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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)

**COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



訊匯證券有限公司
SINCERE SECURITIES LIMITED

The Board is pleased to announce that completion of the Placing took place on 21 December 2015 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 200,000,000 Placing Shares have been placed to not less than six Placees at the Placing Price of HK\$0.249 per Placing Share.

Reference is made to the announcement (“**Announcement**”) of China Qinfa Group Limited (“**Company**”) dated 30 November 2015 in relation to, among other matters, the placing of a maximum of 200,000,000 shares of the Company. Unless otherwise stated, terms used herein shall have the same meanings as defined in the announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions of the Placing have been fulfilled and completion of the Placing took place on 21 December 2015. Pursuant to the Placing Agreement, an aggregate of 200,000,000 Placing Shares have been placed to not less than six Placees at the Placing Price of HK\$0.249 per Placing Share.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are independent third parties.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Placing.

The net proceeds from the Placing (after deducting the placing commission and other related expenses payable by the Company) are approximately HK\$47.86 million.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Placing:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Fortune Pearl International Limited (<i>note 1</i>)	1,036,000,000	49.85	1,036,000,000	45.47
Xu Jihua (<i>note 2</i>)	14,229,610	0.68	14,229,610	0.63
Wang Jianfei (<i>note 2</i>)	100,000,000	4.81	100,000,000	4.39
Xu Da (<i>note 2</i>)	145,135,251	6.98	145,135,251	6.37
Ma Baofeng (<i>note 2</i>)	50,000,000	2.41	50,000,000	2.19
Bai Tao (<i>note 2</i>)	50,000,000	2.41	50,000,000	2.19
Placees	–	–	200,000,000	8.78
Other public shareholders	683,049,124	32.86	683,049,124	29.98
Total	2,078,413,985	100.00	2,278,413,985	100.00

Notes:

- Fortune Pearl International Limited is wholly owned by Mr Xu Jihua.
- Mr. Xu Jihua, Ms. Wang Jianfei, Mr. Xu Da, Mr. Ma Baofeng and Mr. Bai Tao are Directors of the Company.