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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)**

**CLARIFICATION ANNOUNCEMENT  
CIRCULAR AND NOTICE OF ANNUAL GENERAL MEETING**

Reference is made to the circular of China Qinfa Group Limited (the “**Company**”) dated 19 May 2016 (the “**Circular**”) and the notice of annual general meeting of the Company dated 19 May 2016 (the “**AGM Notice**”) relating to, among others, the proposals for General Mandate and Repurchase Mandate. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Circular.

The Company noted inadvertent errors in the Circular and AGM Notice and wishes to make the following clarifications:

1. In the definition of “General Mandate” on page 1 of the Circular, it should be read as:

“the general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of not exceeding 20% of the total number of issued Shares of the Company as of the date of passing the resolution approving the said mandate;”

2. In the definition of “Repurchase Mandate” on page 2 of the Circular, it should be read as:

“the general mandate proposed to be granted to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10% of the total number of issued Shares of the Company as of the date of passing of the resolution approving the said mandate;”

3. In the first paragraph under sub-section headed “Repurchase Mandate” in the “Letter from the Board” on page 5 of the Circular, it should be read as:

“At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set forth in this circular. In particular, you should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the total number of issued Shares of the Company as of the date of passing of the resolution (i.e. a total of 249,341,398 Shares on the basis that no further Shares are issued or repurchased before the Annual General Meeting), subject to the requirements of the Listing Rules. The Repurchase Mandate will be expired on the earliest of the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles and the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.”

4. In the first paragraph under sub-section headed “General Mandate” in the “Letter from the Board” on page 5 of the Circular, it should be read as:

“At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of, representing up to 20% of the total number of issued Shares of the Company as of the date of passing of the resolution. As of the Latest Practicable Date, the issued share capital of the Company comprised 2,493,413,985 fully paid up Shares. Assuming that there is no change in the total number of issued Shares of the Company between the period from the Latest Practicable Date to the date of passing the aforesaid resolution, the maximum number of Shares which may be issued pursuant to the aforesaid general and unconditional mandate on the date of passing the aforesaid resolution will be 498,682,797 Shares.”

5. Paragraph (c) of resolution no. 4(A) on page 16 of the Circular and page 2 of the AGM Notice should be read as:

“(c) the aggregate number of Shares to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and”

6. Paragraph (c) of resolution no. 4(B) on page 17 of the Circular and page 3 of the AGM Notice should be read as:

“(c) the aggregate number of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire Shares of the Company approved by the Stock Exchange, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles, shall not exceed 20% of the total number of issued Shares of the Company as of the date of passing of this resolution, and the said approval shall be limited accordingly; and”

7. Resolution no. 4(C) on page 18 of the Circular and page 4 of the AGM Notice should be read as:

“(C) **THAT** conditional upon the passing of resolutions Nos. 4(A) and 4(B) as set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution No. 4(B) be and is hereby extended by the addition thereto an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to the resolution No. 4(A) above, PROVIDED THAT such amount shall not exceed 10% of the total number of issued Shares of the Company as of the date of passing of this resolution.”

The Company also confirms that, except as clarified above, all other information contained in the Circular and AGM Notice is correct and remains unchanged. This clarification announcement is supplemental to and should be read in conjunction with the Circular and AGM Notice, and in that connection the existing Circular and AGM Notice in the form as they are now will continue to be valid.

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

Hong Kong, 23 May 2016

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