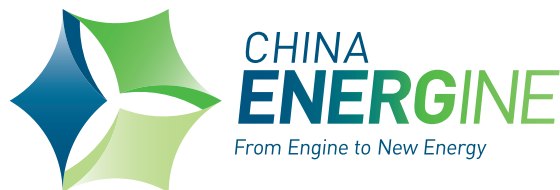


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CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED

中國航天萬源國際(集團)有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1185)

**CONNECTED TRANSACTION
COMMISSIONING AGREEMENT
RELATING TO RESEARCH AND DEVELOPMENT PROJECT
ON 3 MW WIND TURBINE BLADE**

IM Composite Material, a subsidiary of the Company, entered into a Commissioning Agreement with Aerospace Material earlier today in relation to pursuit of a research and development project on 3MW wind turbine blade as commissioned by Aerospace Material at a contract sum of RMB13,502,000 (HK\$16,472,000).

Since Aerospace Material is a subsidiary of the Company's major controlling shareholder of CALT, Aerospace Material is a connected person of the Company. In addition, since one of the shareholders of IM Composite Material as to 41.03% shareholding is also Aerospace Material, IM Composite Material is a connected person of the Company because of being a non wholly-owned subsidiary with the said more than 10% shareholding held by CALT's subsidiary. IM Composite Material's pursuit of research and development project on 3 MW wind turbine blade as commissioned by Aerospace Material under the Commissioning Agreement constitutes a connected transaction under the Listing Rules.

Since the applicable percentage ratio under the Listing Rules in respect of maximum contract sum for the pursuit of the research and development project is less than 5%, the Connected Transaction is exempt from the Independent Shareholders' approval at a general meeting under the Listing Rules.

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COMMISSIONING AGREEMENT

Date

11 September 2012

Parties

1. IM Composite Material, the research and development contractor;
2. Aerospace Material, the commissioning party.

Principal Terms

Scope of Project: to pursue research and development project on 3MW wind turbine blade with the technology target: to research and develop two 58.8-metre blades applicable for 3MW wind turbine according to the technology and production permit introduced by Aerospace Material, whose completion involves diagram plan design and the works including processing conversion, design and making of engineering clothing, material study, molding processing research, pilot-production of prototype, prototype examination and industry certification.

Contract sum: RMB13,502,000 (HK\$16,472,000)

Payment term: payable on such a schedule of 40% down payment within 15 days after entering into the Commissioning Agreement; 30% progress payment on completion of the first wind turbine blade and passing of the inspection test for delivery, with balance of 30% to be made upon completion of the whole research and development project and passing of the inspection test for delivery.

REASONS FOR ENTERING INTO THE COMMISSIONING AGREEMENT

The Group is principally engaged in the businesses of manufacture and sales of wind turbines and blades, operation of wind farm, trading of materials, 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 Commissioning Agreement, IM Turbine Manufacture will pursue the research and development project on 3 MW wind turbine blade for Aerospace Material's possession of ownership of and right to the researching and developing results and the related intelligent property for their subsequent application for the patent rights thereof and subsequent improvements thereon. The right to employment of the patent rights to be attained and the associated benefits therefrom will be owned by Aerospace Material; IM Turbine Manufacture has the right to employ the technologies relating to the patent right to produce 58.8-metre blades of 3MW wind turbines.

Aerospace Material is a state-owned institution established in PRC, controlled by CALT and is the leading research centre engaging research on aerospace material application and processing as well as fibers, fabric and composite material, with possession of recognition award of GJB 9001.

The contract sum of the project which is unique by nature represented all of the costs of the project plus a margin of the market ratio in the industry. The Directors (including the independent non-executive Directors) are of the view that the terms of the Commissioning Agreement are fair and reasonable and that the transaction are on normal commercial terms 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 personally have a material interest in the connected transaction. 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 Aerospace Material is a subsidiary of the Company's major controlling shareholder of CALT, Aerospace Material is a connected person of the Company. In addition, since one of the shareholders of IM Composite Material as to 41.03% shareholding is also Aerospace Material. IM Composite Material is a connected

person of the Company because of being a non wholly-owned subsidiary with the said more than 10% shareholding held by CALT's subsidiary. IM Composite Material's pursuit of research and development project on 3MW wind turbine blades as commissioned by Aerospace Material under the Commissioning Agreement constitutes a connected transaction under the Listing Rules.

Since the applicable percentage ratio under the Listing Rules in respect of maximum contract sum for the pursuit of the research and development project is less than 5%, the Connected Transaction is 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 materials & Processing Technology (航天材料及工藝研究所), a state-owned institute incorporated in the PRC and controlled by CALT
“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 Enginere 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
“Director(s)”	the director(s) of the Company
“Connected Transaction”	connected transaction to be entered into between the IM Turbine Manufacture and Aerospace Material in relation to pursuit of research and development project as to 3MW wind turbine blade

“Commissioning Agreement”	the commissioning agreement dated 11 September 2012 and entered into between the IM Turbine Manufacture and Aerospace Material in relation to pursuit of research and development project as to 3MW wind turbine blade
“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 Ulanqab 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
“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
“%”	per cent

For the information purpose of this announcement, the exchange rate of RMB:HK\$ is RMB1.00:HK\$1.22.

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

Hong Kong, 11 September 2012

As at the date of this announcement, the Board comprise Mr. Han Shuwang (Chairman), Mr. Wang Xiaodong (Vice-Chairman), Mr. Li Guang and Mr. Wang Lijun as Executive Directors; Mr. Fang Shili and Ms. Zhang Jianhua 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.*