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CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 31)

(1) CHANGE OF DIRECTORSHIPS

(2) FORMATION OF NOMINATION COMMITTEE

(3) CHANGE OF MEMBERSHIP OF AUDIT COMMITTEE

(4) CHANGE OF MEMBERSHIP OF REMUNERATION COMMITTEE

The Board is pleased to announce that, with effect from 26 March 2012:

- (1) Mr Wu Yanhua, due to a change of work arrangement, resigned as a Non-Executive Director and Chairman of the Company; Mr Zhang Jianheng was appointed as a Non-Executive Director and Chairman of the Company; Mr Zhou Qingquan, due to retirement, retired as a Non-Executive Director and member of Audit Committee of the Company; Mr Chow Chum Lum, Charles, due to limited time available to the Company, resigned as an Independent Non-Executive Director and Chairman of Audit Committee; Dr Eliza Chan Ching Har, due to limited time available to the Company, resigned as a Non-Executive Director and Chairman of Remuneration Committee of the Company; Ms Leung Sau Fan, Sylvia was appointed as an Independent Non-Executive Director of the Company;
- (2) the Nomination Committee had been established by the Board on 26 March 2012 and its membership comprises Mr Zhang Jianheng as Chairman, Mr Chen Xuechuan, Mr Luo Zhenbang, Mr Wang Junyan and Ms Leung Sau Fan, Sylvia as members with written terms of reference;
- (3) Mr Luo Zhenbang was appointed as Chairman of the Audit Committee, and Ms Leung Sau Fan, Sylvia and Mr Shi Weiguo were appointed as members of Audit Committee; and
- (4) Ms Leung Sau Fan, Sylvia was appointed as Chairman of the Remuneration Committee and Mr Luo Zhenbang resigned as member of Remuneration Committee.

CHANGE OF DIRECTROSHIPS

The Board of Directors (the “Board”) of China Aerospace International Holdings Limited (the “Company”) is pleased to announce that, with effect from 26 March 2012:

1. Mr Wu Yanhua, due to a change of work arrangement, resigned as a Non-Executive Director and Chairman of the Company;
2. Mr Zhang Jianheng was appointed as a Non-Executive Director and Chairman of the Company;
3. Mr Zhou Qingquan, due to retirement, retired as a Non-Executive Director and member of Audit Committee of the Company;
4. Mr Chow Chum Lum, Charles, due to limited time available to the Company, resigned as an Independent Non-Executive Director and Chairman of Audit Committee of the Company;
5. Dr Eliza Chan Ching Har, due to limited time available to the Company, resigned as a Non-Executive Director and Chairman of Remuneration Committee of the Company; and
6. Ms Leung Sau Fan, Sylvia was appointed as an Independent Non-Executive Director of the Company.

Each of Mr Wu Yanhua, Mr Zhou Qingquan, Mr Chow Chum Lum, Charles and Dr Chan Ching Har, Eliza has confirmed that there is no disagreement in all aspects with the Company and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to their resignation.

Mr Zhang Jianheng, aged 51, a Senior Engineer, graduated from Dalian Institute of Technology in 1982. From 1982 to 1989, he joined the First Film Factory of the Ministry of Chemical Industry and from 1989 to 1996, he joined the First Film Factory of China Lucky Film Company. From 1996 to 2011, he was the Director, Deputy General Manager and General Manager of China Lucky Film Corporation. During the same period, he also served as Deputy Chairman and General Manager, and Chairman of Lucky Film Co., Ltd. (stock code: 600135), a company listed on the Shanghai Stock Exchange. From 2011 till now, he serves as Deputy General Manager of China Science & Technology Corporation. Mr Zhang was a Standing Committee Member of the 10th Session of All China Youth Federation and Deputy Chairman of the 2nd Session of the State Enterprise Youth Federation. He was elected as a deputy of the 11th National People’s Congress in 2008 and he was assessed as National Labour Model in 2010. Mr Zhang has extensive experience in corporate administration.

Ms Leung Sau Fan, Sylvia, aged 48, holds a Bachelor degree in Accountancy from City University of Hong Kong and a Bachelor of Laws degree from the University of London and is a chartered secretary. Ms Leung was an independent non-executive director of 21 Holdings Limited (stock code: 1003) and is currently an independent non-executive director of Poly (Hong Kong) Investment Limited (stock code: 119), the shares of both companies are listed on The Stock Exchange of Hong Kong Limited. She has around 20 years of experience in dealing with listing related and corporate finance areas.

As at the date of this announcement, each of Mr Zhang Jianheng and Ms Leung Sau Fan, Sylvia:

1. has confirmed that he/she has no relationships with any director, senior management or substantial or controlling shareholder of the Company (as defined in the Listing Rules), save as disclosed above;
2. has confirmed that he/she did not have any directorship in other listed public company in the past three years, save as disclosed above;
3. does not enter into any service contract with the Company but entered into an engagement letter with the Company pursuant to the latest Listing Rules, terms of which, *inter alia*, has a fixed term of two years and is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the Articles of the Company; and
4. will entitle to a director's fee of HK\$150,000 per annum, an annual remuneration to each of the member of Audit Committee of HK\$50,000 and that of Remuneration Committee of HK\$30,000 of the year of 2012 on a pro rata basis, where applicable, subject to the shareholders' approval at the annual general meeting, which is based on his/her past experience, professional qualifications, the operations of the Company and the prevailing market condition.

In addition, Mr Zhang Jianheng has confirmed that he does not have any interest in and does not hold any short position in any share or underlying share in or any debenture of the Company or any of its associated companies within the meaning of Part XV of the Securities and Futures Ordinance. Ms Leung Sau Fan, Sylvia has confirmed that, save as holding a total of 130,000 shares in the Company, she does not have any other interest in and does not hold any short position in any share or underlying share in or any debenture of the Company or any of its associated companies within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no other information that needs to be brought to the attention of the shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The Board would like to extend its highly praised gratitude to Mr Wu Yanhua, Mr Zhou Qingquan, Mr Chow Chum Lum, Charles and Dr Chan Ching Har, Eliza for their contributions to the Company's development during their tenure of services and extend a warm welcome to Mr Zhang Jianheng and Ms Leung Sau Fan, Sylvia in joining the Board.

FORMATION OF NOMINATION COMMITTEE

The Board further announces that, with effect from 26 March 2012, a nomination committee of the Company (the "Nomination Committee") comprising Mr. Zhang Jianheng as Chairman, Mr Chen Xuechuan, Non-Executive Directors, Mr Luo Zhenbang, Mr Wang Junyan and Ms Leung Sau Fan, Sylvia, Independent Non-Executive Directors, as members had been established by the Board with written terms of reference.

The primary duties of the Nomination Committee include but not limited to the following:

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. To assess the independence of Independent Non-Executive Directors;
4. To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive; and
5. Any other matters so determined by the Board.

CHANGE OF MEMBERSHIP OF AUDIT COMMITTEE

The Board further announces that, upon the resignation of Mr Chow Chum Lum, Charles, an Independent Non-Executive Director and the Chairman of the Audit Committee and the retirement of Mr Zhou Qingquan, a Non-Executive Director and member of the Audit Committee, Mr Luo Zhenbang, an Independent Non-Executive Director and member of the Audit Committee, was appointed as Chairman of the Audit Committee, and Ms Leung Sau Fan, Sylvia, an Independent Non-Executive Director, and Mr Shi Weiguo, a Non-Executive Director of the Company, were appointed as members of Audit Committee, with effect from 26 March 2012.

Mr Luo Zhenbang has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

CHANGE OF MEMBERSHIP OF REMUNERATION COMMITTEE

The Board further announces that, upon the resignation of Dr Chan Ching Har, Eliza, a Non-Executive Director and the Chairman of Remuneration Committee, Ms Leung Sau Fan, Sylvia, an Independent Non-Executive Director, was appointed as Chairman of Remuneration Committee and Mr Luo Zhenbang resigned as member of Remuneration Committee, with effect from 26 March 2012.

By order of the Board
Li Hongjun
Executive Director & President

Hong Kong, 26 March 2012

At the time of publication of this Announcement, the Board of Directors of the Company comprises:

Executive Directors

Mr Li Hongjun
(*President*)
Mr Jin Xuesheng

Non-Executive Directors

Mr Zhang Jianheng
(*Chairman*)
Mr Wu Zhuo
(*Vice Chairman*)
Mr Chen Xuechuan
Mr Shi Weiguo

Independent

Non-Executive Directors

Mr Luo Zhenbang
Mr Wang Junyan
Ms Leung Sau Fan, Sylvia

and the memberships of various committees comprises:

Audit Committee

Mr Luo Zhenbang
(*Chairman*)
Ms Leung Sau Fan, Sylvia
Mr Shi Weiguo

Remuneration Committee

Ms Leung Sau Fan, Sylvia
(*Chairman*)
Mr Wang Junyan
Mr Chen Xuechuan

Nomination Committee

Mr Zhang Jianheng
(*Chairman*)
Mr Luo Zhenbang
Mr Wang Junyan
Ms Leung Sau Fan, Sylvia
Mr Chen Xuechuan