered into between Far Link and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific

"Company"	China Qinfa Group Limited, a company incorporated in the Cayman Islands with limited liabilities, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 866)
"Connected person(s)"	has the meaning ascribed to it under the Listing Rules
"December 2025 Coal Supply Agreement"	the agreement dated 2 December 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 2 December 2025
"Director(s)"	the director(s) of the Company
"Far Link"	Far Link Development Limited (遠聯發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company, which is held as to 100% by Lead Far
"February 2026 Coal Supply Agreement"	the agreement dated 27 February 2026 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 27 February 2026
"Group"	the Company and its subsidiaries and consolidated affiliated entities from time to time
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Lead Far"	Lead Far Development Limited (力遠發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company, which is held as to 60% by Qinfa Investment and 40% by Zhejiang Energy Asia Pacific
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"March 2026 Coal Supply Agreement"	the agreement dated 31 March 2026 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 31 March 2026
"May 2026 Coal Supply Agreement"	the agreement dated 7 May 2026 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 7 May 2026
"June 2026 Coal Supply Agreement"	the agreement dated 27 June 2026 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 29 June 2026
"MT"	Metric Tonne of 1,000 Kgs as defined in International System of Units
"NAR"	net calorific value (as received basis)
"November 2025 Coal Supply Agreement"	the agreement dated 14 November 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 14 November 2025
"October 2025 Coal Supply Agreement"	the agreement dated 24 October 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 24 October 2025
"Qinfa Investment"	Qinfa Investment Limited (秦發投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC

"SDE"	PT Sumber Daya Energi, a company established under the laws of Republic of Indonesia, which is held indirectly as to 75% by Lead Far and directly as to 25% by WM
"September 2025 Coal Supply Agreement I"	the agreement dated 5 September 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 5 September 2025
"September 2025 Coal Supply Agreement II"	the agreement dated 30 September 2025 entered into between SDE and Zhejiang Energy Asia Pacific in relation to the purchase of coal by Zhejiang Energy Asia Pacific from SDE, details of which have been disclosed in the announcement of the Company dated 30 September 2025
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"WM"	PT Widyanusa Mandiri, a company established under the laws of the Republic of Indonesia and an indirect wholly-owned subsidiary of the Company, which holds 25% equity interest of SDE
"Zhejiang Energy International"	Zhejiang Energy International Limited (浙江能源國際有限公司), a company incorporated in Hong Kong with limited liability
"Zhejiang Energy Asia Pacific"	Zhejiang Energy Asia Pacific Holding Limited (浙江能源亞太控股有限公司), a company incorporated in Hong Kong with limited liability which is wholly-owned by Zhejiang Energy International

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

Hong Kong China, 21 August 2026

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. HO Ka Yiu Simon and Mr. LONG Yufeng as the independent non-executive directors.