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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)**

### **PRICE SENSITIVE INFORMATION CONTINUING CONNECTED TRANSACTION**

This Announcement is made by the Company pursuant to the provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

The Board of Directors of the Company announces that on 26 March 2013, New Century, a wholly-owned subsidiary of the Company (as the borrower), entered into an entrusted loan agreement with CASC, the controlling shareholder of the Company (as the trustor) and Bank of Beijing (as the trustee), pursuant to which CASC will provide an entrusted loan in the sum of RMB500,000,000 to New Century with maturity of 60 months through Bank of Beijing.

As of the date of this Announcement, no collateral has been given to CASC in respect of the Loan, nor any agreement has been made with CASC in relation thereof. In the case collateral is demanded by CASC and agreed to be given by the Company, the relevant requirements of the Listing Rules will be complied with.

#### **LISTING RULES IMPLICATIONS**

As at the date of this Announcement, CASC holds approximately 38.37% of the issued share capital of the Company and is the controlling shareholder of the Company, and New Century is a wholly-owned subsidiary of the Company. CASC is a connected person of the Company under Chapter 14A of the Listing Rules. As no collateral has been given to CASC, the transaction contemplated under the Agreement is exempt from reporting, announcement, and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board of Directors of the Company announces that on 26 March 2013, New Century, a wholly-owned subsidiary of the Company (as the borrower), entered into an entrusted loan agreement with CASC (as the trustor), the controlling shareholder of the Company and Bank of Beijing (as the trustee), pursuant to which CASC will provide an entrusted loan in the sum of RMB500,000,000 to New Century with maturity of 60 months through Bank of Beijing.

## THE AGREEMENT

Date: 26 March 2013

Trustor: CASC, the controlling shareholder of the Company

Trustee: Bank of Beijing  
To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bank of Beijing and its ultimate beneficial owner are independent third parties from the Company and its connected person

Borrower: New Century, a wholly-owned subsidiary of the Company

Loan amount: RMB500,000,000

Term of Loan: Sixty months from the date of the first draw down

Interest Rate: Fixed rate at 5% per annum, payable annually, on 18 March of each calendar year, all outstanding interest accrued shall be fully repaid by maturity

Default Rate: If the Borrower fails to repay the Loan amount or the interest accrued, overdue default interest will be charged in respect of the outstanding amount at 12.5% per annum, being 150% above the Interest Rate

If the Borrower fails to use the Loan for the purpose provided under the Agreement, default interest will be charged at 15% per annum on the misappropriated amount, being 200% above the Interest Rate

Drawdown: 25 March 2013

Repayment: A lump sum repayment at maturity

Service commission: A service commission will be charged by the Trustee at 0.01% per annum over the Loan amount during the term of Loan under the Agreement

The service commission for the Loan shall be paid to the Trustee by the Borrower once a year during the term of Loan on the drawdown date (for the first year) and the corresponding date of the first drawdown date in the subsequent years (or the last day of the corresponding month if there is no such day). If the Borrower fails to fully pay the service commission, the Trustee is entitled to deduct the commission from the account maintained with Bank of Beijing by the Borrower of the principal and interest repaid by the Borrower

Use of Loan proceeds:	the development of projects such as the Complex Zone of the Launching Site of Hainan Province
Default:	Any expense incurred by the Trustee in connection with the Borrower's default shall be assumed and indemnified by the Trustor and 50% of the service commission will be additionally charged by the Trustee on the Trustor in a lump sum; the Trustor is entitled to claim against the Borrower all the charges and expenses incurred as aforesaid, which shall be fully compensated by the Borrower with overdue default interest from the date the Trustor indemnified the Trustee to the date the Borrower compensated the Trustor
Negative Pledge:	The Borrower shall not, without the prior written consent of the Trustor and the Trustee, transfer, assign, lease, subcontract, put in custody, encumber, establish a trust over or otherwise dispose of assets or material interests acquired with the Loan

## **REASONS FOR AND BENEFIT OF THE LOAN**

The proceeds of Loan will be used for the development of projects such as the Complex Zone of the Launching Site of Hainan Province. The Directors (including the Independent Non-Executive Directors) consider that the Loan will benefit the business development of the Company's subsidiaries in the mainland China with lower financing cost as compared to the prevailing loan interest rate of 6.40% as announced by the People's Bank of China.

The Directors (including the Independent Non-Executive Directors) are of the view that the Agreement has been entered into after arm's length negotiations on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION RELATING TO THE COMPANY**

The Company is an investment holding company and its subsidiaries are principally engaged in hi-tech manufacturing and aerospace services.

## **INFORMATION RELATING TO NEW CENTURY**

New Century, a wholly-owned subsidiary of the Company, is principally engaged in the investment holding business.

## **INFORMATION RELATING TO CASC**

China Aerospace Science & Technology Corporation is a state-owned enterprise established in the PRC. CASC and its subsidiaries are principally engaged in the investment and operation of state-owned assets; the research, manufacturing and sale of various kinds of launch vehicles, satellites, satellite related system products, satellite ground systems and equipments, radars, numerical control equipments; the development and technical consultation of aerospace technology; and franchised international satellite launching services etc..

## **INFORMATION RELATING TO BANK OF BEIJING**

Bank of Beijing was established in 1996 and is a joint stock bank with Sino-foreign strategic partnership.

## **INTERESTS OF DIRECTORS**

As Mr Zhang Jianheng, Mr Chen Xuechuan and Mr Shi Weiguo are officers of CASC and Mr Wu Zhuo had declared a potential conflict of interest, they had abstained from voting on the resolution approving the transactions contemplated under the Agreement.

## **LISTING RULES IMPLICATIONS**

As at the date of this Announcement, CASC holds approximately 38.37% of the issued share capital of the Company and is the controlling shareholder of the Company, and New Century is a wholly-owned subsidiary of the Company. CASC is a connected person of the Company under Chapter 14A of the Listing Rules. As no collateral is given to CASC, the transaction contemplated under the Agreement is exempt from reporting, announcement, and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. As of the date of this Announcement, no collateral has been given to CASC in respect of the Loan, nor any agreement has been made with CASC in relation thereof. In the case collateral is demanded by CASC and agreed to be given by the Company, the relevant requirements of the Listing Rules will be complied with.

## **DEFINED TERMS USED IN THIS ANNOUNCEMENT**

Capitalised terms used in this Announcement shall have the following meanings:–

"Agreement"	an entrusted loan agreement entered into among CASC, Bank of Beijing and New Century on 26 March 2013;
"Bank of Beijing"	Bank of Beijing Co., Ltd., the trustee under the Agreement;
"CASC"	China Aerospace Science & Technology Corporation, a state-owned enterprise established in the PRC. As of the date of this Announcement, it holds approximately 38.37% shareholding in the Company and is a controlling shareholder of the Company;
"Company"	China Aerospace International Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
"Director(s)"	the directors of the Company;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Loan"	an entrusted loan in the sum of RMB500,000,000 provided by CASC to New Century with maturity of 60 months through Bank of Beijing under the Agreement;

"New Century"	CASIL New Century Technology Development (Shenzhen) Company Limited* (航科新世紀科技發展(深圳)有限公司), a wholly-owned subsidiary of the Company established in the PRC as a limited liability company;
"RMB"	Reminbi, the lawful currency of the PRC;
"Shareholder(s)"	shareholders of the Company; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By order of the Board  
**Li Hongjun**  
*Executive Director & President*

Hong Kong, 26 March 2013

*At the date of this Announcement, the Board of Directors of the Company comprises:*

<i><b>Executive Directors</b></i>	<i><b>Non-Executive Directors</b></i>	<i><b>Independent Non-Executive Directors</b></i>
Mr Li Hongjun ( <i>President</i> )	Mr Zhang Jianheng ( <i>Chairman</i> )	Mr Luo Zhenbang
Mr Jin Xuesheng	Mr Wu Zhuo ( <i>Vice Chairman</i> )	Ms Leung Sau Fan, Sylvia
	Mr Chen Xuechuan	Mr Wang Xiaojun
	Mr Shi Weiguo	

\* *This PRC entity does not have an English name, the English name sets out herein is for identification purpose only.*