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)

PROFIT WARNING

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 financial information of the Group, 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 loss of approximately HK$22 million for the six months ended 30 September 2018, as compared to a net profit of approximately HK$29 million for the six months ended 30 September 2017.

The net profit for the last correspondence period was mainly attributable to the recognition of the gain on fair value of two office units of the Group (the "**Properties**") of approximately HK$47,227,000 (the "**Gain**"), which were reclassified from leasehold land to investment properties during the relevant period. The Properties were previously used as offices of the Group and were recorded at cost less accumulated amortisation. During the six months ended 30 September 2017, the Properties were leased out for rental income, therefore the Properties were reclassified as investment properties and were measured at fair value.

Despite the unaudited results of the Group for the six months ended 30 September 2018 is expected to record a loss, the Board remains positive on the prospects of the Group. The Board would like to emphasize that the Group's financial positions remain stable and the Group has sufficient cash resources to meet its present and future cash flow requirements. The Board will constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Company's shareholders' return.

The information in this announcement is only based on the information currently available to the management of the Group. The results of the Group for the six months ended 30 September 2018 have not yet been finalised nor reviewed by the Company's audit committee and auditors. The interim results of the Group for the six months ended 30 September 2018 are expected to be announced by the end of November 2018.

Shareholders and potential investors of the Company 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
Zhang Jinbing
Chairman

Hong Kong, 8 November 2018

As at the date of this announcement, the board of Directors consists of Mr. Zhang Jinbing, Mr. Chau Tien Hsiang and Ms. Niu Fang (all being executive Directors), and Ms. Yang Yanli, Mr. Chow Hiu Tung and Mr. Zhao Hangen (all being independent non-executive Directors).