CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

PROFIT WARNING

The Board of Directors of the Company wishes to inform shareholders of the Company and potential investors that, based on the Management Accounts of the Group for the six months ended 30 September 2019 and assessment of the information currently available to the Board, the Group is expected to record a significant increase in loss for the six months ended 30 September 2019 as compared to the six months ended 30 June 2018 but a significant reduction in the loss when compared to the six months ended 30 September 2018.

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

This announcement is made by China LNG Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to 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) (the "**SFO**") and Rule 13.09 of the Listing Rules.

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts (the "**Management Accounts**") of the Group for the six months ended 30 September 2019 and assessment of the information currently available to the Board, the Group is expected to record a significant increase in loss for the six months ended 30 September 2019 as compared to the six months ended 30 June 2018. The estimated loss was mainly due to (i) the lower gross margin of the sales of LNG in non-peak seasons compared to the six months period ended 30 June 2018 which included peak seasons, (ii) significant increase of interest expense on loans from a shareholder and (iii) significant increase of staff cost in the PRC.

Meanwhile, the board has compared the current financial result to the previous one under the same reporting period, from 1 April to 30 September for a more reasonable comparison removing the impact of change of financial year end date, which revealed that the financial result of 2019 has instead given rise to a significant improvement compared to 2018.

The Company is still in the process of finalising the results for the six months ended 30 September 2019. As such, the information contained in this announcement is based on the preliminary assessment of the Management Accounts of the Group and the information currently available. The unaudited interim results of the Group for the six months ended 30 September 2019 will be published on 29 November 2019.

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
China LNG Group Limited
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 22 November 2019

As at the date of this announcement, the executive Directors are Dr. Kan Che Kin, Billy Albert, Mr. Li Kai Yien, Arthur Albert and Mr. Lam Yu Yeung; the non-executive Directors are Dr. Lam, Lee G. and Mr. Simon Murray; and the independent non-executive Directors are Dr. Li Yao, Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee.

* *For identification purposes only*