

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中國地熱能產業發展集團有限公司**  
**CHINA GEOTHERMAL INDUSTRY DEVELOPMENT GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8128)**

## **PROFIT WARNING**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of China Geothermal Industry Development Group Limited (the “**Company**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2018 (the “**Year**”), the Group is expected to record a substantial loss for the Year as compared to a profit for the last corresponding period in 2017.

Such loss was mainly attributable to the decrease in revenue and gross profit margin for the Year as well as impairment loss of goodwill and accounts receivables.

The reasons for the decrease in revenue and gross profit margin was mainly attributable to: (i) the fierce market competition, a number of contracts originally under negotiations could not be realized or being postponed; (ii) some of the Company’s contracted projects were deferred due to the delays in the construction progress of subject properties; (iii) the investment in the demonstration projects for the development of new market was too large, and these low-margin demonstration projects have a greater impact on the overall gross profit margin.

As the Company is still in the process of finalizing the results for the year ended 31 December 2018 (the “**Annual Results 2018**”), the information contained in this announcement is only based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 which have not been finalised nor audited by the auditor and reviewed by the audit committee. The announcement of the Annual Results 2018 of the Group is expected to be released on 26 March 2019.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board of  
**China Geothermal Industry Development Group Limited**  
**Xu Shengheng**  
*Joint Chairman & Executive Director*

Hong Kong, 12 March 2019

*As at the date of this announcement, the Board comprises Mr. Xu Shengheng, Ms. Wang Yan, Ms. Chan Wai Kay, Katherine, Mr. Wang Manquan, Mr. Zang Yiran and Mr. Dai Qi as executive Directors, Mr. Yang Wei as non-executive Director, Mr. Jia Wenzeng, Mr. Wu Desheng, Mr. Wu Qiang and Mr. Guo Qingui as independent non-executive Directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website with the domain name of [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at [www.cgsenergy.com.hk](http://www.cgsenergy.com.hk).*