Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

VOLUNTARY ANNOUNCEMENT
LATEST OPERATIONAL PROGRESS OF THE INDONESIA BUSINESS

This is a voluntary announcement made by China Qinfa Group Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**").

STEADY RELEASE OF PRODUCTION CAPACITY AND CONTINUED IMPROVEMENT IN OPERATING PERFORMANCE

As the operations of the Group's SDE Coal Project in Indonesia (the "**SDE Project**") have gradually become more mature, the overall production capacity of the project has continued to be steadily released. During the current year, SDE Mine 1 has successfully attained the capability to achieve full capacity, and SDE Mine 2 has also formally commenced production as planned and has been gradually contributing to production volume. Benefiting from the synergistic operation of the two mines, the expansion of production and sales scale and the continuous enhancement of operating efficiency, a cumulative volume of more than 2 million tonnes of raw coal was produced starting from 1 October to 22 November in the fourth quarter of this year. The overall operating performance of the SDE Project has remained sound and positive, and is expected to bring stable and sustainable financial contributions to the Group.

ADHERENCE TO LOCALISED AND COMPLIANT OPERATIONS AND FORMAL RECOGNITION BY THE LOCAL GOVERNMENT

Since the SDE Project commenced construction and was put into operation, PT Sumber Daya Energi ("**SDE**"), a subsidiary of the Group, has always strictly complied with various laws and regulations of Indonesia, has paid in full various taxes and non-tax state revenue in accordance with laws and regulations, and has continued to implement community development and empowerment programmes that benefit the well-being of the local community and promote the development of the local economy, thereby making positive contributions to the growth of national and local fiscal contribution of Indonesia.

On 10 November 2026, the government of Kotabaru Regency, South Kalimantan Province, Indonesia awarded a certificate of honour to SDE in recognition of SDE's contribution in promoting the development of the local economy and enhancing the fiscal contribution of Kotabaru Regency. The SDE Project places emphasis on localised operations and the promotion of employment. As at 31 October 2026, the number of the Group's local employees in Indonesia had reached 3,181, with over 90% of the positions located in Kotabaru Regency, South Kalimantan Province, Indonesia, providing a large number of employment opportunities in the areas surrounding the project and effectively promoting the improvement of the living and income standards of local residents. The construction and operation of the project have also continued to receive recognition and support from the local government and community.

ASSESSMENT OF THE POLICY ENVIRONMENT OF THE INDONESIAN MINING INDUSTRY, CURRENT OPERATING STATUS AND PLANNING OF NEW PROJECTS

The board (the "**Board**") of directors (the "**Directors**") of the Company noted that recent media reports have cited public remarks made by Prabowo Subianto, the President of Indonesia, on 14 November 2026 in relation to the allocation of proceeds under mining business licenses in Indonesia. Based on SDE's practices of compliant operation in Indonesia and the existing legal framework, the Board hereby makes the following objective statement to the shareholders and potential investors of the Company:

All construction, mining and operation activities of the SDE Project have been carried out in strict accordance with the currently effective laws and regulations relating to the mining industry in Indonesia. The various mining business licenses and core approvals held by SDE were all formally issued by the competent authorities of the Indonesian government in accordance with the law, are legal and valid and have a sufficient legal basis.

As at the date of this announcement, SDE has not received any new regulations, ministerial decrees, amendment notices or implementation guidelines issued by any department of the Indonesian government. At present, the daily production, coal sales and subsequent construction works of the SDE Project have all been proceeding normally in accordance with the original plan and have not been affected.

SDE has all along maintained close and constructive communication with the Ministry of Energy and Mineral Resources in Indonesia. Based on SDE's in-depth enquiries with the relevant competent authorities, there is at this stage no specific regulatory change to the existing system for the allocation of proceeds under mining business licenses, including in respect of existing mining business licenses that remain legally in force and existing contracts. Meanwhile, under the current legal framework, through the payment in accordance with the law of mining royalties, corporate income tax, land and building tax and other government-related taxes and fees, the fiscal contribution contributed by SDE to the Indonesian government each year already represents a considerable share of the profit of the SDE Project. For the current year up to 31 October 2026, SDE paid a total of approximately RMB250 million in mining royalties, reflecting the principle of sharing the fruits of resource development with the local government and society.

The Board also noted that, during his attendance at the Asia-Pacific Economic Cooperation Economic Leaders' Meeting on 20 November 2026, Prabowo Subianto, the President of Indonesia, stated publicly that the Indonesian government still sincerely welcomes Chinese-funded enterprises to invest in Indonesia. Based on its sound expectations of the business environment in Indonesia and its long-term development plans, the Group will, in accordance with its original plan, commence construction of the PT Trisula Sumber Energi coal mine project in 2027, so as to steadily advance the continued expansion of the Group's business in Indonesia.

The Company will continue to closely monitor the latest developments in policies and regulations relating to the mining industry in Indonesia, steadily advance the operation of existing projects and the construction of new projects, and will make further announcement(s) as and when appropriate in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (if applicable).

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and avoid placing undue reliance on the information disclosed above.

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

Hong Kong, China, 26 November 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.