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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 TERMINATION OF LEASE AGREEMENT**

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 and 14 June 2022 (the “Announcements”), in relation to the ten-year office lease contract (the “Lease Agreement”) entered into between Shenzhen Aerospace, a 60% indirect owned subsidiary of the Company and Hangke Houhai in 2016, pursuant to which, the rental arrears accumulated by Hangke Houhai amounted to RMB184,328,491.84 and the Litigation commenced by Shenzhen Aerospace against Hangke Houhai to claim for arrears of rent. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board announces that on 5 July 2022, as Hangke Houhai has failed to fulfil its obligation under the Lease Agreement, Shenzhen Aerospace (as “Party A”) and Hangke Houhai (as “Party B”) has entered into a lease termination agreement (the “Termination Agreement”) to terminate the Lease Agreement with effect from 30 June 2022 (the “Termination Date”). Party B shall (i) complete the withdrawal and return the leased property to Party A before 10 July 2022 (except for those portions sub-leased and used by the sub-lessees) and (ii) complete the transfer of lease by 31 July 2022 for those sub-lease agreements not yet expired. Party B shall ensure cooperation of the sub-lessees to facilitate the implementation of the tripartite agreement to be entered into among the sub-lessees, Party A and Party B, and that a new lease agreement with each of the sub-lessees on terms to be specified by Party A shall be entered into. Besides, it is affirmed in the Termination Agreement that Party B’s rent payable, of which RMB48,550,890 in aggregate where Party A has the right to deduct the security deposit of RMB30,000,000 from such amount and Party B agreed to settle the remaining amount in three installments. Upon the settlement of the rent payable according to the Termination Agreement by Party B, the equivalent sum will be deducted from the amount of the claim of Litigation accordingly. As for the dispute over rent concessions during pandemic, it will be executed in accordance to the judgement of the Litigation. While there is still dispute between Party A and Party B on the standard of the late fee, the parties agreed to deal with the matter in the Litigation.

## **IMPACT ON THE COMPANY**

As mentioned in the announcement of the Company dated 14 June 2022, the net leases receivables in relation to Hangke Houhai (billed and unbilled) in the consolidated financial statements for the year ended 31 December 2021 amounted to approximately RMB408,000,000. It is estimated that the Company will make a full provision (after deducting the deposit and receiving the rent payable as affirmed) in relation to the Termination Agreement. The Company will proactively advocate and enforce its rights in the 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, 5 July 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