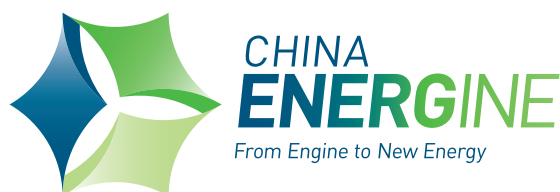


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

### **BREAKTHROUGH AND COMMENCEMENT OF BATCH PRODUCTION OF 2MW AND 1.5MW DIRECTDRIVE WIND TURBINES**

The Executive Directors of China Engerine International (Holdings) Ltd. (“the Company”) are pleased to announce the following ordinary business.

The prototypes of 2MW and 1.5MW directdrive wind turbines with Aerospace proprietary intelligent property rights, which are assembled by Inner Mongolia CASC Engerine Wind Turbine Manufacture Co. Ltd. (“IM Wind Turbine Assembling Plant”), a subsidiary of the Company, had been completed in successfully generating electricity upon connecting the power grid in Inner Mongolia Xinghe Datang CASC Wind Farm after the works of commissioning of system design, turbine assembling system modelling and simulation analysis in the fourth quarter of 2010. After going through almost four months of assessment in 2011, the operation of directdrive wind turbines under non-manned situation was satisfactory, reaching the key targets as to the design targets and customer requirements.



\* For identification purpose only

The success of research and manufacturing of 2MW and 1.5MW directdrive wind turbines with Aerospace proprietary intellectual property rights and the commencement of the phase of their batch production signifies the completion of the relatively completed product make series of the marketable products of the Group, capable of fully catering for the various demands of wind turbines from different customers.

Since the directdrive wind turbines have gearless drive and are characterized with the use of low-speed large-torque generators and full-power convertor and strong resistance to grid voltage fluctuation, their advantages include low wear and tear, high efficiency of electricity generation, small size, light, ready to repair and low operating cost as compared to the traditional wind turbines. As such, the directdrive wind turbines, in particular, the permanent-magnet directdrive wind turbines featuring proprietary intellectual property rights, high quality and renowned Aerospace brand names, have well been received by domestic and foreign large-scale wind farm developers. The 2MW permanent-magnet directdrive wind turbine, the major product promoted by the Group, has become a popular wind turbine make appealing to major domestic wind farm developers.



Since the annual production capacity of the 2MW permanent-magnet directdrive wind turbines of the IM Wind Turbine General Assembling Plant in Xinghe, Inner Mongolia is around 300 units, this production capacity is unable to meet the demands from the speed increase of the market orders in relation to the wind resources obtained and being obtained by the Group. In order to ensure sufficient production capacity to meet the wind power market demand in regions of Gansu, Xinjiang and Qinghai with emphasis on the demand from the phase II development of 8 million KW wind power market of Jiuquan, Gansu, the Company established Gansu CASC Wanyuan Wind Power Equipment Manufacturing Co. Ltd. (“Gansu General Assembling Plant”), a subsidiary of the Company, in the second half of 2010 and commenced the construction of a general assembling plant. The construction of all the premises of Gansu Wind Turbine Assembling Plant with annual production capacity of more than 300 2MW wind turbines will be completed in May 2011. After reaching the production capacity, the Gansu General Assembling Plant will, together with IM Wind

Turbine General Assembling Plant and Jiangsu Energin Wind Turbine Manufacture Co. Ltd. (“Jiangsu General Assembling Plant”), serve as the primary manufacturing bases of wind turbines of the Group in commencement of the batch production of new makes of turbines to gradually adsorb the market orders of wind turbines in relation to the wind resources in various regions including Gansu, Inner Mongolia, Northeast China, Fujian, Jiangsu and Zhejiang obtained and being obtained by the Group.

Currently, the Group has fully commenced its batch production and procurement of key components for new makes of turbines. It is expected that there will be a significant increase in batch production volume and sales of directdrive wind turbines with focus of 2MW directdrive wind turbines of the Group this year as compared to the year 2010. The sales revenue of the Group will substantially increase as compared to the last year.

By Order of the Board

**Han Shuwang**

*Chairman*

Hong Kong, 29 April 2011

*As at the date hereof, the Board of the Company comprises 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.*