STATE ENERGY GROUP INTERNATIONAL ASSETS HOLDINGS LIMITED
國能集團國際資產控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 918)

POSITIVE PROFIT ALERT

This announcement is made by State Energy Group International Assets Holdings Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

After preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2018, the board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that the Group is expected to record a net profit for the year ended 31 March 2018 as compared to a net loss of approximately HK$12.75 million for the year ended 31 March 2017. The Board would like to advise that the increase in net profit is mainly attributable to the recognition of the gain on fair value of two office units of the Group (the "**Properties**"), which were reclassified from leasehold land to investment properties during the year. The Properties were previously used as offices of the Group and were recorded at cost less accumulated amortisation. During the year ended 31 March 2018, the Properties were leased out for rental income, therefore the Properties were reclassified as investment properties and were measured at fair value.

The Company is still in the process of finalising its annual results for the year ended 31 March 2018.

The information in this announcement is only based on the information currently available to the management of the Group, including the unaudited consolidated management accounts of the Group for the year ended 31 March 2018. The results of the Group for the year ended 31 March 2018 have not yet been finalised nor reviewed by the Company's audit committee and auditor. The annual results of the Group for the year ended 31 March 2018 are expected to be announced by the middle of June 2018.

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

By Order of the Board
State Energy Group International Assets Holdings Limited
Zhou Xinyu
Chairman

Hong Kong, 18 May 2018

As at the date of this announcement, the executive Directors are Mr. Zhou Xinyu and Ms. Niu Fang; the independent non-executive Directors are Ms. Ni Lijun and Mr. Shen Guoquan.