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中航興業有限公司

CHINA NATIONAL AVIATION COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

ADOPTION OF NEW SHARE OPTION SCHEME

The shareholders of the Company have approved the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme at the Annual General Meeting held on 29th May 2002.

Reference is made to a circular dated 17th April 2002 (“Circular”) regarding the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. Unless otherwise defined, terms used herein shall have the meaning as in the Circular.

The Board is pleased to announce that at the Annual General Meeting held on 29th May 2002, the resolution for approving the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme was duly passed by the shareholders of the Company. The New Share Option Scheme will come into effect upon granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the New Share Option Scheme, by the Listing Committee of the Stock Exchange.

By Order of the Board
Li Man Kit
Company Secretary

Hong Kong, 29th May 2002