

*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 QINF A GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00866)**

**TERMINATION OF VERY SUBSTANTIAL DISPOSAL**

References are made to (i) the circular of the Company (the “**Circular**”) dated 26 October 2016; and (ii) the announcements of the Company dated 14 July 2016, 24 November 2016, 16 December 2016, 30 December 2016, 4 January 2017 and 28 February 2017 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Pursuant to the terms of the Agreement, the Completion is conditional upon the satisfaction of all conditions disclosed in the section headed “**Conditions Precedent**” in the “**Letter from the Board**” in the Circular. In the event that the Conditions Precedent are not satisfied or waived on or before 30 April 2017 (“**Long Stop Date**”) or such other date as the Vendor and the Purchaser may agree, the Agreement shall cease and terminate, and thereafter neither party shall have any obligations and liabilities hereunder save for any antecedent breaches of the terms of the Agreement.

As at 30 April 2017, save that the condition relating to the approval of the Independent Shareholders to the entry of the Agreement and the transaction contemplated thereunder at an EGM had been fulfilled, the following Conditions Precedents have not been fulfilled:

1. the release of some of the corporate guarantees (“**Corporate Guarantees**”) granted for the loan balances of the Disposal Group as at 31 December 2015 cannot be effected; and
2. the discharge of the mortgages (“**Mortgages**”) created by (i) Super Grace Enterprises Limited over all rights, title and interest over a vessel known as “Super Grace” and (ii) Oriental Wise Group Limited over all rights, title and interest over a vessel known as “Oriental Wise”, respectively, in favour the Export-Import Bank of China, have yet to complete.

The Group has been negotiating with the third party financial institutions in respect of the release of the Corporate Guarantees and discharge of the Mortgages since the Agreement was entered into. However, having considered that the possibility of obtaining the agreement to release the Corporate Guarantees and to discharge the Mortgages from the relevant financial institutions is not high in the near future, the Board believes that it will be in the interests of the Group not to extend the Long Stop Date, such that the Group can focus its resources on business planning and development, as well as formulation of business strategies in view of the recent changes in business environment.

As such, the Board announces that as the Condition Precedent contained in the Agreement were not satisfied or otherwise waived on or before the Long Stop Date, the Vendor and the Purchaser have entered into a letter of termination dated 30 April 2017 with the effect of terminating the Agreement with immediate effect whereupon neither party hereto shall have any obligations and liabilities under the Agreement.

The Board considers that the termination of the Agreement will not have any material adverse impact on the business or financials of the Group.

On behalf of the Board of  
**China Qinfu Group Limited**  
**XU Da**  
*Chairman*

Guangzhou, 30 April 2017

*As of the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao, Ms. WANG Jianfei, Mr. FUNG Wai Shing and Mr. LIU Jinghong as the executive Directors, and Mr. HUANG Guosheng, Mr. LAU Sik Yuen and Mr. XING Zhiying as the independent non-executive Directors*