

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國秦發集團有限公司
CHINA QINFA GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 866)

**REFUND OF PAID CONSIDERATION PURSUANT TO THE
CANCELLATION OF THE ACQUISITION OF
60% EQUITY INTEREST IN
ORDOS BAYIN MENGKE NAYUAN COAL**

The Board refers to the First Announcement and the Second Announcement in which the Company announced that the Acquisition will be cancelled pursuant to the Termination Agreement. In this connection, the Board would like to announce that the Vendors refunded the paid consideration of RMB129 million to Jinfa Materials on 17 August 2010.

The Board refers to the announcement (the “**First Announcement**”) of China Qinfa Group Limited (the “**Company**”) dated 30 December 2009 in respect of the proposed acquisition (the “**Acquisition**”) of 60% equity interest in 鄂爾多斯市巴音孟克納源煤炭有限責任公司 (Ordos Bayin Mengke Nayuan Coal Company Limited*) (“**Ordos Bayin Mengke Nayuan Coal**”) for an aggregate consideration of RMB857.3 million (equivalent to approximately HK\$974.2 million). The Board also refers to the announcement (the “**Second Announcement**”) dated 19 July 2010 regarding the Termination Agreement entered into between Jinfa Materials and the Vendors to cancel the Acquisition.

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the First Announcement and the Second Announcement.

On 17 August 2010, the Vendors refunded to Jinfa Materials an aggregate amount of RMB129 million in cash as the consideration already paid by Jinfa Materials for the Acquisition, and Jinfa Materials transferred the 60% equity interest in Ordos Bayin Mengke Nayuan Coal to Bayin Mengke Investment on the same date.

By order of the Board of
China Qinfra Group Limited
XU Ji Hua
Chairman

Hong Kong, 17 August 2010

* *English translation for identification only.*

As at the date of this announcement, the Board comprises Mr. XU Jihua, Ms. WANG Jianfei, Ms. LIU Xiaomei and Mr. WENG Li as the executive Directors, and Mr. HUANG Guosheng and Mr. LAU Sik Yuen as the independent non-executive Directors.