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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 year ended 31 December 2020, the Group expects to record a consolidated net loss attributable to equity holders of the Company for the year ended 31 December 2020 of not more than RMB3.1 billion, as compared with the net profit attributable to equity holders of the Company of RMB81.4 million for the year ended 31 December 2019. The decline in the Group’s financial performance was attributable to (i) mainly significant impairment loss on the Group’s assets due to the effect of decrease in coal reserves as detailed in the Company’s announcement dated 28 December 2020; and (ii) partly the loss on debt restructuring arising from the further revision on revised repayment schedule as detailed in the Company’s announcement dated 22 December 2020.

The Group’s annual results for the year ended 31 December 2020 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 2020, which is expected to be published by the end of March 2021 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
XU Da
Chairman

Guangzhou, 29 March 2021

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