



中航興業有限公司

CHINA NATIONAL AVIATION COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Admiralty, Hong Kong on Wednesday, 29th May, 2002 at 3:30 p.m. for the following purposes:—

1. To receive and consider the audited consolidated accounts and the Directors' and auditors' reports for the year ended 31st December, 2001.
2. To declare a final dividend.
3. To re-elect the retiring Directors and to authorise the Board of Directors to fix the remuneration of Directors.
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass with or without amendments the following resolutions as ordinary resolutions:—

ORDINARY RESOLUTIONS

A. "THAT:—

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT:—

- (a) subject to paragraph (c) below, and pursuant to section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of the subscription or conversion rights attaching to any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,
"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

- C. "THAT subject to the passing of Ordinary Resolutions Nos. 5A and 5B set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution No. 5B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5A set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said Resolution."

6. As special business, to consider and, if thought fit, to pass with or without amendments the following resolution as ordinary resolution:

ORDINARY RESOLUTION

"THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, any new ordinary shares of HK\$0.10 each (the "Shares") in the capital of the Company which may fall to be issued pursuant to the exercise of options that may be granted under the share option scheme (the "Share Option Scheme") (a copy of which marked "A" is produced to this Meeting and signed for the purpose of identification by the Chairman of this Meeting):

- (a) the Share Option Scheme be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised to grant options to subscribe for Shares under the Share Option Scheme, to allot, issue and deal with Shares pursuant to the exercise of options that may be granted under the Share Option Scheme provided that the total number of Shares that may be issued upon exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company and/or its subsidiaries shall not exceed 10 per cent of the number of Shares in issue at the date of the passing of this Resolution, and to do all such acts and things as they consider necessary or expedient to give effect to the Share Option Scheme; and
- (c) the existing share option scheme of the Company adopted on 22nd October, 1997 be and is hereby terminated in accordance with its terms."

7. To transact any other business.

By Order of the Board
Li Man Kit
Company Secretary

Hong Kong, 17th April, 2002

Notes:

1. The Register of Members will be closed from Thursday, 23rd May, 2002 to Wednesday, 29th May, 2002 (instead of Monday, 3rd June, 2002 to Friday, 7th June 2002 as previously announced on 27th March, 2002) both days inclusive, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents together with the relevant share certificates must be lodged with the Company's Share Registrars, Central Registration Hong Kong Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 29th May, 2002 (instead of Friday, 31st May, 2002).
2. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 29th May, 2002, this final dividend, if any, will be paid in cash to the shareholders whose names appear on the Register of Members at the close of business on Wednesday, 29th May, 2002 (instead of Friday, 7th June, 2002). The dividend warrants will be sent to the shareholders by ordinary mail on or about Wednesday, 26th June, 2002.
3. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
4. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged with the Company's Share Registrars, Central Registration Hong Kong Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
5. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in connection with the proposed repurchase mandate under Ordinary Resolution No. 5A above will be despatched to members together with the 2001 annual report of the Company.
6. In relation to Resolution No. 6 above, as required by the Listing Rules, a summary of the principal terms of the new share option scheme will be despatched to members together with the 2001 annual report of the Company.