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**CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED**

**中國航天萬源國際(集團)有限公司\***

*(Incorporated in Cayman Islands with limited liability)*

*(Stock Code: 1185)*

**VOLUNTARY ANNOUNCEMENT  
BUSINESS DEVELOPMENT**

This announcement is made by China Energin International (Holdings) Limited (the “Company”, and together with its subsidiaries, the “Group”) on a voluntary basis to inform its shareholders and potential investors of the latest business development of the Group.

As disclosed in the annual report of the Company for the year ended 31 December 2017, in order to solve the serious issues of wind power curtailment, the State has issued policies on prohibiting or restricting the development of wind energy regions. As a result, the project delivery and the operating results of the Group in the year of 2017 were significantly affected.

Although there is an improvement in the situation of wind power curtailment in 2018, the red alerts on wind power development in some regions have been lowered to orange alerts and there is evidence of gradual recovery of the wind power industry, the impacts on the relevant projects of the Company in, among others, Gansu and Jilin provinces still remain. The management of the Company are taking proactive efforts to procure the signing of orders for some proposed projects and arrange production for signed orders with a view to improving the operation situation of the Group. Meanwhile, in order to improve the operation condition and liquidity of the Company, China Academy of Launch Vehicle Technology, a controlling shareholder of the Company, intends to provide further credit enhancements to the Company.

Nevertheless, in view of the specific implementation progress of relevant orders, the management expect that it is difficult to complete and deliver such projects in the first half of 2018. As such, it is expected that there will be no improvement in the operating results of the Group for the first half of 2018 as compared to that of the first half of 2017. However, as such projects progress forward, there is a hope for some orders to be delivered and settled in the second half of 2018.

The information contained in this announcement is only based on the preliminary assessment made by the board of directors of the Company with reference to information currently available to the Group and is not based on ultimate figure or information that has been audited by the auditors of the Company. **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**China Engine International (Holdings) Limited**  
**Liu Xiaowei**  
*Chairman*

Hong Kong, 18 May 2018

*As at the date of this announcement, the Board of the Company comprises Mr. Liu Xiaowei (Chairman), Mr. Wang Xiaodong (Vice-Chairman), Mr. Li Guang and Mr. Xu Jun as Executive Directors; Ms. Kan Lai Kuen, Alice, Mr. Gordon Ng and Mr. Li Dapeng as Independent Non-executive Directors.*