



CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 31)

Disclosure pursuant to Rule 13.09 of the Listing Rules

This announcement is made by the Board of Directors (the “Board”) of China Aerospace International Holdings Limited (the “Company”) pursuant to Rule 13.09 of the Listing Rules.

The Company received a notice from Burhill Company Limited, a wholly-owned subsidiary of the Company’s controlling shareholder, that it had acquired a total of 1,202,400 shares in the Company through the securities market on 9 March 2006. Its shareholding in the Company increases from 41.86% to 41.91%.

The Company is negotiating with the controlling shareholder of the Company for acquiring of the shares of its two wholly-owned subsidiaries and shareholder’s loan. The Board has not approved the acquisition and no definitive or legally-binding agreements or memorandum of understanding or contracts have been signed by the Company as at the date of this announcement. The Company will issue an announcement in accordance with the Listing Rules when the acquisition materialises.

The acquisition may or may not proceed, shareholders of the Company and the investing public should exercise caution in dealing in the shares of the Company.

Save as disclosed above, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board

Zhao Liqiang

Executive Director

Hong Kong, 10 March 2006

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

Executive Directors

Mr Zhao Liqiang

Mr Zhou Qingquan

Mr Zhao Yuanchang

Mr Wu Hongju

Mr Guo Xianpeng

Non-Executive Directors

Mr Rui Xiaowu (*Chairman*)

Mr Gong Bo

Mr Chen Dingyi

Ms Chan Ching Har, Eliza

Mr Wang Yujun

Independent Non-Executive Directors

Mr Lee Hung Sang

Mr Chow Chan Lum, Charles

Mr Luo Zhenbang