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 year ended 31 December 2017, the Group is expected to record a profit attributable to equity shareholders of the Company for the year ended 31 December 2017 not less than RMB3 billion, as compared to loss attributable to equity shareholders of the Company of approximately RMB331 million for the year ended 31 December 2016. The consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2017 was mainly attributable to the reversal of impairment losses on property, plant and equipment and coal mining rights, and the improvement on the operating results.

The Group's annual results for the year ended 31 December 2017 have yet to be finalised. 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 annual results announcement of the Company for the year ended 31 December 2017, which is expected to be published before the end of March 2018 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, 5 March 2018

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.