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)

SIGNIFICANT DECREASE OF PROFIT COMPARED TO INTERIM RESULTS

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 (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the "**Management Accounts**"), the Company and its subsidiaries (the "**Group**") is expected to record a profit for the year ended 31 December 2018 (as compared to the year ended 31 December 2017 which was loss-making) principally due to the revenue recognition of natural gas sales of the Group's oil and natural gas project in North Kashi Block, Tarim Basin, PRC ("**Kashi Project**"), but the profit for the full year of 2018 is expected to be significantly lower than the profit for the six months ended 30 June 2018, principally due to (a) impairment losses of intangible assets and exploration and evaluation assets of the Kashi Project; and (b) increases in the amortisation of intangible assets and income tax charge, both of which having substantially offset the positive impact caused by the revenue recognition of Kashi Project.

The Company is still in the process of finalizing the annual results for the year ended 31 December 2018 (the "**Annual Results Announcement**"). The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the Management Accounts and information which have not been reviewed or audited by the Company's auditors and may be materially different from the Annual Results Announcement. Shareholders and potential investors are advised to read the details contained in the Annual Results Announcement which is expected to be published on 28 March 2019.

* *For identification purposes only*

Shareholders 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, 20 March 2019

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 executive Director; Dr. Gu Quan Rong as non-executive Director; and Mr. Zong Ketao, Mr. Cheng Chun Ying and Mr. Lee Man Tai as independent non-executive Directors.