**CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED**
**中國能源開發控股有限公司***

*(Incorporated in the Cayman Islands with limited liability)*
**(Stock code: 228)**

# POSITIVE PROFIT ALERT

This announcement is made by China Energy Development Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the "**Group**"), the Group is expected to record (i) a significant increase in the revenue for the six months ended 30 June 2018 ("**1H2018**") by over 90 times compared to the corresponding period last year ("**1H2017**"), due to the revenue recognition of natural gas sales under the Group's oil and gas project at North Kashi Block, Tarim Basin, China (the "**Kashi Project**") since year 2011 up to 30 June 2018; and (ii) a profit attributable to owners of the Company of not less than HK$120 million for 1H2018 compared to the net loss of HK$11,912,000 for 1H2017, due to the profits contributed by the Kashi Project which was partially offset by the amortization of intangible assets and income tax credits of the Kashi Project.

The Company is still in the process of finalizing its interim results for 1H2018. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for 1H2018 and other information currently available to the Board but is not based on any financial data or information that has been reviewed or audited by the Company's auditors. Shareholders and potential investors are advised to read the interim results announcement of the Company for 1H2018, which is expected to be published on 30 August 2018.

* *For identification purposes only*

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

By order of the Board
**China Energy Development Holdings Limited**
**Zhao Guoqiang**
*Chief Executive Officer & Executive Director*

Hong Kong, 23 August 2018

*As at the date of this announcement, the Board comprises Mr. Zhao Guoqiang (Chief Executive Officer and alternate director to Dr. Gu Quan Rong) as an executive Director; Dr. Gu Quan Rong and Ms. Ngan Mei Ying as non-executive Directors; and Mr. Zong Ketao, Mr. Cheng Chun Ying and Mr. Lee Man Tai as independent non-executive Directors.*