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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 three months ended 31 March 2019 (the “**Period**”), the Group is expected to record a loss for the Period as compared to a profit for the last corresponding period in 2018.

Such loss was mainly attributable to the decreases in revenue and gross profit for the Period. The reasons for the decreases in revenue and gross profit were mainly attributable to: (i) the influence of the slowdown in construction sector causing decrease on the number of construction projects. Some of the Company’s contracted projects were postponed due to the delay of construction progress of the subject properties; (ii) the investment in the low-margin demonstration projects for the development of new markets has greatly affected the overall gross profit.

As the Company is still in the process of finalizing the results for the three months ended 31 March 2019 (the “**First Quarterly Results 2019**”), 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 three months ended 31 March 2019 which have not been finalised nor reviewed by the audit committee and audited by the auditor. The announcement of the First Quarterly Results 2019 of the Group is expected to be released on 9 May 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, 3 May 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 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.