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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 LITIGATION PROGRESS

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 announcements of the Company dated 12 May 2022, 14 June 2022 and 5 July 2022 (the “Announcements”), in relation to, among others, the Litigation commenced by Shenzhen Aerospace against Hangke Houhai to claim for arrears of rent and the termination of lease agreement. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

The Company has been informed that, the Litigation has been heard and defended by the parties on 21 September 2022. Meanwhile, on 22 September 2022, Shenzhen Aerospace received a civil complaint (the “Hangke Houhai Complaint”) served by the People’s Court of Nanshan District of Shenzhen in relation to a claim filed by Hangke Houhai against Shenzhen Aerospace. Pursuant to the Hangke Houhai Complaint, Hangke Houhai requested the court to order Shenzhen Aerospace to pay Hangke Houhai the sum of approximately RMB119,000,000, being the operation loss incurred due to delay in delivery of property and provision of Realty Title Certificate to Hangke Houhai; the damages for late payment to be calculated according to the double LPR standard, from the date when the loss report was made (i.e. 8 November 2018) until the date of actual payment; and the litigation expenses associated with the claim. Hangke Houhai’s claim is scheduled to be heard by the People’s Court of Nanshan District of Shenzhen on 18 October 2022.

Upon receipt of the Hangke Houhai Complaint, Shenzhen Aerospace has sought preliminary legal advice from its legal adviser regarding the merits of the claim in the Hangke Houhai Complaint. Shenzhen Aerospace and its legal adviser are of the view that Shenzhen Aerospace should not be liable for the claim of Hangke Houhai in accordance with the Lease Agreement, however, there is uncertainty about the court’s decision. Shenzhen Aerospace will strenuously defend the claim of Hangke Houhai and will continue to pursue the claim for the arrears of rent in the Litigation.

In addition, in respect of the Termination Agreement, Shenzhen Aerospace has recovered all the leased office property from Hangke Houhai. However, as of the date of this announcement, Hangke Houhai has failed to pay the rent payable as agreed in the Termination Agreement. Shenzhen Aerospace has already implemented the deduction of Hangke Houhai's security deposit of RMB30,000,000, and will continue to pursue its claim in the Litigation.

Since the proceeding in relation to the claim of Hangke Houhai is still at an early stage, the Board considers that it is not practical to assess its potential impact on the Company at the moment. The Company will proactively advocate and enforce its rights in those litigations in accordance with applicable laws and will make further announcement on the development of the litigations as and when appropriate.

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

By order of the Board
Zhou Limin
Chairman & Executive Director

Hong Kong, 30 September 2022

As at the date of this Announcement, the Board of Directors of the Company comprises:

Executive Directors

Mr Zhou Limin (*Chairman*)
Mr Jin Xuesheng (*President*)

Non-Executive Directors

Mr Liu Xudong
Mr Hua Chongzhi
Mr Mao Yijin

Independent Non-Executive Directors

Mr Luo Zhenbang
Mr Wang Xiaojun
Ms Chen Jingru