



AviChina
AviChina Industry & Technology Company Limited
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)

Results of the 2005 Annual General Meeting Payment of Final Dividends And Changes of Directors

The Board is pleased to announce that the 2005 Annual General Meeting of the Company was held on 16 June 2006. Save and except the resolution relating to the appointment of Mr. Li Kwok Heem, John as independent non-executive director of the Company which was not considered in the AGM, all other resolutions were considered and approved by show of hands.

The Board of Directors (the "Board") of AviChina Industry & Technology Company Limited (the "Company") is pleased to announce that the 2005 Annual General Meeting of the Company (the "AGM") was held on 16 June 2006 at Beijing Jinjiang Fuyuan Hotel, No.11 Ronghua Road, Beijing Economic & Technological Development Area, Beijing, the People's Republic of China (the "PRC"). Shareholders and their proxies attending the AGM represented more than half of the total number of issued shares of the Company carrying voting rights. The AGM was legally and validly convened in accordance with the requirements of the Company Law of PRC and the Articles of Association of the Company.

I. In the AGM, the following ordinary resolutions were considered and approved by show of hands:

1. The resolution relating to the Report of the Board for the year 2005;
2. The resolution relating to the Report of the Supervisory Committee for the year 2005;
3. The resolution relating to the audited financial statements of the Company for the year ended 31 December 2005;
4. The resolution relating to the profit distribution plan of the Company for the year ended 31 December 2005, on the basis of 4,643,608,500 shares in aggregate as at the end of 2005, and a final dividend of RMB 0.0105 per share, final dividends in total amounted to RMB 48,758,000;
5. The resolution relating to the re-appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company as the international and domestic auditors of the Company for the financial year 2006 respectively, whose remunerations will be RMB 5.2 million in total;
6. The resolution relating to the appointment of Mr. Zhang Hongbiao as executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
7. The resolution relating to the appointment of Mr. Wu Xiandong as executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
8. The resolution relating to the appointment of Mr. Liang Zhenhe as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
9. The resolution relating to the appointment of Mr. Song Jingang as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
10. The resolution relating to the appointment of Mr. Tan Ruisong as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
11. The resolution relating to the appointment of Mr. Wang Bin as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
12. The resolution relating to the appointment of Mr. Chen Huaqiu as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
13. The resolution relating to the appointment of Mr. Tian Min as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
14. The resolution relating to the appointment of Mr. Wang Yong as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
15. The resolution relating to the appointment of Mr. Maurice Savart as non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
16. The resolution relating to the appointment of Mr. Guo Chongqing as independent non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
17. The resolution relating to the appointment of Mr. Li Xianzong as independent non-executive director of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
18. The resolution relating to the appointment of Mr. Li Kwok Heem, John as independent non-executive director of the Company was not considered in this meeting;
19. The resolution relating to the appointment of Mr. Wang Shouxin as supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
20. The resolution relating to the appointment of Ms. Bai Ping as supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with her and the authorization of the remuneration committee of the Board to determine her remuneration;

21. The resolution relating to the appointment of Mr. Yu Yan as supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
22. The resolution relating to the appointment of Mr. Li Deqing as supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
23. The resolution relating to the appointment of Ms. Zheng Li as independent supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with her and the authorization of the remuneration committee of the Board to determine her remuneration;
24. The resolution relating to the appointment of Mr. Xie Zhihua as independent supervisor of the Company with a term of office of three years commencing from the date on which the resolution is passed, the authorization of any executive director of the Company to conclude the relevant service contract on behalf of the Company with him and the authorization of the remuneration committee of the Board to determine his remuneration;
25. The resolution relating to the proposal on the share reform (the "Dongan Motor Proposal") to be conducted by Harbin Dongan Auto Engine Co., Ltd. ("Dongan Motor"), pursuant to which the Company will offer 48,503,000 unlisted shares in Dongan Motor to the holders of Renminbi-denominated domestic shares of Dongan Motor, and the authorization of any executive director of the Company to do all such further acts and things and take all such actions and sign all such documents which in their absolute discretion were considered necessary, desirable or expedient, and to implement and /or give effect to the transactions involved in the Dongan Motor Proposal; and
26. The resolution relating to the proposal on the share reform (the "Changhe Auto Proposal") to be conducted by Jiangxi Changhe Automobile Co., Ltd. ("Changhe Auto"), pursuant to which Jiangxi Changhe Aviation Industry Company Limited ("Changhe Aviation") and Dongan Motor, both subsidiaries of the Company, will offer 37,659,030 and 504,582 unlisted shares in Changhe Auto to the holders of Renminbi-denominated domestic shares of Changhe Auto respectively, and the authorization of any executive director of the Company to do all such further acts and things and take all such actions and sign all such documents which in their absolute discretion were considered necessary, desirable or expedient, and to implement and /or give effect to the transactions involved in the Changhe Auto Proposal.

II. The payment of final dividends

The Board also wished to advise the shareholders about the details on the payment of final dividends as follows:

1. The Company will pay a final dividend of RMB 0.0105 per share for the year ended 31 December 2005. The payment shall be made to the shareholders whose names appeared on the register of members of the Company at the close of business on 16 June, 2006.
2. In accordance with Article 149 of the Company's Articles of Association, the Company will declare a dividend in Renminbi to its shareholders. Dividends for domestic shares will be paid in Renminbi within three months after the date when the dividend was declared. Dividends for H Shares will be calculated and declared in Renminbi and paid in Hong Kong dollars within three months after the date when the dividend was declared. The dividend shall be translated into Hong Kong dollars at a rate of HK\$1.00 to RMB1.0319, which was the average closing rate between Renminbi and Hong Kong dollars as published by the People's Bank of China for the five business days before 16 June, 2006, being the date on which dividend was declared at the AGM. Accordingly, the amount of final dividend per H Share of the Company is HK\$0.0102.
3. In accordance with Article 155 of the Company's Articles of Association, the Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent for the holders of H Shares of the Company, cheques for the payment of dividends for H Shares of the Company will be dispatched to all holders of H Shares of the Company by ordinary post on or before 4 July, 2006 at the risk of the shareholders.
4. Payment of dividend to the holders of domestic shares of the Company and relevant matters will be arranged separately by the Company.

III. The resolution relating to the appointment of Mr. Li Kwok Heem, John as independent non-executive director of the Company

The resolution relating to the appointment of Mr. Li Kwok Heem, John as independent non-executive director of the Company had not been considered at the AGM, because Mr. Li has informed the Company in a letter recently that he decided not to assume the office of independent non-executive director of the Company due to personal reasons.

As Dr. The Hon. Li Kwok-Po, David has resigned from his position as independent non-executive director of the Company with effect from 16 June, 2006, the Company will temporarily have only two independent non-executive directors and will temporarily not be compliant with Rule 3.10 (1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company is in the process of identifying a suitable replacement for Dr. The Hon. Li Kwok-Po, David to serve as an independent non-executive director of the Company and an announcement will be made as soon as practicable (and in any event not later than the three months period as stipulated by Rule 3.11 of Listing Rules), in order to ensure compliance with Rule 3.10 of Listing Rules.

IV. Appointments of chairman and vice chairmen of the Company

At the first meeting of the second Board of the Company, Mr. Zhang Hongbiao has been appointed as chairman and executive director of the Company, Mr. Wu Xiandong has been appointed as vice chairman and executive director of the Company and Mr. Tan Ruisong has been appointed as vice chairman and executive director of the Company with effect from 16 June, 2006.

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

16 June, 2006

As at the date of this announcement, the board of the Company comprises executive directors Mr. Zhang Hongbiao, Mr. Wu Xiandong 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 and Mr. Li Xianzong.

* For identification purposes only