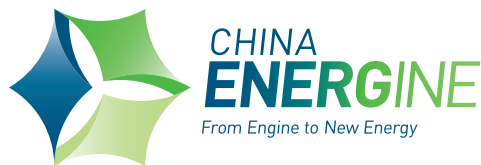


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CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED

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 ACQUISITION OF 100% EQUITY IN SHANGHAI HANLI

Beijing Energin, a wholly-owned subsidiary of the Company, has entered into an Equity Transfer Agreement earlier on 10 July 2015 with Long March Launch Vehicle pursuant to which Long March Launch Vehicle agreed to sell, and Beijing Energin agreed to purchase, 100% equity in Shanghai Hanli at a cash consideration of RMB80,884,300 (HK\$101,105,000).

Since Long March Launch Vehicle is a wholly-owned subsidiary of the Company's major controlling shareholder of CALT, Long March Launch Vehicle is a connected person of the Company. The purchase of 100% equity in Shanghai Hanli under the Equity Transfer Agreement constitutes a connected transaction under the Listing Rules.

Since the applicable percentage ratios under the Listing Rules in respect of the acquisition are less than 5%, the Connected Transaction is subject to announcement and reporting yet exempt from the Independent Shareholders' approval at a general meeting under the Listing Rules.

The board of directors of the Company is pleased to announce that Beijing Energin, a wholly-owned subsidiary of the Company, has entered into an Equity Transfer Agreement earlier on 10 July 2015 with Long March Launch Vehicle pursuant to which Long March Launch Vehicle agreed to sell, and Beijing Energin agreed to purchase, 100% equity in Shanghai Hanli at a cash consideration of RMB80,884,300 (HK\$101,105,000).

Equity Transfer Agreement

Date

10 July 2015

Parties

1. Long March Launch Vehicle, the vendor;
2. Beijing Energene, the purchaser.

Subject of the acquisition:

Shanghai Hanli is a limited liability company established in Shanghai, PRC in September 2006 and is principally engaged in the research and development of 1.5 MW excitation magnet directdrive wind turbine and 2MW permanent-magnet directdrive wind turbine and owns all of the ownership rights as to the technology and knowhow of the said 2 models, which the Group had applied yet without charge.

The registered capital of Shanghai Hanli amounts to RMB75,147,000 (HK\$93,934,000), being wholly held by Long March Launch Vehicle. After the acquisition, Shanghai Hanli will become a wholly-owned subsidiary of the Group. Its results will be consolidated into the accounts of the Group from the date of obtaining the effective control of Shanghai Hanli when all of the directors thereof are assigned by the Group.

According to the audited financial statements prepared under PRC GAAP, the net profits before taxation and after taxation for the years ended 31 December 2013 amounted to RMB8,000 (HK\$10,000). According to the unaudited financial statements prepared under PRC GAAP, the net profits before taxation and after taxation for the year ended 31 December 2014 amounted to RMB2,000 (HK\$2,000). As at 31 December 2013 and 31 December 2014, the net asset value of Shanghai Hanli amounted to RMB75,220,000 (HK\$94,025,000) (audited) and RMB75,222,000 (HK\$94,027,000) (unaudited) respectively. The unaudited net assets value as at 31 May 2015 was recorded as RMB75,222,000 (HK\$94,027,000).

Consideration and settlement

The consideration of RMB80,884,300 (HK\$101,105,000) in cash under the Equity Transfer Agreement is determined based on an Asset Valuation Report as to valuation base date of 31 July 2014 produced by a PRC qualified independent valuer, China Alliance, by appraisal of the value of assets and liabilities of Shanghai Hanli thereon.

The Directors (including the independent non-executive Directors) take the view that the terms of the Equity Transfer Agreement including the consideration are on normal commercial terms which are fair and reasonable and the entering into the transaction is in the interests of the Company and its Shareholders as a whole. 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.

The consideration will be satisfied by internal resources of the Group within 30 days of the date of the Equity Transfer Agreement.

Reasons for and benefit of the entering into of the Equity Transfer Agreement

The Group is principally engaged in the businesses of manufacture and sales of wind turbines and blades, energy storage related products; operation of wind farm, 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 business of automotive components parts.

The Directors took the view that the Group would benefit from the entering into of the Equity Transfer Agreement, as the transaction will not only purchase all of the ownership as to the technology and knowhow of 1.5 MW excitation magnet directdrive wind turbine and 2MW permanent-magnet directdrive wind turbine but also be poised to upgrade of 2MW excitation magnetic directdrive turbine and the research and development of 3 to 5 MW permanent magnet directdrive wind turbine strategically.

Information on the party

The vendor, Long March Launch Vehicle, is a state-owned enterprise established in Beijing, wholly owned by the Company's major controlling shareholder, CALT and engages in businesses of investment, asset management, enterprise management; advisory on economic information; development, advisory and service on technologies as to aerospace technology products, satellite appliances, electronics products, communication equipment, mechanical equipment, and computer software; and property management.

Connected Transaction

Since Long March Launch Vehicle is a wholly-owned subsidiary of the Company's major controlling shareholder of CALT, Long March Launch Vehicle is a connected person of the Company. The purchase of 100% equity in Shanghai Hanli under the Equity Transfer Agreement constitutes a connected transaction under the Listing Rules.

Since the applicable percentage ratios under the Listing Rules in respect of the acquisition are less than 5%, the Connected Transaction is 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:

“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
“China Alliance”	China Alliance Appraisal Co. Ltd. (北京中同華資產評估有限公司), the PRC independent valuer for appraisal of asset value of Shanghai Hanli
“connected person(s)”	having the meaning ascribed thereto in the Listing Rules
“Connected Transaction”	The Equity Transfer Agreement entered into between Long March Launch Vehicle and Beijing Energiner
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement dated 10 July 2015 and entered into between Long March Launch Vehicle and Beijing Energiner in relation to the sale and purchase of 100% equity in Shanghai Hanli

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long March Launch Vehicle”	Long March Launch Vehicle Industry Co. Ltd. (長征火箭工業有限公司), a wholly-owned subsidiary of CALT established in Beijing, 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 Long March Launch Vehicle established in Shanghai, the PRC
“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\$1.25.

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

Hong Kong, 10 July 2015

As at the date hereof, the Board comprises Mr. Han Shuwang (Chairman), Mr. Wang Xiaodong (Vice-Chairman), Mr. Li Guang and Mr. Xu Jun as Executive Directors; Mr. Fang Shili as Non-executive Director; Mr. Wang Dechen, Ms. Kan Lai Kuen, Alice and Mr. Gordon Ng as Independent Non-executive Directors.

** for identification purposes only*