



AviChina

AviChina Industry & Technology Company Limited
中國航空科技工業股份有限公司

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AviChina Industry & Technology Company Limited*

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

(Stock Code: 2357)

Waiver regarding Qualified Accountant

Summary

The Board (the "Board") of AviChina Industry & Technology Company Limited (the "Company") announce that The Stock Exchange of Hong Kong Ltd. (the "Stock Exchange") has agreed to grant the Company a conditional waiver (the "Waiver") from the strict requirement of Rule 3.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for a term of three years from 13 May, 2005. The waiver will expire on 12 May 2008 or once Mr. Wong no longer assists Mr. Li Yao, whichever is the earliest.

According to the Rule 3.24 of the Listing Rules, the Company must employ such an individual with the qualifications set out under that rule as its qualified accountant.

Mr. Li Yao ("Mr. Li"), a Vice President and the Chief Financial Officer of the Company, is able to meet all requirements as set out in Rule 3.24 save for being a fellow or associate member of the Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) ("HKICPA") or a similar body of accountants recognized by HKICPA for the purpose of granting exemptions from the examination requirement for membership of HKICPA.

The Company has arranged Mr. Barry Wong ("Mr. Wong"), who is a member of the Association of Chartered Certified Accountants ("ACCA") which is recognized by HKICPA for the purpose of granting exemptions from the examination requirement for membership of HKICPA to assist Mr. Li in discharging his duty as the qualified accountant of the Company; the duration will be three-year.

The Stock Exchange has agreed to grant to the Company a conditional waiver for a term of three years from 13 May, 2005. The Waiver will cease on 12 May, 2008 or once Mr. Wong no long assists Mr. Li (whichever is the earliest). The Company will then inform the Stock Exchange immediately and take remedial steps to comply with Rule 3.24.

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

Hong Kong, 18 May 2005

As at the date of this announcement, the board of the Company comprises executive directors Mr. Zhang Hongbiao and Mr. Wu Xiandong, and non-executive directors Mr. Liang Zhenhe, Mr. Song Jingang, Mr. Chen Huaiqiu, Mr. Xu Tongxing, Mr. Cui Xuewen, Mr. Tian Min, Mr. Yang Jinhua, Ms. Hu Jiarui, Mr. Maurice Savart as well as independent non-executive directors Dr. The Hon. Li Kwok-Po, David, Mr. Guo Chongqing and Mr. Li Xianzong.

* For identification purposes only