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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)

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(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that due to continuous impact of COVID-19 outbreak since the beginning of the year, especially the grim situation concerning the second wave of outbreak in Beijing since June 2020, the implementation of operation improvement plans of the Group has been delayed. Meanwhile, as the verification on key equipment technical improvement plan of the wind turbine units is still ongoing and yet to finalise, the order for wind turbine business has yet to be secured, and the situation of continuous loss is unlikely to turn around in the short run.

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a loss of approximately HK\$50 million to HK\$60 million for the six months ending 30 June 2020, as compared to the loss from continuing operations of approximately HK\$160 million for the corresponding period in 2019.

The above decrease in loss as compared with the corresponding period last year is primarily attributable to:

- (i) as at the date of this announcement, no further impairment provision during the period for the six months ended 30 June 2020 is required to be made in respect of financial assets and contract assets and intangible assets (the absence of impairment loss of approximately HK\$66 million recognized for the six months ended 30 June 2019 in respect of financial assets and contract assets and intangible assets), and the impairment assessment above is subject to further review;

* *For identification purpose only*

- (ii) the expected decrease in staff cost of approximately HK\$10 million as compared with the corresponding period last year; and
- (iii) the expected increase in share of results from associates and joint ventures of approximately HK\$16 million as compared with the corresponding period last year.

As the Company is still in the process of finalising the consolidated results for the period ending 30 June 2020, the information contained in this announcement is only based on the Board's preliminary assessment of information currently available and is not based on any audited figures or information. Therefore, the actual results of the Group for the period ending 30 June 2020 may differ from the information contained in this announcement. The Company will provide the Shareholders and potential investors with further information, if any.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Enginene International (Holdings) Limited
Liu Zhiwei
Chairman and Executive Director

Hong Kong, 24 June 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.