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中國秦發集團有限公司
CHINA QINF A GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 866)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to inform the Shareholders and potential investors that the Group is expected to record a significant increase in the net profit by not less than 1,000% for the six months period ended 30 June 2010 as compared to the corresponding period in 2009. This positive profit alert announcement is only based on the unaudited management accounts of the Group from January 2010 to June 2010 which have neither been reviewed nor audited by the auditors of the Company. The improvement in the Group's results was primarily due to a substantial increase in coal handling and trading volume attributed to the revival in the demand for coal-fired electricity and the recovery of the global economy from financial crisis as compared to the corresponding period in 2009.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Qinfa Group Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Based on the unaudited management accounts of the Company and its subsidiaries (collectively the “**Group**”) from January 2010 to June 2010, the board of directors of the Company (the “**Board**”) is pleased to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant increase in the net profit by not less than 1,000% for the six months ended 30 June 2010 as compared to the corresponding period in 2009. The improvement in the Group's results was primarily due to a substantial increase in coal handling and trading volume attributed to the revival in the demand for coal-fired electricity and the recovery of the global economy from financial crisis as compared to the corresponding period in 2009.

This positive profit alert announcement is only based on the unaudited management accounts of the Group from January 2010 to June 2010 which have neither been reviewed nor audited by the auditors of the Company. The Board wishes to remind the Shareholders and potential investors that the final results of the Group for the six months ended 30 June 2010 are still subject to the final review by the Company's auditors and the Board. The consolidated results of the Group for the six months ended 30 June 2010 is expected to be announced before the end of August 2010.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
China Qinfu Group Limited
XU Ji Hua
Chairman

Hong Kong, 21 July 2010

As of the date of this announcement, the Board comprises Mr. XU Jihua, Ms. WANG Jianfei, Ms. LIU Xiaomei and Mr. WENG Li as the executive Directors, and Mr. HUANG Guosheng and Mr. LAU Sik Yuen as the independent non-executive Directors.