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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 INVALIDATION OF THE SUBSCRIPTION AGREEMENT

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 announces that, the Subscription Agreement related to Digilink Systems became void, the Subscription was therefore not materialized.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the Company's Announcement dated 22 July 2014 in matters related to the Company (as guarantor), Digilink Systems (as issuer), a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Brilliant and Amber Treasure, pursuant to which both Brilliant and Amber Treasure agreed to subscribe for certain Subscription Shares of Digilink System for a total consideration of HK\$90,000,000.

The Board announces that completion of the Subscription is conditional upon the satisfaction or waiver of certain terms pursuant to the Subscription Agreement. Despite of having made the best endeavour, some terms were not fulfilled by the Subscribers before the expiry of the valuation report on 31 March 2015, of which the consideration was based on. Accordingly, the Agreement became void and of no further force and effect and the Subscription was therefore not materialized.

The Board is of the view that the invalidation of the Subscription Agreement will not have any material negative impact on the business and the finance of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement dated 22 July 2014.

By order of the Board
Li Hongjun
Executive Director & President

Hong Kong, 1 April 2015

At the date 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 Chen Xuechuan
Mr Shi Weiguo

Independent

Non-Executive Directors

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