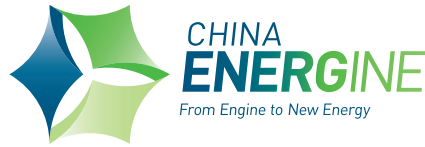


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**CHINA ENERGINE INTERNATIONAL (HOLDINGS) LIMITED**

**中國航天萬源國際(集團)有限公司\***

*(formerly CASIL TELECOMMUNICATIONS HOLDINGS LIMITED*

*航天科技通信有限公司\*)*

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code :1185)*

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF 20% REGISTERED CAPITAL IN  
AN ASSOCIATE 杭州航天萬源稀土電機應用技術有限公司  
AND  
CHANGE OF COMPANY NAME**

The Board is pleased to announce that Wan Yuan Industry, a wholly-owned subsidiary of the Company, has entered into an equity assignment contract earlier after trading hours on 27 May 2008 whereby Shanghai Electric agreed to dispose of and Wan Yuan Industry agreed to acquire a 20% registered capital in an associate of the Company, Hangzhou REPM for a cash consideration of RMB11 million.

The entering into of the Equity Assignment Contract constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

A circular setting out details of the transaction as required under the Listing Rules will be despatched to shareholders as soon as practicable.

The Board is also pleased to announce that the name of the Company has been changed from CASIL Telecommunications Holdings Limited to China EnerGINE International (Holdings) Limited and 中國航天萬源國際(集團)有限公司 has been adopted as its Chinese name for identification purposes only with effect from 15 May 2008.

The Board is pleased to announce that Wan Yuan Industry, a wholly-owned subsidiary of the Company, has entered into an equity assignment contract earlier after trading hours on 27 May 2008 whereby Shanghai Electric agreed to dispose of and Wan Yuan Industry agreed to acquire a 20% registered capital in an associate of the Company, Hangzhou REPM for a cash consideration of RMB11 million.

### **The Equity Assignment Contract**

Date: 27 May 2008

Parties: 1. Shanghai Electric, as assignor; and  
2. Wan Yuan Industry, a wholly-owned subsidiary of the Company, as assignee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the assignor and their respect ultimate beneficial owners are third parties independent of the Company and its connected persons and are not connected persons of the Group

### **Subject of the acquisition:**

Hangzhou REPM is a limited liability company established in the PRC on 27 February 2002, and is principally engaged in the manufacture of hi-tech rare-earth permanent magnet motors for elevator in Liyang County, Jiangsu Province and in the development and distribution thereof in Beijing. After years of effort in research and developments, Hangzhou REPM not only had developed many intelligent properties and core techniques of its own but also reached several industrial standards in that it obtained 10 state patents including those relating to electrical magnetic motor and one of invention. All of the product collections produced by Hangzhou REPM obtained certificates of recognition from State Elevator Quality Examination Centre and from European Communities. The quality control system has passed the requisite standard for obtaining awards of certificate of recognition from the ISO9001 Quality Control System catering for large-scale of production, paving the way for future export sales of the products. The total registered capital of Hangzhou REPM is RMB50 million (or approximately HK\$55.8 million) and contributions thereto attributable to Wan Yuan Industry, 遼寧富士電梯有限公司 (Liaoning Fuji Elevator Co. Ltd. ("Liaoning Elevator")), Shanghai Electric, 杭州榮海投資有限公司 (Hangzhou Rong Hai Investment Co. Ltd. ("Hangzhou Investment")), 丹陽市金象化工廠 (Danyang Jin Xiang Chemical Plant ("Danyang Chemical")) and 北京長征天民高科技有限公司 (Beijing Chang Zheng Tian Min High Technology Co. Ltd. ("Tian Min")) amounted to RMB14.5 million (or approximately HK\$16.18 million), RMB10 million (or approximately HK\$11.2 million), RMB10 million (or approximately HK\$11.2 million), RMB9 million (or approximately HK\$10.04 million), RMB5 million (or approximately HK\$5.58 million) and RMB1.50 million (or approximately HK\$1.67 million) respectively. Wan Yuan Industry, Liaoning Elevator, Shanghai Electric, Hangzhou Investment, Danyang Chemical and Tian Min hold 29%, 20%, 20%, 18%, 10% and 3% equity interest in Hangzhou REPM respectively. As such, Hangzhou REPM

is an associate of the Group and its results have been equity accounted for in the accounts of the Group. After completion of the acquisition, Wan Yuan Industry will hold 49% equity interest in Hangzhou REPM, which will then become a subsidiary of the Group by virtue of the fact that the number of directors assigned by Wan Yuan Industry will occupy more than half (four out of seven) of the restructuring composition of the new board of Hangzhou REPM i.e. obtaining the effective control of Hangzhou REPM as against that of three out of nine before the restructuring. Its results will be consolidated into the accounts of the Group from the date of obtaining the said effective control.

According to unaudited financial statements of Hangzhou REPM prepared under PRC GAAP, the net loss before taxation and after taxation for the 4 months ended 30 April 2008 amounted to RMB973,000 (approximately HK\$1,086,000). According to the audited financial statements prepared under PRC GAAP, the net losses before taxation and after taxation for the years 2006 and 2007 amounted to RMB6,947,000 (approximately HK\$7,753,000) and RMB6,251,000 (approximately HK\$6,976,000) respectively. As at 31 December 2006 and 2007, the audited net assets value of Hangzhou REPM amounted to RMB37,834,000 (approximately HK\$42,223,000) and RMB28,640,000 (approximately HK\$31,962,000) respectively. In accordance with the unaudited financial statements for the 4 months ended 30 April 2008, the net assets value as at 30 April 2008 was recorded as RMB24,064,000 (approximately HK\$26,855,000).

#### **Consideration and settlement:**

Pursuant to the Equity Assignment Contract, Wan Yuan Industry, after arm's length negotiation, agreed to acquire 20% of registered capital of Hangzhou REPM at a consideration of RMB11 million (approximately HK\$12.28 million), as determined by reference to results of its efforts in research and development in its incubation phase in possessing various intelligent properties and core techniques of its own and reaching various industry standards and obtaining certificates of recognition locally and overseas as to its product collections or quality control system as aforementioned for future sales of products including export sales and the original acquisition cost of the 20% thereof in May 2005 of RMB12 million (approximately HK\$13.39 million) paid by Shanghai Electric. The net assets value of RMB24 million (approximately HK\$26.78 million) as against its registered capital of RMB50 million (approximately HK\$55.80 million) reflects the level of research and development activities in the phase. The consideration will be satisfied by the internal resources of the Company within the month following the completion of the conditions precedent mentioned below and full settlement of current account balances due to Hangzhou REPM by Shanghai Electric.

**Conditions precedent:**

The Equity Assignment Contract will become effective upon the fulfillment of the following conditions:

1. the passing of resolution by shareholders of Hangzhou REPM;
2. The State Administration for Industry and Commerce having registered the change of shareholders.

**Completion:**

Subject to the fulfillment of the above conditions precedent, completion will take place on the day when the legal and valid registration in relation to the ownership transfer of 20% equity interest in Hangzhou REPM is completed.

**Reasons for and benefit of further investing in the Joint Venture**

The Group is principally engaged in the businesses of intelligent transportation systems, broadband wireless access systems and equipment, manufacturing and sale of telecommunications products and investment in businesses of renewable energy including wind energy, automotive component parts and rare-earth permanent magnetic motors.

Rare earth of contemporary science and technology, when added to materials, either improves the quality of the materials, or creates totally new materials. The rare-earth permanent magnetic motors manufactured by Hangzhou REPM are considered innovative products to the market and the business was at its incubation stage with many rooms of growth in its imminent phase of growth. With their weight and size generally of more than 50% lighter and smaller than those of conventional motors, rare-earth permanent magnetic motors offer high performance in terms of high precision, low noise, high stability and heavy load as well as their significant energy saving. Yet their prices are of that level comparable to those of the conventional motors such that rare-earth permanent magnetic motors will have the potential to tap into the conventional motors market. The acquisition of HZ REPM as the group's subsidiary is the group's strategic move in further developing business of rare-earth permanent magnetic motors as the group's one of the principal activities in grasping the growth potentials of this new material product after having gone through its incubation period rather than mere investment therein.

The terms of the Equity Assignment Contract are negotiated after arm's length negotiation. The board of directors (including the independent non-executive directors) of the Company considers that the transaction was entered into on normal commercial terms such that the terms thereof are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **Information on the parties**

Shanghai Electric is a limited liability company incorporated in Shanghai, the PRC. Its principal activities are development, production and distribution of elevator control and driving system for business globally with the trademark STEP.

The Group has no other prior relationship or transaction with Shanghai Electric and its beneficial owners.

## **General**

The entering into of the Equity Assignment Contract constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

A circular setting out details of the transaction as required under the Listing Rules will be dispatched to shareholders as soon as practicable.

## **Change of Company Name**

Reference is made to the announcements on change of Company name of 9 April 2008 and 15 May 2008 and the circular of 18 April 2008 in relation thereto.

The Board is pleased to announce that the certificate of incorporation on change of Company name was issued by the Registrar of Companies in Cayman Islands on 15 May 2008 and that the name of the Company has been changed from CASIL Telecommunications Holdings Limited to China Energin International (Holdings) Limited and 中國航天萬源國際(集團)有限公司 has been adopted as its Chinese name for identification purposes only with effect from 15 May 2008.

There will also be a change on the stock short names of the Shares incidental to the change of Company name. The Company will further make announcement as to the date on which the change of the stock short names becomes effective.

The change of Company name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the former name of the Company will continue to be evidence of title to the Shares and will be valid for trading, settlement, delivery and registration for the same number of Shares in the new name of the Company. As such, there will not be any arrangement for the exchange of the existing share certificates of the Company for share certificates bearing the new name of the Company.

## Terms used in this announcement

“Board”	the board of Directors;
“CASC”	中國航天科技集團公司 (China Aerospace Science and Technology Corporation), a state-owned enterprise established in the PRC and the ultimate controlling Shareholder of the Company;
“Company”	China Engergine International (Holdings) Limited (formerly CASIL Telecommunications Holdings Limited);
“Directors”	the directors of the Company;
“Equity Assignment Contract”	Equity assignment contract in respect of 20% registered capital of Hangzhou REPM entered into on 27 May 2008;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the legal currency of the Hong Kong Special Administrative Region of the PRC;
“Hangzhou REPM”	杭州航天萬源稀土電機應用技術有限公司 (Hangzhou Aerospace Wan Yuan Motor Application Technology Co., Ltd.), a limited liability company established in the PRC and an associate of the Group;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (but, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan);
“RMB”	Reminbi, the legal currency of the PRC;
“Shanghai Electric”	上海新時達電氣有限公司 (Shanghai STEP Electric Co. Ltd.), a limited liability company established in Shanghai, the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Wan Yuan Industry” 北京萬源工業公司 (Beijing Wan Yuan Industry Corporation), a wholly-owned subsidiary of the Company incorporated in Beijing, the PRC;

“%” per cent.

*For the purpose of this announcement, the exchange rate of RMB:HK\$ is RMB1:HK\$1.116.*

By order of the board of directors of  
**China Engine International (Holdings) Limited**  
**Han Shuwang**  
*Chairman*

Hong Kong, 27 May 2008

\* *For identification purpose only*

*As at the date of this announcement, the Board comprises Mr. Han Shuwang, Mr. Wang Xiaodong and Mr. Li Guang as Executive Directors, Mr. Wu Jiang and Mr. Tang Guohong as Non-executive Directors and Mr. Wang Dechen, Ms. Kan Lai Kuen, Alice, and Mr. Gordon Ng as Independent Non-executive Directors.*