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中國基礎能源控股有限公司
China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8117)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that Fujian China Primary Energy Limited#, a subsidiary of the Company, agreed to change its sales model from 2018 onwards after friendly negotiation with a major customer and major supplier. The sales model changed from purchase and sale of natural gas to receiving of natural gas transportation managing fee. The change does not affect the current operating method, assets and the relevant profit. However, the relevant sales revenue would be significantly reduced. Therefore, the Group expects that the sales revenue for the first quarter ended 31 March 2018 will be reduced accordingly when compare to the corresponding period in last year.

The information contained in this announcement is only based on the Board's preliminary review of the consolidated management accounts of the Group for the first quarter ended 31 March 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by China Primary Energy Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in transmission and distribution of natural gas, manufacture and sale of polyethylene pipes, trading of electronic components and property investment.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that Fujian China Primary Energy Limited#, a subsidiary of the Company, agreed to change its sales model from 2018 onwards after friendly negotiation with a major customer and major supplier. The sales model changed from purchase and sale of natural gas to receiving of natural gas transportation managing fee. The change does not affect the current operating method, assets and the relevant profit. However, the relevant sales revenue would be significantly reduced. Therefore, the Group expects that the sales revenue for the first quarter ended 31 March 2018 will be reduced accordingly when compare to the corresponding period in last year.

The Board wishes to draw the Shareholders’ attention that the change described above will not have material adverse effect on the Group’s cash flows and profits.

The information contained in this announcement is only based on the Board’s preliminary review of the consolidated management accounts of the Group for the first quarter ended 31 March 2018. The results announcement for the first quarter ended 31 March 2018 of the Group is expected to be released on 11 May 2018.

In the meantime, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Primary Energy Holdings Limited
Ma Zheng
Chairman

Hong Kong, 19 April 2018

For identification purpose only

As at the date of this announcement, the Board comprises Ms. MA Zheng and Mr. WONG Pui Yiu who are the executive Directors, and Mr. WAN Tze Fan Terence, Mr. CHUNG Chin Keung and Mr. WANG Xiao Bing who are the independent non-executive Directors.

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s designated website at <http://china-p-energy.etnet.com.hk>.