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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)

**INTERIM RESULTS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2018**

The Directors of the Company are pleased to announce the consolidated results of the Company for the six months ended 30 June 2018 as follows:

Revenue for the six months ended 30 June 2018 was RMB1,853.4 million, an increase of 35.3% as compared to the corresponding period in 2017.

Cost of sales for the six months ended 30 June 2018 was RMB4.41 million, an increase of 35.7% as compared to the corresponding period in 2017.

Gross profit for the six months ended 30 June 2018 was RMB17.96 million, an increase of 33.19% as compared to the corresponding period in 2017.

Profit attributable to the shareholders of the Company for the six months ended 30 June 2018 was RMB96.8 million, an increase of RMB151.4 million as compared to the corresponding period in 2017.

Basic earnings per share of the Company for the six months ended 30 June 2018 was RMB3.78 cents, an increase of RMB2.19 cents as compared to the corresponding period in 2017.

Diluted earnings per share of the Company for the six months ended 30 June 2018 was RMB3.71 cents, an increase of RMB2.09 cents as compared to the corresponding period in 2017.

The Board (the **Board**) of Directors of China Qinfa Group Limited (the **Company**) are pleased to announce the consolidated results of the Company for the six months ended 30 June 2018. The Board hereby certifies that the above information is true and correct.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>1,853,400</b>	1,370,008
Cost of sales		<u>(1,520,559)</u>	<u>(915,328)</u>
<b>Gross profit</b>		<b>332,841</b>	454,680
Other income, gain and expense	6	<b>30,964</b>	(1,069)
Distribution expense		<b>(32,323)</b>	(31,164)
Administrative expense		<b>(122,418)</b>	(116,550)
Real estate agent's fee	8(b)	<b>10,817</b>	67,898
Other expense		<b>(5,320)</b>	(37,104)
<b>Results from operating activities</b>		<b>214,561</b>	336,691
Finance income		<b>16</b>	195
Finance cost		<b>(180,849)</b>	(187,024)
<b>Net finance costs</b>	7	<b>(180,833)</b>	(186,829)
<b>Profit before taxation</b>	8(a)	<b>33,728</b>	149,862
Income tax credit	9	<b>79,083</b>	7,111
<b>Profit for the period</b>		<b>112,811</b>	156,973
<b>Other comprehensive income/(loss)</b>			
Items that are reclassified to profit or loss:			
Foreign currency translation differences		<b>3,146</b>	(4,700)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>3,146</b>	(4,700)
<b>Total comprehensive income for the period</b>		<b>115,957</b>	152,273

**Six months ended 30 June**

	<b>2018</b>	<b>2017</b>
<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period attributable to:</b>		
Earnings of the Company	<b>96,774</b>	151,417
Net income	<b>16,037</b>	5,556
	<hr/>	<hr/>
<b>Profit for the period</b>	<b>112,811</b>	156,973
	<hr/> <hr/>	<hr/> <hr/>
<b>Total comprehensive income for the period attributable to:</b>		
Earnings of the Company	<b>99,920</b>	146,717
Net income	<b>16,037</b>	5,556
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>115,957</b>	152,273
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share attributable to the equity shareholders of the Company during the period</b>		
<b>Basic earnings per share</b>	<b>RMB3.78 cents</b>	RMB5.97 cents
	<hr/> <hr/>	<hr/> <hr/>
<b>Diluted earnings per share</b>	<b>RMB3.71 cents</b>	RMB5.80 cents
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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Notes	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		4,659,339	4,683,766
Construction in progress	11	4,330,242	4,417,366
Leasehold improvements		4,863	4,933
Intangible assets		–	–
		<u>8,994,444</u>	<u>9,106,065</u>
<b>Current assets</b>			
Inventory		272,550	99,155
Trade and other receivables	12	590,972	782,884
Prepaid expenses and other receivables	13	475,696	229,495
Prepaid advertising and other receivables		390	294
Cash and cash equivalents		134,115	80,349
		<u>1,473,723</u>	<u>1,192,177</u>
<b>Current liabilities</b>			
Trade and other payables	14	(931,319)	(949,950)
Other payables and contract liabilities	15	(3,084,938)	(2,765,989)
Banking	16	(5,965,747)	(6,045,885)
Tax payable		(243,131)	(282,638)
		<u>(10,225,135)</u>	<u>(10,044,462)</u>
<b>Net current liabilities</b>		<u>(8,751,412)</u>	<u>(8,852,285)</u>
<b>Total assets less current liabilities</b>		<u>243,032</u>	<u>253,780</u>
<b>Non-current liabilities</b>			
Other payables	15	(92,837)	(174,603)
Accrued executive bonuses		(109,873)	(105,280)
Deferred tax liabilities		(1,135,134)	(1,178,514)
		<u>(1,337,844)</u>	<u>(1,458,397)</u>
<b>Net liabilities</b>		<u>(1,094,812)</u>	<u>(1,204,617)</u>

	<b>At 30 June 2018</b>	At 31 December 2017
<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Capital and reserves</b>		
Share capital	<b>211,224</b>	211,224
Preferential dividend attributable to equity holders	<b>156,931</b>	156,931
Deficit	<b>(2,208,363)</b>	(2,302,131)
<b>Total deficit attributable to equity shareholders of the Company</b>	<b>(1,840,208)</b>	(1,933,976)
<b>Non-controlling interests</b>	<b>745,396</b>	729,359
<b>Total deficit</b>	<b>(1,094,812)</b>	(1,204,617)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2018

## 1. COMPANY BACKGROUND AND BASIS OF PREPARATION

### 1.1 General information

China Qifa Group Limited (the **Company**) was incorporated in the Cayman Islands on 4 March 2008 as a limited liability company under the Companies Law (2007 Revision) of the Cayman Islands. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the **Stock Exchange**) on 3 July 2009 (the **Listing Date**). The administrative office is located at Suite 501, Hui Chi Tower, P.O. Box 2681, Garden Court KY1-1111, Cayman Islands and the principal place of business of the Company is 22nd Floor, South Tower, Pacific Plaza, No. 1 Pazhou East Road, Haizhu District, Guangzhou, Guangdong, the People's Republic of China (the **PRC**).

The financial statements of the Company and its subsidiaries (together, the **Group**) are prepared on a going concern basis, based on the accounting principles and practices of the PRC and Hong Kong.

### 1.2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the International Accounting Standards (IAS) 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and the applicable accounting principles of the Rules Governing the Listing of Securities of the Stock Exchange.

The condensed consolidated financial statements have been prepared in accordance with the applicable accounting principles adopted in the annual financial statements as at the end of 31 December 2017, except that the Group has adopted, for the first time, certain International Financial Reporting Standards (IFRSs) issued by the IASB that have become effective at the end of the reporting period.

The condensed consolidated financial statements are prepared on a going concern basis. The effect of the adoption of the applicable accounting principles adopted at the end of 31 December 2017. The condensed consolidated financial statements are prepared on a going concern basis. The condensed consolidated financial statements are prepared on a going concern basis. The condensed consolidated financial statements are prepared on a going concern basis.

The condensed consolidated financial statements are prepared on a going concern basis.

#### Going concern basis

As at 30 June 2018, the Group's net assets exceed its liabilities by a net amount of RMB8,751,412,000 (31 December 2017: RMB8,852,285,000) and a current deficit of RMB1,094,812,000 (31 December 2017: RMB1,204,617,000). As at 30 June 2018, the Group's accumulated losses are RMB3,763,275,000 and RMB786,794,461 respectively (31 December 2017: RMB2,805,712,000 and RMB435,551,000 respectively) and the Group's cash and cash equivalents are RMB1,499,842,000 (31 December 2017: RMB1,499,842,000) and the Group's current liabilities are RMB1,094,812,000 (31 December 2017: RMB1,204,617,000).

As a result of the above, the Group has been advised by the external auditors that the condensed consolidated financial statements are prepared on a going concern basis.

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## 2. CHANGES IN ACCOUNTING POLICIES

### (a) Overview

The IASB has issued amendments to IFRS 9 and IFRS 15. The amendments to IFRS 9 have been effective since January 1, 2018. The amendments to IFRS 15 have been effective since January 1, 2018. The Company has adopted these amendments retrospectively from January 1, 2018.

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

The Company has adopted the amendments to IFRS 9 and IFRS 15 effective from January 1, 2018. The amendments to IFRS 9 and IFRS 15 have been applied retrospectively from January 1, 2018.

The Company has been impacted by IFRS 9 and IFRS 15 in (a) the carrying amount of financial assets and (b) the carrying amount of liabilities. Details of the changes in carrying amounts are disclosed in Note 2(b) of IFRS 9 and Note 2(c) of IFRS 15.

Based on the specific circumstances of the Company, the management has decided to apply the amendments to IFRS 9 and IFRS 15 retrospectively from January 1, 2018. The management has decided to apply the amendments to IFRS 9 and IFRS 15 retrospectively from January 1, 2018. The management has decided to apply the amendments to IFRS 9 and IFRS 15 retrospectively from January 1, 2018.

	At 31 December 2017 RMB'000	Impact of application of IFRS 9 RMB'000 Note 2(b)	Impact of application of IFRS 15 RMB'000 Note 2(c)	At 1 January 2018 RMB'000
Trade receivables	782,884	(6,152)		776,732
<b>Current assets</b>	<b>1,192,177</b>	<b>(6,152)</b>	-	<b>1,186,025</b>
Other accounts receivable	29,559		(12,298)	17,261
Current liabilities	<b>(10,044,462)</b>	-	12,298	<b>(10,044,462)</b>
<b>Net current liabilities</b>	<b>(8,852,285)</b>	<b>(6,152)</b>	-	<b>(8,858,437)</b>
<b>Total assets less current liabilities</b>	<b>253,780</b>	<b>(6,152)</b>	-	<b>247,628</b>
<b>Net liabilities</b>	<b>(1,204,617)</b>	<b>(6,152)</b>	-	<b>(1,210,769)</b>
Deficit	(2,302,131)	(6,152)		(2,308,283)
<b>Total deficit attributable to equity shareholders of the Company</b>	<b>(1,933,976)</b>	<b>(6,152)</b>	-	<b>(1,940,128)</b>
<b>Total deficit</b>	<b>(1,204,617)</b>	<b>(6,152)</b>	-	<b>(1,210,769)</b>

The details of the changes are set out in Note 2(b) and (c) of the financial statements.



**(b) IFRS 9 “Financial instruments”**

IFRS 9 eaced IAS 39 Fi a cia i e t : Rec g i i a d Mea e e t . IFRS 9 e t t t he e i e e t f e c g i i g a d e a t i g f i a c i a a e t a d f i a c i a i a b i i e t .

The G ha a ied IFRS 9 e e c i e t i e t h a e x i e d a t 1 J a a 2018. A e i e d a b e , t h e a g e e t f h e G t h a d d e c i d e d t e t a e t h e c a a i e f i g e b a e d t h e e c i f i c a i i a t i i t e t i IFRS 9. The G t e c g i e d h e c a i e e f f e c f i i t i a a i c a i t a t a a d j u e t t h e t e i g e i t a t 1 J a a 2018. The e f e , c t a a i e i f a t c t i e t b e e t e d d e IAS 39.

The f i g t a b e a i e t h e i a c t f t a i i t IFRS 9 a c c a e d e a t 1 J a a 2018.

<b>Accumulated losses</b>	<i>RMB'000</i>
Rec g i i f e c e d c e d i e t a d e e c i a b e	(6,152)
Ne i c e a e i a c c a e d e a t 1 J a a 2018	(6,152)

F t h e d e a i f t h e a t e a d e f f e c t f t h e c h a g e t e i a c c t i g i c i e a d t h e t a i i a a t a c h a e e t t b e t :

**(i) Classification of financial assets**

IFRS 9 c a e g i e f i a c i a a e i t h e e i c i a c a f i c a i c a e g i e : e a e d a t a i e d c t a f a i a e h t h e t c h e i e i c e ( F V T O C I ) a d a f a i a e t h t g h f i t ( F V T P L ). The e e e d e IAS 39' c a e g i e f h e d t - a i t i e t e e , t a a d e c e i a b e , a a i a b e - f - a e f i a c i a a e t a d f i a c i a a e t e a t e d a F V T P L .

C e t h e G d e h a e a f i a c i a a e t c a i f i e d a F V T O C I a d F V T P L . The e i a t e i a c t t h e c a f i c a i f f i a c i a a e t f t h e G .

**(ii) Credit losses**

IFRS 9 e a c e d h e i c e d d e i IAS 39 i h h e e c e d c e d i ( E C L ) d e . The E C L t d e e i e a g i g e a e e f c e d i i a c i a e d i h a f i a c i a a e a d h e e f e c g i e E C L e a i e t h a d e t h e i c e d a c c t i g d e i IAS 39.

The G a i e h e e E C L d e t h e f i a c i a a e e a e d a a i e d c ( i c d i g t a d e a d b i e c e i a b e , t h e e c e i t a b e , e d g e d a d e t i c e d d e i t a d c a h a d c a h e i a e t ).

*Measurement of ECLs*

E C L a e a b a b i i - e i g h e d e i a e f c e d i e . C e d i e a e e a e d a t h e e e a e f a e c e d c a h t f a t ( i . e . h e d i f f e c e b e e t h e c a h f d e t t h e g i t a c c d a c e i h t c t a t d h e c a h f t h a h e g t e c t t e c e i e ) .

The effect of the change in the effective interest rate on the value of the liability is calculated as follows: the effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

The effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

In the case of the effective interest rate, the effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

ECL is the expected credit loss.

12- The ECL is the expected credit loss. The effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

If the effective interest rate is 10% and the nominal interest rate is 8%, the value of the liability will increase over time.

The effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

#### Significant increases in credit risk

In the case of a significant increase in credit risk, the effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

In the case of a significant increase in credit risk, the effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

The effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

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The effective interest rate is 10% and the nominal interest rate is 8%. The effective interest rate is higher than the nominal interest rate, so the value of the liability will increase over time.

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*Basis of calculation of interest income on credit-impaired financial assets*

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f t e ca h f t f t he fi a cia a e t ha e cc ed.

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*Write-off policy*

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*Opening balance adjustment*

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2018.

The following table sets out the carrying amount of the financial assets and liabilities measured at fair value at 31 December 2017 and 1 January 2018.

	<i>RMB'000</i>
At 31 December 2017 under IAS 39	251,347
Additional financial assets and liabilities measured at fair value at 1 January 2018	(6,152)

3. ESTIMATES

The e a a i f he c de ed c ida ed fi a cia a e e t e i e a age e t a e dge e t , e i a e a d a t i ha affec he a t i c a i f acc t i g icie a d he e t t ed a t f a e t a d i a b i i e , i c e a d e e . A c t a e t a d i f f e t t h e e e t i a e t .

I e a i g he c de ed c ida ed fi a cia a e e t , he i g i f i c a dge e t a d e b a a g e e t i a i g t h e G ' a c c i g t i c i e a d h e t e t , t c e f e i t a i c e t a i e e h e a e a h e h a a t i e d h e c i d a e d f i a c i a t a e e t f h e e a t e d e d 31 D e c e m b e r 2 0 1 7 , e c e f t e i g i f i c a t d g e e t a d e t c e f e i t a i t c e t a i t e a e d t t h e a i c a i f I F R S 1 5 a d I F R S 9 .

4. SEGMENT REPORTING

(a) Segment results, assets and liabilities

The G ha e t a b e e g e t c a b i e a d h i i g t a a i h i c h a e h e G ' a e g i c b i e t i . The e t a e g i c b i e i f f e d i f f e t t c a d e i c e , a d a e a a g e d e a a e b e c a t e h e t i e d i f f e e t t e c h g a d a t e i g t a e g i e . F e a c h f t h e t a e g i c b i e i t , h e C h i e f E x e c u t i v e O f f i c e ( h e C E O ) e i e i t e t a a a g e e t e t t a t h b a i .

F h e e f a e i g e g e e f a c e a d a c a i g e c e b e e e g e t , h e C E O t t h e e t , a e t a d i a b i i e a t t i b a b e t e a c h e t a b e e g e t t h e f t i g b a i :

The e a e e d f e i g e g e t f i i a d e d f i b e f e e f i a c e c a d i c e e x c e d i t e t e c i f i c a t a i b a b e t i d i d a t e g e t , t h a a t c a e d h e a d f f i c e a d c t a e e e a e f t h e a d e d .

S e g e a e i c d e a a g i b e a e , c a i i g i g h , e a e e a e t , i e e i a a c i a e a d c e a e t i h h e e c e i f a c a e d c a e a e . S e g e t i a b i i e i c d e t a d e a d b i t a b e t , h e a a b e a i b a b e t a c i i e t f h e i d i d a t e g e t , a c c e d e c a a i b i g a i a d b i g t t a a g e d d i e c t b t h e e g e t .

R e e e a d e e e a e a c a e d h e e t a b e e g e t i h e f e e c e t e e e g e e a e d b t h e e g e t a d h e e e t e t t e d b t h e e g e t .

	Coal business		Shipping transportation		Total	
	Six months ended		Six months ended		Six months ended	
	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2017	2018	2017	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from external customers	<u>1,760,793</u>	<u>1,303,113</u>	<u>92,607</u>	<u>66,895</u>	<u>1,853,400</u>	<u>1,370,008</u>
Reportable segment profit before taxation	<u>179,798</u>	<u>338,485</u>	<u>42,359</u>	<u>3,868</u>	<u>222,157</u>	<u>342,353</u>
Re e a f i a i e t e ade ecei abe t e	(11,061)	(50,324)	(116)		(11,177)	(50,324)
I a t e e / ( e e a f i a i e t e ) e a e t a d t he t ecei abe t	<u>360</u>	<u>(17,574)</u>	<u>-</u>		<u>360</u>	<u>(17,574)</u>
	At 30	At 30	At 30	At 30	At 30	At 30
	June 2018	June 2018	June 2018	June 2018	June 2018	June 2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Reportable segment assets (including interest in an associate)	<u>10,583,853</u>	<u>10,413,230</u>	<u>358,577</u>	<u>434,901</u>	<u>10,942,430</u>	<u>10,848,131</u>
Reportable segment liabilities	<u>(10,433,062)</u>	<u>(10,417,611)</u>	<u>(820,637)</u>	<u>(927,113)</u>	<u>(11,253,699)</u>	<u>(11,344,724)</u>
<b>(b) Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities</b>						
<b>Revenue</b>						
				<b>Six months ended 30 June</b>		
				<b>2018</b>	<b>2017</b>	
				<b>RMB'000</b>	<b>RMB'000</b>	
				<b>(Unaudited)</b>	<b>(Unaudited)</b>	
Re t ab e g e t e e e a d c ida t ed e e e				<u>1,853,400</u>	<u>1,370,008</u>	

**Profit before taxation**

	<b>Six months ended 30 June</b>	
	<b>2018</b>	2017
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	222,157	342,353
Operating expenses	(7,596)	(5,662)
Profit before taxation	<b>(180,833)</b>	<b>(186,829)</b>

## 5. REVENUE

Disaggregated into fee and commission income, which are categorized as follows:

	Six months ended 30 June	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Service	1,760,793	1,303,113
Chancery	92,607	66,895
	<b>1,853,400</b>	<b>1,370,008</b>

## 6. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Foreign exchange gain/(loss), net	2,007	(3,454)
Net gain/loss on disposal of assets	13,977	650
Revenue from receivables	12,523	
Revenue from other income	-	287
Other	2,457	1,448
	<b>30,964</b>	<b>(1,069)</b>

## 7. NET FINANCE COSTS

	Six months ended 30 June	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Interest	(16)	(195)
Interest on foreign currency deposits	198,177	196,075
Interest on bank deposits, term deposits (Note)	1,415	7,526
	<b>(18,743)</b>	<b>(16,577)</b>
Finance cost	<b>180,849</b>	<b>187,024</b>
Net finance cost	<b>180,833</b>	<b>186,829</b>

Note: The benchmark interest rate has been calculated at a rate of 6.63% (RMB'000) as at the end of 30 June 2017: 5.25%)



## 8. PROFIT BEFORE TAXATION

### (a) Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Decrease in provisions, allowances and other receivables	143,245	80,195
Amortisation of intangible assets	87,154	43,185
Amortisation of lease receivables	70	70
Provision for doubtful debts	5,437	

### (b) Reversal of impairment, net:

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Reversal of impairment on trade receivables	(11,177)	(50,324)
Impairment reversal on other receivables	360	(17,574)
	<u>(10,817)</u>	<u>(67,898)</u>

## 9. INCOME TAX CREDIT

	Six months ended 30 June	
	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax	7,971	
(Over)/under provision of PRC current income tax	(43,674)	670
Deferred tax credit	(35,703)	670
	<u>(79,083)</u>	<u>(7,111)</u>

### Note:

(i) Pursuant to the head agreement of the Capital Addition Bidder with the Government of Beijing, the Capital Addition Bidder (the "Bidder") has agreed to provide a performance guarantee of RMB100 million to the Government of Beijing (the "Government") by the end of 2017 (the "Guarantee").

(ii) In view of the fact that the Bidder has not yet provided the performance guarantee to the Government by the end of 2017 (the "Guarantee"), the Bidder has provided a performance guarantee of RMB100 million to the Government by the end of 2017 (the "Guarantee").

- (iii) P i i f he PRC C a e I c e Tā a ba ed he a a e f 25% ( h e ded 30 J e 2017: 25%) f t he a e t ab e f t f b idia ie t hich ca t t ied t b i e e i t he PRC.
- (i) A b idia f he G ade i i f he PRC C a e I c e Tā f RMB48,980,000 i e i ea . The G e gaged i de e de t hi d a t e ie he a i i f he b idia a d he di ec be ie ed he i e ih d f i i a i f ch PRC C a e I c e Tā i i had beca e e t e a d t he ef t e had decided t e ea e i t t f i a d .

## 10. EARNINGS PER SHARE

### Basic earnings per share

The ca c a i f ba ic ea i g e ha e i ba ed he fi a ib ab e di a e i ha eh de f the C a t a d t he eigh ed a e age be f di a ha e i t t i t e d i g t he e i d .

The ca c a i f ba ic ea i g e ha e a ib ab e di a e i ha eh de f the C a f t he h e ded 30 J e 2018 a d 2017 a e ba ed t he f i g da t :

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(U a d i ed)
P fi f he e i d a ib ab e e i t ha eh de f the C a t a	96,774	151,417
Le : Di ib i t e a i g e e e a b t di t a ed c e t ib e ec i e c a ified a e i t	(2,402)	(2,563)
P fi f he e i d a ib ab e di a e i t ha eh de f the C a t a	<u>94,372</u>	<u>148,854</u>
Wigh ed a e age be f di a ha e f t he e f ba ic ea i g e ha e	<u>2,493,413,985</u>	<u>2,493,413,985</u>

### Diluted earnings per share

The ca c a i f di ed ea i g e ha e i ba ed he fi a ib ab e di a e i ha eh de f the C a . The ad t ed eigh ed a e age be t f di a ha e i t t i t e d i g t he e i d a d a ed c e i f a di t i e t e t ia di a t ha e .

The be f ha e ha d ha e bee i ed a i g t he e c i e f he ha e i e he be f ha e t ha c d ha e bee i ed a fai a e (de e i ed a t he a e age t a e ice t e ha e f t he e i d) f t a t e t a ceed i he t be f ha e t i ed f t c ide a i . The e i g be f ha e i t ed f t c ide a i i t i c ded i t he eigh ed a e age be f di a ha e a t he de i a t f ca c a i g di t ed ea i g e ha e .

The e e a b di a ed c e ib e ec i e e e a ed ha e bee c e ed i di a ha e , a d the fi f he e i d a ib ab e di a e i ha eh de f the C a t i ad t ed t e i i a e t t di ib t t e a i g t e e t a b t di a ed c e t ib e ec i e .

A the C a ' t a di g ha e i had a a i-di i e effec the di ed ea i g e ha e ca c a i f he h e ded 30 J e 2018 a d 2017, he c e i t f t e t e i a di t i e ha e i t a t ed i t he c a i f di t ed ea i g e ha e f t he h e ded 30 J e 2018 a d 2017.

	Six months ended 30 June	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Profit before income tax	94,372	148,854
Add: Directors' remuneration	2,402	2,563
Profit before income tax	<u>96,774</u>	<u>151,417</u>
Weighted average number of shares outstanding	2,493,413,985	2,493,413,985
Add: Restricted shares	118,000,000	118,000,000
Weighted average number of shares outstanding	<u>2,611,413,985</u>	<u>2,611,413,985</u>

## 11. COAL MINING RIGHTS

The balance represents the carrying amount of coal mining rights in Shaanxi Province. The rights are located in the PRC, which the Group has obtained from the State-owned assets administration reform commission. The Director of Land Resources of Shaanxi Province issued a deed of coal mining rights certificate to the Group. Details of the Group's coal mining rights are as follows:

Coal mining rights	Expiry date
Xigai Coal Mine	14 October 2018
Fengxi Coal Mine	24 January 2034
Changhe Coal Mine	14 October 2018
Xigai Coal Mine	29 November 2019
Huangai Coal Mine	12 October 2017

Under the deed of the coal mining rights certificate of Huangai Coal Mine is expired. Management of the coal mining rights certificate. With effect of the expiration of the coal mining rights certificate, the Group has obtained the coal mining rights certificate.

The directors of the Company are of the view that the Group will be able to continue the coal mining rights and the business operations of the Group will not be materially affected.

As at 30 June 2018, the Group's coal mining rights have a carrying amount of RMB4,330,242,000 (31 December 2017: RMB4,417,366,000) as detailed below (Note 16).

12. TRADE AND BILL RECEIVABLES

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
Trade and bill receivables	837,963	1,034,231
Less: Impairment allowance	(246,991)	(251,347)
	<u>590,972</u>	<u>782,884</u>

At the end of the reporting period, the trade and bill receivables are expected to be recovered within one year.

Ageing analysis of trade and bill receivables (excluding impairment allowance) at the reporting date:

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
Within 2 months	204,047	339,148
Over 2 months but within 6 months	16,225	350,501
Over 6 months but within 1 year	281,219	1,610
Over 1 year but within 2 years	76	3,509
Over 2 years (Note)	89,405	88,116
	<u>590,972</u>	<u>782,884</u>

Note: At 30 June 2018, trade receivables aged over 2 years amounting to RMB88,911,000 (31 December 2017: RMB87,664,000) are defined as critical and high risk. The management believes that impairment allowance is not necessary for these receivables.

Credit period is generally 0 to 60 days (31 December 2017: 0 to 60 days) depending on the terms of the contracts with the customers.

The ageing is conducted for the date of the trade and bill receivables as indicated.

During the reporting period, the Group identified impairment allowance of RMB1,076,000 based on the carrying amount.

**13. PREPAYMENTS AND OTHER RECEIVABLES**

<b>At 30 June 2018 RMB'000 (Unaudited)</b>	<b>At 31 December 2017 RMB'000 (Audited)</b>
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#### 14. TRADE AND BILL PAYABLES

As at the end of the reporting period, the Group's trade and bill payables are as follows:

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
With 1 year or less	25,177	295,919
Over 1 year but within 2 years	496,064	345,694
Over 2 years	410,078	308,337
	<u>931,319</u>	<u>949,950</u>

#### 15. OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
<b>Current</b>		
Accounts payable	1,075,713	929,302
Accounts payable due within 1 year	2,241	2,196
Accounts payable due after 1 year	-	221
Accounts payable due within 1 year	61,984	57,984
Accounts payable due after 1 year	1,896	1,446
Receivables	19,774	29,559
Contract liabilities	254,085	
Other payables (Note)	1,669,245	1,745,281
	<u>3,084,938</u>	<u>2,765,989</u>
<b>Non-current</b>		
Other payables (Note)	92,837	174,603
	<u>3,177,775</u>	<u>2,940,592</u>

Note: Contract liabilities of RMB1,109,139,000 (31 December 2017: RMB1,122,937,000) are due within one year, and contract liabilities of RMB376,601,000 (31 December 2017: RMB480,763,000) are due after one year.

The accounts payable due within 1 year, accounts payable due after 1 year, receivables, contract liabilities, and other payables are as follows:

16. BORROWINGS

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
Bank borrowings	788,826	788,825
Secured bank borrowings (Note (i))	1,027,521	1,017,222
Unsecured bank borrowings (Note (ii))	1,816,347	1,806,047
Other borrowings (Note (iii))	4,149,400	4,239,838
	<b>5,965,747</b>	<b>6,045,885</b>

Notes:

- (i) Secured bank borrowings bear interest at a floating rate of 4.86% to 7.28% (31 December 2017: 4.35% to 7.28%) per annum from 30 June 2018.
- (ii) Unsecured bank borrowings bear interest at a floating rate of 4.75% to 7.20% (31 December 2017: 4.35% to 7.20%) per annum from 30 June 2018.
- (iii) Other borrowings bear interest at a floating rate of 4.75% to 7.01% (31 December 2017: 4.75% to 7.01%) per annum from 30 June 2018.

Interest payable on other borrowings are incurred in the ordinary course of business.

As at 30 June 2018, secured bank borrowings of RMB641,326,000 (31 December 2017: RMB641,326,000) and other borrowings of RMB3,121,949,000 (31 December 2017: RMB2,164,386,000) were secured by mortgage of land and buildings. The other borrowings are secured by the equity of the following companies: (i) Fortune Pearl, a wholly-owned subsidiary of the Company, with a carrying amount of RMB1,108,627,000 (31 December 2017: RMB1,270,542,000); (ii) Xinglong Coal, a wholly-owned subsidiary of the Company, with a carrying amount of RMB4,330,242,000 (31 December 2017: RMB2,193,437,000); (iii) Shechi Hongyuan Coal, a wholly-owned subsidiary of the Company, with a carrying amount of RMB228,858,000 (31 December 2017: RMB2,896,000). The other borrowings are secured by the equity of the following companies: (i) Fortune Pearl, a wholly-owned subsidiary of the Company, with a carrying amount of RMB1,108,627,000 (31 December 2017: RMB1,270,542,000); (ii) Xinglong Coal, a wholly-owned subsidiary of the Company, with a carrying amount of RMB4,330,242,000 (31 December 2017: RMB2,193,437,000); (iii) Shechi Hongyuan Coal, a wholly-owned subsidiary of the Company, with a carrying amount of RMB228,858,000 (31 December 2017: RMB2,896,000).

The Group's total significant intangible assets:

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
Patents, trademarks	1,208,012	1,373,638
Copyrights	4,330,242	4,417,366
Intangible assets	228,858	2,896
Bank deposits	11	123

At 30 June 2018 and 31 December 2017, the Group's significant intangible assets include the following: M. X. Intellectual Property, F. T. Pea 'e i, i.e. the Copyright and the Group's Intellectual Property, Xi'an C. A., Feixi C. A., Chongqing C. A., Xi'an C. A., H. G. A. C. A., S. e. T. G. ace a d O. i. e. A. Wi. e. A. At 30 June 2018, the significant intangible assets RMB5,965,747,000 (31 December 2017: RMB6,045,885,000) are registered with the Copyright Administration of the Copyright Administration of M. X.

## 17. CAPITAL COMMITMENTS

At each reporting date, capital commitments are disclosed for the contracted and identified financial assets:

	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
Patents, trademarks	<u>43,170</u>	<u>114,228</u>

## 18. CONTINGENT LIABILITIES

### (a) Outstanding litigation

Under the date of this report, the following litigation exists:

#### (i) Litigation claims relating to default of repayment of bank borrowings

In 2015, the bank filed a lawsuit in Zhuhai M. X. Intellectual Property Court against the Group for default of the bank's significant intangible assets RMB148,882,000 and the charge for the intangible assets RMB328,000. The intangible assets RMB148,882,000 and the charge for the intangible assets RMB328,000 had already been recognized as significant intangible assets and the intangible assets RMB148,882,000 and the charge for the intangible assets RMB328,000 had already been recognized as significant intangible assets at 31 December 2015.

In 2016, the bank filed a lawsuit in Shaanxi Province High People's Court against the Group for default of the bank's significant intangible assets RMB492,444,000 and the charge for the intangible assets RMB13,068,000. The intangible assets RMB492,444,000 and the charge for the intangible assets RMB13,068,000 had already been recognized as significant intangible assets and the intangible assets RMB492,444,000 and the charge for the intangible assets RMB13,068,000 had already been recognized as significant intangible assets at 31 December 2016. Pursuant to the judgment, the bank has accrued for the Group's default of the bank's significant intangible assets RMB492,444,000 and the charge for the intangible assets RMB13,068,000. In addition, the Group has also accrued for the bank's default of the bank's significant intangible assets RMB492,444,000 and the charge for the intangible assets RMB13,068,000.



In 2017, the board of directors of Zhonghai Mining Industry Co., Ltd. agreed that the Group should add the amount of RMB210,771,000 to the amount of RMB11,110,000 to be paid to the shareholders. The total amount of RMB210,771,000 and the amount of RMB11,110,000 had already been recorded in the financial statements as of December 31, 2017. Pursuant to the judgment of the court in Zhonghai Mining Industry Co., Ltd. v. China Coal Construction Group Co., Ltd. dated 5 July 2018, the court held that the amount of RMB11,110,000 should be recorded in the financial statements.

Under the facts of the case, the court held that the amount of RMB11,110,000 should be recorded in the financial statements.

(ii) **Litigation claims relating to the performance of the contract execution between Yu Lin Zhong Kuang Wan Tong Construction Limited Company ("Yu Lin Zhong Kuang") and Xinglong Coal and Hongyuan Coal**

On December 31, 2016, the court held that the amount of RMB101,323,000 had already been recorded in the financial statements as of December 31, 2016.

Pursuant to the judgment of the court in Shaanxi Pipin Coal Industry Co., Ltd. v. China Coal Construction Group Co., Ltd. dated 21 January 2017, the Group should add the amount of RMB130,769,000, which is the amount of RMB101,323,000 and the amount of RMB16,345,000 to the amount of RMB13,101,000. As a result, the Group should add the amount of RMB16,345,000 to the amount of RMB13,101,000 in the financial statements as of December 31, 2016.

On 22 February 2017, the Group agreed that Shaanxi Pipin Coal Industry Co., Ltd. should add the amount of RMB16,345,000 to the amount of RMB13,101,000 in the financial statements as of December 31, 2016. Pursuant to the judgment of the court in Shaanxi Pipin Coal Industry Co., Ltd. v. China Coal Construction Group Co., Ltd. dated 21 January 2017, the court held that the amount of RMB16,345,000 should be recorded in the financial statements as of December 31, 2016. Pursuant to the judgment of the court in Shaanxi Pipin Coal Industry Co., Ltd. v. China Coal Construction Group Co., Ltd. dated 21 January 2017, the court held that the amount of RMB13,101,000 should be recorded in the financial statements as of December 31, 2016.

(iii) **Litigation claim relating to the performance of the contract execution Beijing Zhongkuang Wantong Technology Development Company Limited ("Beijing Zhongkuang") and Huameiao Energy and Hongyuan Coal**

On December 31, 2017, the court held that the amount of RMB10,547,000 and the amount of RMB2,084,000 had already been recorded in the financial statements as of December 31, 2017.

On 16 December 2017, the Judge of the Shanghai People's Court dated 20 December 2017, the Court found that the defendant, Beijing Zhonggong, had added a new shareholder, Xiang, for a total of RMB2,084,000. As a result, the Court found that the defendant, Beijing Zhonggong, had added a new shareholder, Xiang, for a total of RMB2,084,000 in the period from 16 December 2017 to 31 December 2017. Subsequently, the Court found that the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB2,084,000 in the period from 16 December 2017 to 31 December 2017.

On 16 January 2018, the Court found that the defendant, Beijing Zhonggong, had added a new shareholder, Xiang, for a total of RMB149,000 in the period from 16 January 2018 to 30 January 2018.

**(iv) Litigation claims relating to repayment to non-controlling shareholders**

On 30 January 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB134,414,000 before the accounting period ended 31 December 2017. The defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB134,414,000 in the period from 30 January 2018 to 30 January 2018. The defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB134,414,000 in the period from 30 January 2018 to 30 January 2018.

On 30 January 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB134,414,000 in the period from 30 January 2018 to 30 January 2018.

On 30 January 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB134,414,000 in the period from 30 January 2018 to 30 January 2018.

**(b) Financial guarantees issued**

On 30 January 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB658,832,000 in the period from 30 January 2018 to 30 January 2018.

On 30 January 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB658,832,000 in the period from 30 January 2018 to 30 January 2018.

**19. EVENT AFTER THE REPORTING PERIOD**

On 9 August 2018, the defendant, Xiang, had added a new shareholder, Xiang, for a total of RMB658,832,000 in the period from 9 August 2018 to 9 August 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group has continued to expand its operations in China, and it has also expanded its operations in other regions, including the United States, Europe, and other regions. The Group's revenue from coal business and coal handling and trading volume for the six months ended 30 June 2018 is as follows:

### Revenue from coal business and coal handling and trading volume

	Six months ended 30 June	
	2018	2017
Revenue from coal business (RMB'000)	1,760,793	1,303,113
Coal handling and trading volume ('000 tonnes)	4,412	3,252

During the six months ended 30 June 2018, the revenue from coal business and coal handling and trading volume of the Group increased by RMB224 million compared with RMB697 million for the six months ended 30 June 2017. The revenue from coal business and coal handling and trading volume of the Group increased by RMB224 million compared with RMB697 million for the six months ended 30 June 2017. The revenue from coal business and coal handling and trading volume of the Group increased by RMB224 million compared with RMB697 million for the six months ended 30 June 2017. The revenue from coal business and coal handling and trading volume of the Group increased by RMB224 million compared with RMB697 million for the six months ended 30 June 2017.

The average price of coal and coal handling and trading volume of each of the three periods ended 31 December 2017 and the six months ended 30 June 2018 and 2017 are as follows:

	Six months ended 30 June		Year ended 31 December		
	2018	2017	2017	2016	2015
Average price (RMB per tonne)	399	401	405	287	309
Average coal handling and trading volume ('000 tonnes)	735	542	589	177	329

### Revenue from shipping transportation

The revenue from shipping transportation of the Group for the six months ended 30 June 2018 is RMB92.6 million, compared with RMB25.7 million for the six months ended 30 June 2017. The revenue from shipping transportation of the Group for the six months ended 30 June 2018 is RMB92.6 million, compared with RMB25.7 million for the six months ended 30 June 2017. The revenue from shipping transportation of the Group for the six months ended 30 June 2018 is RMB92.6 million, compared with RMB25.7 million for the six months ended 30 June 2017.

## Gross profit and gross profit margin

The Gross profit for the period ended 30 June 2018 was RMB332.8 million, compared with RMB454.7 million for the period ended 30 June 2017. Under the effect of the decrease in the average selling price of the products, the gross profit margin for the period ended 30 June 2018 was 17.96%, compared with 33.19% for the period ended 30 June 2017. The decrease in the gross profit margin was mainly due to the decrease in the average selling price of the products.

## Net finance costs

Net finance costs for the period ended 30 June 2018 were RMB180.8 million, a decrease of RMB6.0 million or 3.2% from RMB186.8 million for the period ended 30 June 2017. The net finance costs were mainly due to the interest expense on bank borrowings.

## Profit attributable to the equity shareholders of the Company

Profit attributable to the equity shareholders of the Company for the period ended 30 June 2018 was RMB96.8 million, compared with RMB151.4 million for the period ended 30 June 2017. The decrease in the profit attributable to the equity shareholders of the Company was mainly due to the decrease in the gross profit margin.

## BUSINESS REVIEW

Over the year, the company has been steadily progressing in the market. In 2017, the company has achieved a significant increase in sales volume and revenue. The company has also strengthened its market position and expanded its product line. The company's financial performance has been stable and consistent. The company's management team has implemented effective strategies to improve operational efficiency and reduce costs. The company's future prospects are bright and promising.

## Integrated Operation of “Production, Transportation, Sales and Trade”

In the first half of 2018, the company has completed the integrated operation of production, transportation, sales and trade. The company has achieved a significant increase in sales volume and revenue.

In the first half of 2018, the company has completed the integrated operation of production, transportation, sales and trade. The company has achieved a significant increase in sales volume and revenue.

In the first half of 2018, the company has completed the integrated operation of production, transportation, sales and trade. The company has achieved a significant increase in sales volume and revenue.

The Group is a fee for service provider. In this respect, the Group is effectively a financial institution for the purposes of the IASB's definition of a financial institution. The Group is a fee for service provider. In this respect, the Group is a financial institution for the purposes of the IASB's definition of a financial institution.

Given the nature of the business, the Group has established a risk management policy. The Group has established a risk management policy. The Group has established a risk management policy. The Group has established a risk management policy.

**Disposal of a Vessel**

As at the balance sheet date 31 December 2018, Oceanic Limited (the Vendor), a subsidiary of the Group, entered into an agreement with Kaia Marine Navigation Limited (the Purchaser), under which the Vendor agreed to sell the MV Oceanic (the Vessel) at a price of USD17,450,000 (equivalent to RMB112,017,000). Under the agreement, the Vendor agreed to sell the Vessel to the Purchaser on 19 January 2018 in accordance with the terms of the agreement. The Vendor ceased to be the beneficial owner of the Vessel.

Consequently, the assets and liabilities of the Vendor are included in the consolidated financial statements of the Group. Nevertheless, the disposal of the Vessel is a non-recurring transaction and the Group is not a financial institution.

**Debt Restructuring**

As at the balance sheet date 9 August 2018, the Group had accrued a total of USD1,320,790,000 (equivalent to RMB1,320,790,000) of debt. The Group has a debt of USD1,320,790,000 (equivalent to RMB1,320,790,000) as at 31 December 2018. In order to reduce the debt, the Group has entered into a debt restructuring agreement with the lender. The Group has entered into a debt restructuring agreement with the lender. The Group has entered into a debt restructuring agreement with the lender.

As of 30 June 2018, the Group had the following table of coal assets in China. The table sets out the

	Location	Ownership	Site area (sq. km)	Production capacity (million tonnes)	Operation status
Huameiao Energy Xingtai Coal	Shanxi Shaoli	80%	4.3	1.5	Under development
Huameiao Energy Fengxi Coal	Shanxi Shaoli	80%	2.4	0.9	Under development
Huameiao Energy Chongsheng Coal	Shanxi Shaoli	80%	2.9	0.9	Under development
Xingtai Coal	Shanxi Shaoli	100%	4.0	0.9	Under development (Terminated)
Huameiao Coal	Shanxi Shaoli	100%	4.1	0.9	Under development (Terminated)

The Group engaged independent advisers to conduct an evaluation of the coal assets as at 30 June 2016 in accordance with the JORC Code.

## COAL CHARACTERISTICS

Characteristics of the coal reserves of the Group are as follows:

Coal Quality Characteristic	Huameiao Energy – Xingtai Coal	Huameiao Energy – Fengxi Coal	Huameiao Energy – Chongsheng Coal
Sea	4	9	9
Moisture (%)	9.13-12.11%	2.07-2.90%	8.70-11.84%
Ash (%)	21.07-29.94%	18.36-30.42%	21.25-23.85%
Sulfur (%)	0.76-1.81%	0.31-0.84%	1.78-2.40%
Volatile Matter (%)	21.96-27.49%	19.90-29.49%	27.54-28.88%
Energy Content (MJ/g)	17.30-18.13%	17.08-22.03%	20.36-22.25%

## OPERATING DATA

### Reserves and Resources

	Huameiao Energy – Xingtao Coal	Huameiao Energy – Fengxi Coal	Huameiao Energy – Chongsheng Coal	Xinglong Coal	Hongyuan Coal	Total
<b>Reserves</b>						
Reserves available at 31 January 2018 (Mt)						
Proven reserves	59.94	14.53	27.20	22.49	30.16	154.32
Probable reserves	12.26	27.43	19.51	9.53	1.17	69.90
Total reserves available at 31 January 2018 (Mt)	<u>72.20</u>	<u>41.96</u>	<u>46.71</u>	<u>32.02</u>	<u>31.33</u>	<u>224.22</u>
Less: Taxation deductible reserves at 30 June 2018 (Mt)	<u>(1.37)</u>	<u>(1.46)</u>	<u>(0.87)</u>	<u>.a.</u>	<u>.a.</u>	<u>(3.70)</u>
<b>Reserves as at 30 June 2018 (Mt)</b>	<b><u>70.83</u></b>	<b><u>40.50</u></b>	<b><u>45.84</u></b>	<b><u>32.02</u></b>	<b><u>31.33</u></b>	<b><u>220.52</u></b>
<b>Resources</b>						
Resources available at 31 January 2018 (Mt)	108.58	66.09	70.41	45.96	41.78	332.82
Less: Taxation deductible reserves at 30 June 2018 (Mt)	<u>(1.37)</u>	<u>(1.46)</u>	<u>(0.87)</u>	<u>.a.</u>	<u>.a.</u>	<u>(3.70)</u>
<b>Resources as at 30 June 2018 (Mt)</b>	<b><u>107.21</u></b>	<b><u>64.63</u></b>	<b><u>69.54</u></b>	<b><u>45.96</u></b>	<b><u>41.78</u></b>	<b><u>329.12</u></b>

The following table sets forth the historical and comparative figures attributable to the identified:

	Six months ended 30 June	
	2018 ( <i>'000 tonnes</i> )	2017 ( <i>'000 tonnes</i> )
<b>Raw coal production volume</b>		
Hainan Energy Xigaocha	1,371	1,551 <sup>+</sup>
Hainan Energy Fengxi	1,459	948 <sup>+</sup>
Hainan Energy Chongqing	868	1,167 <sup>+</sup>
<b>Total</b>	<b>3,698</b>	<b>3,666</b>

	Six months ended 30 June	
	2018 ( <i>'000 tonnes</i> )	2017 ( <i>'000 tonnes</i> )
<b>Commercial coal production volume</b>		
Hainan Energy Xigaocha	891	1,008 <sup>+</sup>
Hainan Energy Fengxi	948	617 <sup>+</sup>
Hainan Energy Chongqing	564	758 <sup>+</sup>
<b>Total</b>	<b>2,403</b>	<b>2,383</b>

<sup>+</sup>: The percentage of the 'revised' 25 June 2016, the effective date of the 65% fact.

### Exploration, Mining and Development Expenses

The following table sets forth the historical and comparative figures:

	Six months ended 30 June	
	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
Manufacturing	29,355	30,198
Staff	116,672	108,492
Other direct	21,884	26,302
Overhead and other	291,229	142,273
Expenses	785	2,708
<b>Total</b>	<b>459,925</b>	<b>309,973</b>



## Liquidity, Financial Resources and Capital Structure

The Group had a total liability of RMB8,751.4 million. The Group had a total liability of RMB8,751.4 million. The Group had a total liability of RMB8,751.4 million. The Group had a total liability of RMB8,751.4 million.

The Group has a total liability of RMB134.1 million (at 31 December 2017: RMB80.3 million), which is a total liability of RMB134.1 million (at 31 December 2017: RMB80.3 million).

At 30 June 2018, the Group had a total liability of RMB5,965.7 million (at 31 December 2017: RMB6,045.9 million), which is a total liability of RMB5,965.7 million (at 31 December 2017: RMB6,045.9 million).

At 30 June 2018, the Group had a total liability of RMB1,816.4 million (at 31 December 2017: RMB1,806.0 million), which is a total liability of RMB1,816.4 million (at 31 December 2017: RMB1,806.0 million).

At 30 June 2018, the Group had a total liability of RMB0.28 million (at 31 December 2017: RMB0.28 million), which is a total liability of RMB0.28 million (at 31 December 2017: RMB0.28 million).

The Group's total liability of RMB5,965.7 million (at 30 June 2018) is a total liability of RMB5,965.7 million (at 30 June 2018).

## Exposure to Fluctuations in Exchange Rates

The Group's total liability of RMB5,965.7 million (at 30 June 2018) is a total liability of RMB5,965.7 million (at 30 June 2018).

## Pledge of Assets of the Group and Guarantee

At 30 June 2018, the Group had a total liability of RMB5,767.1 million (at 31 December 2017: RMB5,794.0 million), which is a total liability of RMB5,767.1 million (at 31 December 2017: RMB5,794.0 million).

## CONTINGENT LIABILITIES

Except as otherwise indicated in Note 18, the liabilities are as at the end of the reporting period, 30 June 2018.

## BUSINESS OUTLOOK

The following figures are indicative and are not intended to represent a forecast of the company's performance. The company's performance is subject to various risks and uncertainties, which may affect the company's financial position.

The company's performance is subject to various risks and uncertainties, which may affect the company's financial position. The company's performance is subject to various risks and uncertainties, which may affect the company's financial position.

Beide, the company has a strong track record of high-quality performance. The company's performance is subject to various risks and uncertainties, which may affect the company's financial position.

The company's performance is subject to various risks and uncertainties, which may affect the company's financial position. The company's performance is subject to various risks and uncertainties, which may affect the company's financial position.

## AUDIT COMMITTEE

The Board has established an Audit Committee since 12 June 2009 to oversee the company's financial reporting process. The members of the Audit Committee are Mr. HUANG G. HE, Mr. LAU Si Y. and Mr. XING Zhi G. Mr. LAU Si Y. is the chair of the Audit Committee. The independent financial auditors are PricewaterhouseCoopers.

The Audit Committee has held 23 meetings in 2018, and the company's financial statements for the year ended 30 June 2018 have been audited.

## CORPORATE GOVERNANCE

The company has adopted the Hong Kong Code of Corporate Governance as its corporate governance code. The company's performance is subject to various risks and uncertainties, which may affect the company's financial position.

## EMPLOYEES AND REMUNERATION

As at 30 June 2018, the Group employed 2,212 employees. The Group has adopted a performance-based remuneration policy for its employees. The remuneration policy is designed to attract, motivate and retain employees who are essential to the Group's long-term success. The remuneration policy is based on the employee's performance, position and experience. The remuneration policy is approved by the Board and is subject to the approval of the shareholders.

Subsidaries of the Company established in the PRC are a local entity in accordance with the applicable laws and regulations of the PRC. The subsidiaries of the Company are established in the PRC as a result of the Company's business expansion in the PRC. The subsidiaries of the Company are established in the PRC as a result of the Company's business expansion in the PRC. The subsidiaries of the Company are established in the PRC as a result of the Company's business expansion in the PRC. The subsidiaries of the Company are established in the PRC as a result of the Company's business expansion in the PRC.

Moreover, as disclosed in the prospectus of the Company dated 19 June 2009, the Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed. The Company's IPO has been completed.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period ended 30 June 2018, the Company has not purchased, sold or redeemed any of its listed securities.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim financial report of the Company (the "Interim Report") is published in accordance with the requirements of the Listing Rules of the Stock Exchange of Hong Kong. The Interim Report is published in accordance with the requirements of the Listing Rules of the Stock Exchange of Hong Kong. The Interim Report is published in accordance with the requirements of the Listing Rules of the Stock Exchange of Hong Kong. The Interim Report is published in accordance with the requirements of the Listing Rules of the Stock Exchange of Hong Kong.

By Order of the Board  
**China Qinfra Group Limited**  
**Mr. XU Da**  
*Chairman*

Guangzhou, 23 August 2018

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