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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 ANNOUNCEMENT ON CONTROLLING SHAREHOLDERS' RESTRUCTURING

This announcement is made by China Aerospace International Holdings Limited (the "Company") pursuant to the provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2) of the Listing Rules.

The Company hereby announces that it has received notifications from China Aerospace Science & Technology Corporation*(中國航天科技集團有限公司)("CASC"), the controlling shareholder of the Company, and Burhill Company Limited ("Burhill"), an indirect subsidiary of CASC and a substantial shareholder of the Company, that they have entered into the following restructuring transactions (the "Controlling Shareholders' Restructuring"):

- (1) On 18 May 2018, Jetcote Investments Limited ("Jetcote"), a substantial shareholder of the Company and 100% beneficially owned by CASC, transferred 999,999 shares, representing 99.9999% of the issued share capital of Burhill, to CASC;
- (2) On 21 May 2018, Jetcote transferred 131,837,011 shares in the Company, representing approximately 4.27% of the issued share capital of the Company, to Burhill; and
- (3) On 21 May 2018, Sin King Enterprises Company Limited ("Sin King"), a substantial shareholder of the Company and a subsidiary of Jetcote, transferred 471,927,489 shares, representing approximately 15.30% of the issued share capital of the Company, to Burhill.

Following the completion of Controlling Shareholders' Restructuring, CASC directly owns 100% interests in Burhill which in turn directly owns 1,183,598,636 shares, representing approximately 38.37% of the issued share capital of the Company. Each of Jetcote and Sin King ceases to hold any shares in the Company.

CASC and Burhill have applied for and have been granted a waiver by the Securities and Futures Commission of Hong Kong pursuant to Note 6(a) to Rule 26.1 of the Code on Takeovers and Mergers of the obligation of CASC and Burhill to make a general offer arising as a result of the Controlling Shareholders' Restructuring.

By order of the Board,
Gong Bo
Chairman

Hong Kong, 21 May 2018

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 Gong Bo (*Chairman*)
Mr Mao Yijin
Mr Xu Liangwei

Independent Non-Executive Directors

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

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