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CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 31)

ANNOUNCEMENT COMPLETION OF CONNECTED AND DISCLOSEABLE TRANSACTION

Reference is made to the announcement of China Aerospace International Holdings Limited (the “Company”) dated 20 March 2006 and the circular to its shareholders dated 10 April 2006 (the “Circular”) regarding the acquisition of shareholding of Huadun and Vanbao and its Shareholder’s Loan. Terms used herein shall have the same meanings as defined in the Circular, unless otherwise stated.

The Board of Directors of the Company is pleased to announce that the transactions contemplated under the Sale and Purchase Agreement have been duly completed on 29 September 2006. Upon the completion, Huadun and Vanbao became subsidiaries of the Company.

By order of the Board
Guo Xianpeng
Executive Director

Hong Kong, 29 September 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 Ma Xingrui (*Chairman*)
Mr Gong Bo
Mr Chen Dingyi
Ms Chan Ching Har, Eliza
Mr Wang Yujun
Mr Xu Jianhua

Independent Non-Executive Directors

Mr Lee Hung Sang
Mr Chow Chan Lum, Charles
Mr Luo Zhenbang

“Please also refer to the published version of this announcement in China Daily”