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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)

**INSIDE INFORMATION
PROPOSED DISPOSAL**

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

The board of directors (the “**Board**”) of the Company is pleased to announce that on 25 April 2016, Qinfa Investment Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of the entire shareholding interest in Hong Kong Qinfa International Trading Limited (the “**Proposed Transaction**”). The principal activities of Hong Kong Qinfa International Trading Limited and its subsidiaries are coal mining, coal trading and shipping transportation in the People’s Republic of China. The purchaser of the Proposed Transaction is Bo Hai Investment Limited, a company wholly owned by Mr. XU Jihua, the ultimate controlling shareholder of the Company.

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Proposed Transaction are 75% or more, the Proposed Transaction constitutes a very substantial disposal and connected transaction of the Company under Chapter 14 and 14A of the Listing Rules.

The Company is currently in the process of preparing and finalizing the announcement in relation to, among other things, the Proposed Transaction. The announcement setting out the details of the Proposed Transaction in compliance with the Listing Rules will be published by the Company as soon as practicable.

As the Proposed Transaction is subject to the fulfillment of certain conditions precedent and may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

CONTINUED SUSPENSION

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2016 and will remain suspended pending the release of the announcement in respect of the Proposed Transaction.

By Order of the Board
China Qinfra Group Limited
XU Jihua
Chairman

Guangzhou, 29 April 2016

As at the date of this announcement, the Board comprises Mr. XU Jihua, Mr. XU Da, Mr. BAI Tao, Ms. WANG Jianfei and Mr. MA Baofeng as the executive Directors and Mr. HUANG Guosheng, Mr. LAU Sik Yuen and Mr. XING Zhiying as the independent non-executive Directors.