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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: 866)

ANNOUNCEMENT – 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 net profit of the Group for the year ended 31 December 2011 is expected to increase by 45% to 65% as compared to the net profit for the year ended 31 December 2010.

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 2011, 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 2011 is expected to increase by 45% to 65% as compared to the net profit for the year ended 31 December 2010. The expected increment in the net profit of the Group was primarily due to the increase in the coal handling and trading volume, increase in average selling price and the recognition of bargain purchase gain resulting from the acquisition of the 80% equity interest in Shanxi Huaneiao Energy Group Limited in 2011.

The information contained in this announcement is based on a preliminary assessment made by the management of the Group with reference to the unaudited management accounts of the Group for the year ended 31 December 2011 which have neither been reviewed nor audited by the auditors of the Company and may subject to possible adjustment.

The Board wishes to remind the Shareholders and potential investors that the final results of the Group for the year ended 31 December 2011 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 2011 are expected to be announced on 26 March 2012.

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

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

Hong Kong, 9 March 2012

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.