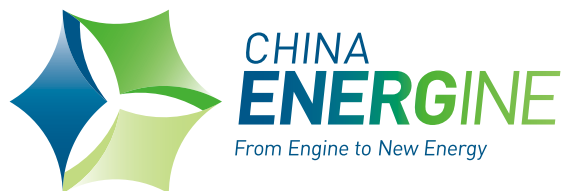


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



## **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)**

### **PROFIT WARNING**

This announcement is made by China EnerGINE International (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the voluntary announcement of the Company dated 18 May 2018 (the “**Announcement**”). As a result of the policies by the State on regulating the development of wind energy, the Group was experiencing big challenges in its businesses, which, in turn, had affected its operating results of the Group for the six months ended 30 June 2018 (the “**Period**”). In addition to the information disclosed in the Announcement, the Group expected that there would be a significant increase in the loss attributable to the owners of Company for the Period as compared to that for the corresponding period of the previous year as a result of the following factors:

- (1) An associate of the Company ( the “**Associate**”) is principally engaged in the manufacturing and distribution of wind turbines. Based on the unaudited management accounts of the Associate for the Period, it was expected that the share of loss of the Associate for the Period will amount to approximately HK\$25 million. Moreover, there was a lawsuit against the Associate for default of a bank loan for an amount of approximate RMB 48.70 million . Hearing in court was scheduled on 14 August 2018. The Company is in the process of further assessing possible impairment of its interests in the Associate and the recoverability of trade receivables from the Associate;

\* For identification purposes only

- (2) a joint venture of the Company (the “**Joint Venture**”) which is principally engaged in the business of automotive engine management system recorded a decrease in operating results for the Period as a result of intensive market competition. Based on the unaudited management accounts of the Joint Venture for the Period, it is expected that the profit contribution from the Joint Venture will decrease approximately by HK\$37.00 million as compared to the corresponding period of the previous year; and
- (3) the Company is assessing the recoverability of other customers’ trade receivables . It is expected that there may be provisions for impairment on trade receivables.

The Group is exerting every effort to procure new orders and to complete outstanding orders and to enhance its product competitiveness. The management is hopeful that there will be an increase in customer orders and improvement in collection of trade receivables in the second half of the year.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts for the six months ended 30 June 2018 for the Group and information currently available to the Board. The amounts for the provisions for impairment loss will be subject to confirmation and review. Shareholders and potential investors of the Company are advised to read in details of the interim results announcement of the Company which is expected to be published on 30 August 2018.

**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, 31 July, 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.*