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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)

**UPDATES ON VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION**

Financial Adviser to China Qinfa Group Limited



Alliance Capital Partners Limited
同人融資有限公司

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 and 24 November 2016 (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 31 December 2016 (“**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 the date of this announcement, save for the condition relating to the approval of the Independent Shareholders to the entry of the Agreement and the transaction contemplated thereunder at an EGM has been fulfilled, the following are the latest status of the Conditions Precedents as described in the Circular:

1. the corporate guarantee granted for approximately 59.3% of the loan balances of the Disposal Group as at 31 December 2015 has been released; and
2. the discharge of the 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.

Since not all the Conditions Precedent have been satisfied at this stage, the Board will closely monitor the status of fulfillment of the Conditions Precedents and consider whether the Long Stop Date shall be extended. Further announcement in relation to the update of the status of fulfilment of the Conditions Precedents and the Agreement will be made as and when appropriate.

By order of the Board of
China Qinfu Group Limited
XU Da
Chairman

Hong Kong, 16 December 2016

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