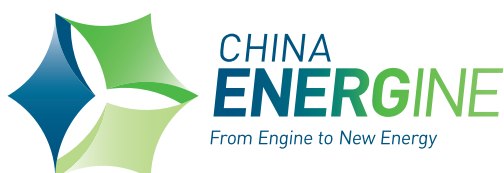


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**CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED**

**中國航天萬源國際（集團）有限公司\***

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

**(Stock Code: 1185)**

**INSIDE INFORMATION**

**UPDATE ON  
WIND ENERGY RELATED PRODUCTS BUSINESS AND  
RELATED LEGAL PROCEEDINGS**

This announcement is made by China Energin International (Holdings) Limited (the “**Company**”, 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 (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

**UPDATE ON WIND ENERGY RELATED PRODUCTS BUSINESS**

We refer to the profit warning announcement dated 24 January 2020 of the Company (the “**Profit Warning**”), and according to the Profit Warning, the Group is expected to record a substantial consolidated loss attributable to the shareholders for the year ended 31 December 2019 as the market landscape of wind energy industry remained challenging and the competition among industry participants went increasingly fierce.

\* *For identification purpose only*

To keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the Group’s business operation and financial position, the board of directors of the Company (the “**Board**”) would like to provide certain updated information on the manufacture of wind energy related products business of the Group (the “**Wind Turbines Manufacture Business**”) which is the main business in the wind energy related product segment of the Company, in particular:

- 1) the Wind Turbines Manufacture Business have difficulties in fulfilling all the requirements of production orders given (a) there are difficulties in the combination of power network by the end of 2020 as the part of our suppliers in delivering certain key ancillary equipment in wind power generation manufacturing project(s) of the Company as affected, among others, by the recent outbreak of the COVID-19 disease; and (b) there are currently no pipeline orders for the Wind Turbines Manufacture Business while the Wind Turbines Manufacture Business is conducted based on a made-to-order model;
- 2) the demand for the manufacture of wind energy products is expected to be materially affected as the termination of the fiscal subsidy mechanism to the wind energy industry (the “**Subsidy Policy**”) which will be effective from the end of 2020 and all non-combined wind farms will not be able to entitle to the Subsidy Policy after the effectiveness of such termination; and
- 3) it is increasingly difficult for the Company to acquire new orders for the Wind Turbines Manufacture Business as there are still certain unsolved technical deficiencies and quality issues associated with certain wind turbine products of the Company.

## **UPDATE ON RELATED LEGAL PROCEEDINGS**

In the context of the difficulties in the operation and financial condition of the Company as provided above, as of the date of this announcement, several subsidiaries of the Company are involved in 16 outstanding legal proceedings in relation to contract payment disputes with business counterparties with an aggregate claim amount of approximately RMB340.74 million. In addition, there are five concluded legal proceedings with a total unsatisfied claim amount of approximately RMB53.03 million against several subsidiaries of the Company which are also in relation to contract payment disputes with business counterparties. In the event that all or part of such legal proceedings were adjudicated to the disadvantage of the Group and/or the unsatisfied claims were enforced against the Group, the business operation and financial condition of the Group, including its working capital condition, could be materially and adversely affected.

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

By Order of the Board

**China Enginne International (Holdings) Limited**

**Liu Zhiwei**

*Chairman and Executive Director*

Hong Kong, 27 March 2020

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Liu Zhiwei, Mr. Li Lei, Mr. Han Qingping, Mr. Xu Jun and Mr. Wang Guanghui; and three independent non-executive Directors, namely Mr. Lau Fai Lawrence, Mr. Gordon Ng and Mr. Li Dapeng.*