

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 COMMENCEMENT OF LITIGATION

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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reference is made to the announcements of China Aerospace International Holdings Limited (the “Company”) dated 12 May 2022, 14 June 2022, 5 July 2022, 30 September 2022 and 7 November 2022 (the “Announcements”), in relation to, among others, the Litigation commenced by Shenzhen Aerospace against Hangke Houhai to claim for arrears of rent, termination of the Lease Agreement, the claim filed by Hangke Houhai against Shenzhen Aerospace and Shenzhen Aerospace’s early termination of the Whole-lease Contract with Huabaorun, etc. 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 Huabaorun has completed the withdrawal and delivered vacant possession of the leased property to Shenzhen Aerospace on 10 November 2022. Besides, Shenzhen Aerospace is taking steps gradually to complete the contract transferal matters with the original tenants. However, as the arrears of rent and other relevant payables have not been repaid by Huabaorun to Shenzhen Aerospace by 15 November 2022 as required by the notice of payment, after careful consideration, Shenzhen Aerospace (as plaintiff) has filed a civil complaint (the “Huabaorun Litigation”) with Shenzhen City Nanshan District People’s Court, Guangdong Province* (廣東省深圳市南山區人民法院) and the court has officially accepted the filing of the complaint against Huabaorun (as defendant), to claim for a sum of approximately RMB252,913,000 in aggregate, being arrears of rent of approximately RMB52,509,000, the rental late charges in arrears of approximately RMB138,715,000 (accrued up to 31 October 2022 and actual amount be accrued up to the date of settlement), and the sum of approximately RMB61,689,000 being penalty for breach of the Whole-lease Contract, the performance bonds, the legal fees, and the rentals refund for the rent-free period etc.

IMPACT OF HUABAORUN LITIGATION ON THE COMPANY

As mentioned in the announcement dated 7 November 2022, if Shenzhen Aerospace is finally unable to recover the rent in arrears and other relevant payables from Huabaorun, it is estimated that the Company will make a provision of approximately RMB145,315,000 this year in relation to the termination of the Whole-lease Contract with Huabaorun.

PROGRESS OF HANGKE HOUHAI LITIGATIONS

In addition, in respect of the litigations between Shenzhen Aerospace and Hangke Houhai, including the complaint filed by Shenzhen Aerospace against Hangke Houhai to claim for arrears of rent and penalty for breach of contract (the “First Hangke Houhai Litigation”) and the claim filed by Hangke Houhai against Shenzhen Aerospace in relation to the alleged whole-lease operation loss incurred due to delay in inspection for acceptance and confirming completion of construction works (the “Second Hangke Houhai Litigation”), the two sides have submitted additional claim and counter-claim during the trial proceedings of the two cases, including an additional claim by Hangke Houhai for a refund from Shenzhen Aerospace for overpaid rent since pandemic of approximately RMB49,800,000 and consequential interest loss, and a counter-claim made by Shenzhen Aerospace against Hangke Houhai for the payment of rent for February 2020 and penalty for breach of contract of approximately RMB74,200,000 (the “Third Hangke Houhai Litigation”). The Hangke Houhai litigations have been heard by the court and are pending judgment of the first instance.

The Company will proactively advocate and enforce its rights in the Hangke Houhai litigations and Huabaorun Litigation in accordance with applicable laws and will make further announcement pursuant to the relevant requirements of the Listing Rules.

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, 14 February 2023

As 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 Zhou Limin (<i>Chairman</i>)	Mr Liu Xudong	Mr Luo Zhenbang
Mr Song Shuqing (<i>President</i>)	Mr Hua Chongzhi	Mr Wang Xiaojun
	Mr Mao Yijin	Ms Chen Jingru

**The English name set out herein is for identification purpose only.*