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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: 866)

**VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE ACQUISITION OF
48% INTEREST OF
HUAMEIAO ENERGY
AND
RESUMPTION OF TRADING**

THE PROPOSED ACQUISITION

Reference is made to the announcement dated 17 November 2010 and circular dated 30 June 2011 in relation to Guangfa Energy's acquisition of 32% equity interest in Huameiao Energy. The Board is pleased to announce that on 26 October 2011 after trading hours, Guangfa Energy entered into the Acquisition Agreement with the Vendors for a further 48% equity interest in Huameiao Energy at the cash consideration of RMB2.88 billion (equivalent to approximately HK\$3.51 billion). Upon Completion, Huameiao Energy will become a subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Proposed Acquisition, when aggregated with the First Acquisition (by reason of the Proposed Acquisition and the First Acquisition together constituting a series of related transactions as described in Rule 14.22 of the Listing Rules), constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios exceed 100%. Therefore, the Proposed Acquisition is subject to the reporting, announcement and approval requirements of the Listing Rules.

The EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder. No Shareholder will be required to abstain from voting at the EGM for the approval of the transactions contemplated under the Acquisition Agreement.

A circular containing, among other things, details of the Acquisition, the valuation report, the competent person's report, and the notice convening EGM, will be despatched to the Shareholders on or before 9 December 2011 in order to have more time to prepare the accounting information and compile the competent person's report for incorporating into the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 27 October 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 November 2011.

As the Proposed Acquisition is conditional and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

THE ACQUISITION AGREEMENT

Date: 26 October 2011

Vendors: Ms. Guan;
Mr. Jin;
Ms. Suo; and
Huiyong Jinyuan Energy

Purchaser: Guangfa Energy

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owner of Huiyong Jinyuan Energy is an Independent Third Party.

The equity interest to be acquired

Guangfa Energy shall acquire 48% equity interest in Huameiao Energy from the Vendors in the proportion as follows:

1. 13% equity interest from Ms. Guan;
2. 15% equity interest from Ms. Suo; and

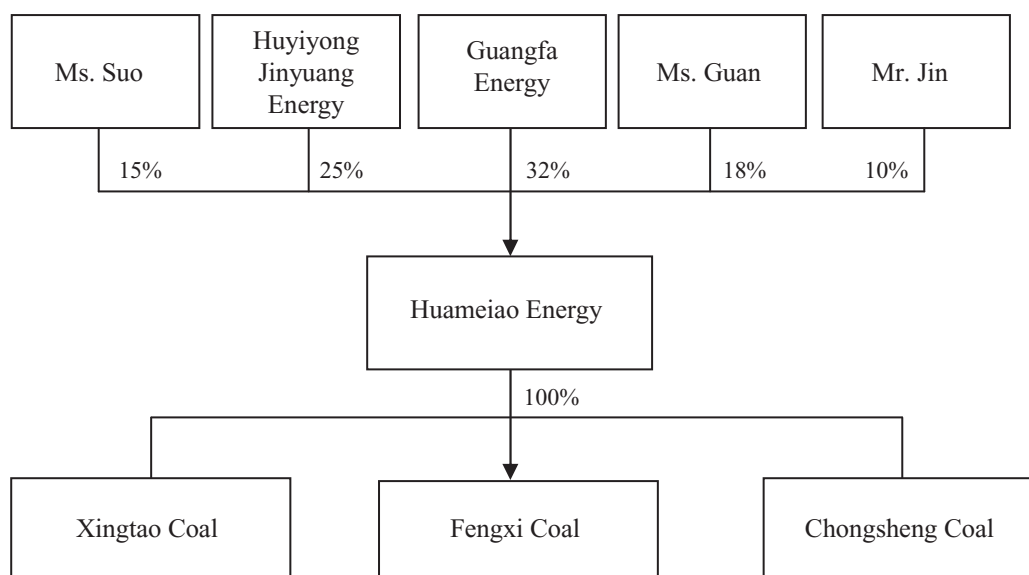
3. 20% equity interest from Huiyong Jinyuan Energy

No equity interest in Huameiao Energy will be disposed of by Mr. Jin but he agreed to waive his pre-emption right in acquiring the equity interest of Huameiao Energy. Upon Completion, Huameiao Energy will be owned as to 80% by Guangfa Energy, 10% by Mr. Jin, 5% by Ms. Guan and 5% by Huiyong Jinyuan Energy.

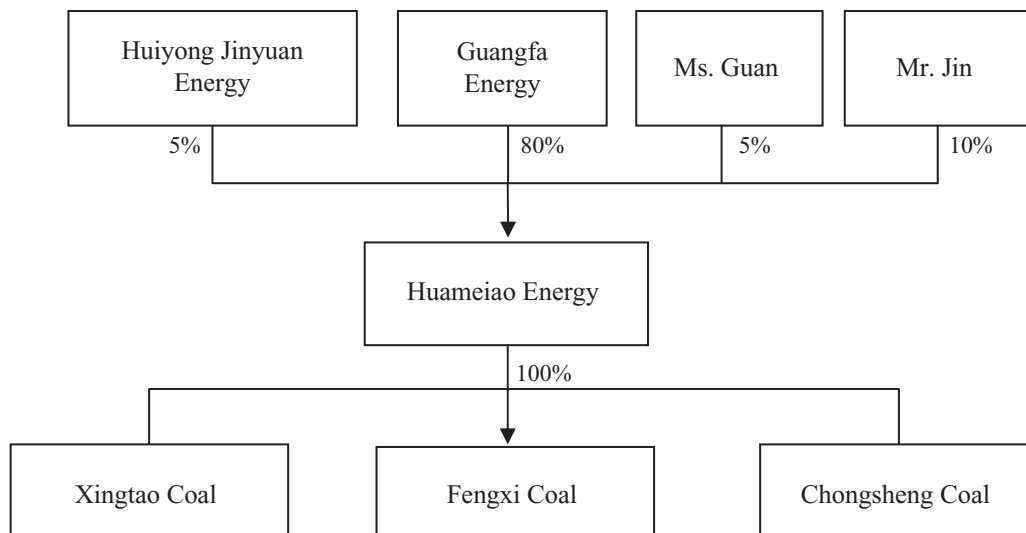
As Guangfa Energy will become the controlling shareholder of Huameiao Energy, Huameiao Energy will be treated as a subsidiary of the Company.

Shareholding structure of Huameiao Energy before and after Completion

Before Completion



After Completion



Consideration

The Consideration is in the sum of RMB2.88 billion (equivalent to approximately HK\$3.51 billion) and shall be satisfied by Guangfa Energy in the following manner:

- (i) RMB200 million (equivalent to approximately HK\$243.9 million) will be payable by cash on or before 30 October 2011;
- (ii) RMB800 million (equivalent to approximately HK\$975.6 million) will be payable by cash on or before 30 November 2011;
- (iii) RMB1.232 billion (equivalent to approximately HK\$1.502 billion) will be payable by cash on or before 30 June 2013; and
- (iv) RMB648 million (equivalent to approximately HK\$790.2 million) will be settled by way of the Group taking up the responsibility to repay the banking facilities of Huameiao Energy in the amount of RMB648 million (equivalent to approximately HK\$790.2 million), upon obtaining approval from the relevant PRC government on the transfer of equity interest of Huameiao Energy.

The Consideration was arrived at after arm's length negotiations between Guangfa Energy and the Vendors on normal commercial terms with reference to (i) the coal production volume of Huameiao Energy Group pursuant to the Acquisition Agreement; and (ii) the coal reserve set forth in the paragraph headed "Principal business of Huameiao Energy" below. Also, the Directors have considered that the valuation of Huameiao Energy Group in September 2011 of approximately RMB6 billion (equivalent to approximately HK\$7.32 billion), and hence the valuation of 48% equity interest in Huameiao Energy Group is approximately RMB2.88 billion (equivalent to approximately HK\$3.51 billion). Such valuation was prepared by BMI Appraisals Limited, an independent valuer, in accordance with Chapter 18 of the Listing Rules, including but not limited to the "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports", on the basis of discounted cashflow method. As such, the Directors (including the independent non-executive Directors) consider that the amount of the consideration is fair and reasonable.

In the event that the approval of the transfer of equity interest of Huameiao Energy relating to the Proposed Acquisition cannot be obtained on or before 20 December 2011 (or such other date to be agreed by the parties) because of:

- (a) government or policy reason, the Vendors will sign an entrustment agreement with Guangfa Energy pursuant to which the Vendors shall hold the 48% equity interest of Huameiao Energy on trust for Guangfa Energy until the transfer of equity interest of Huameiao Energy relating to the Proposed Acquisition has been approved by the relevant PRC government authority; or
- (b) reasons other than government or policy reason, the Vendors will sign charge documents with Guangfa Energy pursuant to which the Vendor will charge the 48% equity interest of Huameiao Energy in favour of Guangfa Energy until the transfer of equity interest of Huameiao Energy relating to the Proposed Acquisition has been approved by the relevant PRC government authority.

To expedite the progress of obtaining the control of Huameiao Energy before year end and to be well prepared to meet the demand of the peak sales season of coal in the second quarter of 2012, the parties agreed that the application for the transfer of equity interest of Huameiao Energy would be submitted to the PRC government earlier if a substantial part of the Consideration has been received by the Vendors. The Board considers that the settlement arrangement of the Consideration is fair and reasonable in light of the Vendors agreeing to submit the relevant application to the PRC government earlier upon receipt of RMB1 billion (equivalent to approximately HK\$1.22 billion).

Appointment of directors to Huameiao Energy

As at the date of the Acquisition Agreement, Huameiao Energy has 5 directors. Upon the signing of the Acquisition Agreement, Guangfa Energy shall be entitled to appoint at least 3 directors to the board of directors of Huameiao Energy whereas 3 of the existing directors of Huameiao Energy as appointed by the Vendors shall resign.

Conditions precedent

Completion shall be subject to the satisfaction of the following conditions precedent:

- (i) the passing by the Shareholders at the EGM by way of poll, the necessary resolutions to approve the Acquisition Agreement and the transactions contemplated thereunder; and
- (ii) the Company having complied, to the satisfaction of the Stock Exchange, with all requirements under the Listing Rules.

Completion

Completion shall take place within 5 days upon the fulfillment of the conditions precedent (or such other date as the parties may agree). Upon Completion, Huameiao Energy will become a subsidiary of the Company and its financial results will be consolidated into the accounts of the Group.

The Directors (including the independent non-executive Directors) confirm that the terms and conditions of the Acquisition Agreement are fair and reasonable and negotiated on an arm's length basis upon normal commercial terms. Having considered the terms and conditions of the Acquisition Agreement and the benefits that may be obtained from the Acquisition, the Directors (including the independent non-executive Directors) further confirm that the Acquisition Agreement and the Acquisition are in the interest of the Group and the Shareholders as a whole.

INFORMATION OF VENDORS

Huiyong Jinyuan Energy was established under the laws of the PRC as a limited liability company on 4 August 2008 with a registered capital of RMB30 million (equivalent to approximately HK\$36.59 million) and its scope of business includes assets management.

All of Ms. Guan, Mr. Jin and Ms. Suo are PRC nationals.

Mr. Jin, being one of the shareholders of Huameiao Energy, has started his career in mining industry since 1987. He founded an energy company in Shanghai in 1995 and joined Huameiao Energy in 2004.

Ms. Guan, being one of the shareholders of Huameiao Energy, has started her career in mining industry since 2000. She is one of the founding members of Huameiao Energy and has been working as director of an energy company in Shanxi for four years before founding Huameiao Energy.

Ms. Suo, being one of the shareholders of Huameiao Energy, worked for Tibet Mining Geosciences Exploration Team from 1977 till her retirement. She is one of the founding members of Huameiao Energy.

INFORMATION OF HUAMEIAO ENERGY

Background of Huameiao Energy

Huameiao Energy was established under the laws of the PRC as a limited liability company on 12 January 2004 with a fully-paid registered capital of RMB 300 million (equivalent to approximately HK\$365.85 million), and its scope of business includes (i) wholesale and retail of construction materials and chemical products; and (ii) the mining business. According to a document in relation to the Approval of Merging and Reorganization of Coal Enterprises in Pinglu District, Shuozhou (the “**Document**”) issued in September 2009 by the Work Leading Group Office of the Merging and Reorganization of Coal Enterprises in Shanxi Province, Huameiao Energy is defined as a merging and reorganization entity, with qualifications for the acquisition or integration of coal mines. Huameiao Energy has three wholly owned subsidiaries, namely Xingtao Coal, Fengxi Coal and Chongsheng Coal.

Principal business of Huameiao Energy

Huameiao Energy is allowed to acquire and consolidate three coal mines held by its wholly owned subsidiaries which are Xingtao Coal, Fengxi Coal and Chongsheng Coal, details of which are stated as follows:

Xingtao Coal

Xingtao Coal holds the mining right of the Xingtao Coal Mine with a site area of approximately 4.3 square kilometers. According to the document issued by the Coal Industry Bureau in July 2010, Xingtao Coal Mine has coal reserve of approximately 127.8 million tonnes. Xingtao Coal Mine is a consolidated retained coal mine after the resources consolidation carried out in Shanxi Province. Xingtao Coal has obtained the Coal Production Permit (煤炭生產許可證) which is valid until 31 January 2018. Xingtao Coal Mine produced approximately 2.8 million tonnes of raw coal for 2010 and is expected to produce not less than 3 million tonnes of raw coal annually thereafter.

In 2007, through the comprehensive examination and inspection of mining, transport improvement, ventilation, drainage, power supply, environmental protection and site construction systems, the People’s Government of Shuozhou named Xingtao Coal Mine a standardized coal mine for the purpose of recognition.

Fengxi Coal

Fengxi Coal holds the mining right of the Fengxi Coal Mine with a site area of approximately 2.4 square kilometers. According to a report issued by the Shanxi Province Coal Geological Company, a company having relevant qualification granted by the PRC government to issue relevant geological report, in June 2005, Fengxi Coal Mine has coal reserve of approximately 92.4 million tonnes. Fengxi Coal Mine is an individual retained coal mine after the resources consolidation carried out in Shanxi Province. The Directors expect that the Coal Production Permit and the Coal Production Safety Permit will be issued by the relevant government departments in the first quarter of 2012 after the completion of the technological modification and inspection and acceptance of the Fengxi Coal Mine. The Fengxi Coal Mine is undergoing the technological modification which its cost is responsible by the Vendors. The expected commencement date for the production of Fengxi Coal Mine is in the first quarter of 2012 with an annual designed production capacity of not less than 3.5 million tonnes of raw coal. Fengxi Coal Mine has started the early trial run stage in 2011 and the normal production is expected to be commenced in the first quarter of 2012.

Chongsheng Coal

Chongsheng Coal holds the mining right of the Chongsheng Coal Mine with a site area of approximately 2.9 square kilometers. According to a document issued by the Coal Industry Bureau in July 2010, Chongsheng Coal Mine has coal reserve of approximately 88.2 million tonnes. Chongsheng Coal Mine is consolidated retained coal mine after the resources consolidation carried out in Shanxi Province. Chongsheng Coal Mine is now under technological modification and is expected to commence coal production in the fourth quarter of 2011 with an annual designed production capacity of not less than 2.8 million tonnes of raw coal. The cost of technological modification is responsible by the Vendors. The Directors expect that the Coal Production Permit and the Coal Production Safety Permit will be issued by the relevant government departments the first quarter of 2012 after the completion of the technological modification and inspection and acceptance of the coal mines.

The main products of the three coal mines mentioned above are long flame coal and gas coal which could be used in power generation and coke making.

The PRC legal adviser confirmed in the PRC legal opinion that there is no obstacles in obtaining the Coal Production Permit and the Coal Production Safety Permit for Fengxi Coal Mine and Chongsheng Coal Mine.

Save and except the three coal mines, Huameiao Energy Group does not have other material assets. No capital commitment on modifying the three coal mines has been required from the Group pursuant to the First Agreement.

FINANCIAL INFORMATION OF HUAMEIAO ENERGY GROUP

The financial information of Huameiao Energy Group is based on International Financial Reporting Standards. As of 30 June 2011, the audited total assets and net assets of Huameiao Energy Group amounted to approximately RMB2.43 billion (equivalent to approximately HK\$2.96 billion) and

RMB488.7 million (equivalent to approximately HK\$595.98 million) respectively. As of 31 December 2010, the audited total assets and net assets of Huameiao Energy Group amounted to approximately RMB1.87 billion (equivalent to approximately HK\$2.28 billion) and RMB363.6 million (equivalent to approximately HK\$443.41 million) respectively. As of 31 December 2009, the audited total assets and net assets of Huameiao Energy Group amounted to approximately RMB1.18 billion (equivalent to approximately HK\$1.44 billion) and RMB155.3 million (equivalent to approximately HK\$189.39 million) respectively.

For the six months ended 30 June 2011, the audited net profits before and after taxation and extraordinary items were approximately RMB211.0 million (equivalent to approximately HK\$257.32 million) and RMB157.1 million (equivalent to approximately HK\$191.59 million) respectively. For the year ended 31 December 2010, the audited net profits before and after taxation and extraordinary items were approximately RMB160.3 million (equivalent to approximately HK\$195.49 million) and RMB108.3 million (equivalent to approximately HK\$132.07 million) respectively. For the year ended 31 December 2009, the audited net profits before and after taxation and extraordinary items were approximately RMB36.5 million (equivalent to approximately HK\$44.51 million) and RMB20.8 million (equivalent to approximately HK\$25.37 million) respectively. The profits for the abovementioned years were contributed by Xingtao Coal Mine, which operated under technological modification during the years ended 31 December 2009 and 2010. In respect of Fengxi Coal Mine and Chongsheng Coal Mine, they are still under the developing stage and no profit has been contributed to Huameiao Energy as at the date of this announcement.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Group is principally engaged in the coal operation business involving purchases and sales, filtering, storage, blending, shipping and transportation of coal. The Group has the intention to reduce its capital expenditure (i.e. reduction of fixed asset) in order to maximize the return of the Shareholders. As at the date of this announcement, the Group has not entered, or proposes to enter, into any agreement, arrangement, understanding, or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) with the intention to dispose of/downsize its existing businesses.

REASON FOR THE PROPOSED ACQUISITION

On 17 November 2010, the Group entered into the First Agreement with Ms. Guan, Mr. Jin and Huiyong Jinyuan Energy relating to the acquisition of 32% equity interest of Huameiao Energy. The benefits of the First Acquisition have been disclosed in the Company's announcement dated 17 November 2010 and circular dated 30 June 2011. Similarly, the benefits of the Proposed Acquisition include the following:

(i) Improvement in the liquidity of the Group

As stated in the interim report for the period ended 30 June 2011 of the Group, the Group has used RMB731 million (equivalent to approximately HK\$891.46 million) for the deposit and prepayment of coal trading business. Should the Group has increased its own supply of coal, the above deposit will be substantially reduced and could be used for working capital purpose. As such, the liquidity

of the Group will be improved in the short term due to the reason that (i) the deposit and the prepayment of coal trading business will be reduced; (ii) part of the Consideration of RMB1.08 billion (equivalent to approximately HK\$1.32 billion) will be financed by the long term loan from the bank; (iii) no capital commitment is required for the modification of the three coal mines from the Group; and (iv) strong cashflow from the sale of coal which is carried out on cash basis.

(ii) Improvement in the equity of the Group

Pursuant to the First Agreement, Guangfa Energy has the right to further acquire not less than 19% equity interest in Huameiao Energy. The benefits to the Group as a result of entering into the First Agreement have been shown and the Group has increased its confidence in the operation of Huameiao Energy after 3 months of co-operation with the management of Huameiao Energy. As such the Group decided to exercise its right to further acquire 48% equity interest in Huameiao Energy. The Group is of the view that it could improve the revenue, profit, retained earnings and ultimately its equity by increasing the sale of coal after acquiring the three coal mines.

(iii) Reduction of transportation cost

The Group's overall coal transportation costs can be lowered through the procurement of coal from Huameiao Energy Group due to the close proximity of the coal mines of Huameiao Energy Group to the Group's coal loading station in Datong, the PRC.

(iv) Potential acquisition and integration opportunity of the Group

According to the Document, Huameiao Energy is allowed to acquire coal mines in Shanxi, PRC. In view of such qualification, the Directors consider there may be potential acquisition and integration opportunity of the coal mines in the major coal production region in PRC. This will enable the Group to sustain high rate of growth in the future.

FINANCING FOR THE ACQUISITION AND NO CHANGE IN THE USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

To finance the payment of the Consideration, Guangfa Energy will enter into a loan agreement of RMB1.08 billion (equivalent to approximately HK\$1.32 billion) with a bank to finance the Proposed Acquisition. To secure its repayment obligation, Guangfa Energy will pledge 48% equity interest in Huameiao Energy to the bank as security, which will be released upon full repayment of the loan and interest. The Group will finance the remaining part of the Consideration of RMB1.8 billion (equivalent to approximately HK\$2.20 billion) from its own resources, including (i) its internally generated funds; (ii) proceeds from possible fund raising activities; and (iii) taking up the responsibility of part of the bank loan of Huameiao Energy.

The Consideration to be paid by the Group will not affect the use of the net proceeds from the global offering of the Company.

LISTING RULES IMPLICATIONS

The Proposed Acquisition, when aggregated with the First Acquisition (by reason of the Proposed Acquisition and the First Acquisition together constituting a series of related transactions as described in Rule 14.22 of the Listing Rules), constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios exceed 100%. Therefore, the Proposed Acquisition is subject to the reporting, announcement and approval requirements of the Listing Rules.

The EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder. No Shareholder will be required to abstain from voting at the EGM for the approval of the transactions contemplated under the Acquisition Agreement.

A circular containing, among other things, details of the Acquisition, the valuation report, the competent person's report, and the notice convening EGM, will be despatched to the Shareholders on or before 9 December 2011 in order to have more time to prepare the accounting information and compile the competent person's report for incorporating into the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 26 October 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 November 2011.

As the Proposed Acquisition is conditional and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition Agreement”	the agreement dated 26 October 2011 made between the Vendors and the Company in relation to the Proposed Acquisition
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chongsheng Coal”	山西朔州平魯區華美奧崇升煤業有限公司 (Shanxi Shuzhou Pinglu District Huameiao Chongsheng Coal Company Limited*), a limited liability company established on 21 March 1998 under the laws of the PRC and a wholly-owned subsidiary of Huameiao Energy

“Chongsheng Coal Mine”	the coal mine with a site area of approximately 2.9 square kilometers, the mining rights of which are held by Chongsheng Coal
“Coal Industry Bureau”	The Coal Industry Bureau of Shanxi Province
“Company”	China Qinfu Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Acquisition in accordance with the terms of the Acquisition Agreement
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the consideration payable by the Company to the Vendors for the Proposed Acquisition under the Acquisition Agreement
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the transactions contemplated thereunder
“Fengxi Coal”	山西朔州平區華美奧馮西煤業有限公司 (Shanxi Shuzhou Pinglu District Huameiao Fengxi Coal Company Limited*), a limited liability company established on 16 March 1998 under the laws of the PRC and a wholly-owned subsidiary of Huameiao Energy
“Fengxi Coal Mine”	the coal mine with a site area of approximately 2.4 square kilometers the mining rights of which are held by Fengxi Coal
“First Acquisition”	the acquisition of 32% of Huaomeiao Energy as disclosed in the Company’s announcement dated 17 November 2010 and circular dated 30 June 2011
“First Agreement”	Equity Interest Transfer Agreement dated 17 November 2010 entered into between Huiyong Jinyuan Energy, Ms. Guan, Mr. Jin and Guangfa Energy in relation to the First Acquisition
“Group”	the Company and its subsidiaries
“Guangfa Energy”	朔州市廣發能源投資有限公司 (Shuzhou Guangfa Energy Investment Company Limited*), a limited liability company established on 1 September 2010 under the laws of the PRC and a wholly-owned subsidiary of the Company

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Huameiao Energy”	山西華美奧能源集團有限公司 (Shanxi Huameiao Energy Group Company Limited*), a limited liability company established on 12 January 2004 under the laws of the PRC
“Huameiao Energy Group”	Huameiao Energy and its subsidiaries including Xingtao Coal, Fengxi Coal and Chongsheng Coal
“Huiyong Jinyuan Energy”	山西匯永金源能源技術有限責任公司 (Shanxi Huiyong Jinyuan Energy Technology Company Limited*), a limited liability company established on 4 August 2008 under the laws of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	Third party(ies) who is/are independent of the Company, the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jin”	靳衛國 (JIN Huiguo), an Independent Third Party and one of the Vendors
“Ms. Guan”	關革俠 (GUAN Gexia), an Independent Third Party and one of the Vendors
“Ms. Suo”	索娜 (SUO Na), an Independent Third Party and one of the Vendors
“PRC”	The People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of 48% equity interest of Huameiao Energy pursuant to the terms and subject to the conditions of the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Ms. Guan, Mr. Jin, Ms. Suo and Huiyong Jinyuan Energy

“Xingtao Coal”	山西朔州平魯區華奧興陶煤業有限公司 (Shanxi Shuozhou Pingly District Huameiao Xingtao Coal Company Limited*), a limited liability established on 22 February 2010 under the laws of the PRC and a wholly-owned subsidiary of Huameiao Energy
“Xingtao Coal Mine”	the coal mine with a site area of approximately 4.3 square kilometers, the mining rights of which are held by Xingtao Coal
“%”	per cent

* *English translation for identification only*

Unless otherwise specified, translation of RMB into HK\$ in this announcement are based on the rates of HK\$1.0 = RMB0.82 for illustration purpose only.

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

Hong Kong, 4 November 2011

As of 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, Mr. LAU Sik Yuen and Dr. QIAN Pingfan as the independent non-executive Directors.