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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 JUDGEMENT

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, 7 November 2022, 14 February 2023 and 24 March 2023 (the “Announcements”), in relation to, among others, the termination of the lease agreements and litigations between Shenzhen Aerospace, a 60% indirect owned subsidiary of the Company, and Hangke Houhai and Huabaorun respectively. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

On 10 July 2023, the Company was informed that Shenzhen Aerospace received the judgements from Shenzhen City Nanshan District People’s Court, Guangdong Province* (廣東省深圳市南山區人民法院) (the “Judgements of the First Instance”) in relation to the Second Hangke Houhai Litigation, pursuant to which Hangke Houhai had requested the court to order Shenzhen Aerospace to pay Hangke Houhai for its operation losses due to delay in delivery of property and provision of Realty Title Certificate to Hangke Houhai on 10 July 2023 and a judgement in relation to the Third Hangke Houhai Litigation regarding Hangke Houhai’s claim for a refund from Shenzhen Aerospace for overpaid rent 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 on 6 July 2023, respectively. The details of the judgments are as follows:

According to the Second Hangke Houhai Litigation judgement:

- Shenzhen Aerospace was ordered to pay to Hangke Houhai RMB119,034,615.60 for operation losses, RMB300,000 for legal fees and RMB636,973.07 for case acceptance fee (which has been prepaid by Hangke Houhai).
- The court dismissed Hangke Houhai’s other claims.

According to the Third Hangke Houhai Litigation judgement:

- The court dismissed all of Hangke Houhai's claims. The case acceptance fee of RMB786,927.88 (which has been prepaid by Hangke Houhai) was to be borne by Hangke Houhai.
- The court dismissed all of Shenzhen Aerospace's counter-claims. The case acceptance fee of RMB206,648.44 (which has been prepaid by Shenzhen Aerospace) was to be borne by Shenzhen Aerospace.

If neither of the parties appeals within 15 days of receipt of the relevant judgement, the judgments shall become effective. After consulting its PRC legal advisor, Shenzhen Aerospace is of view that the finding of facts and the application of law in the Second Hangke Houhai Litigation judgement were wrong, and is prepared to file an appeal.

Based on the Chinese legal opinion commissioned by Shenzhen Aerospace and the above-mentioned decision to appeal made by Shenzhen Aerospace and the Company after consulting PRC legal advisor, the Company is of the view that the abovementioned litigations have not been finally adjudicated, considerable uncertainty still exists. The Company will continue to monitor the legal proceedings, proactively advocate and enforce its rights in each litigation in accordance with applicable laws and continue its assessment of the impact of the litigations on the Company.

The Company will make further announcement pursuant to the relevant requirements of the Listing Rules to keep its Shareholders and potential investors informed of any further material development of the litigations.

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, 11 July 2023

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

Executive Directors

Mr Zhou Limin (*Chairman*)
Mr Song Shuqing (*President*)

Non-Executive Directors

Mr Hua Chongzhi
Mr Teng Fangqian
Mr Peng Jianguo

Independent Non-Executive Directors

Mr Luo Zhenbang
Mr Wang Xiaojun
Ms Chen Jingru

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