



中國航空科技工業股份有限公司

AviChina Industry & Technology Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2357)

ANNOUNCEMENT

Summary

On 17 November 2006, Hafei Aviation and Hongdu Aviation entered into a joint venture agreement with China Aviation Industry Corporation I and Tianjin Free Trade Zone Investment Co., Ltd. on Tianjin Airbus A320 family final assembly line programme.

This announcement is made pursuant to the Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

On 17 November 2006, Hafei Aviation and Hongdu Aviation entered into a joint venture agreement (the "JV Agreement") with China Aviation Industry Corporation I and Tianjin Free Trade Zone Investment Co., Ltd. on Tianjin Airbus A320 family final assembly line programme. According to the JV Agreement, Hafei Aviation, Hongdu Aviation, China Aviation Industry Corporation I and Tianjin Free Trade Zone Investment Co., Ltd. will contribute 10%, 10%, 20% and 60% respectively to found Tianjin Zhongtian Aviation Industry Investment Co., Ltd. ("Tianjin Investment"), that is to say Hafei Aviation and Hongdu Aviation will contribute RMB30 million respectively.

Tianjin Investment will set up a joint venture in Tianjin with Airbus S.A.S. to assemble Airbus A320 family aircraft.

Definitions:

"Company" AviChina Industry & Technology Company Limited

"Hafei Aviation" Hafei Aviation Industry Co., Ltd., a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 50.05% of its interests being held by the Company through a wholly-owned subsidiary

"Hongdu Aviation" Jiangxi Hongdu Aviation Industry Co., Ltd., a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 55.29% of its interests being held by the Company through a wholly-owned subsidiary

By Order of the Board
AviChina Industry & Technology Company Limited
Yan Lingxi
Company Secretary

Hong Kong, 17 November 2006

As at the date of this announcement, the Board of the Company comprises executive directors Mr. Zhang Hongbiao, Mr. Wu Xiangdong and Mr. Tan Ruisong and non-executive directors Mr. Liang Zhenhe, Mr. Song Jingang, Mr. Wang Bin, Mr. Chen Huaqiu, Mr. Tian Min, Mr. Wang Yong, Mr. Maurice Savart as well as independent non-executive directors Mr. Guo Chongqing, Mr. Li Xianzong and Mr. Lau Chung Man, Louis.

* For identification purposes only