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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)**

### **ANNOUNCEMENT**

#### **DISCLOSEABLE TRANSACTION FACTORY FITTING-OUT WORK CONTRACT OF NANTONG HONG YUEN**

##### **FACTORY FITTING-OUT WORK CONTRACT**

The Board is pleased to announce that upon the completion of the tender procedure, on 23 January 2024, Nantong Hong Yuen, an indirectly wholly-owned subsidiary of the Company, entered into the Factory Fitting-out Work Contract with EDRI, pursuant to which EDRI, will provide certain secondary mechanical and electrical engineering and factory fitting-out work services to Nantong Hong Yuen at a consideration of RMB83,984,000.05 (equivalent to approximately HK\$92,344,000).

##### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Factory Fitting-out Work Contract is more than 5% but all of them are less than 25%, the Factory Fitting-out Work Contract constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

##### **INTRODUCTION**

The Board is pleased to announce that upon the completion of the tender procedure, on 23 January 2024, Nantong Hong Yuen, an indirectly wholly-owned subsidiary of the Company, entered into the Factory Fitting-out Work Contract with EDRI in relation to the Plants Construction Project Phase I, pursuant to which, EDRI will provide certain secondary mechanical and electrical engineering and fitting-out work services to Nantong Hong Yuen at a consideration of RMB83,984,000.05 (equivalent to approximately HK\$92,344,000). The Factory Fitting-out Work Contract will be funded by the Company and Nantong Hong Yuen's own funds.

Nantong Hong Yuen has conducted a public tender exercise for the selection of a qualified contractor for the secondary mechanical and electrical engineering and factory fitting-out work services with the relevant construction licences. Upon completion of the tender procedure, EDRI was selected as the contractor of the Factory Fitting-out Work Contract. Tenders were received from eleven bidders. Nantong Hong Yuen has taken into consideration of all bidders' similar corporate performance, financial status, project awards, enterprise reputation, and the responses to questions from the project managers, among which the quotation, structural design of the construction, relevant project management experience, performance in carrying out works of comparable scale, and qualifications of the bidders were the major factors considered by Nantong Hong Yuen and finally EDRI was selected as the contractor of this project. EDRI's overall assessment score is the highest among all bidders. Further, the quotation submitted by EDRI is the lowest among all bidders and is not higher than Nantong Hong Yuen's estimation of the Factory Fitting-out Work Contract value and scale, as carried out by an independent consultant, Jiangsu Jiancheng Engineering Consultation Co., Ltd.\* (江蘇建誠工程諮詢有限公司), having regard to the costs of materials and labour costs estimated to be incurred, and the prevailing market price for carrying out the works with comparable scale and complexity.

## **FACTORY FITTING-OUT WORK CONTRACT**

The principal terms of the Factory Fitting-out Work Contract are set out below:

- Date** : 23 January 2024
- Parties** : (1) Nantong Hong Yuen (as principal); and  
(2) EDRI (as contractor)
- To the best knowledge, information and belief of the Board, having made all reasonable enquiries, EDRI and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
- Scope of work** : EDRI is responsible to carry out the secondary mechanical and electrical engineering and factory fitting-out work in relation to the Plants Construction Project Phase I. The scope of work includes but is not limited to: the interior works, piping works, heating and ventilation works, power distribution works, low voltage works, high-efficiency machine room, etc. for one factory building; the power works and air pressure system for the factory building and the dormitory; secondary fire protection works for the production test building, two factory buildings, the dormitory and the canteen, etc.
- Construction period** : The construction period is 183 days (it is expected to commence work on 24 January 2024 and complete in 25 July 2024).
- Consideration** : The consideration payable to EDRI under the Factory Fitting-out Work Contract is RMB83,984,000.05 (equivalent to approximately HK\$92,344,000).

The consideration was arrived at based on the bidding price offered by EDRI, which has been selected by Nantong Hong Yuen through a public tender procedure. After thorough evaluation of the bids and considering the factors as explained in the section headed “Introduction” above, Nantong Hong Yuen considers that EDRI is able to provide the relevant fitting-out work services.

**Payment terms** : The consideration of the Factory Fitting-out Work Contract shall be paid by Nantong Hong Yuen in cash in the manners set out below:

1. Progress payment at 25% of the contract consideration shall be made within 15 working days upon delivery of major equipment and materials and entry of labor.
2. Progress payment at 15% of the contract consideration shall be made upon initial completion of the high-efficiency machine room (chiller plant) and the first-level energy efficiency station (air compressor).
3. Upon completion of the installation of all works, progress payment at 20% of the contract consideration shall be made within 15 working days after self-inspection conducted by EDRI and acceptance by Nantong Hong Yuen.
4. After 3 months of commissioning and trial operation of all installation works, EDRI shall engage a third-party organisation with relevant qualifications to perform on-site inspection and issue an inspection report (the inspection fee is included in the contract consideration), and subject to the inspection results fulfilling the requirements of the drawings and endorsed by Nantong Hong Yuen, the progress payment up to 82% of the contract consideration shall be made within 15 working days.
5. Subject to the completion of testing and passing of quality check of the project and settlement review, up to 97% of the settlement price shall be payable in accordance with the time provisions of the general terms and conditions.
6. Quality guarantee deposit: being 3% of the reviewed settlement price, which shall be withheld at the time of settlement upon completion of works. A general 24-month defect liability period shall start from the date of completion and the acceptance of works.

## **INFORMATION ON THE COMPANY, NANTONG HONG YUEN AND EDRI**

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of hi-tech manufacturing and the operations of Shenzhen Aerospace Science & Technology Plaza.



“Company”	China Aerospace International Holdings Limited (中國航天國際控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on main board of the Stock Exchange (stock code:31);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the directors of the Company;
“EDRI”	The IT Electronics Eleventh Design & Research Institute Scientific and Technological Engineering Corporation Limited (信息產業電子第十一設計研究院科技工程股份有限公司), a limited liability company established in the PRC;
“Factory Fitting-out Work Contract”	the works contract dated 23 January 2024 relating to the secondary mechanical and electrical engineering and factory fitting-out works for the Plants Construction Project Phase I entered into between Nantong Hong Yuen (as principal) and EDRI (as contractor);
“Factory Fitting-out Works”	the secondary mechanical and electrical engineering and factory fitting-out works for the Plants Construction Project Phase I pursuant to the Factory Fitting-out Work Contract as further elaborated in the section headed “Scope of work” in this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Nantong Hong Yuen”	Nantong Hong Yuen Circuit Technology Company Limited* (南通康源電路科技有限公司), a limited liability company established in the PRC and is indirectly wholly-owned by the Company through its wholly-owned subsidiary, Dong Guan Hong Yuen Electronics Co. Ltd. (東莞康源電子有限公司);
“Plants Construction Project Phase I”	The Nantong Hong Yuen Integrated Circuit Packaging Substrate Project (南通康源集成電路封裝載板項目), involves the construction of 13 buildings, including 2 factory buildings, 1 production laboratory building, 1 dormitory, 1 canteen, 1 power waste water consolidated station, 1 Category A warehouse, 3 guard stations, and connecting corridors with an aggregate construction floor area of approximately 134,650 sq.m including underground construction area of 7,188 sq.m., on an industrial land with site area of 131,666 sq.m. located at Nantong High-Tech Development Industrial Zone of the Jiangsu Province;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholder(s)” holder(s) of the share(s) of the Company; and

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

By order of the Board  
**Zhou Limin**  
*Chairman & Executive Director*

Hong Kong, 23 January 2024

*At the date of this Announcement, the Board of Directors of the Company comprises:*

<b>Executive Directors</b>	<b>Non-Executive Directors</b>	<b>Independent Non-Executive Directors</b>
Mr Zhou Limin ( <i>Chairman</i> )	Mr Hua Chongzhi	Mr Luo Zhenbang
Mr Song Shuqing ( <i>President</i> )	Mr Teng Fangqian	Mr Wang Xiaojun
	Mr Peng Jianguo	Ms Chen Jingru

*For the purposes of this announcement, the translation of Renminbi into Hong Kong dollars has been calculated using the exchange rate of HK\$1.00 : RMB0.90947. Such exchange rate is for illustration purposes only and does not constitute a representation that any amount has been, could have been or will be translated at such exchange or at all.*

*\* The English names set out herein are for identification purposes only.*