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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**

Shenzhen Aerospace, a 60% indirect subsidiary of the Company, entered into a Confirmation and an Agreement to Transfer the Land Use Right in Shenzhen with the Shenzhen Municipal Bureau of Land Resources and Housing Management on 14 March 2008 confirming its acquisition by public bid of a parcel of commercial office usage land at Nanshan Houhai Centre District with a site area of 10,458.44 metre<sup>2</sup> for a term of 50 years from 14 March 2008. The consideration payable is RMB495,000,000 (approximately HK\$538,043,478).

Pursuant to the Listing Rules, the acquisition constitutes a discloseable transaction of the Company, a circular containing, among others, details of the discloseable transaction, will be dispatched by the Company to its shareholders as soon as practicable.

Further to the announcement and the circular (“Circular”) dated 30 November and 18 December 2007 respectively, the Board of Directors of China Aerospace International Holdings Limited (the “Company”) is pleased to announce that 深圳市航天高科技投資管理有限公司 (Shenzhen Aerospace Hi-Tech Investment Management Company Limited)<sup>#</sup> (“Shenzhen Aerospace”), the 60% interest indirect subsidiary formed pursuant to the Promoters Agreement, won a bid at a public bid on 14 March 2008 to acquire the land use right of a parcel of land at the consideration of RMB495,000,000 (approximately HK\$538,043,478). Accordingly, Shenzhen Aerospace entered into a Confirmation and an Agreement to Transfer the Land Use Right in Shenzhen with the Shenzhen Municipal Bureau of Land Resources and Housing Management after trading hours on the same date confirming the acquisition. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Circular.

#### **The Confirmation and the Agreement to Transfer the Land Use Right in Shenzhen dated 14 March 2008 (collectively the “Agreements”)**

- Parties:
1. Shenzhen Aerospace, the acquirer, and
  2. the Shenzhen Municipal Bureau of Land Resources and Housing Management (the “Bureau”), the vendor.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Bureau is a government department independent of the Company and its connected persons. Neither the Company nor members of the Group had prior transaction with the Bureau.

Consideration: RMB495,000,000 (HK\$538,043,478), being the minimum bid price required to bidder pursuant to the notice published by the Bureau, shall be payable in full within 5 business days upon the execution of the Agreements.

Shenzhen Aerospace participated into the bid after taking into account of the location of the Land and its potential value and won the bid to acquire the Land at the initial bid price. Shenzhen Aerospace will settle the consideration by internal resources.

The terms of the Agreements are based on the terms of the bid. The Directors of the Company consider that the Agreements were entered into on normal commercial terms and the terms of the Agreements (including the consideration) are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### **Details of the Land**

The land is situated at the northern reclamation district of the east of Nanshan Houhai Centre District and is presently vacant (the "Land") with a site area of 10,458.44 metre<sup>2</sup>. The Land Use Right is for a term of 50 years commencing from 14 March 2008 and is for commercial office purpose. Shenzhen Aerospace intends to develop the Shenzhen Aerospace Technology Building on the Land.

Shenzhen Aerospace will submit a development/building plan of the Shenzhen Aerospace Technology Building for the relevant authority's approval as soon as possible and it is anticipated that the development will commence by the end of 2008 or the beginning of 2009. The development costs of the project is subject to the approval of the development/building plan, which is expected to be funded by internal resources, bank borrowing or shareholders' loans of Shenzhen Aerospace (if required). Upon the approval of the development/building plan and confirmation of the total development costs, the Company will make appropriate announcements, if or when required by the Listing Rules.

### **Reasons for and benefit of acquiring the Land**

The Group is principally engaging in hi-tech manufacturing, science and technology park complex development and related property investment, and hi-tech industries investment businesses etc..

Shenzhen Aerospace will engage in the development, management and operations of the Shenzhen Aerospace Technology Building. Given the prosperous development of property market in Shenzhen in recent years and the keen demand in high quality office in the foreseeable future, it is anticipated that the Company, through Shenzhen Aerospace, would benefit from good return from the development, management and operations of the Shenzhen Aerospace Technology Building. The development of Shenzhen Aerospace Technology Building will further strengthen the Company's property investment portfolio. Members of the Group may also use part of the premises. Targeted tenants are entities and corporations engaged in research and development of aerospace technologies. Subject to negotiation and agreement with the tenants, Shenzhen Aerospace may participate in some of these projects which in turn will provide the Company investment opportunities in hi-tech projects.

## **Discloseable Transaction**

Pursuant to the Listing Rules, the acquisition constitutes a discloseable transaction of the Company, a circular containing, among others, details of the discloseable transaction, will be dispatched by the Company to its shareholders as soon as practicable.

For the purpose of this Announcement, the exchange rate of RMB:HK\$ is RMB0.92:HK\$1.00.

# *This PRC entity does not have an English name, the English name sets out herein is for identification purpose only.*

By order of the Board

**Zhao Liqiang**

*Executive Director*

Hong Kong, 14 March 2008

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

***Executive Directors***

Mr Zhao Liqiang (*President*)

Mr Zhou Qingquan

Mr Zhao Yuanchang

Mr Wu Hongju

Mr Guo Xianpeng

***Non-Executive Directors***

Mr Wu Zhuo (*Chairman*)

Mr Gong Bo

Ms Chan Ching Har, Eliza

Mr Wang Yujun

Mr Xu Jianhua

***Independent Non-Executive Directors***

Mr Chow Chan Lum, Charles

Mr Luo Zhenbang

Mr Wang Junyan