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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)

PROFIT WARNING

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 2019, the Group is expected to record a consolidated net profit attributable to owners of the Company for the six months ended 30 June 2019 not less than RMB40 million, as compared to a net profit attributable to owners of the Company of approximately RMB97 million for the six months ended 30 June 2018. The CCI China Coal Index 5000 indicated that the average coal selling price decreased by 12% as compared with the same period in last year. The decline in the consolidated net profit attributable to owners of the Company was mainly attributable to decrease of average coal selling price, partially offset by decrease in the fixed unit cost due to increase in the production volume of coal mines of the Group by 18%.

The Group’s interim results for the six months ended 30 June 2019 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 2019, which is expected to be published by the end of August 2019 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 Qinfu Group Limited
Mr. XU Da
Chairman

Guangzhou, 12 August 2019

As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao, Ms. WANG Jianfei and Mr. FUNG Wai Shing as the executive Directors and Mr. LAU Sik Yuen, Prof. SHA Zhenquan and Mr. JING Dacheng as the independent non-executive Directors.