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中航興業有限公司

CHINA NATIONAL AVIATION COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 1110)

RESULTS OF THE EXTRAORDINARY GENERAL MEETING  
RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING  
AND APPOINTMENT OF NEW EXECUTIVE DIRECTOR

The Board is pleased to announce that the ordinary resolutions relating to: (i) the Beijing Contract, the Beijing Acquisition and the transactions contemplated thereunder; and (ii) the Chengdu Contract, the Chengdu Acquisition and the transactions contemplated thereunder, were duly passed by the independent Shareholders by way of poll at the EGM held on 31 May, 2004.

The Board is also pleased to announce that Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei who had retired as Directors of the Company pursuant to the Company's articles of association were re-elected as Directors at the AGM.

The Board also wishes to announce that Mr. Zhao Xiaohang was appointed as an executive Director of the Company with effect from 31 May, 2004.

Reference is made to the announcement made by China National Aviation Company Limited (the "Company") on 26 April, 2004 and the circular of the Company dated 15 May, 2004 (the "Circular"). Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

RESULTS OF EGM

The Board is pleased to announce that the ordinary resolutions relating to: (i) the Beijing Contract, the Beijing Acquisition and the transactions contemplated thereunder; and (ii) the Chengdu Contract, the Chengdu Acquisition and the transactions contemplated thereunder, were duly passed by the independent Shareholders by way of poll at the Extraordinary General Meeting held on 31 May, 2004 ("EGM").

As at the date of this announcement, the total number of issued shares in the Company was 3,312,680,000. In accordance with the requirements of the Listing Rules, China National Aviation Corporation (Group) Limited ("CNACG"), the substantial shareholder of the Company holding 2,300,066,000 shares in the Company, has abstained from voting on the ordinary resolutions at the EGM. No Shareholder was required to, nor has stated its intention in the Circular to, vote only against the ordinary resolutions at the EGM. Accordingly, the total number of shares entitling the holders thereof to attend and vote for or against the ordinary resolutions at the EGM was 1,012,614,000.

Computershare Hong Kong Investor Services Limited, the Company's share registrars and transfer office, was appointed as the scrutineer in the EGM for the purpose of vote-taking. Set out below are the poll results in respect of the respective resolutions put to the vote at the EGM:

Ordinary Resolutions		No. of Votes (%)	
		For	Against
1.	To approve and ratify the Beijing Contract, the Beijing Acquisition and the transaction contemplated thereunder	527,207,032 (100%)	Nil (0%)
2.	To approve and ratify the Chengdu Contract, the Chengdu Acquisition and the transaction contemplated thereunder	527,207,032 (100%)	Nil (0%)

RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING

The Board is also pleased to announce that Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei who had retired as Directors of the Company pursuant to the Company's articles of association were re-elected as Directors at the annual general meeting of the Company held on 31 May, 2004 ("AGM").

Mr. Zhang Xianlin, aged 50, is the Executive Vice President and director of CNACG. He joined CNACG in April 1997, and is presently in charge of finance, investment, sales and marketing functions. He is also a director and a member of the executive committee of Hong Kong Dragon Airlines Limited ("Dragonair"). He has also been appointed as a non-executive director of Cathay Pacific Airways Limited since 1997. Before joining CNACG, he was Deputy Director – General, Finance Department of General Administration Civil Aviation of China ("CAAC"). As a senior accountant, Mr. Zhang has been in the finance field for many years and has rich experience in all aspects of financial management. Mr. Zhang graduated from Huazhong University of Science and Technology with a Master of Business Administration degree. He is a certified accountant in the PRC. Mr. Zhang mainly focuses his time on the development of the Company.

Mr. Tsang Hing Kwong, Thomas, aged 49, is the Vice President and director of CNACG. He joined CNACG in April 1995. He is a director of Dragonair and a member of the executive committee of Dragonair. Before joining CNACG as Vice President, he was a manager at Peat Marwick Mitchell & Co., Certified Public Accountants, and was the founder and President of AHK Air Hong Kong Limited. He graduated from the University of London with a Bachelor of Science degree.

Mr. Gu Tiefei, aged 51, is the President of China National Aviation Corporation (Macau) Company Limited and the Chairman of Air Macau Company Limited. He joined China National Aviation Corporation in July, 2000 as director and Vice President. Prior to this, he was the Director General, Taiwan/Hong Kong/Macau Affairs Office of CAAC. Having been engaged in aviation management for many years, he has acquired extensive experience in this field.

Each of Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei has entered into a service contract with the Company. The service contracts for each of Messrs. Zhang Xianlin and Tsang Hing Kwong, Thomas has no designated length of service and is subject to the termination provisions thereof. The service contract for Mr. Gu Tiefei has an initial term ending in 2005, and will continue thereafter until terminated by the parties thereof. The emoluments payable to Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei comprise fixed salary and discretionary bonus and are determined based on their experiences and qualifications. As at the date hereof, the monthly salary for each of Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei is HK\$106,800, HK\$84,900 and HK\$32,100, respectively.

Save as disclosed herein, none of Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei has any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the date hereof, Messrs. Zhang Xianlin, Tsang Hing Kwong, Thomas and Gu Tiefei have the following interests in share options granted under the Company's employee share option scheme which is required to be disclosed under Part XV of the Securities and Futures Ordinance:

Directors	Number of share options	Exercise period	Exercise price HK\$
Zhang Xianlin	33,126,000	26 October, 2003 to 25 October, 2009	1.14
Tsang Hing Kwong, Thomas	33,126,000	26 October, 2003 to 25 October, 2009	1.14
Gu Tiefei	5,000,000	26 October, 2003 to 25 October, 2009	1.14

Save as disclosed above, the Board is not aware of any other matters that it considers necessary to be brought to the attention of the Shareholders.

APPOINTMENT OF NEW EXECUTIVE DIRECTOR

The Board also wishes to announce that Mr. Zhao Xiaohang was appointed as an executive Director of the Company with effect from 31 May, 2004.

Mr. Zhao Xiaohang, aged 42, has been the Vice President of CNACG since February 2004. He holds a master's degree in Economics from Tsinghua University, Beijing, and is an economist. Mr. Zhao mainly focuses on the administration, corporate development and investment management of CNACG. Prior to joining CNACG, he has been deputy director of planning department, general manager of ground handling department, assistant to the President and general manager of corporate development department in Air China International Corporation. He has been engaged in the airline business for many years and has extensive experience in aviation management.

Mr. Zhao will enter into a service contract with the Company which will be for an initial term of three years and will continue thereafter until terminated by the parties thereof. As at the date hereof, Mr. Zhao does not have any interest in the shares of the Company which is required to be disclosed under Part XV of the Securities and Futures Ordinance. The emoluments payable to Mr. Zhao will comprise fixed salary and discretionary bonus and are determined based on his experience and qualifications. The monthly salary for Mr. Zhao shall be HK\$32,100 initially.

Save as disclosed herein, Mr. Zhao does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, the Board is not aware of any other matters that it considers necessary to be brought to the attention of the Shareholders.

By Order of the Board  
Li Man Kit  
Company Secretary

Hong Kong, 31 May, 2004

As at the date of this announcement, the executive Directors are Messrs. Kong Dong, Chuang Shih Ping, Zhang Xianlin, Tsang Hing Kwong, Thomas, Gu Tiefei and Zhao Xiaohang and the independent non-executive Directors are Messrs. Lok Kung Nam, Hu Hung Lick, Henry, Ho Tsu Kwok, Charles and Li Kwok Heem, John.