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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)

ANNOUNCEMENT – POSITIVE PROFIT ALERT

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

Following the review of the preliminary financial information of the Group for the year ended 31 December 2010, the Board is pleased to inform the Shareholders and potential investors that the net profit of the Group for the year ended 31 December 2010 is expected to increase significantly to not less than two and a half times the net profit for the year ended 31 December 2009. The significant improvement in the Group's operating results was primarily due to the substantial increase in the coal handling and trading volume as a corollary of revival in the demand for coal-fired electricity in China and the recovery of the global economy as compared to the corresponding period in 2009. In addition, the satisfactory operating results were contributed by the efforts of the management of the Group on improving the integrated coal supply chain.

This announcement is based on the unaudited management accounts of the Group for the year ended 31 December 2010 which have neither been reviewed nor audited by the auditors of the Company.

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**”).

Following the review of the preliminary financial information of the Company and its subsidiary (collectively, the “**Group**”) for the year ended 31 December 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 net profit of the Group for the year ended 31 December 2010 is expected to increase significantly to not less than two and a half times the net profit for the year ended 31 December 2009.

The significant improvement in the Group's operating results was primarily due to the substantial increase in the coal handling and trading volume as a corollary of revival in the demand for coal-fired electricity in China and the recovery of the global economy as compared to the corresponding period in 2009. In addition, the satisfactory operating results were contributed by the efforts of the management on improving the integrated coal supply chain.

This announcement is based on the unaudited management accounts of the Group for the year ended 31 December 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 year ended 31 December 2010 are still subject to final review by the Company's auditors and the Board. The audited consolidated results of the Group for the year ended 31 December 2010 are expected to be announced before the end of March 2011.

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

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

Hong Kong, 26 January 2011

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, Mr. LAU Sik Yuen and Dr. QIAN Pingfan as the independent non-executive Directors.