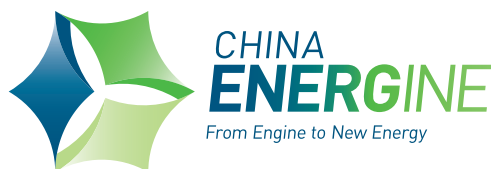


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CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED

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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of the Group for the year ended 31 December 2020 (the “**2020 Annual Report**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2020 Annual Report.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE RECOGNITION OF FINANCIAL GUARANTEE CONTRACT LIABILITIES IN THE SEPARATE FINANCIAL STATEMENTS OF THE COMPANY AS AT 1 JANUARY 2020

In addition to the information provided in the 2020 Annual Report, the Board would like to provide further information in relation to the recognition of financial guarantee contract liabilities in the separate financial statements of the Company as at 1 January 2020.

As disclosed in sections headed “Recognition of financial guarantee contract liabilities in the separate financial statements of the Company as at 1 January 2020” in the independent auditor’s report contained on pages 82 to 83 of the 2020 Annual Report, the Board would like to provide further information that during the preparation of the annual report of the Group for the year ended 31 December 2019, the financial guarantee contract liabilities was internally evaluated by the Company taken into account, among other, the default risk assessment based on the circumstance and available information at the material time and it was concluded that the financial guarantee contract liabilities has no significant impact in the separate single entity financial statements of the Company. Therefore, no provision for financial guarantee contract liabilities was made.

* *For identification purpose only*

The above situation was discussed with the auditor of the Company, RSM Hong Kong (“**Auditor**”) during the preparation of 2020 Annual Report. However, the Auditor stated that they were unable to obtain sufficient appropriate audit evidence to satisfy themselves as to whether any financial guarantee contract liabilities as at 1 January 2020 should be recognized, due to the absence of a professional appraisal of the fair values at initial recognition and loss allowance for expected credit losses of such financial guarantee contracts liabilities as at 31 December 2019.

It should be noted that the financial guarantee contract liabilities has no impact on the Group’s consolidated financial statements for both the years ended 31 December 2019 and 2020, and such financial guarantee contract liabilities only affected the disclosure in the statement of financial position and reserve movement of the Company as disclosed in the note 45 to the consolidated financial statements.

Furthermore, the financial guarantee contract liabilities has been confirmed and fairly stated in the statement of financial position and reserve movement of the Company as of 31 December 2020. Therefore, the relevant section in relation to the financial guarantee contract liabilities can be removed from the independent auditor’s report for the year ending 31 December 2021, as per discussion with the Auditors.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE GOING CONCERN

In addition to the information provided in section headed “Actions taken by the Company to address relevant disclaimer opinion” in the Corporate Governance Report contained on pages 46 to 48 of the 2020 Annual Report, the Board would like to provide further information that, with the successful execution of the plans and measures, and provided that there will be no significant uncertainties exist as to whether the Group have sufficient working capital to finance its operations and to meet the financial obligations as they fall due within twelve months from the date of approval of the consolidated financial statements, the disclaimer of opinion in relation to going concern may be removed from the financial statements of the Group for the year ending 31 December 2021, as per discussion with the Auditors.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended pending fulfilment of the Resumption Guidance and any supplement or modification thereto.

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

By Order of the Board
China Engene International (Holdings) Limited
Han Qingping
Chairman and Executive Director

Hong Kong, 15 December 2021

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Han Qingping, Mr. Li Lei, 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.