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AviChina

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

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 29 January 2005, Changhe Auto will announce in Shanghai that its net profit in 2004 will decrease by more than 50% when compared with that of the corresponding period in 2003.

Investors should note that the Company has prepared its financial statements under the international accounting standards. If the financial data disclosed herein are prepared under the international accounting standards, they may be significantly different from what have been disclosed herein. Investors should exercise caution when dealing in the securities of the Company.

The 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 29 January 2005, pursuant to the rules governing disclosure of information of A Share Listed Companies, Changhe Auto will publish an announcement in Shanghai which will state that its net profit in 2004 will decrease by more than 50% when compared with that of the corresponding period in 2003. For the year ended 31 December 2003, the audited net profit of Changhe Auto, which was prepared under the PRC accounting standards, was RMB50.72 million.

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Definition:

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

“Changhe Auto” 江西昌河汽車股份有限公司 (Jiangxi Changhe Automobile Co., Ltd.), a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 63.88% of its interests being held by the Company through its wholly-owned subsidiary

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

Hong Kong, 28 January 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 Huaqiu, Mr. Xu Tongxing, Mr. Cui Xuewen, Mr. Tian Min, Mr. Yang Jinhui, 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 Xian Zong.

* For identification purposes only