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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.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment by the Company’s management with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Period**”), the Group is expected to record an increase of not less than 1,300% in unaudited consolidated net profit attributable to the Shareholders for the Period as compared with that of approximately HK\$452,000 for the six months ended 30 September 2019. The improvement in the results of the Group for the Period was principally attributable to the increase in revenue and profit contribution from the Group’s garment business in connection with the distribution of garment and sportswear products in Hong Kong and the People’s Republic of China for the licensed brand “ACCAPI”. During the Period, in addition to distributing “ACCAPI” finished products sourced from the licensor, the Group also commenced the distribution of “ACCAPI” products which were designed and manufactured by the Group. The broadening of product offering coupled with marketing efforts of the Group resulted in an improvement in revenue. In addition, capitalising on its experience in promoting the “ACCAPI” products, the Group also commenced the provision of marketing and promotional services in online and offline platforms to external customers principally for brands of garments and consumer products in 2020, bringing in an additional source of revenue and profit contribution to the Group during the Period. The aforesaid improvement in the

results of the Group for the Period was partially offset by the decrease in the fair value of the Group's investment properties and the impairment of leasehold improvements and right-of-use assets in relation to the Group's retail shop for the garment business during the Period.

The information contained in this announcement is only based on the Board's preliminary assessment with reference to the unaudited consolidated management accounts of the Group for the Period and is not based on any financial data or information which has been audited or reviewed by the Company's independent auditor or the audit committee of the Company. Consequently, the actual results of the Group for the Period may be different from what is disclosed in this announcement. The Company is in the process of finalising the unaudited interim results of the Group for the Period, which are expected to be announced by the Group on or before 27 November 2020. Details of the financial information to be disclosed in the interim results announcement for the Period shall prevail.

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, 24 November 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Jinbing, Mr. Tian Wenxi and Mr. Wu Tingjun; and the independent non-executive Directors of the Company are Mr. Chow Hiu Tung, Ms. Yang Yanli and Mr. Zhao Hangen.