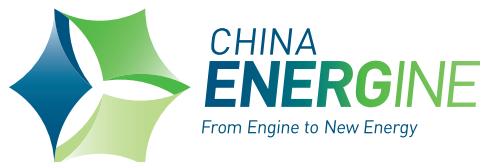


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT IN RELATION TO SUPPLY OF
WIND TURBINES, WIND TURBINE BLADES AND ASSOCIATED SERVICES**

Four subsidiaries of the Company, IM Turbine Manufacture, IM Composite Material, Wuxi Xindali and Beijing EnerGINE have entered into a Framework Agreement with Shanghai Hanli on 11 November 2010 pursuant to which IM Turbine Manufacture, IM Turbine Composite Material, Wuxi Xindali and Beijing EnerGINE are to supply wind turbines, wind turbine blades and the associated services incidental thereto to Shanghai Hanli in accordance with the terms of the Framework Agreement for the two financial years ending 31 December 2011.

Since Shanghai Hanli is a wholly-owned subsidiary of the Company's major controlling shareholder, CALT, Shanghai Hanli is a connected person of the Company. In addition, since one of the shareholders of IM Composite Material as to 41.03% shareholding in Aerospace Material, which is a subsidiary of CALT, IM Composite Material is a connected person of the Company by virtue of being a non wholly-owned subsidiary with the said more than 10% shareholding. The supplies of wind turbines, wind turbine blades and the associated services by the four subsidiaries of the Company to Shanghai Hanli under the Framework Agreement constitute continuing connected transactions under the Listing Rules.

Since the applicable percentage ratio under the Listing Rules in respect of aggregated maximum transaction value on an annual basis relating to the Continuing Connected Transactions for the supply of wind turbines, wind turbine blades and the associated services is less than 5%, the Continuing Connected Transactions are subject to announcement and reporting yet exempt from the Independent Shareholders' approval at a general meeting under the Listing Rules.

FRAMEWORK AGREEMENT

Date

11 November 2010

Parties

1. IM Turbine Manufacture, the wind turbine and service supplier;
2. IM Composite Material, the wind turbine blades and service supplier;
3. Wuxi Xindali, the wind turbine and service supplier;
4. Beijing Energine, the service provider;
5. Shanghai Hanli, the purchaser.

Principal Terms

Pursuant to the Framework Agreement, IM Turbine Manufacture, IM Composite Material, Wuxi Xindali and Beijing Energine, 4 subsidiaries of the Company, are to supply wind turbines as to 1.5MW and 2MW, wind turbine blades and the associated services incidental thereto to Shanghai Hanli in accordance with the terms of the Framework Agreement for the 2 financial years ending 31 December 2011. The payment will be made on a schedule of 20% down payment upon entering into the supply agreement with balance of 80% to be made 1 week after delivery or a schedule of progress payment upon completion of each of the phases of service rendering as to the service agreement.

Detailed terms of each of supply agreements or service agreements will be determined on an arm's length basis and according to the prevailing fair and usual market practice. The sales prices and service fees will be determined in accordance with the prevailing market rate for such sales and services or, if there is no prevailing market rate available, by reference to the prevailing rate for the supply of similar wind turbines and wind turbine blades offered and the associated services within the same industry.

ANNUAL CAPS

It is expected that the maximum sales and fees for associated services to be rendered to Shanghai Hanli by the 4 subsidiaries in aggregate under the Framework Agreement for the two years ending 31 December 2011 are as follows:

	During the financial year ending 31 December	
	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of wind turbines and wind turbine blades and fees for associated services (in HK\$'000 equivalent)	28,500 (32,205)	20,000 (23,000)

The Annual Caps are determined by reference to the plan of the purchases of wind turbines, wind turbine blades and the associated services from Shanghai Hanli for their research and development initiatives.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is principally engaged in the businesses of manufacture and sales of wind turbines and blades, operation of wind farm, intelligent transportation systems, broadband wireless access systems and equipment, manufacture and sale of telecommunications products, and of hi-tech rare-earth permanent magnetic motors for elevators as well as investment in businesses of automotive components parts.

By entering into the Framework Agreement, IM Turbine Manufacture, IM Composite Material, Wuxi Xindali and Beijing Energiner will supply the requisite wind turbines, wind turbine blades and the associated services for the employment in the research and development initiatives of Shanghai Hanli which is engaged in import and export of products and technology as well as sales of metal-cutting machine tools, metal-shaping machine tools, machine tool accessories, liquid-pressured energy machinery, moulds, pumps and vacuum equipment, wires and cables.

The Directors (including the independent non-executive Directors) are of the view that the terms of the supply of wind turbines, wind turbine blades and the associated services contemplated under the Framework Agreement are fair and reasonable, and that the transactions are on normal commercial terms in the ordinary and usual course of businesses of the subsidiaries and in the interests of the subsidiaries and the Company's Shareholders as a whole, and that it is beneficial to the subsidiaries to enter into the transactions. No Directors have a material interest in the connected transactions. Yet by reason that all of the Directors other than the independent non-executive Directors are representatives of CALT, they have abstained from voting on the board resolution.

IMPLICATIONS UNDER THE LISTING RULES

Since Shanghai Hanli is a wholly-owned subsidiary of the Company's major controlling shareholder of CALT, Shanghai Hanli is a connected person of the Company. In addition, since one of the shareholders of IM Composite Material as to 41.03% shareholding in Aerospace Material, which is a subsidiary of CALT, IM Composite Material is a connected person of the Company by virtue of being a non wholly-owned subsidiary with the said more than 10% shareholding. The supplies of wind turbines, wind turbine blades and the associated services by the four subsidiaries of the Company to Shanghai Hanli under the Framework Agreement constitute continuing connected transactions under the Listing Rules.

Since the applicable percentage ratio under the Listing Rules in respect of aggregate maximum transaction value on an annual basis relating to the Continuing Connected Transactions for the supply of wind turbines, wind turbine blades and associated services is less than 5%, the Continuing Connected Transactions are subject to announcement and reporting yet exempt from the Independent Shareholders' approval at a general meeting under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Aerospace Material”	Aerospace Research Institute of Material & Processing Technology (航天材料及工藝研究所), a state-owned institute incorporated in the PRC and controlled by CALT
“Annual Cap”	the aggregated annual maximum sales and fees for services to be rendered to Shanghai Hanli from IM Turbine Manufacture, IM Composite Material, Wuxi Xindali and Beijing Energiner under the Framework Agreement
“associate(s)”	having the meaning ascribed thereto in the Listing Rules
“Beijing Energiner”	Beijing Energiner Industry Co. Ltd. (北京萬源工業有限公司), a wholly-owned subsidiary of the Company established in Beijing, the PRC
“Board”	the board of Directors

“CALT”	China Academy of Launch Vehicle Technology (中國運載火箭技術研究院), the Company’s major controlling shareholder of a state-owned entity established in the PRC and wholly-owned by China Aerospace Science and Technology Corporation, the ultimate controlling shareholder of the Company
“Company”	China Energiner International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	having the meaning ascribed thereto in the Listing Rules
“Continuing Connected Transactions”	continuing connected transactions to be entered into between the IM Turbine Manufacture, IM Composite Material, Wuxi Xindali, Beijing Energiner and Shanghai Hanli in relation to the supply of wind turbines, wind turbine blades and the associated services under the Framework Agreement
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement dated 11 November 2010 and entered into between the IM Turbine Manufacture, IM Composite Material, Wuxi Xindali, Beijing Energiner and Shanghai Hanli in relation to the supply of wind turbines, wind turbine blades and the associated services
“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 People’s Republic of China
“IM Composite Material”	Inner Mongolia CASC Energiner Composite Material Co. Ltd. (內蒙古航天萬源複合材料有限公司), a subsidiary of the Company as to 56.41% equity established in Wulangchabu City, Inner Mongolia, the PRC

“IM Turbine Manufacture”	Inner Mongolia CASC Energiner Wind Turbine Manufacture Co. Ltd. (內蒙古航天萬源風電設備製造有 限公司), a subsidiary of the Company as to 95% equity established in Wulangchabu City, Inner Mongolia, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the legal currency of the PRC
“Shanghai Hanli”	Shanghai Hanli Machine Tool Co. Ltd. (上海翰力機床 有限公司), a wholly-owned subsidiary of CALT established in Shanghai, the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	having the meaning ascribed thereto in the Listing Rules
“Wuxi Xindali”	Wuxi CASC Energiner Xindali Electricity Co. Ltd. (無錫航天萬源新大力電機有限公司), a subsidiary of the Company as to 62.5% equity established in Wuxi, Jiangsu, the PRC
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB:HK\$ is RMB1.00:HK\$1.15.

By Order of the Board
China Energiner International (Holdings) Limited
Han Shuwang
Chairman

Hong Kong, 11 November 2010

As at the date of this announcement, the Board comprise Mr. Han Shuwang (Chairman), Mr. Wang Xiaodong (Vice-Chairman), Mr. Zang Wei and Mr. Wang Lijun as Executive Directors; Mr. Li Guang and Mr. Fang Shili as Non-executive Directors; Mr. Wang Dechen, Ms. Kan Lai Kuen, Alice and Mr. Gordon Ng as Independent Non-executive Directors.

** for identification purpose only.*