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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)**

### **INSIDE INFORMATION**

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.

Reference is made to the announcement of the Company dated 8 March 2017 that Hainan Aerospace, a joint venture of the Company, had decided to withdraw from the land development project of the Complex Zone of the Launching Site in Hainan.

The Board announces that, being informed by Hainan Aerospace, Hainan Aerospace entered into a Settlement Agreement to the Land Development Agreement of the Complex Zone of the Launching Site in Hainan (“Settlement Agreement”) with the Municipal Government of Wenchang on 23 June 2017, pursuant to which both parties agreed to release the Land Development Agreement of the Complex Zone of the Launching Site in Hainan dated 20 August 2008, their respective rights and obligations under which will be terminated accordingly. Major terms of the Settlement Agreement are as follows:

#### **A. Change of project owner**

The Municipal Government of Wenchang appointed Wenchang City Construction and Investment Company Limited\* (文昌市城市建設投資有限公司) as the new project owner of the resettlement zone project, who will receive the resettlement zone project on a “as is” basis and will be responsible for the construction and site management of the resettlement zone project.

Wenchang City Construction and Investment Company Limited\* (文昌市城市建設投資有限公司) is established in the People’s Republic of China as a limited liability company and is wholly-owned by the State-owned Assets Supervision and Administration Commission under the Municipal Government of Wenchang.

To the best of the Company's directors' knowledge, information and belief after having made all reasonable enquiries, Wenchang City Construction and Investment Company Limited\* (文昌市城市建設投資有限公司) and its ultimate beneficial owner are not connected persons of the Company and are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

## **B. Transfer of project information**

The transfer of project information comprises two parts, one of which is the transfer of information related to the Complex Zone and the other is that of the resettlement zone.

### **(1) Transfer of information related to the Complex Zone**

1. The Project Command Division of the Complex Zone of the Launching Site in Hainan is appointed by the Municipal Government of Wenchang to receive those information related to the Complex Zone.
2. The information to be transferred by Hainan Aerospace includes:
  - (a) the overall plan and the control detailed plan of the Complex Zone of the Launching Site in Hainan and aerospace theme park project, the feasibility study report of investment in the region and other preliminary work information.
  - (b) the overall conceptual plan of aerospace theme park project, the scene design and implementation proposal of the first phase of National Space Centre and other preliminary work information.

### **(2) Transfer of information related to the resettlement zone**

1. Wenchang City Construction and Investment Company Limited\* (文昌市城市建設投資有限公司) is appointed by the Municipal Government of Wenchang to receive those information related to the resettlement zone.
2. The information to be transferred by Hainan Aerospace includes all the information in the early stage of the project, the project bidding, design drawings, all kinds of contracts, project settlement, project management information (including investigation, supervision, construction certificates, project acceptance, etc.), settlement information related to loan receivables and payables, accounts payables, and other contractual and financial information related to the project.

## **C. Transfer of project**

Both parties agreed to complete the transfer within 1 month from the signing date of the Settlement Agreement.

## **D. Closure of jointly controlled account**

Upon the Settlement Agreement becomes effective, both parties shall close the jointly controlled account with 7 working days.

## **E. The return of investment**

- (1) Both parties agreed that the Municipal Government of Wenchang shall repay the investment amount and related expenses to Hainan Aerospace based on the confirmed audited amount of RMB1,333,808,100.
- (2) Among which, the Municipal Government of Wenchang agreed to pay a sum of cash in the amount of RMB 290,000,000 to Hainan Aerospace. The remaining amount will be returned by assets in equivalent value or in cash before 31 December 2019. If the funds cannot be returned in accordance with the above schedule, the corresponding overdue interest shall be paid according to the then benchmark interest rate of the People's Bank of China.

The Directors are of the opinion that there will not be any material effect to the Company's profit and loss arising from the Settlement Agreement.

Hainan Aerospace confirmed to the Company that it had received the sum of RMB290,000,000.

Unless otherwise stated, terms used herein shall have the same meanings as defined in the announcement dated 8 March 2017.

**Shareholders of the Company and potential investors should exercise with caution when dealing in the shares of the Company.**

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

Hong Kong, 23 June 2017

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

<i>Executive Directors</i>	<i>Non-Executive Directors</i>	<i>Independent Non-Executive Directors</i>
Mr Li Hongjun ( <i>President</i> )	Mr Gong Bo ( <i>Chairman</i> )	Mr Luo Zhenbang
Mr Jin Xuesheng	Mr Mao Yijin	Ms Leung Sau Fan, Sylvia
	Mr Xu Liangwei	Mr Wang Xiaojun

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