中 國 秦 發 集 團 有 限 公 司

The Board refers to the profit arning announcement of the Compan dated 10 August 2015.

(   )

			2014
		RMB'000	
[illegible]			
[illegible]		[illegible]	4,457,384
Cost of sales		[illegible]	(4,299,417)
[illegible]		[illegible]	157,967
Other income, gains and losses		[illegible]	64,196
Distribution expenses		[illegible]	(45,530)
Administrative expenses		[illegible]	(110,586)
Other expenses		[illegible]	(3,057)
[illegible]		[illegible]	62,990
Finance income		[illegible]	18,379
Finance costs		[illegible]	(369,133)
[illegible]		[illegible]	(350,754)
Share of loss of associates		[illegible]	(3,035)
[illegible]		[illegible]	(290,799)
Income tax expense		[illegible]	(64,729)
[illegible]		[illegible]	(355,528)
[illegible]			
Loss for the period from discontinued operation		[illegible]	
[illegible]		[illegible]	(355,528)
[illegible]			
Items that ma be reclassified subsequentl to profit or loss:			
Foreign currenc translation differences for foreign operations		[illegible]	6,506
[illegible]		[illegible]	6,506
[illegible]		[illegible]	(349,022)

		2014
	RMB'000	
Equit shareholders of the Compan	(,)	(381,555)
Non-controlling interests	(,)	26,027
	(,)	(355,528)
Equit shareholders of the Compan	(,)	(375,049)
Non-controlling interests	(,)	26,027
	(,)	(349,022)
Basic and diluted loss per share		
from continuing operations	( )	(RMB18 cents)
from discontinued operation	( )	
	( )	(RMB18 cents)

		At 31 December 2014
	RMB'000	
Propert , plant and equipment	[illegible]	7,028,164
Coal mining rights	[illegible]	4,633,632
Lease prepa ments	[illegible]	112,921
Interests in associates	[illegible]	77,267
Deferred tax assets	[illegible]	19,384
	[illegible]	11,871,368
Inventories	[illegible]	326,355
Trade and bill receivables	[illegible]	1,268,992
Prepa ments and other receivables	[illegible]	863,461
Pledged deposits	[illegible]	497,129
Cash and cash equivalents	[illegible]	53,864
	[illegible]	3,009,801
Assets held for sale	[illegible]	
	[illegible]	3,009,801
Trade and bill pa ables	[illegible]	(1,048,131)
Other pa ables	[illegible]	(2,258,701)
Interest-bearing borro ings	[illegible]	(4,734,105)
Tax pa able	[illegible]	(247,145)
	[illegible]	(8,288,082)
Liabilities directl associated ith assets held for sale	[illegible]	
	[illegible]	(8,288,082)
	[illegible]	(5,278,281)
	[illegible]	6,593,087

China Qinfa Group Limited (the) as incorporated in the Ca man Islands on 4 March 2008 as an exempted compan ith limited liabilit under the Companies La (2007 Revision) of the Ca man Islands. The Compan 's shares ere listed on the Main Board of The Stock Exchange of Hong Kong Limited ( ) on 3 Jul 2009 (the). These interim financial statements of the Compan for the six months ended 30 June 2015 comprises the Compan and its subsidiaries (collectivel referred to as the).

These interim financial statements have been prepared in accordance ith International Accounting Standard ( ) 34 Interim Financial Reporting, issued b the International Accounting Standards Board ( ) and in accordance ith the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange.

These interim financial statements have been prepared in accordance ith the same accounting policies adopted in the 2014 annual financial statements, except for the accounting polic changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

These interim financial statements contain condensed consolidated financial statements and selected explanator information. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the ear ended 31 December 2014. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance ith International Financial Reporting Standards ( ), and should be read in conjunction ith the Group's annual financial statements for the ear ended 31 December 2014.

The interim financial statements have not been audited.

The Group incurred a consolidated net loss of approximatel RMB829,492,000 for the six months ended 30 June 2015 and, as of that date, the Group recorded net current liabilities of approximatel RMB3,853,366,000. These conditions indicate the existence of a material uncertaint hich ma cast significant doubt about the Group's abilit to continue as a going concern.

The condensed consolidated financial statements have been prepared on the assumptions that the Group ill continue to operate as a going concern not ithstanding the conditions prevailing as at 30 June 2015 and subsequentl thereto up to the date of approval of the condensed consolidated financial statements. In order to improve the Group's financial positions, immediate liquidit and cash flo s, and other ise to sustain the Group as a going concern, the directors of the Compan have adopted several measures together ith other measures in progress at the date of approval of these condensed consolidated financial statements hich include, but not limited to, the follo ings:

(i) Appl cost control measures in cost of sales and administrative expenses;

(ii) The Group is currentl in the process of negotiating ith certain banks to obtain ne banking facilities ith an aggregate amount of RMB330,000,000;

(iii) Subsequent to 30 June 2015, the Group has renewed interest-bearing borrowings of RMB196,302,000. The renewed interest-bearing borrowings would be repayable after 30 June 2016 except interest-bearing borrowings of RMB74,540,000 would be due before 30 June 2016;

(iv) For interest-bearing borrowings which will be mature before 30 June 2016, the Group will actively negotiate with the banks when they fall due to secure necessary fund to meet the Group's working capital and financial requirements in the future. The directors of the Company, having evaluated all the relevant facts available to them, are of the opinion that the Group would be able to renew such interest-bearing borrowings upon maturity; and

(v) The disposal of 60% equity interest in Zhuhai Qinfa Port Co., Limited ( ) was completed on 7 August 2015 and the proceeds of RMB350,000,000 were received in August 2015.

In addition to the above measures, the directors of the Company have prepared a cash flow forecast for the next twelve months and are of the opinion that the Group would generate positive cash inflows from its operations.

On the basis of the successful implementation of the measures described above and after assessing the Group's current and forecasted cash positions, the directors of the Company are satisfied that the Group will be able to meet their financial obligations in full in the foreseeable future. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 June 2015 on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their estimated recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the condensed consolidated financial statements.

In the preparation of the condensed consolidated financial statements for the six months ended 30 June 2015, the Group has applied, for the first time, the following revised standards and a new interpretation issued by the IASB.

IAS 19 Amendments	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results ma differ from these estimates.

In preparing these interim financial statements, the significant judgements made b management in appl ing the Group's accounting policies and the ke sources of estimation uncertaint ere the same as those that applied to the consolidated financial statements for the ear ended 31 December 2014.

( )

The Group has three reportable segments coal business, shipping transportation and port business hich are the Group's strategic business units. Port business as discontinued during the period. These strategic business units offer different products and services, and are managed separatel because the require different technolog and marketing strategies. For each of the strategic business units, the Chief Executive Officer (the) revie s internal management reports on a monthl basis.

For the purposes of assessing segment performance and allocating resources bet een segments, the CEO monitors the results, assets and liabilities attributable to each reportable segment on the follo ing basis:

The measure used for reporting segment loss is adjusted loss before net finance costs and income tax expense. Items not specificall attributable to individual segments, such as unallocated head office and corporate administration costs are further adjusted.

Segment assets include all tangible assets, coal mining rights, lease prepa ment, interests in associates and current assets ith the exception of deferred tax assets and other corporate assets. Segment liabilities include trade and bill pa ables and other pa ables attributable to activities of the individual segments, accrued reclamation obligations and interest-bearing borro ings managed directl b the segments.

Revenue and expenses are allocated to the reportable segments ith reference to sales generated b those segments and the expenses incurred b those segments.

[illegible]

	[illegible] RMB'000	2014
Reportable segment (loss)/profit before taxation	(,)	66,808
Elimination of inter-segment loss	[illegible]	9
Unallocated head office and corporate expenses	(,)	(6,862)
Net finance costs	(,)	(350,754)
Consolidated loss before taxation from continuing and discontinued operations	(,)	(290,799)

[illegible]

	[illegible] RMB'000	At 31 December 2014
Reportable segment assets	, ,	15,294,250
Elimination of inter-segment receivables	(,)	(434,207)
Deferred tax assets	,	19,384
Unallocated assets	,	1,742
Consolidated total assets	, ,	14,881,169

[illegible]

	[illegible] RMB'000	At 31 December 2014
Reportable segment liabilities	, ,	12,210,222
Elimination of inter-segment pa ables	(, ,)	(1,086,257)
Tax pa able	,	247,145
Deferred tax liabilities	, ,	1,138,474
Unallocated liabilities	,	5,243
Consolidated total liabilities	, ,	12,514,827

• [illegible]

Revenue for the period mainl represents the sales of coal and charter hire income. The amount of each significant categor of revenue recognised during the period is as follo s:

	[illegible] RMB'000	2014
[illegible]		
Sales of coal	,	4,391,228
Charter hire income	,	66,156
	,	4,457,384

		2014
	RMB'000	
Leasing income	[illegible]	68,750
Government subsidies	[illegible]	5,020
Foreign exchange loss, net	[illegible]	(14,381)
Gain on disposal of propert , plant and equipment	[illegible]	[illegible]
Others	[illegible]	4,807
	[illegible]	64,196

The Group received unconditional subsidies from local government during the periods as recognition of the Group's contribution to the development of local econom .

Loss before taxation is arrived at after charging/(crediting):

( ) f

		2014
	RMB'000	
		(Restated)
Interest income	[illegible]	(18,379)
Interest on interest-bearing borro ings holl repa able ithin five ears	[illegible]	338,880
Interest charge on un inding of discounts	[illegible]	2,593
Less: interest capitalised into propert , plant and equipment*	[illegible]	(29,812)
	[illegible]	311,661
Bank charges	[illegible]	57,472
Finance costs	[illegible]	369,133
Net finance costs	[illegible]	350,754

* The borro ing costs have been capitalised at a rate of 6.93% (six months ended 30 June 2014: 7.04% to 10.87%) per annum.

( )

		2014
	RMB'000	
Depreciation for propert , plant and equipment	,	75,588
Amortisation of coal mining rights	,	33,888
Amortisation of lease prepa ments		70

The calculation of basic loss per share from continuing and discontinued operations for the six months ended 30 June 2015 is based on the loss attributable to ordinar equit shareholders of the Compan from continuing and discontinued operations of approximatel RMB667,623,000 (six months ended 30 June 2014: RMB383,869,000) and RMB41,703,000 (six months ended 30 June 2014: Nil) and the eighted average number of approximatel 2,078,413,985 (six months ended 30 June 2014: 2,078,413,985) ordinar shares in issue during the period.

f

		2014
	RMB'000	
		(Restated)
Loss from continuing operations	(,)	(355,528)
Loss/(profit) attributable to non-controlling interests from continuing operations	,	(26,027)
Loss attributable to equit shareholders of the Compan from continuing operations	(,)	(381,555)
Less: Distribution relating to perpetual subordinated convertibles securities classified as equit	(,)	(2,314)
Loss attributable to ordinar equit shareholders of the Compan from continuing operations	(,)	(383,869)
Loss from discontinued operation	(,)	
Loss attributable to non-controlling interests from discontinued operation	,	
Loss attributable to ordinar equit shareholders of the Compan from discontinued operation	(,)	
Loss attributable to ordinar equit shareholders of the Compan from continuing and discontinued operations	(,)	(383,869)

Diluted loss per share ere same as the basic loss per share as the effect of all potential ordinar share is anti-dilutive for the six months ended 30 June 2015 and 2014.

		At 31 December 2014
	RMB'000	
Trade and bill receivables	[illegible]	1,312,139
Less: impairment	([illegible])	(43,147)
	[illegible]	1,268,992

All of the trade and bill receivables are expected to be recovered ithin one ear.

An ageing anal sis of trade and bill receivables (net of impairment loss) of the Group is as follo s:

		At 31 December 2014
	RMB'000	
Within 2 months	[illegible]	519,102
Over 2 months but ithin 6 months	[illegible]	271,261
Over 6 months but ithin 1 ear	[illegible]	285,078
Over 1 ear but ithin 2 ears	[illegible]	192,386
Over 2 ears	[illegible]	1,165
	[illegible]	1,268,992

Credit terms granted to customers mainl range from 0 to 60 da s depending on the customers' relationship ith the Group, their credit orthiness and past settlement record.

The ageing is counted from the date hen trade and bill receivables are recognised.

		At 31 December 2014
	RMB'000	(Restated)
Deposits and prepa ments	[illegible]	182,874
Amounts due from non-controlling shareholders	[illegible]	530,198
Other non-trade receivables	[illegible]	197,961
Less: impairment	([illegible])	(47,572)
	[illegible]	863,461

[illegible]

On 26 June 2015, Hong Kong Qinfa Trading Limited, a holl o ned subsidiar of the Compan , entered into a conditional disposal agreement ith Zhuhai Port Logistics Centre Co., Limited, a holl o ned subsidiar of Zhuhai Port Holdings Group Co., Limited to dispose of its 60% of the equit interest in Zhuhai Port for a cash consideration of RMB350,000,000 (the [illegible]). Zhuhai Port Holdings Group Co., Limited is the non-controlling shareholder of Zhuhai Port ho o ned 40% of the equit interest in Zhuhai Port immediate before the Disposal.

Zhuhai Port as incorporated in the PRC and is principall engaged in provision of port services. The Disposal as completed on 7 August 2015. The Disposal constitutes a discontinued operation as Zhuhai Port represents the port business of the Group, a separate major line of business.

The results of the port business for the six months ended 30 June 2015 and 2014 ere as follo s:

	[illegible]	
	[illegible]	2014
	RMB'000	[illegible]
Revenue	[illegible]	[illegible]
Cost of sales	([illegible])	[illegible]
[illegible]	([illegible])	[illegible]
Other income, gains and losses	[illegible]	[illegible]
Administrative expenses	([illegible])	[illegible]
[illegible]	([illegible])	[illegible]
Finance income	[illegible]	[illegible]
Finance costs	([illegible])	[illegible]
[illegible]	([illegible])	[illegible]
[illegible]	([illegible])	[illegible]
Income tax expense	[illegible]	[illegible]
[illegible]	([illegible])	[illegible]

The major classes of assets and liabilities of Zhuhai Port are as follo s:

	RMB'000
Propert , plant and equipment	[illegible]
Lease prepa ments	[illegible]
Inventories	[illegible]
Trade receivables	[illegible]
Prepa ments and other receivables	[illegible]
Cash and cash equivalents	[illegible]
[illegible]	[illegible]
Trade pa ables	[illegible]
Other pa ables	[illegible]
Interest-bearing borro ings	[illegible]
Tax pa able	[illegible]
[illegible]	[illegible]

[illegible]

An ageing anal sis of trade and bill pa ables of the Group is as follo s:

		At 31 December 2014
	RMB'000	
Within 1 ear	[illegible]	1,001,631
Over 1 ear but ithin 2 ears	[illegible]	46,107
Over 2 ears	[illegible]	393
	[illegible]	1,048,131

		At 31 December
		2014
	RMB'000	
		(Restated)
Receipts in advance	,	49,572
Accrued expenses	,	229,823
Amount due to a related compan	,	
Amounts due to directors	,	
Perpetual subordinated convertible securities distribution pa ables	,	2,659
Other pa ables	, ,	1,976,6474,956

OTHER PAYABL

(iii) Non-current bank loans (including current portions of non-current bank loans) bear the follo ing interest rates:

		At 31 December 2014
	RMB'000	
(1) 30% premium on the per annum interest rate quoted b the People's Bank of China in respect of five- ear borro ings (- **f**)		340,000
(2) 20% premium on the 5- ear interest rate of PBOC		635,000
(3) Fixed rate: 7.01%	,	
(4) 5% premium on the per annum interest rate quoted b the People's Bank of China ith terms longer than five ears		1,083,510
(5) 38% premium on the per annum interest rate quoted b the People's Bank of China in respect of three- ear borro ings (- **f**)	,	585,000
(6) 13.82% premium on the 3- ear interest rate of PBOC		285,000
(7) 4.13% per annum over Raiffeisen Bank International AG's cost of fund	,	36,720
(8) 5% premium on the 3- ear interest rate of PBOC	,	159,700
(9) 3- ear interest rate of PBOC	, ,	587,911
(10) 5- ear interest rate of PBOC	,	

As at 31 December 2014, the Group's interest-bearing borro ings are also secured b the Group's equit interest in Huameiao Energ , Xingtao Coal, Chongsheng Coal, Xinglong Coal, Hong uan Coal, Shuo hou Guangfa, Super Grace and Oriental Wise). As at 31 December 2014, interest-bearing borro ings of RMB4,535,747,000 ere guaranteed b the Compan , certain subsidiaries of the Compan and/or related parties.

The Group's interest-bearing borro ings are repa able as follo s:

		At 31 December 2014
	RMB'000	
Within 1 ear	, ,	4,734,105
Over 1 ear but ithin 2 ears	, ,	1,952,795
Over 2 ears but ithin 5 ears	,	304,737
Over 5 ears		660,264
	, ,	2,917,796
	, ,	7,651,901

At each reporting date, capital commitments outstanding not provided for in the condensed consolidated financial statements are as follo s:

		At 31 December 2014
	RMB'000	
Propert , plant and equipment	,	281,312
Interests in associates		6,509

The Group as committed at 31 December 2014 to invest in Paragon Coal Pt Ltd hich amounted to approximatel Australian dollar ( ) 1,300,000 (equivalent to approximatel RMB6,509,000).

The Group is a non-state o ned thermal coal supplier in China, and it operates an integrated coal suppl chain, including coal mining, purchase and sales, filtering, storage, blending and shipping transportation. During the six months ended 30 June 2015, the Group continued to focus on these business activities. The Group as also engaged in the provision of port services, hich the Group has discontinued in the period in connection ith the disposal of Zhuhai Port as described in note 12 to the interim financial statements. The follo ing sets forth detailed anal sis of the principal components of the operating results of the Group:

		2014
Coal handling and trading	,	4,391,228
Coal handling and trading	,	10,917

During the six months ended 30 June 2015, the volume of the Group's coal handling and trading recorded a 77.2% decrease as compared to the corresponding period in 2014. The monthl average coal selling prices during the six months ended 30 June 2015 ere in range bet een RMB185 per tonne and RMB416 per tonne, hich ere lo er than the average selling prices bet een RMB365 per tonne and RMB494 per tonne during the same period in 2014. The decrease in coal handling and trading volume and monthl average coal selling price ere principall because of the slo do n in the gro th of economics in China and resulting the sluggish coal demand during 2015, as ell as the decline of international energ prices hich aggravated the adjustment of coal prices in China during 2015.

The average coal selling prices and the average monthl coal handling and trading volume for each of the three ears ended 31 December 2014 and the six months ended 30 June 2015 and 2014 are set forth in the table belo :

		2014	2014	2013	2012
Average coal selling price		402	395	445	494
Average monthl coal handling and trading volume		1,820	1,328	2,003	1,841

Since 2013, domestic coal prices have been follo ing a do ntrend and such drop is getting more and more serious. Domestic coal prices have been plummeting during the ear. The Bohai-Rim Steam-Coal Price Index in Jul fell nearl 20% as compared to the per-tonne price at the beginning of the ear. This is a record lo in the recent decade.

Affected b the macro-econom , the production and sales volume of the Group also decreased. During the six months ended 30 June 2015, the coal handling and trading volume of the Group as 2.5 million tonnes, representing a decrease of 77.2% as compared to the corresponding period in 2014.

[illegible]

Hengqin Coal Exchange Center (the) as established in Februar 2014. B capitalising on the tax incentives and financial strengths of the free trade one and full integrating the logistics flo s, business flo s, information flo s and capital flo s through its online coal trading platform, the Center provides its members ith professional and efficient integrated solutions along the coal industr chain, such as information services, integrated logistics, trading services, offline and online transactions, quick settlement, membership services and annual international coal trading conferences, ith a vie to facilitating the transformation and upgrading of the coal industr through the establishment of the coal trading platform and e-commerce facilities.

The Center has alread completed the fundamental ork, including launching its ebsite, building up its team, and publishing informational products and coal price indexes. It is currentl activel appl ing for the domestic third-part pa ment license so as to expedite the expansion of the trading and settlement operations of the Center.

With several members including Shenhua, China Coal, Datong Coal, the five major po er groups and provincial po er plants, the Center is the first trading platform publishing coal trading price index on a dail basis. As one of the three largest free trade ones in Guangdong, the Hengqin Free Trade Zone enjo s the follo ing unique advantages: (1) tax incentives; (2) proximit to Macau, allo ing convenient domestic and international transportation. Besides, the platform has alread entered into strategic agreements ith five banks. B integrating the information flo s, logistics flo s and capital flo s of coal trading, the platform ill bring profits to the Group.

As of 30 June 2015, the Group o ned and operated five coal mines in China and has equit interest in one compan listed in Australia engaging in the coal mining business. The table sets forth certain information about these coal mines.

Huameiao Energ Xingtao Coal	Shuo hou Shanxi	80%	4.3	Under operation
Huameiao Energ Fengxi Coal	Shuo hou Shanxi	80%	2.4	Under operation
Huameiao Energ Chongsheng Coal	Shuo hou Shanxi	80%	2.9	Under operation
Xinglong Coal	Xin hou Shanxi	100%	4.0	Under development
Hong uan Coal	Xin hou Shanxi	100%	4.1	Under operation
Tiaro Coal	Australia	26.31%	n.a.	Under voluntar administration

(1) The Group engaged an independent mineral industr consultant to estimate the total coal reserves and resources as of 30 September 2011 in accordance ith the JORC Code. For the period from 1 October 2011 to 30 June 2014, there as no material change in total coal reserves and resources. The total coal reserves and resources as of 30 June 2015 ere derived from the estimated figures after deducting the ra coal production for the period from 1 October 2011 to 30 June 2015.

(2) The production capacit for Xingtao coal mine of Huameiao Energ is 1.50 million tonnes per annum, ith a total investment budget of (excluding coal ashing plant) RMB380 million. The construction as commenced in October 2011. As of 30 June 2015, the accumulated actual investment as RMB393 million. The mine has started joint trial operation since 30 June 2014, and is no subject to testing and inspection.

(3) The production capacit for Fengxi coal mine of Huameiao Energ is 0.9 million tonnes per annum, ith a total investment budget of RMB400 million. The construction as commenced in September 2011. As of 30 June 2015, the accumulated actual investment as RMB397 million. The coal mine and coal ashing plant put into production on 21 October 2013, and the construction of the coal mine and coal ashing plant as completed, delivering a capacit of 0.9 million tonnes per annum.

(4) The production capacit for Chongsheng coal mine of Huameiao Energ is 0.9 million tonnes per annum, ith a total investment budget of RMB391 million. The construction as commenced in September 2011. As of 30 June 2015, the accumulated actual investment as RMB392 million. The construction of the coal mine and coal ashing plant as completed, delivering a capacit of 0.9 million tonnes per annum. The mine had been put into production on 21 Januar 2014.

(5) The Group completed the establishment of t o companies, Xinglong Coal and Hong uan Coal, both holl -o ned b Shenchi Shenda Energ Investment Co., Ltd. during the first half ear of 2013.

The Group engaged an independent mineral industr consultant to estimate the total coal reserves and resources as at 31 Ma 2013 in accordance ith the JORC Code.

Pursuant to the estimation, the coal reserves and resources of t o coal mines ere 66.8 million tonnes and 96.5 million tonnes as of 30 June 2015 (after deduction of the ra coal production volume for the period from 1 June 2013 to 30 June 2015) respectivel .

(6) The production capacit for Xinglong coal mine is 0.9 million tonnes per annum, ith a total investment budget of RMB453 million. The construction as commenced in December 2012. As of 30 June 2015, the accumulated actual investment as RMB222 million. The mine construction, civil engineering and installation orks are in progress.

(7) The production capacit for Hong uan coal mine is 0.9 million tonnes per annum, ith a total investment budget of RMB424 million. The construction as commenced in March 2013. As of 30 June 2015, the accumulated actual investment as RMB294 million.

Characteristics of the commercial coal produced b the Group's operating mines are as follo s:

Seam	4	4	4
Moisture (%)	10.72-13.15%	2.12-2.80%	2.02-3.61%
Ash (%)	15.54-23.08%	22.65-30.62%	22.25-30.72%
Sulfur (%)	0.91-0.94%	0.66-0.79%	0.89-1.80%
Volatile Matter (%)	26.03-28.58%	23.69-24.89%	23.69-25.89%
Energ Content (MJ/kg)	19.76-21.51	17.26-18.12	17.06-18.52

Reserves as of 31 December 2014 (Mt)						
Proven reserves	62.42	17.21	27.56	22.49	18.36	148.04
Probable reserves	13.86	27.26	18.22	9.53	16.46	85.33
Total reserves as of 31 December 2014 (Mt)	76.28	44.47	45.78	32.02	34.82	233.37
Total ra coal production for the period from 1 Januar to 30 June 2015 (Mt)	(0.14)	(0.35)	(0.28)	n.a.	n.a.	(0.77)
( )	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Resources as of 31 December 2014 (Mt)	114.62	71.76	75.53	45.96	50.55	358.42
Total ra coal production for the period from 1 Januar to 30 June 2015 (Mt)	(0.14)	(0.35)	(0.28)	n.a.	n.a.	(0.77)
Resources as of 30 June 2015 (Mt)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The follo ing table sets forth the half- ear production figures at the abovementioned mines for the periods indicated:

		2014
	('000 tonnes)	
Huameiao Energ Xingtao Coal		1,043[+]
Huameiao Energ Fengxi Coal		1,778[+]
Huameiao Energ Chongsheng Coal		1,128[+]
Ruifeng Coal		100[#]
Hong uan Coal		91[^]
Total		4,140

		2014
	('000 tonnes)	
Huameiao Energ Xingtao Coal		678[+]
Huameiao Energ Fengxi Coal		1,156[+]
Huameiao Energ Chongsheng Coal		733[+]
Ruifeng Coal		100[#]
Hong uan Coal		91[^]
Total		2,758

+: Per the competent person's report issued on 30 September 2011, the volume of commercial coal produced b Huameiao Energ is calculated b a ield rate of 65% of ra coal.

^: No ashing process is applied to the coal produced b Hong uan Coal.

#: Ruifeng Coal as disposed during the ear ended 31 December 2014.

The Group's exploration, mining and development expenses consist of the follo ing amounts:

		2014
	RMB'000	
Materials and consumables		35,676
Staff cost		53,120
Other direct cost		24,815
Overhead and others		150,822
Evaluation fee		5,809
Total		270,242

The Group adopts stringent financial management policies and maintains a health financial condition. The Group funds its business operations and general orking capital b internall generated financial resources and bank and other borro ings. As of 30 June 2015, the Group recorded net current liabilities of RMB3,853.4 million hich ere mainl due to the decrease in current bank borro ings.

The Group has maintained its strong business relationship ith its bankers to gain their continuing support and is activel discussing ith its bankers for rene al of banking facilities due ithin 30 June 2016. As at 30 June 2015, the Group had unutilised banking facilities of RMB316.1 million. In addition, the Group also plans to appl for ne banking facilities in the next t elve months. Based on the Group's business plan and cash flo forecast, and ith the ongoing support from its bankers and its controlling shareholder, the Group expects to have sufficient financial resources to cover its operating costs and to meet its financing commitments.

The management has taken initiative to strengthen the Group's orking capital c cle during the period. As of 30 June 2015, cash and cash equivalents of the Group amounted to RMB5.7 million (as of 31 December 2014: RMB53.9 million), representing a decrease of 89.4% as compared to cash and cash equivalents of the Group as of 31 December 2014. The decrease in cash and cash equivalents as mainl due to the cash used for orking capital for operating activities and repa ment of short term borro ing.

As of 30 June 2015, the total bank and other borro ings of the Group ere RMB6,117.1 million (as of 31 December 2014: RMB7,651.9 million), RMB2,785.7 million of hich ere repa able ithin one ear and carried interest at market rates ranging from 2.85% to 10.00% (31 December 2014: 2.09% to 9.00%) per annum.

Non-current secured bank loans as of 30 June 2015 and 31 December 2014 carried variable and fixed interest rates.

As of 30 June 2015, the Group had total banking facilities of RMB7,839.0 million (as of 31 December 2014: RMB8,314.6 million), of hich RMB7,522.9 million (as at 31 December 2014: RMB6,842.6 million) ere utilised.

As of 30 June 2015, the Group's cash and cash equivalents, except amounts of RMB0.5 million and RMB1.1 million hich ere held in Hong Kong dollars ( ) and United States dollars ( ), respectivel , ere held in RMB. The Group's interest-bearing borro ings made in RMB and USD ere RMB6,100.0 million and RMB17.1 million respectivel .

The gearing ratio (calculated as interest-bearing borro ings netted off sum of cash and cash equivalents and pledged deposits divided b total assets) of the Group as of 30 June 2015 as 43.7% (as at 31 December 2014: 47.7%).

The Group's cash and cash equivalents are held in RMB, HKD and USD. Operating outgoings incurred b the Group's subsidiaries in China are mainl denominated in RMB hile overseas purchases are usuall denominated in USD. The Group's subsidiaries usuall receive revenue in RMB. The Group did not experience an material impact or difficulties in liquidit on its operations resulting from the fluctuation in exchange rate and no hedging transaction or for ard contract arrangement as made b the Group during the six months ended 30 June 2015.

As of 30 June 2015, the Group's assets in an aggregate amount of RMB7,867.7 million (as of 31 December 2014: RMB9,782.4 million) in forms of propert , plant and equipment, coal mining rights, inventories, trade and bill receivables and bank deposits ere pledged to banks for credit facilities granted to the Group.

As at 30 June 2015, Mr. XU Jihua, the chairman of the Board and an executive Director, and Mr. Xu Da, an executive Director and their close associates provided guarantees to banks for granting banking facilities of an amount equivalent to RMB5,939.7 million (as of 31 December 2014: RMB4,535.7 million) to the Group.

As of 30 June 2015, the Group did not have an material contingent liabilities.

As a major energ source pla ing a crucial role in supporting consumption demands, the coal industr has long caught the attention of the state. Restructuring and de-capacit has been the main focus of coal industr reform advocated b the government. Recentl , Huang Yu hi, deput director of the State Administration of Work Safet and director of the State Administration of Coal Mine Safet , reiterated that all coal mines ith annual output of no more than 90,000 tonnes and coal and gas outburst mines shall be shut do n b the end of the ear.

With the support from the summer and inter peak loads, reduction of production capacit and the routine autumn maintenance of the Daqin line in October, e believe that coal prices ill rebound during the second half of 2015 after touching bottom and stabilising in the first half.

In response to the slo do n in macro-economic gro th in China, in order to survive the ne normal and achieve sustainable gro th, e need to grasp ne development opportunities in a timel manner, take an active role in implementing reforms and push for ard transformation and upgrades ith our existing resources and platforms.

B capitalising on the tax incentives and financial strengths of the free trade one and full integrating the logistics flo s, business flo s, information flo s and capital flo s through its online coal trading platform, Zhuhai Hengqin Coal Exchange Center provides its members ith professional and efficient integrated solutions along the coal industr chain, such as information services, integrated logistics, trading services, offline and online transactions, quick settlement, membership services and annual international coal trading conferences, ith a vie to facilitating the establishment of the coal trading platform and e-commerce facilities, as ell as pushing for ard the transformation and upgrading of the coal industr .

The state and the Shangxi government have been promoting the green development and clean and efficient use of coal since 2013. An ultra-high voltage po er grid and an adjoining large pithead po er plant have been planned to be constructed in Shenchi Count , here the Xinglong coal mine and Hong uan coal mine are located. The Group intends to cooperate ith large po er plants and the Coordinated Innovation Center of Coal Resource Utilisation and Po er Generation Technolog (煤炭資源化利用發電技術協同創新中心) of Zhejiang Universit in building a green, efficient and energ -saving ne pithead thermal po er plant b appl ing the latest research results of Zhejiang Universit on coal resource utilisation and circular econom in the project. The Group aims at building a green, energ -saving and efficient model pithead po er plant and developing its o n environmentall friendl coal-po er integration, and finall idel promoting the ne technolog to the other po er plants in China hen it is read .

Through a reasonable forecast of capital requirements, the Group ill explore financing channels and methods b full utilising the capital market and maximise the use of domestic and overseas capital, so as to optimi e its debt structure and lo er its asset to liabilit ratio and financing costs to secure its operating cash flo .

The Group ill quicken its pace in upgrading, redeveloping and building its coal mine projects in progress and appl ing for the relevant administrative approvals so that such construction projects can be completed and inspected as soon as possible. It ill also organise coal production in an effective manner and strictl adhere to its safet obligations b refining the safet management and operation s stem and strengthening its safet technolog fundamental management and safet control checks for the effective control of safe production.

The Board has established an audit committee (the) ith ritten terms of reference in accordance ith the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the). The primar duties of the Audit Committee are to revie and supervise the Group's financial reporting processes and internal control s stem.

An Audit Committee meeting as held on 28 August 2015 to revie the unaudited interim financial statements for the six months ended 30 June 2015 ith the management.

To the best kno ledge of the Directors, the Compan as in full compliance ith the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015.

As of 30 June 2015, the Group emplo ed 1,292 emplo ees. The Group has adopted a performance-based re ard s stem to motivate its staff and such s stem is revie ed on a regular basis. In addition to the basic salaries, ear-end bonuses ma be offered to staff ith outstanding performance.

Members of the Group established in the PRC are also subject to social insurance contribution plans organised b the PRC government. In accordance ith the relevant national and local labor and social elfare la s and regulations, members of the Group established in the PRC are required to pa on behalf of their emplo ees a monthl social insurance premium covering pension insurance, medical insurance, unemplo ment insurance and other relevant insurance. Members of the Group incorporated in Hong Kong have participated in mandator provident fund scheme, if applicable, in accordance ith the applicable Hong Kong la s and regulations.

Moreover, as disclosed in the prospectus of the Compan dated 19 June 2009 (the), the Compan adopted a pre-IPO share option scheme (the) and a post-IPO share option scheme (the) in June 2009 to incentivi e and retain staff members ho have made contribution to the success of the Group. The Directors believe that the compensation packages offered b the Group to its staff are competitive in comparison ith market standards and practices.

During the six months ended 30 June 2015, neither the Compan nor an of its subsidiaries purchased, sold or redeemed an listed securities of the Compan .

This interim results announcement is published on the ebsites of the Compan (.qinfagroup.com) and the Stock Exchange (.hkex.com.hk). The interim report for the six months ended 30 June 2015 containing all the information required b the Listing Rules ill be dispatched to the Shareholders and be available on the above ebsites in due course.

( )

Reference is made to the annual report (the) of the Compan for the ear ended 31 December 2014 published on the ebsites of the Stock Exchange and the Compan on 28 April 2015.

In addition to the information provided on page 33 of the Annual Report under the section headed Connected Transactions in the Annual Report, the Compan ould like to provide further information to the Shareholders and potential investors of the Compan regarding the business of the Group under the Structure Contracts (as defined belo).

The Group comprises China Qinfa Group (as defined in the Prospectus) and Hong Kong Qinfa Group (as defined in the Prospectus). Having considered the demand for coal imported from overseas into China and the expansion of the Group's overseas coal operation business, the Directors strategicall planned to centralise the management and operation of the Group's coal business in China and overseas markets and determined that Hong Kong Qinfa Group should manage and operate the coal operation business in China through the establishment of Zhuhai Qinfa Logistics Co. Ltd. (f), a member of Hong Kong Qinfa Group and an indirect holl -o ned subsidiar of the Compan in Februar 2008.

Ho ever, after verbal consultations ith the relevant PRC governmental authorities at Zhuhai at hich the Group operates its coal business, the Directors understand that the PRC governmental authorities currentl do not grant Coal Operation Certificates to foreign equit controlled companies as a matter of practice. In addition, according to (i) Article 7 of (The Regulations on the Management of Water a Transport of the PRC) promulgated b the State Council on 12 Ma 1987 and revised on 27 December 2008 and (ii) (the Guidance of Foreign Investment (Amended 2007)); and after the verbal consultations ith the relevant PRC governmental authorities at Zhuhai, the Directors understand that the PRC la s and regulations currentl prohibit the issue of Water a Transportation Licences to foreign equit controlled companies. These vie s have been confirmed b the PRC legal advisers of the Compan .

In order to allo Hong Kong Qinfa Group to manage and operate the coal operation business in China, the Engagement Agreements and the Pledge Agreements (as defined in the Prospectus) (collectivel the) ere entered into under hich all the business activities of China Qinfa Group are managed and operated b Qinfa Logistics and all economic benefits and risks arising from the business of China Qinfa Group are transferred to Qinfa Logistics. Pursuant to the equit transfer agreements dated 25 October 2010, 15 December 2010 and 17 December 2010, equit interests of Qinhuangdao Qinfa Trading Co., Ltd., Yang uan Guotong Coal Trading and Transportation Co., Ltd. and Datong Xiejia huang Jinfa Trading and Transportation Co., Ltd have been transferred to the Group. As of 31 December 2014, Zhuhai Qinfa Trading Co., Ltd (f) and Zhuhai Qinfa Shipping Co., Ltd. (f) remained controlled b the Group under the Structure Contracts.

Mr. Xu, Ms Wang Jianfei, Mr. Xu Da, Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping entered into the Engagement Agreements and the Pledge Agreements on 12 June 2009. Qinfa Logistics is entitled to all the revenue of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping after deducting all relevant costs and expenses (including taxes) and has the right to acquire an or all of the equit interests and/or assets of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping at the lo est possible amount and at such time as permitted b the relevant PRC la s and regulations. All equit holders of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping have granted to Qinfa Logistics a pledge over the equit interests in equit holders for the purpose of securing the performance of the contractual obligations under the Structure Contracts. An amendment to the Structure Contracts shall be subject to the approvals of (i) the directors nominated b Qinfa Logistics to Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping, and (ii) for the purpose of promoting good corporate governance, the Shareholders in general meeting. No amendments to the Structure Contracts can be made unless required under the Listing Rules or approved b Qinfa Logistics in riting in advance. For details of the Structure Contracts, please refer to the section headed Reorganisation and the Structure Contracts in the Prospectus.

The Structure Contracts, taken as a hole, permit the financial results of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping and economic benefits of their business to flo onto Qinfa Logistics. In addition, all the directors in Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping are to be nominated b Qinfa Logistics. Through its control over the directors of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping, Qinfa Logistics is able to monitor, supervise and effectivel control the business, operations and financial policies of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping so as to ensure due implementation of the Structure Contracts. The Structure Contracts also enable Qinfa Logistics to exercise control over and to acquire the equit interests and/or assets of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping at the lo est value and at such time as permitted b the relevant PRC la s and regulations ith an undertaking from the Controlling Shareholders to provide to Qinfa Logistics all the consideration received pursuant to an such acquisition. Based on the Structure Contracts, the Directors consider that, not ithstanding the lack of equit o nership bet een members of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping and Hong Kong Qinfa Group, Qinfa Logistics is entitled to control the business of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping in substance. On this basis, the financial position and operating results of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping are included in the Group's consolidated financial statements.

As a result of the Structure Contracts, Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping are accounted for as the Compan 's subsidiaries, and their financial position and operating results are consolidated in the Compan 's consolidated financial statements. The revenue and total asset value subject to the arrangements under the Structure Contracts amounted to approximatel RMB140,192,000 for the ear ended 31 December 2014 and approximatel RMB73,183,000 as of 31 December 2014, respectivel .

The Structure Contracts are governed b the PRC la s and provide for the resolution of disputes through arbitration in accordance ith the arbitration rules of China International Economic and Trade Arbitration Commission in force at that time (the) in China. Accordingl , the Structure Contracts ould be interpreted in accordance ith the PRC la and an disputes ould be finall resolved b arbitration in accordance ith the CIETAC Arbitration Rules.

There are risks involved ith the operation of the Group under the Structure Contracts. To the best kno ledge of the Directors, if the Structure Contracts are considered to be in breach of an existing or future PRC la s or regulations, the relevant regulator authorities ould have broad discretion in dealing ith such breach, including:

- imposing economic penalties;

- discontinuing or restricting the operations of Hong Kong Qinfa Group or Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping;

- imposing conditions or requirements in respect of the Structure Contracts ith hich Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping ma not be able to compl ;

- requiring the Group to restructure the relevant o nership structure or operations;

- taking other regulator or enforcement actions that could adversel affect the business of the Group; and

- revoking the business licences and/or the licences or certificates of Zhuhai Qinfa Trading and Zhuhai Qinfa Shipping and/or voiding the Structure Contracts.

The Group takes the follo ing measures to mitigate the risk and to ensure proper implementation of the Structure Contracts:

(a) as part of the internal control measures, major issues arising from implementation and performance of the Structured Contracts are revie ed b the board of directors of Qinfa Logistics on a regular basis hich is no less frequent than on a quarterl basis;

(b) matters relating to compliance and regulator enquiries from governmental authorities (if an) are discussed at such regular meetings hich is no less frequent than on a quarterl basis; and

(c) the relevant business units and operation divisions of the Hong Kong Qinfa Group report regularl , hich is no less frequent than on a monthl basis, to the senior management of Qinfa Logistics on the compliance and performance conditions under the Structured Contracts and other related matters.

The Board confirmed that there is no material change in the contractual arrangements under the Structure Contracts and/or the circumstances under hich the ere adopted, and their impact on the Group. The Board also confirmed that there is no removal of restrictions that led to the adoption of the Structured Contracts.

In Januar 2015, the Ministr of Commerce of the PRC (the) published the draft Foreign Investment La (the f) under hich a foreign investor ma be permitted to invest directl or indirectl in restricted industries (i.e. ithout the need to use contractual arrangements), so long as the foreign investor's ultimate control person(s) is/are PRC investors, subject to competent authorities' approval and certain limitations. The explanator memorandum accompan ing the Draft FIL proposed three options for dealing ith existing VIE structures. According to these three options, a foreign investor ould onl be able to retain its business under contractual arrangements after the Draft FIL becomes effective if is is in fact controlled b PRC investors, subject to reporting or verification, or other ise ith MOFCOM's prior approval.

Based on the fact that Mr. Xu holds 56.21% of the issued share capital of the Compan , and is hence capable of exerting decisive impact on the management and decisions of China Qinfa Group through the Structure Contracts, the PRC legal advisers of the Compan advise that Mr. Xu is likel to be deemed as ultimate control person under the Draft FIL and that the contractual arrangements under the Structure Contracts are likel to be permitted to continue under the Draft FIL.

Since a number of legislative stages have to be undergone before the promulgation and implementation of the ne Foreign Investment La , the Directors are given no reasonabl sufficient evidence to believe that the ne Foreign Investment La ill be adopted immediatel and/or the ne Foreign Investment La ill be the same content or form ith the Draft FIL and the accompan ing notes. The Compan ill keep a close e e on the development of legislation and retain external legal advisers ho ill advise on the effect and the possible solutions to ensure that timel reaction and necessar adjustment is made in accordance ith the ne Foreign Investment La , and the relevant rules and regulation taking effect in the future.

In relation to the section headed Share Option Schemes in the Annual Report, the Compan ould like to clarif the follo ing:

On page 35 of the Annual Report, the statement The total number of Shares available for issue under the Pre-IPO Share Option Scheme is 13,600,000 Shares, representing 0.65% of the issued share capital of the Compan as at 31 March 2014 should be replaced b The total number of outstanding options granted under the Pre-IPO Share Option Scheme is 12,000,000, representing approximatel 0.58% of the issued share capital of the Compan as at 31 March 2015 .

On page 36 of the Annual Report, the statement The total number of Shares available for issue under the Share Option Scheme is 8,893,369 Shares, representing 0.43% of the issued share capital of the Compan as at 31 March 2015 should be replaced b The total number of Shares available for issue under the Share Option Scheme is 91,106,631 Shares, representing approximatel 4.38% of the issued share capital of the Compan as at 31 March 2015 .

For the avoidance of doubts, the above supplemental information does not affect other information contained in the Annual Report and the contents of the Annual Report remain unchanged.

B Order of the Board

Guang hou, 28 August 2015