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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: 00866)**

**POSITIVE PROFIT ALERT**

This announcement is made by China Qinfa Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on information currently available to the Company and the preliminary review on the Group’s unaudited consolidated management accounts for the six months ended 30 June 2017, the Group is expected to record a consolidated net profit attributable to owners of the Company for the six months ended 30 June 2017 not less than RMB140 million, as compared to a net loss attributable to owners of the Company of approximately RMB443 million for the six months ended 30 June 2016. The consolidated net profit attributable to owners of the Company for the six months ended 30 June 2017 was mainly attributable to the increase in sale volume and selling price of coal as compared to the corresponding period in last year, and partial recovery of asset impairment.

The Group’s interim results for the six months ended 30 June 2017 have yet to be finalized. Hence, the information contained in this announcement is only a preliminary assessment performed by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company’s auditor. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2017, which is expected to be published before the end of August 2017 in accordance with requirements under the Listing Rules.

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

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

Guangzhou, 15 August 2017

*As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao, Ms. WANG Jianfei, Mr. FUNG Wai Shing and Mr. LIU Jinghong as the executive Directors and Mr. HUANG Guosheng, Mr. LAU Sik Yuen and Mr. XING Zhiying as the independent non-executive Directors.*