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## DEFINITIONS

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*In this document, unless the context otherwise requires, the following terms and expressions shall have the following meanings:*

“Articles”	the articles of association of the Company, adopted on 12 June 2009, a summary of which is set forth in Appendix IV to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BBIC”	錦秋財智諮詢(北京)有限公司 (Beijing Business & Intelligence Consulting Co. Ltd.), a market research and advisory service company and an Independent Third Party
“BBIC Report”	2008年民營煤炭貿易行業研究報告 (Non-state-owned Coal Trading Industry Research Report 2008), a market research report commissioned by the Group and issued by BBIC in [June] 2009
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of 749,000,000 Shares to be made upon capitalisation of part of the share premium account of the Company upon completion of the Global Offering referred to in the paragraphs under “Written resolutions of the Shareholders passed on 12 June 2009” in Appendix V to this document
“chief executive”	the chief executive (as defined in the SFO) of the Company
“China Qinfa Group”	the group of companies controlled and beneficially owned by Mr. XU, namely, Datong Jinfa, Qinhuangdao Trading, Yangyuan Guotong, Zhuhai Qinfa Shipping and Zhuhai Qinfa Trading, all of which are parties to the Structure Contracts

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## DEFINITIONS

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“Coal Operation Certificate”	煤炭經營資格證 (Coal Operation Qualification Certificate) issued by 省級發展和改革委員會 (Provincial Development and Reform Commission) or 省級經濟委員會 (Provincial Economic Committee) for coal operation in China, including the wholesaling and retailing of raw coal and processed coal products and the processing and distribution of coal for civilian use
“Companies Law”	the Companies Law (2007 Revision) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	China Qinfa Group Limited (中國秦發集團有限公司), an exempt company incorporated in the Cayman Islands with limited liability on 4 March 2008
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the case of the Company, means Mr. XU, Fortune Pearl and the beneficial owners of the Shares held under the Trust Scheme, namely Ms. WANG Jianfei, Mr. XU Da, Mr. WENG Li, Mr. LIU Jingwei and Ms. ZHOU Lusha
“CSISC”	中海國際船舶管理有限公司 (China Shipping International ShipManagement Co., Ltd.), a shipmanager employed by the Group and an Independent Third Party
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), a regulatory body responsible for supervising and regulating the PRC national securities market and related matters
“Daqin Railway”	大秦鐵路 (Daqin Railway), the railway from Datong City passing through Shanxi and Hebei to the port of Qinhuangdao, the largest coal port in the PRC, which serves as a major railway for transportation of coal
“Datong”	大同 (Datong), a county in Northern Shanxi which is along Daqin Railway
“Datong Jinfa”	大同解家莊晉發運銷有限公司 (Datong Xiejia Zhuang Jinfa Trading and Transportation Co. Ltd.), a limited liability company established in the PRC on 18 April 2003, which is owned as to 49% by Mr. XU Da (holding on behalf of Mr. XU) and 51% by Qinfa Industry and a member of China Qinfa Group

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## DEFINITIONS

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“Deed of Common Control”	the deed of common control entered into by Mr. XU, Ms. WANG Jianfei, Mr. XU Da, Mr. LIU Jingwei and Ms. ZHOU Lusha on 12 June 2009 confirming that they were acting collectively in controlling the business of the Group when they were the equity holders of members of the Group
“Director(s)”	the director(s) of the Company
“Employment Contract Law”	中華人民共和國勞動合同法 (Law of the PRC on Employment Contracts) adopted by the Standing Committee of the National People’s Congress in 2007 and became effective on 1 January 2008
“Engagement Agreement(s)”	委托管理與承包經營合同 (Management Engagement and Subcontracting Operation Contract) entered into between Qinfa Logistics and each member of China Qinfa Group and all its respective equity interest holders on 12 June 2009, being part of the Structure Contracts with details of which are set out in “Reorganisation and Structure Contracts – Structure Contracts – Summary of Structure Contracts” in this document
“Final Share Exchange Agreement”	the share exchange agreement dated 12 June 2009 and entered into between, among others, Fortune Pearl and the Company in relation to all issued shares of Qinfa Investment
“First Share Exchange Agreement”	the share exchange agreement dated 6 October 2008 and entered into between Mr. XU, Ms. WANG Jianfei, an executive Director, and Qinfa Investment in relation to the shares of various members of Hong Kong Qinfa Group
“Fortune Pearl”	Fortune Pearl International Limited, a company incorporated in the BVI on 22 January 2008 with its issued share capital wholly-owned by Mr. XU and which is one of the Controlling Shareholders
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Hong Kong Qinfu Group”	the Company, Liberal, Perpetual, Qinfu International, Qinfu Investment, Qinfu Logistics, Qinfu Shipping, Qinfu Trading and Super Grace
“IFRS”	International Financial Reporting Standards
“inland”	the coast and the middle-down stream of the Yangtze River, China
“Independent Third Parties”	persons or companies which are independent of and not connected with any of the directors or chief executive of the Company, the Controlling Shareholders and any member of the Group and their respective associates, and “Independent Third Party” means any of them
“Issuing Mandate”	the general unconditional mandate granted to the Directors by the Shareholders in relation to the issue of new Shares, details of which are set out in “Written resolutions of the Shareholders – Written resolutions of the Shareholders dated 12 June 2009” in Appendix V to this document
“Latest Practicable Date”	[[●] June] 2009, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein
“Liberal”	Liberal City Limited, a company incorporated in Hong Kong with limited liability on 3 May 2007, a member of Hong Kong Qinfu Group and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“major coal loading station(s)”	coal loading station(s) with 10,000 tonne or above train loading capacity
“Millennium Mine”	Millennium Coal Pty Ltd, a coal mining company operating coal mine in the Bowen Basin, Australia, and an Independent Third Party
“Mr. XU”	XU Jihua (徐吉華), the chairman of the Group and an executive Director

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## DEFINITIONS

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“Mr. XU Da”	XU Da (徐達), the son of Mr. XU
“NDRC”	中華人民共和國國家發展和改革委員會 (National Development and Reform Commission of the PRC)
“Perpetual”	Perpetual Goodluck Limited, a company incorporated in Hong Kong with limited liability on 10 August 2007, a member of Hong Kong Qinfu Group and an indirect wholly-owned subsidiary of the Company
“Pledge Agreement(s)”	股權質押合同 (Equity Interest Pledge Agreement) entered into between Qinfu Logistics and each member of China Qinfu Group and all its respective equity interest holders on 12 June 2009, being part of the Structure Contracts, details of which are set out in “Reorganisation and Structure Contracts – Structure Contracts – Summary of Structure Contracts” in this document
“Port Investment Agreements”	the investment structure agreement entered into between Qinfu Industry and QPCL in April 2008 and the supplemental letter of intent entered into between the Group and QPCL in May 2008 for a potential investment in Zhuhai Terminal by QPCL, details of which are set out in “Business – Zhuhai Terminal – Introduction” of this document
“PRC” or “China”	the People’s Republic of China which, for the purpose of this document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Legal Advisers”	Commerce & Finance Law Offices, the legal advisers to the Company as to PRC laws
“Qinfu Industry”	秦皇島秦發實業集團有限公司 (Qinhuangdao Qinfu Industry Group Co. Ltd.), a limited liability company established in the PRC on 3 January 2001, which is owned as to approximately 49.59% by Mr. XU Da (holding on behalf of Mr. XU), 50% by Mr. XU and approximately 0.41% by Mr. LIU Jingwei (holding on behalf of Mr. XU)
“Qinfu International”	Hong Kong Qinfu International Trading Limited (香港秦發國際貿易有限公司), a company incorporated in Hong Kong with limited liability on 8 May 2007, a member of Hong Kong Qinfu Group and an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Qinfa Investment”	Qinfa Investment Limited (秦發投資有限公司), a company incorporated in BVI on 7 April 2008, a member of Hong Kong Qinfa Group and a wholly-owned subsidiary of the Company
“Qinfa Logistics”	珠海秦發物流有限公司 (Zhuhai Qinfa Logistics Co. Ltd.), a limited liability company established in the PRC on 5 February 2008, a member of Hong Kong Qinfa Group and an indirect wholly-owned subsidiary of the Company
“Qinfa Trading”	Hong Kong Qinfa Trading Limited (香港秦發貿易有限公司), a company incorporated in Hong Kong with limited liability on 15 November 2002, a member of Hong Kong Qinfa Group and an indirect wholly-owned subsidiary of the Company
“Qinfa Shipping”	Hong Kong Qinfa Shipping Limited (香港秦發航運有限公司), a company incorporated in Hong Kong with limited liability on 20 August 2003, a member of Hong Kong Qinfa Group and an indirect wholly-owned subsidiary of the Company
“Qinhuangdao”	秦皇島 (Qinhuangdao), a city in Hebei which is located at the innermost gulf of the Yellow Sea and the chief port of Hebei
“Qinhuangdao Trading”	秦皇島開發區秦發貿易有限公司 (Qinhuangdao Development Zone Qinfa Trading Co., Ltd.), a limited liability company established in the PRC on 13 February 1995, which is owned as to 49% by Mr. XU Da (holding on behalf of Mr. XU) and 51% by Qinfa Industry and a member of China Qinfa Group
“QPCL”	秦皇島港股份有限公司 (Qinhuangdao Port Company Limited) and/or its affiliated company, Independent Third Parties, the ultimate holding company of which is a state-owned enterprise
“Reorganisation”	the corporate reorganisation of the Group in preparation for the [●], particulars of which are set out in the section headed “Reorganisation and the Structure Contracts” in this document

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## DEFINITIONS

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“Repurchase Mandate”	the general unconditional mandate granted to the Directors by the Shareholders in relation to the repurchase of Shares, details of which are set out in “Written resolutions of the Shareholders — Written resolutions of the Shareholders dated 12 June 2009” in Appendix V to this document
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	國家外匯管理局 (PRC State Administration of Foreign Exchange)
“SAFE Circular No. 75”	《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》 (The SAFE’s Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 12 June 2009, a summary of the principal terms of which is set forth in the paragraphs under “Share Option Schemes” in Appendix V to this document
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structure Contracts”	the Engagement Agreements and the Pledge Agreements
“subsidiary(ies)”	has the meaning ascribed to it under section 2 of the Hong Kong Companies Ordinance
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of the Company

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## DEFINITIONS

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“Super Grace”	Super Grace Enterprises Limited, a company incorporated in BVI with limited liability on 25 January 2008, a member of Hong Kong Qinfa Group and an indirect wholly-owned subsidiary of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Track Record Period”	the three financial years ended 31 December 2008
“Trademark Assignment Agreement”	the agreement named “註冊商標無償轉讓協議” dated 4 August 2008 entered into between Qinfa Industry and Qinfa Logistics pursuant to which Qinfa Industry agreed to assign certain PRC registered trademarks to Qinfa Logistics
“Trust Scheme”	the scheme adopted by Fortune Pearl on 13 June 2009 whereby an aggregate of 157,000,000 Shares, representing [●]% of the issued Shares following completion of the [●], shall have been transferred to Equity Trust (HK) Limited, particulars of which are set forth in the paragraphs under “Trust Scheme” in Appendix V to this document
“US\$” and “US cents”	United States dollars and cents, respectively, the lawful currency of the United States of America
“VAT”	value-added tax of the PRC
“Wallem”	Wallem Shipmanagement Limited, a shipmanager employed by the Group and an Independent Third Party
“Waterway Transportation Licence”	水路運輸許可證 (Waterway Transportation Licence) issued by 中華人民共和國交通部 (Ministry of Transport of the PRC) for the operation of inland shipping business in China
“Yangyuan”	陽原 (Yangyuan), a county in Hebei which is close to Shanxi and along the Daqin Railway
“Yangyuan Guotong”	陽原國通煤炭運銷有限公司 (Yangyuan Guotong Coal Trading and Transportation Co. Ltd.), a limited liability company established in the PRC on 20 December 2003, which is owned as to 96% by Mr. LIU Jingwei (holding on behalf of Mr. XU), and 4% by Ms. ZHOU Lusha (holding on behalf of Mr. XU), and a member of China Qinfa Group



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## DEFINITIONS

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“Zhuhai”	珠海經濟特區 (Zhuhai Special Economic Zone), a provincial-level city in Guangdong in the PRC
“Zhuhai Qinfa Shipping”	珠海秦發航運有限公司 (Zhuhai Qinfa Shipping Co. Ltd.), a limited liability company established in the PRC on 6 September 2007, which is owned as to 80% by Mr. XU and 20% by Mr. XU Da (holding on behalf of Mr. XU), and a member of China Qinfa Group
“Zhuhai Qinfa Trading”	珠海秦發貿易有限公司 (Zhuhai Qinfa Trading Co. Ltd.), a limited liability company established in the PRC on 21 September 2005, which is owned as to 90% by Mr. XU and 10% by Mr. LIU Jingwei (holding on behalf of Mr. XU), and a member of China Qinfa Group
“Zhuhai Terminal”	the Group’s public bulk coal terminal to be established at 珠海港高欄港區南水作業區北港池北側 (Beishunan, South Water Operation Area, Gao Langang Economic Zone, Zhuhai, the PRC), details of which are set out in “Business – Zhuhai Terminal” in this document
“%”	per cent.

*Unless the context requires otherwise, amounts denominated in RMB have been converted into HK\$, US\$ or Australian dollars, for the purpose of illustration only, using the exchange rates of RMB[0.9] = HK\$[1], RMB[6.8] = US\$[1] and RMB[4.7] = [1] Australian dollar, respectively. No representation is made that any amount in RMB or HK\$ or US\$ or Australian dollars could have been or could be converted at the above rates or at any other rates or at all.*

*In this document, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translations of company names in Chinese or another language and Chinese translations of company names in English are for identification purposes only.*