



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

Changes of Directors

The board of directors (the “Board”) of AviChina Industry & Technology Company Limited (the “Company”) announces that Mr. Zhang Yanzhong, Mr. Chi Yaozong, Mr. Ni Xianping and Mr. Jiang Liang have resigned as directors of the Company due to changes of duties, with effect from 16 June 2004. Mr. Zhang Yanzhong, Mr. Chi Yaozong, Mr. Ni Xianping and Mr. Jiang Liang have confirmed that they have no dispute with the Board and there is no matter relating to their resignation that will need to be brought to the attention of the Company’s shareholders.

The Board hereby thanks Mr. Zhang Yanzhong, Mr. Chi Yaozong, Mr. Ni Xianping and Mr. Jiang Liang for their contribution to the Company during their terms of office.

The Board is pleased to announce that Mr. Zhang Hongbiao, Mr. Liang Zhenhe, Mr. Tian Min and Mr. Maurice Savart were appointed as directors of the Company at the annual general meeting held on 16 June 2004.

At the meeting convened on 16 June 2004, directors of the Company elected Mr. Zhang Hongbiao an executive director and the chairman of the Company.

Mr. Zhang Hongbiao (張洪驤), 59, a research professor. He has been president of China Aviation Industry Corporation II (“AVIC II”) since December 2003. Mr. Zhang graduated from the Beijing University of Aeronautics and Astronautics in Aircraft Design in 1968 and received his master degree from Chongqing University in 1981. He commenced his career in aviation industry in September 1968 and used to be the director of the technology department, section chief and assistant to the chief engineer, deputy general manager and general manager of Harbin Dongan Engine Manufacturing Company. He was appointed as the deputy chief engineer in May 1990 and subsequently the chief engineer of the Ministry of Aero-Space; appointed as the vice president of China Aviation Industry Corporation in 1993 and as the deputy director of the Commission of Science Technology and Industry for National Defence in 1998.

Mr. Liang Zhenhe (梁振河), 58, a research professor. Mr. Liang graduated from the Northwestern Polytechnical University in Aircraft Design Profession in August 1970 and commenced his career in aviation industry. He used to be the deputy section chief, section chief, deputy general manager and general manager of Hanzhong 141 Plant (漢中一四一廠) in

Shaanxi. He was appointed as the deputy general manager and general manager of Hanzhong Tianda Aviation Industry Corporation (漢中天達航空工業總公司) in Shaanxi in November 1990. He was deployed to China Aviation Industry Corporation in 1996 and used to be the deputy director of the corporate governance department and the deputy director of the corporate governance office. Mr. Liang was appointed as the deputy general manager of AVIC II in 1999. He was awarded the “Model Worker” (勞動模範) by the Ministry of Aero-Space in April 1991.

Mr. Tian Min (田民), 48, a senior accountant. Mr. Tian graduated from Zhengzhou Aviation Industry Management in Department of Organisational Management in July 1982. After graduation, he used to be the deputy section chief, deputy director, director and deputy chief accountant, chief accountant and deputy general manager, general manager, chairman of Hongdu Aviation Industry (Group) Co., Ltd. (洪都航空工業(集團)有限責任公司) and chairman of Jiangxi Hongdu Aviation Industry Co., Ltd. (江西洪都航空工業股份有限公司). Mr. Tian also received his master degree in Engineering from the East China University of Science and Technology (華東科技大學). He was elected as a representative of the 10th National People’s Congress of Jiangxi in 2002. Mr. Tian received the honour from AVIC II and the Commission of Science Technology and Industry for National Defence as the Youth with Excellent Contributions; the incentive award to the general manager from AVIC II. He was elected the candidate (senior management expert) of “511 Experts Work” of the Commission of Science Technology and Industry for National Defence in 2002.

Mr. Maurice Savart, 45, the senior vice president of European Aeronautic Defence and Space Company-EADS N.V. (“EADS”) in charge of business in north Asia. Mr. Maurice commenced his career in science and technology for national defence in 1982 when he worked at the Training and Cooperation Department of the Ministry of Defence of France. He used to be the area sales manager (Asia) Thomson - CSF/Aerospace Group, the business development director (Asia Pacific), vice president (North Asia) of the LAGARDERE Group, the managing director (North Asia) of AEROSPATIALE LAGARDERE INTERNATIONAL. He has been the senior vice president (North Asia business) of EADS since July 2000. Mr. Savart graduated from the School of Engineering of Ecole Nationale Supérieure de Physique et de Chimie in France in 1980 and received his master degree in Science from the University of California in the US in 1981 and a MBA degree from the School of Business Administration of Institut Supérieur des Affaires in France in 1982.

Mr. Zhang Hongbiao, Mr. Liang Zhenhe and Mr. Tian Min will enter into service contracts with the Company and their remuneration will be determined by the remuneration committee under the Board whereas Mr. Maurice Savart will enter into a service contract with the Company and he will waive any remuneration. The term of office for these directors will be from 16 June 2004 to the date of the shareholders meeting in 2006 to consider the resolution relating to the election of directors to replace the first board of directors. As at the date of this announcement, they are not interested in the Company’s shares which should be disclosed pursuant to Part XV of the Securities and Futures Ordinance. Save as disclosed in this announcement, neither of them is connected with any other directors, senior management of the Company or significant shareholders or controlling shareholders of the Company.

The Board warmly welcomes the election of Mr. Zhang Hongbiao, Mr. Liang Zhenhe, Mr. Tian Min and Mr. Maurice Savart as directors.

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

Hong Kong, 16 June 2004

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

** for identification purposes only.*

Please also refer to the published version of this announcement in South China Morning Post.