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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 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.

Reference is made to the Company's announcement dated 26 March 2013. 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 provided an entrusted loan in the sum of RMB500,000,000 to New Century with maturity of 60 months through Bank of Beijing.

The Board of Directors of the Company announces that the Loan has been renewed for another 5 years on 2 April 2018.

#### **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 such, the transaction contemplated under the Extension Agreement is a continuing connected transaction under Chapter 14A of the Listing Rules. As no collateral has been given to CASC, the transaction contemplated under the Extension Agreement is exempt from reporting, announcement, and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 26 March 2013. 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 provided an entrusted loan in the sum of RMB500,000,000 to New Century with maturity of 60 months through Bank of Beijing.

The Board of Directors of the Company announces that the Loan has been renewed for another 5 years on 2 April 2018. Details of the renewed Loan are as follows:

## **THE EXTENSION AGREEMENT**

Date:	2 April 2018
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:	25 March 2018 to 24 March 2023
Use of proceed:	Working capital of the Company and its subsidiaries in business development
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 Extension Agreement, default interest will be charged at 15% per annum on the misappropriated amount, being 200% above the Interest Rate
Repayment:	A lump sum repayment at maturity
Handling fee:	RMB250,000

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

The Directors (including the Independent Non-Executive Directors) consider that a comparative longer term and fixed rate unsecured loan will benefit the business development of the Company and its subsidiaries in the mainland China with a low financing cost in the interest rate cycle.

The Directors (including the Independent Non-Executive Directors) are of the view that the Extension 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, the operations of Shenzhen Aerospace Science & Technology Plaza, internet of things applications and cross-border e-commerce logistic.

## **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 Gong Bo, Mr Mao Yijin and Mr Xu Liangwei are officers of CASC and its subsidiaries, they had abstained from voting on the resolution approving the transactions contemplated under the Extension 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 such, the transaction contemplated under the Extension Agreement is a continuing connected transaction under Chapter 14A of the Listing Rules. As no collateral is given to CASC, the transaction contemplated under the Extension Agreement is exempt from reporting, announcement, and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Furthermore, pursuant to Rule 14A.52 of the Listing Rules, the period for the agreement of continuing connected transactions must not exceed three years except in special circumstances where the nature of the transaction requires a longer period.

Cypress House Capital Limited, an independent financial adviser engaged by the Independent Non-Executive Directors of the Company, concurs with the view of the Company that the Loan requires a longer period as set out in the above section headed "Reasons for and benefit of the Loan" and having considered the aforesaid, confirms that it is a normal business practice for agreements of this type to be of such duration.

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

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

"Bank of Beijing"	Bank of Beijing Co., Ltd., the trustee under the Extension 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;
"Extension Agreement"	an entrusted loan extension agreement dated 2 April 2018 that entered into among CASC, Bank of Beijing and New Century;
"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 to be extended for 5 years through Bank of Beijing under the Extension 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;
"PRC"	The People's Republic of China (for the purpose of this Announcement, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan);
"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, 3 April 2018

*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.*