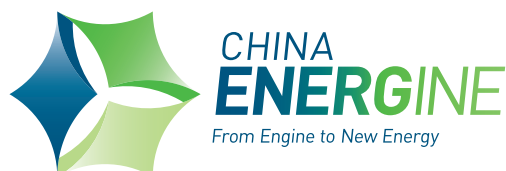


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance 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 the Cayman Islands with limited liability)

(Stock Code: 1185)

**FINANCIAL ASSISTANCE CONSTITUTING
A CONNECTED TRANSACTION**

FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

On 25 December 2019, Beijing EnerGINE, an indirect wholly-owned subsidiary of the Company, and ASTF entered into the Loan Agreement for a RMB300,000,000 (equivalent to approximately HK\$333,000,000) loan facility to be provided by ASTF to Beijing EnerGINE, which are to be secured by the Share Charge over all the shares held by the Beijing EnerGINE in the JV Company (representing 49% of the shares in the JV Company).

The Loan Agreement and the Share Charge are subject to the Independent Shareholders' approval.

Interest will accrue on the loan under the Loan Agreement at 4.1% per annum. Accrued interest is payable at one month intervals. The loan is repayable on the first anniversary of the respective date of the drawdown. The terms of the Loan Agreement and the Share Charge were negotiated between the parties on an arm's length basis.

The loan facilities under the Loan Agreement are intended to replenish the Group's working capital.

* *For identification purpose only*

ASTF is a wholly-owned subsidiary of CASC, CASC is the controlling shareholder and therefore a connected person of the Company. The Loan Agreement and the Share Charge will constitute a connected transaction of the Company and be subject to the reporting and announcement requirements and the approval of the Independent Shareholders under Rule 14A.36 of the Listing Rules.

The Board (other than the independent non-executive Directors) considers the Loan Agreement and Share Charge to be on normal commercial terms and is of the view that their terms are fair and reasonable and that Beijing Enginere's entry into the Loan Agreement and Share Charge is in the interest of the Company and the Shareholders as a whole.

The independent non-executive Directors will express their view on whether the Loan Agreement and Share Charge are on normal commercial terms, whether the terms of the Loan Agreement and Share Charge are fair and reasonable and whether Beijing Enginere's entry into the Loan Agreement and Share Charge is in the interest of the Company and its Shareholders as a whole after it has considered the advice of the Independent Financial Adviser.

THE EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the Loan Agreement and the Share Charge.

CASC and its associates are required to abstain from voting on the resolutions relating to the Loan Agreement and the Share Charge at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Kan Lai Kuen, Alice, Mr. Gordon Ng and Mr. Li Dapeng, has been established to advise the Independent Shareholders as to whether the terms of the Loan Agreement and the Share Charge are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. None of the members of the Independent Board Committee has a material interest in the transactions contemplated under the Loan Agreement and the Share Charge.

Euto Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Loan Agreement and the Share Charge.

A circular containing, inter alia, (a) further information on the Loan Agreement and the Share Charge; (b) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement and the Share Charge; (c) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement and the Share Charge; and (d) a notice convening the SGM, will be despatched to the Shareholders on or before 16 January 2020.

GENERAL INFORMATION

The Company is incorporated in Cayman Island with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 1185). It is an investment holding company whose subsidiaries are principally engaged in (i) Manufacture and sales of wind energy related products, and (ii) sales of electricity from operation of wind power field.

Beijing Energine, established in PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and its principal activity is manufacturing and sales of wind energy related products.

CASC, established in PRC with limited liability. It is the ultimate controlling shareholder of the Company. As at the date of this announcement, CASC holds approximately 60.64% of the issued Share capital of the Company.

ASTF, established in PRC with limited liability. It is a wholly owned subsidiary of CASC and its principal activity is provision of financial assistance.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“ASTF”	Aerospace Science and Technology Finance Co. Ltd, a company established in the PRC with limited liability. It is a wholly owned subsidiary of CASC
“associates”	has the meaning given in the Listing Rules

“Beijing Energiner”	Beijing Energiner Industrial Co. Ltd., a company established in PRC with limited liability. It is an indirectly wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CASC”	China Aerospace Science & Technology Corporation, a company established in PRC with limited liability. It is the ultimate controlling shareholder of the Company. As at the date of this announcement, CASC holds approximately 60.64% of the issued Share capital of the Company
“Company”	China Energiner International (Holdings) Limited, a company incorporated in Cayman Island with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1185)
“connected person(s)”	has the meaning given in the Listing Rules
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, namely Ms. Kan Lai Kuen, Alice, Mr. Gordon Ng and Mr. Li Dapeng, established to advise the Independent Shareholders in respect of the Loan Agreement and the Share Charge

“Independent Financial Adviser” or “Euto Capital”	Euto Capital Partners Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being independent financial adviser to the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of Loan Agreement and Share Charge
“Independent Shareholders”	all Shareholders other than CASC and its associates
“JV Company”	Beijing Delphi Wan Yuan Engine Management Systems Co., Ltd.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement between the Company and ASTF in respect of a RMB300,000,000 (equivalent to approximately HK\$333,000,000) loan facility to be provided by ASTF to the Company
“PRC”	the People’s Republic of China
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of approving the Loan Agreement and the Share Charge
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Charge”	the share charge to be granted by Beijing Energine in favour of ASTF over all the shares held by Beijing Energine in the JV Company (representing 49% of the shares in the JV Company) as security for the loan facilities under the Loan Agreement
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

The exchange rates adopted in this announcement for illustration purpose only are RMB1.00 = HK\$1.11.

By order of the Board
China Engerine International (Holdings) Limited
Liu Zhiwei
Chairman

Hong Kong, 25 December 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Liu Zhiwei, Mr. Han Qingping, Mr. Xu Jun and Mr. Wang Guanghui; and three independent non-executive Directors, namely Ms. Kan Lai Kuen, Alice, Mr. Gordon Ng and Mr. Li Dapeng.