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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)

VOLUNTARY DISCLOSURE COMPLETION OF CAPITAL INCREASE IN AEROSPACE DIGITNEXUS

The Board of Directors of the Company is pleased to announce that the Company through its direct wholly-owned subsidiary, Digilink Systems Limited, increased capital in its direct wholly-owned subsidiary Aerospace Digitnexus a sum of Hong Kong dollars in equivalent to RMB20,000,000, whereas Yuan Heng Fu Bang, an independent third party, invested a sum of Hong Kong dollars in equivalent to RMB25,000,000 in Aerospace Digitnexus, and all the procedures are completed. The Company's indirect interest in Aerospace Digitnexus is reduced from 100% to 72.128%, and that of Yuan Heng Fu Bang is 27.872%.

As all applicable percentage ratios are less than 5%, the capital increase was not subject to reporting and disclosure under Chapter 14 of the Listing Rules, and this Announcement is for the purpose of voluntary disclosure.

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

The Board of Directors of the Company is pleased to announce that the Company through its direct wholly-owned subsidiary, Digilink Systems Limited, increased capital in its direct wholly-owned subsidiary Aerospace Digitnexus Information Technology (Shenzhen) Limited*(航天數聯信息技術(深圳)有限公司)("Aerospace Digitnexus") a sum of Hong Kong dollars in equivalent to RMB20,000,000, whereas Shenzhen Yuan Heng Fu Bang Investment Partnership Enterprise (Limited Partnership)*(深圳市元亨富邦投資合伙企業(有限合伙)("Yuan Heng Fu Bang"), an independent third party, invested a sum of Hong Kong dollars in equivalent to RMB25,000,000 in Aerospace Digitnexus, and all the procedures are completed. A new business certificate is obtained by Aerospace Digitnexus on 19 July 2016 and the Company's indirect interest in Aerospace Digitnexus is reduced from 100% to 72.128%, and that of Yuan Heng Fu Bang is 27.872%.

Aerospace Digitnexus will utilize part of the proceeds from the capital increase to repay the borrowings from a subsidiary of the Company and the rest as working capital, so as to strengthen the development of the businesses of intelligent warehouse and storage and internet of things application, sorting and customs clearance centre of cross-border e-commerce in Kaiping, and e-commerce logistics service platform.

As all applicable percentage ratios are less than 5%, the capital increase was not subject to reporting and disclosure under Chapter 14 of the Listing Rules, and this Announcement is for the purpose of voluntary disclosure.

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

By order of the Board
Li Hongjun
Executive Director & President

Hong Kong, 20 July 2016

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 Zhang Jianheng (<i>Chairman</i>)	Mr Luo Zhenbang
Mr Jin Xuesheng	Mr Chen Xuechuan	Ms Leung Sau Fan, Sylvia
	Mr Shi Weiguo	Mr Wang Xiaojun

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