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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
UPDATE ANNOUNCEMENT ON ARBITRATION

This announcement is made by China Aerospace International Holdings Limited (the "Company") pursuant to the provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 17 December 2024 in relation to the Arbitration (the "Announcement"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

THE SETTLEMENT AGREEMENT

The Company was informed by CASIL Semiconductor that on 2 October 2025, CASIL Semiconductor entered into a settlement agreement in relation to settlement of the arbitrations (the "Settlement Agreement") with the applicants, Metro (Suzhou) Technologies Co., Limited ("Metro Suzhou") and its affiliate, Intermec Technologies (S) Pte Ltd ("Intermec") (collectively, "the Applicants"). The key terms of the Settlement Agreement are summarized as follows:

1. CASIL Semiconductor shall pay USD1,315,382.75 to Intermec to repurchase the chips under the relevant Master Supply Agreements within 5 working days of the effective date of the Settlement Agreement (the "Effective Date"). After payment, Intermec shall ship the chips ("the Returned Chips") to CASIL Semiconductor at its own cost.

2. Metro Suzhou shall pay USD398,892.75 to CASIL Semiconductor to purchase the stock and materials used for the manufacture of the devices under the relevant Master Supply Agreements within 5 working days of the Effective Date. After payment, CASIL Semiconductor shall ship the stock and materials to Metro Suzhou at its own cost.

3. Metro Suzhou shall fully pay the USD816,490 payables to CASIL Semiconductor within 5 working days of the Effective Date.

4. To achieve mutual benefits, within 6 years starting from 1 January 2026, Metro Suzhou promises to place or procure its affiliates to place and perform with CASIL Semiconductor a certain amount of orders subject to certain ordering conditions, and CASIL Semiconductor also promises to provide rebates to Metro Suzhou in the parties' future business.

5. After CASIL Semiconductor and Metro Suzhou have both made the payments in accordance with the above Sections 1, 2 and 3, the Applicants and CASIL Semiconductor shall immediately withdraw all of their respective claims/counterclaims in the arbitrations within 3 working days of the final payment. Obligations or liabilities of the Applicants and CASIL Semiconductor towards each other arising from or in relation to the quality dispute will be mutually discharged, and forever waived and released.

6. CASIL Semiconductor and the Applicants shall bear their respective costs and expenses incurred in the arbitrations, including attorney's fees, payments made to the arbitration committees (in equal shares by the respective parties to each of the arbitrations), and any other related fees and expenses.

ADDITIONAL BACKGROUND INFORMATION ABOUT THE SETTLEMENT AGREEMENT

Apart from the Arbitration as disclosed in the Announcement, Intermec commenced an arbitration against CASIL Semiconductor at the Singapore International Arbitration Centre regarding a dispute over the return of chips on 8 May 2025. Subsequently on 28 May 2025, CASIL Semiconductor and Intermec reached an agreement that, among other terms, CASIL Semiconductor was authorized to ship the Returned Chips to Intermec.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT

The Company is of the view that entering into the Settlement Agreement will help restore the cooperative relationship between the parties on the basis of mutual benefit, and will not have a material adverse impact on the business operations of the Company.

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

By order of the Board
Wang Hui
Chairman & Executive Director

Hong Kong, 6 October 2025

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

Executive Directors	***Non-Executive Directors***	***Independent Non-Executive Directors***
Mr Wang Hui *(Chairman)*	Mr Teng Fangqian	Mr Luo Zhenbang
Mr Song Shuqing *(President)*	Mr Peng Jianguo	Ms Chen Jingru
	Mr Liu Yong	Ms Xue Lan