



AviChina

AviChina Industry & Technology Company Limited
中国航空科技工业股份有限公司

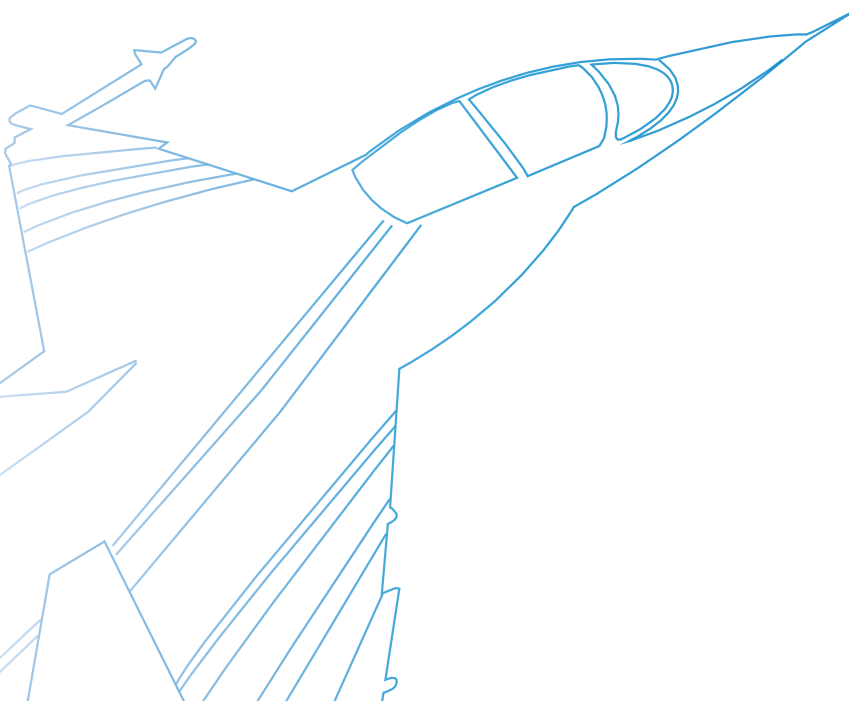
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code : 2357)

INTERIM REPORT 2011





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Highlights of Interim Results

The board of directors (the "Board") of AviChina Industry & Technology Company Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2011 prepared according to International Financial Reporting Standards.

Revenue

– comprehensive operating business (continuing operations and discontinued operations)	RMB6,661 million
– continuing operations	RMB5,797 million

Net profit attributable to the equity holders of the Company

– net profit of comprehensive operating business (continuing operations and discontinued operations)	RMB269 million
– net profit of continuing operations	RMB214 million

Profit per share, basic and diluted

– net profit of comprehensive operating business (continuing operations and discontinued operations)	RMB0.054
– net profit of continuing operations	RMB0.043

Equity attributable to the equity holders of the Company	RMB6,678 million
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INTERIM DIVIDEND

The Board proposes that no interim dividend be paid for the six months ended 30 June 2011.



BUSINESS REVIEW

During the reporting period, the major business segments of the Group comprised the entire aircraft business and aviation parts and components business. During the first half of 2011, the Group continued to conduct business reorganization and capital operation according to its strategic objective. The equity swap of the Company's equity interest in Harbin Dongan Auto Engine Co., Ltd. ("Dongan Motor") for equity interest of Aviation Industry Corporation of China ("AVIC") in China Aviation Optical-Electrical Technology Co., Ltd. ("JONHON Optronics") was completed, following which the Company entirely disposed of its automobile business and will focus on the development of its aviation business. The issue of new shares and the assets reorganization of China AVIC Avionics Equipment Co., Ltd., ("AVIC Avionics") were also completed in the first half of 2011, which further perfected the industry chain of the avionics business of the Group. In the first half of 2011, the profitability of aviation products of the Group made a steady growth.

For the six months ended 30 June 2011, the continuing operations of the Group recorded a revenue of RMB5,797 million, representing an increase of 52.63% over that of the corresponding period in 2010. The net profit from the continuing operations attributable to equity holders of the Company for the first half of 2011 was RMB214 million, representing an increase of 24.42% as compared with RMB172 million in the corresponding period of last year.

Due to the change in the scope of consolidation of the financial results arising from the disposal of the automobile engine business of the Group, during the period under review, only the results of the automobile engine business for two months before the completion of the reorganization of automobile engine business were consolidated into the Group's accountant. For the six months ended 30 June 2011, the comprehensive operating business comprising continuing operations and discontinued operations of the Group recorded a revenue of RMB6,661 million, representing a decrease of 18.87% when compared with that of the corresponding period in 2010. The net profit of the comprehensive operating business attributable to equity holders of the Company for the first half of 2011 was RMB269 million, representing a decrease of RMB189 million as compared with RMB458 million in the corresponding period of last year.

During the first half of 2011, given the complication and versatility of both the domestic and overseas economic environment, the macro-economy continues to demonstrate a development at the beginning of "China's Economic and Social Development in the 12th Five-year Plan" (the "Twelfth Five-year Plan"). Being one of the strategic emerging industries listed by the PRC government in the Twelfth Five-year Plan, aviation industry has obtained a favorable environment for future development and higher market demand, with the support of the developing macro-economy. At the same time, technology innovation and intensifying industrial competitions have put forward higher requirements for the aviation industry in China. In the midst of the 60th anniversary of the establishment of China aviation industry, AVIC, the controlling shareholder of the Company, listed in the Fortune 500 again with its continuous insistence to focus on innovation of aviation high-technology and development of strategic industry to face the new situation and challenges.

As a flagship manufacturer of civil aviation products in China's aviation industry listed overseas, the Company was listed into the constituent stock of MSCI China Index of MSCI Global Standard Indices by Morgan Stanley Capital International on 16 May 2011, after being selected as a constituent stock of the Hong Kong Hang Seng Composite Index earlier. This has further enhanced the Company's position in the international capital market. The Company has also further expanded the scale of the research, development, manufacture and sales of its aviation manufacture business and achieved a stable development of its aviation products.



Management Discussion and Analysis

In the first half of 2011, the Company continued to move forward the reorganization of its assets. The disposal of automobile engine business and the reorganization of avionics business have been completed to optimize the aviation industry chain of the Group. In order to reform the Company's remuneration system, to maximize the proactiveness of the senior management and key employees, and to support the realization of the Company's strategies and sustainable development, being one of the first batch of pilot H-Share enterprises approved for the implementation of the restricted share incentive scheme, the Company adopted a restricted share incentive scheme on 29 March 2011 and made the initial grant to 149 incentive scheme participants on 30 March 2011.

In the first half of 2011, the Group recorded a sales revenue of RMB5,797 million from its aviation products, representing an increase of 52.63% as compared with that of the corresponding period in 2010.

During the first half of 2011, the Group continued to expand its market. The 49th International Paris Air Show was successfully held on 20 June 2011 and with the approaching of the 60th anniversary of the establishment of new China aviation, AVIC participated in the exhibition with the theme of "Integration into the International Aviation Industry Chain", in which it presented the improvement of China aviation industry in its whole strength in technology innovation and demonstrated the latest results of its integration into the international aviation industry chain. Various products of the Group were exhibited in the exhibition, which laid the foundation for further expanding the global market.

In May 2011, Hafei Aviation Industry Co., Ltd. entered into an agreement with China National Aero-Technology Import & Export Corporation for the purchase of 30 Z9 series helicopters, pursuant to which the sales and export of 30 Z9 series helicopters will be completed in the coming 5 years.

In the first half of 2011, new model of primary trainer, of which the Group participated in the research and manufacture, got the Certificate of Airworthiness granted by Civil Aviation Administration of China. The manufacturing and flight tests of 10 K8 trainers of Jiangxi Hongdu Aviation Industry Co., Ltd. ("Hongdu Aviation") for export were completed on 22 July 2011.

There was a remarkable increase in the orders received for the new avionics products of the Group, which attracted broad application in the market and obtained a larger market share.

In the first half of 2011, the international cooperation projects of the Group all made a significant progress. On 12 April 2011, AVIC and Embraer S.A. entered into a framework cooperation agreement, pursuant to which Harbin Embraer, of which the Group participated in its investment, will provide plant, equipment and staff for the assembling and manufacturing of the executive jet legacy 600/650. In addition, Harbin Hafei Airbus Composite Materials Manufacture Centre Company Limited, of which the Group participated in its investment, also completed the plant establishment during the first half of 2011 and signed an agreement with Airbus on 29 June 2011, following which, the production volume of Airbus A320 series aircraft rudders will gradually increase.

During the first half of 2011, the Group continued to improve its technological research and development capacity. The flight telemetry monitoring data processing system of Hongdu Aviation began to operate on 20 July 2011. The performance of such system has a leading position in China and is able to completely satisfy the flight test task for the three generations of aircraft. In April 2011, the testing center of JONHON Optronics was granted the state laboratory certification by China National Accreditation Service for Conformity Assessment (CNAS) and the Defense Science and Technology Industry Laboratory Accreditation Committee (DILAC), which signifies that the testing capability and the management level of JONHON Optronics have reached an international advanced level. In respect of the products design and production of avionics and mechanical products, especially the avionics system integration and complicated parts manufacturing, the Group is also strongly capable of manufacturing technology and comprehensive production.



FUTURE OUTLOOK

Under the macro-economic environment with a continuous development of the national economy, the government has explicitly indicated that aviation industry will be included as one of the national strategic emerging industries, and has proposed to build an “industrial platform for China’s new model regional jets, general purpose aircraft and helicopters”. The government has also clearly indicated the significant role taken by civil aviation in the overall transportation system and will commit to create a comprehensive transportation system; to improve the aviation transportation network with international hub airport and arterial airports as the focus and regional airports as the complement; to encourage the development of general aviation; and to reform air management system in order to improve utility efficiency of air resources allocation. The government will provide a long term and stable support to facilitate strategic development, industrial legislation, industrial policy and financial investment. During the implementation of the Twelfth Five-year Plan, the investment scale in civil aviation industry will amount to more than RMB1,500 billion and by the end of the Twelfth Five-year Plan, it is expected that there will be more than 220 transportation airports and the scale of aircraft fleet will expand from currently more than 2,600 to more than 4,500. In particular, it is expected that the volumes of general aircraft will substantially increase.

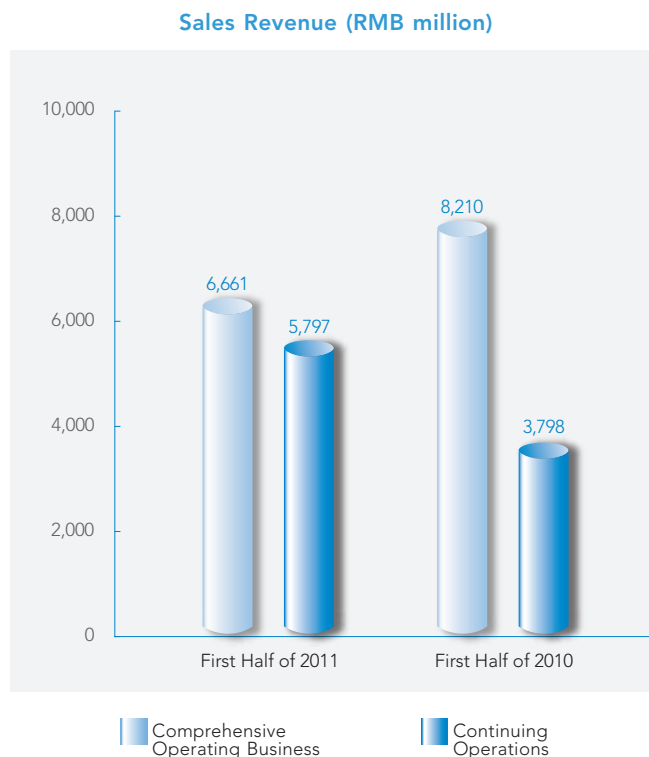
At the same time, the forecast based on the national policy of opening up low altitude airspace points out that the entire aviation manufacturing industry will become a highlight of China’s equipment manufacturing industry in the coming 5 to 10 years. The market capacity of the aviation equipment manufacturing industry will amount to over RMB1 trillion. In the forthcoming 20 years, the demand for new aircraft will significantly increase. The massive market will provide a huge room for development of the China aviation manufacturing industry. The market demand for aviation products will sustain a rapid growth. The development of general aviation will drive the domestic general aviation industry to a fast growth. With the gradual growing rate of urbanization, the demand for civil helicopters will continue to increase, and will be used in short haul transportation, rescuing, offshore oil exploitation, medical care and exploration services etc. The opening up of low altitude airspace creates a possibility of private aircraft in China. Domestic helicopter industry will enter into a sunrise period. The establishment of aircraft carrier platform will also stimulate the demand for aviation manufacturing industry; whilst the coming and development of a space era will drive the overall economic development of aviation industry.

Positive policy support and huge market potential will provide China aviation industry with long-term development opportunities. Under the development strategies of the state, China aviation industry will continue to strive and to transform China from a large aviation country to a strong aviation country. As a flagship manufacturer of civil aviation products in China aviation industry listed overseas, in the second half of 2011, the Group will continue to unify its overall planning on research and development, and manufacturing, improve and optimize its innovation system to create the advanced aviation scientific research capability, system integration capability and digital research and manufacture capabilities to stride from tracking innovation to self innovation; deepen the management system to strengthen the development capability and market competitiveness; strengthen products quality and safety control; establish and improve complete aviation products quality and technology system; promote international cooperation and fully utilize global talent, technology and market resources to boost international competitiveness; emphasize on talent training to cultivate teams comprising of professional technical talent, expertise skilled talent and operation management talent to provide strong human resources support to the development of China aviation industry and the Group; continue to conduct capital operations to perfect the aviation industry chain of the Group and expand the scale of its aviation business in order to promote the development of aviation business of the Group.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue



Continuing operations

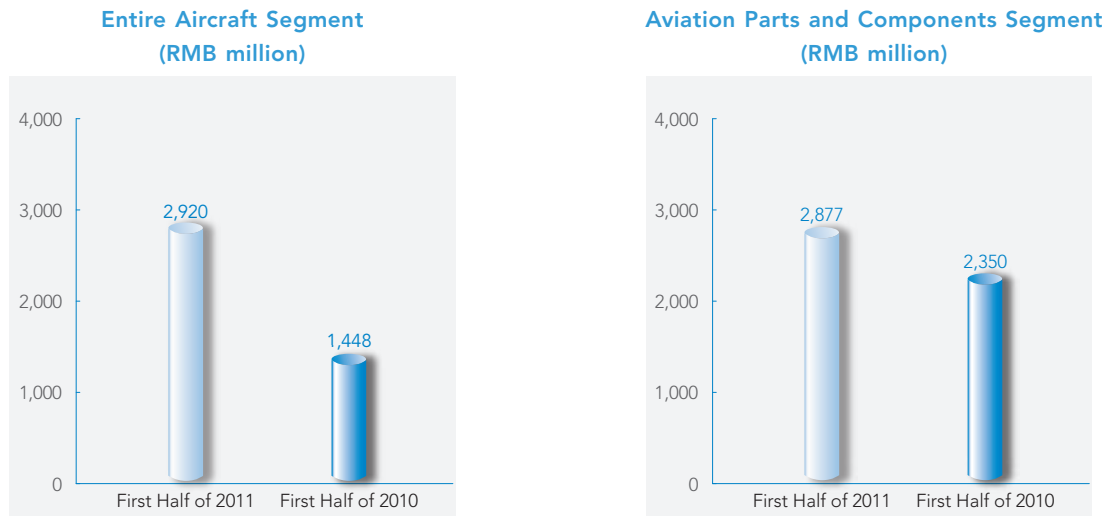
For the six months ended 30 June 2011, the continuing operations of the Group achieved a revenue of RMB5,797 million, representing an increase of RMB1,999 million, or 52.63%, as compared with RMB3,798 million for the corresponding period in 2010. This is mainly contributed by the increase in the sales volume of helicopters and avionics products.

Comprehensive operating business (Continuing operations and Discontinued operations)

For the six months ended 30 June 2011, the comprehensive operating business (continuing operations and discontinued operations) of the Group recorded a revenue of RMB6,661 million, representing a decrease of RMB1,549 million, or 18.87%, as compared with RMB8,210 million for the corresponding period in 2010 which is mainly attributable to the change in the scope of the consolidation of the financial results of the Group following disposal of its automobile engine business.



Segment Information



Comprehensive operating business

For the six months ended 30 June 2011, the revenue of the entire aircraft segment of the Group amounted to RMB2,920 million, representing an increase of 101.62% as compared with that of the corresponding period in 2010 and accounting for 43.84% of the revenue of the comprehensive operating business. Such increase in revenue is mainly attributable to the increase in the sales volume of helicopters and trainers. The revenue of the aviation parts and components segment amounted to RMB2,877 million, representing an increase of 22.43% as compared with that of the corresponding period in 2010 and accounting for 43.19% of the revenue of the comprehensive operating business. The revenue of the automobile business segment (discontinued operations) amounted to RMB864 million, representing a decrease of 80.41% as compared with that of the corresponding period in 2010 and accounting for 12.97% of the revenue of the comprehensive operating business.

Gross profit

Continuing operations

For the six months ended 30 June 2011, the continuing operations of the Group recorded a gross profit of RMB1,207 million, representing an increase of RMB162 million, or 15.50%, as compared with RMB1,045 million for the corresponding period in 2010, mainly attributable to the increase in the sales revenue of helicopter and avionics products.

Comprehensive operating business

For the six months ended 30 June 2011, the comprehensive operating business of the Group recorded a gross profit of RMB1,421 million, representing a decrease of RMB738 million, or 34.18%, as compared with RMB2,159 million for the corresponding period in 2010. The decrease was mainly due to the change in the scope of consolidation arising from the disposal of the automobile engine business of the Group.

Selling and distribution expenses (Continuing operations)

For the six months ended 30 June 2011, the selling and distribution expenses of the Group's continuing operations amounted to RMB109 million, representing an increase of RMB19 million or 21.11% over RMB90 million of the corresponding period of last year, which is mainly attributable to the increase in the wages of the sales staffs. The selling and distribution expenses accounted for 1.88% of the revenue, representing a decrease of 0.49 percentage points as compared with 2.37% of the corresponding period of last year.



Management Discussion and Analysis

General and administrative expenses (Continuing operations)

For the six months ended 30 June 2011, the general and administrative expenses of the Group's continuing operations amounted to RMB652 million, representing an increase of RMB79 million, or 13.79%, as compared with RMB573 million of the corresponding period in 2010. Such increase was mainly attributable to the increase in the expenses for research and development and wages of the staffs. The general and administrative expenses accounted for 11.25% of the revenue, representing a decrease of 3.84 percentage points compared with 15.09% of the corresponding period of last year.

Finance income/(costs), net (Continuing operations)

For the six months ended 30 June 2011, the net finance income of the continuing operations of the Group amounted to RMB6 million, which was mainly attributable to the increase of the interest income received from the bank. The net financial costs of the continuing operations of the Group amounted to RMB38 million during the corresponding period in 2010. Please refer to note 7 to the financial information for details.

Net profit attributable to equity holders of the Company

Continuing operations

For the six months ended 30 June 2011, the net profit of continuing operations attributable to the equity holders of the Company amounted to RMB214 million, representing an increase of 24.42% from RMB172 million for the corresponding period in 2010. Such increase was mainly attributable to the rapid growth in the sales revenue of the helicopters and avionics products.

Comprehensive operating business

For the six months ended 30 June 2011, the net profit of the comprehensive operating business of the Group attributable to the equity holders of the Company amounted to RMB269 million, representing a decrease of RMB189 million, or 41.27% from RMB458 million of the corresponding period in 2010. The decrease was mainly attributable to the change in the scope of consolidation arising from the disposal of the automobile engine business of the Group.

Liquidity and Financial Resources

As at 30 June 2011, the net cash and cash equivalents of the Group amounted to RMB4,505 million. Cash and cash equivalents were mainly derived from cash and bank deposits at the beginning of 2011 and funds generated from operations during this period.

As at 30 June 2011, the Group's total borrowings amounted to RMB2,762 million, out of which short term borrowings amounted to RMB1,439 million, current portion of long-term borrowings amounted to RMB589 million and non-current portion of long-term borrowings amounted to RMB734 million.



The Group's long-term borrowings are repayable as follows:

	RMB million
Within one year	589
In the second year	43
In the third to fifth year	145
After the fifth year	546
Total	1,323

As at 30 June 2011, the Group's bank borrowings amounted to RMB1,799 million (the average interest rate of which was 6% per annum), representing a decrease of RMB193 million as compared with that at the beginning of 2011; and other borrowings amounted to RMB963 million (the average interest rate of which was 5% per annum), representing a decrease of RMB75 million as compared with that at the beginning of 2011.

Seasonal influence on the Group's borrowings was insignificant.

CAPITAL STRUCTURE

As at 30 June 2011, the Group's borrowings were mainly denominated in Renminbi whilst cash and cash equivalents were mainly denominated in Renminbi, Hong Kong dollars and United States dollars.

PLEDGE ON ASSETS

As at 30 June 2011, the Group's secured borrowings amounted to RMB50 million. These borrowings were secured by receivables with a net book value of RMB50 million.

GEARING RATIO

As at 30 June 2011, the Group's gearing ratio was 10.10% (31 December 2010: 8.90% as restated), which was derived from dividing the total borrowings by total assets as at 30 June 2011.

EXCHANGE RATE RISKS

The Company has some deposits denominated in Hong Kong dollar. The exposure risk to the fluctuations in exchange rates during the period under review was insignificant.

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2011, the Group did not provide any guarantees for any third party and had no significant contingent liabilities.



Management Discussion and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS

1. On 25 January 2011, the Company entered into an acquisition agreement with AVIC Electromechanical Systems Company Limited (“AMES”) pursuant to which, AMES agreed to sell and the Company agreed to purchase, subject to conditions, the entire equity interest in Tianjin Aviation Mechanical and Electrical Co., Ltd. (“Tianjin Aviation”) for a consideration of approximately RMB768,278,300, among which (i) as to 25% of the consideration, being approximately RMB192,069,575 will be satisfied by the Company by way of cash; and (ii) as to 75% of the consideration, being approximately RMB576,208,725 will be satisfied by the Company by way of issuing to AMES 182,344,533 consideration shares at the issue price of HK\$3.734 (equivalent to approximately RMB3.16) per Domestic Share in the capital of the Company (the “Consideration Shares”) upon completion (the “Tianjin Aviation Acquisition”). The total number of Consideration Shares to be issued to AMES by the Company is subject to adjustment, if any, upon the asset valuation result having been confirmed by and filed with the state-owned assets supervision and administration authorities or its authorized representatives. Pursuant to Chapters 14 and 14A of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Tianjin Aviation Acquisition constitutes discloseable and connected transactions of the Company. The transactions contemplated under the Tianjin Aviation Acquisition were approved by the independent shareholders of the Company at the extraordinary general meeting held on 29 March 2011. Details of the transactions can be referred to in the announcement of the Company dated 25 January 2011 and the circular of the Company dated 21 February 2011.
2. During the reporting period, the disposal of the automobile engine business of the Group was completed. On 17 March 2011, 174,052,911 shares in JONHON Optronics previously held by AVIC had been transferred to the Company and 251,893,000 shares in Dongan Motor previously held by the Company had been transferred to AVIC. Upon completion of such share transfers, the Company holds 174,052,911 shares in JONHON Optronics, which represents 43.34% of the total issued share capital of JONHON Optronics, and becomes a controlling shareholder of JONHON Optronics. The Company no longer holds any equity interest in Dongan Motor. Details of the transaction can be referred to in the announcement of the Company dated 4 November 2009 and the circular of the Company dated 25 November 2009, as well as various voluntary announcements subsequently published by the Company on 14 December 2009, 9 December 2010, 28 January 2011, 2 March 2011 and 18 March 2011.
3. During the reporting period, the assets reorganization in relation to AVIC Avionics was completed. On 23 June 2011, the Board announced that the relevant share transfer registrations and the relevant changes of business registrations of the transactions contemplated under the assets reorganization of AVIC Avionics had been duly completed. Details of the transaction can be referred to in the announcements of the Company dated 2 June 2010, 19 April 2011 and 23 June 2011 respectively and the circular of the Company dated 12 July 2010.

USE OF PROCEEDS

As at 30 June 2011, a total of RMB1,890 million (including the proceeds raised from the placing conducted by the Company in March 2010) had been invested in the manufacture and research and development of new advanced trainer models, helicopters, aviation composite materials, acquisition of aviation assets and equity investment. The rest of the proceeds has been placed in short term deposits in banks in the PRC.

EMPLOYEES

As at 30 June 2011, the Group had 33,762 employees. The Group’s staff costs of the continuing operations amounted to RMB1,008 million for the six months ended 30 June 2011, representing an increase of RMB274 million as compared with RMB734 million of the corresponding period of last year.



CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There was no change of the directors, supervisors and senior management of the Company during the reporting period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its code for securities transactions by its directors and supervisors. The Board has also confirmed that, having made specific enquiry of all directors and supervisors, all the directors and supervisors of the Company had complied with the required standards set out in the Model Code for the six months ended 30 June 2011.

THE INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2011, the interests and short positions of the Directors, Supervisors or Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO); or (ii) to be entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange are set out below:

Name of Director	Class of shares	Capacity	Number of Restricted Shares granted	Approximate percentage of shareholdings to the same class of shares	Approximate percentage of shareholdings to share capital in issue	Nature of shares hold
Lin Zuoming	H Share	Beneficial owner	708,590	0.04%	0.01%	Long position
Tan Ruisong	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Wu Xiandong	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Gu Huizhong	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Xu Zhanbin	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Geng Ruguang	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Zhang Xinguo	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Gao Jianshe	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Li Fangyong	H Share	Beneficial owner	636,950	0.03%	0.01%	Long position
Chen Yuanxian	H Share	Beneficial owner	426,280	0.02%	0.01%	Long position



Disclosure of Interests and Other Information

Save as disclosed above, as at 30 June 2011, none of the Directors, Supervisors or Chief Executive of the Company had any interests or short positions: (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) which were required to be notified to the Company and the Stock Exchange; or (ii) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) pursuant to the Model Code of the Listing Rules, required to be notified to the Company and the Stock Exchange.

SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, pursuant to the register kept under Section 336 of the SFO, shareholders holding more than 5% equity interests in the Company and its associated corporations were as follows:

Name of Shareholders	Class of shares	Capacity	Number of shares	Approximate percentage of shareholdings to the same class of shares	Approximate percentage of shareholdings to share capital in issue	Nature of shares hold
AVIC	Domestic Shares	Beneficial owner	2,806,088,233	95.62%	56.70%	Long position
European Aeronautic Defence and Space Company – EADS N.V.	H Shares	Interests of a party to an agreement to acquire interests in a listed corporation under 7(1)(a) and 8	248,909,827	12.36%	5.03%	Long position

Save as disclosed above, as at 30 June 2011, the Company had not been notified of any interests and short positions in 5% or more than 5% of shares and underlying shares of the Company which had been recorded in the register kept by the Company under section 336 of the SFO.

AUDIT COMMITTEE

The Board has established an audit committee and set out the Terms of Reference of the Audit Committee in accordance with "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. The audit committee had reviewed the Company's unaudited condensed consolidated interim financial information for the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Company has strictly complied with and has operated according to applicable laws, and regulations as well as its Articles of Association. The Company has also established an Internal Audit Department to enhance the monitoring of the Group's continuing connected transactions. After reviewing the Company's arrangements on corporate governance, the Board is of the view that the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2011.



SIGNIFICANT EVENT

On 23 February 2011, the Company adopted a restricted share incentive scheme. The scope of scheme participants included executive and non-executive directors, senior management and mid-level management of the Group and other key employees who, in the opinion of the Board, contribute directly to the overall business performance and sustainable development of the Group. The restricted share incentive scheme was approved by the shareholders of the Company at the extraordinary general meeting held on 29 March 2011. On 30 March 2011, the Board passed the relevant resolutions approving the initial grant of approximately 37,013,900 restricted shares, representing approximately 0.748% of the issued share capital of the Company as at the date of grant, to 149 selected scheme participants at the grant price of HKD4.15 per restricted share. Details of the restricted share incentive scheme can be referred to the announcements of the Company dated 21 January 2011, 23 February 2011 and 30 March 2011 respectively and the circular dated 24 February 2011.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

For the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Lin Zuoming
Chairman

Beijing, 30 August 2011

As at the date of this report, the Board comprises executive directors Mr. Lin Zuoming, Mr. Tan Ruisong and Mr. Wu Xiandong and non-executive directors Mr. Gu Huizhong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Gao Jianshe, Mr. Li Fangyong, Mr. Chen Yuanxian, 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.

Condensed Consolidated Income Statement

For the six months ended 30 June 2011

	Note	For the six months ended 30 June	
		2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited) (Restated)
Continuing operations			
Revenue	3	5,796,673	3,797,691
Cost of sales		(4,589,312)	(2,752,540)
Gross profit		1,207,361	1,045,151
Other income	4	23,268	14,916
Other gains, net	5	6,912	43,992
Selling and distribution expenses		(108,647)	(90,258)
General and administrative expenses		(652,232)	(573,256)
Operating profit		476,662	440,545
Finance income	7	66,603	24,660
Finance costs	7	(61,012)	(62,651)
Finance income/(costs), net		5,591	(37,991)
Share of results of associates		8,491	13,067
Profit before income tax		490,744	415,621
Income tax expense	8	(76,990)	(71,751)
Profit for the period from continuing operations		413,754	343,870
Discontinued operations			
Profit for the period from discontinued operations	9	145,317	787,263
Profit for the period		559,071	1,131,133
Attributable to:			
Equity holders of the Company		268,595	458,424
Non-controlling interests		290,476	672,709
		559,071	1,131,133
Earnings per share for profit attributable to equity holders of the Company during the period:			
		RMB	RMB
– continuing operations	11	0.043	0.036
– discontinued operations	11	0.011	0.059

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011



	For the six months ended 30 June	
	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited) (Restated)
Profit for the period	559,071	1,131,133
Other comprehensive expenses, net of tax		
Change in fair value of available-for-sale financial assets	(41,932)	(58,315)
Transfer from available-for-sale financial assets reserve to income statement upon disposal of available-for-sale financial assets	–	(42,100)
	(41,932)	(100,415)
Total comprehensive income for the period	517,139	1,030,718
Attributable to:		
Equity holders of the Company	250,726	403,913
Non-controlling interests	266,413	626,805
	517,139	1,030,718
Total comprehensive income attributable to equity holders of the Company from:		
Continuing operations	371,822	243,455
Discontinued operations	145,317	787,263
	517,139	1,030,718

Condensed Consolidated Balance Sheet

As at 30 June 2011

	Note	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Unaudited) (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	12	4,052,718	4,004,352
Investment properties	12	51,465	52,147
Land use rights	12	480,859	487,210
Intangible assets	12	248,138	246,595
Interests in associates		845,750	848,236
Available-for-sale financial assets		783,460	715,398
Deferred income tax assets		32,975	49,541
Total non-current assets		6,495,365	6,403,479
Current assets			
Accounts receivable	13	4,069,195	3,568,898
Advances to suppliers		1,080,948	522,261
Other receivables and prepayments	14	1,012,971	912,726
Inventories		6,927,865	5,679,356
Financial assets held for trading		31,516	–
Pledged deposits		676,401	153,209
Term deposits with initial term of over three months		2,557,360	2,692,307
Cash and cash equivalents		4,505,218	6,417,910
		20,861,474	19,946,667
Assets classified as held for sale	9	–	7,685,263
Total current assets		20,861,474	27,631,930
Total assets		27,356,839	34,035,409

Condensed Consolidated Balance Sheet

As at 30 June 2011



	Note	30 June 2011 RMB'000 (Unaudited)	31 December 2010 RMB'000 (Unaudited) (Restated)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	19	4,949,025	4,949,025
Reserves		1,728,704	3,466,773
		6,677,729	8,415,798
Non-controlling interests		6,145,389	8,352,680
Total equity		12,823,118	16,768,478
LIABILITIES			
Non-current liabilities			
Long-term borrowings	18	734,080	957,080
Deferred income from government grants		263,733	278,290
Deferred income tax liabilities		24,672	60,300
Total non-current liabilities		1,022,485	1,295,670
Current liabilities			
Accounts payable	15	6,706,855	5,490,094
Advances from customers		2,067,523	2,396,932
Other payables and accruals	16	1,894,026	1,595,514
Amounts payable to ultimate holding company	17	685,570	1,279,185
Current portion of long-term borrowings	18	588,500	551,000
Short-term borrowings	18	1,439,705	1,522,300
Current income tax liabilities		129,057	161,163
		13,511,236	12,996,188
Liabilities directly associated with assets classified as held for sale	9	–	2,975,073
Total current liabilities		13,511,236	15,971,261
Total liabilities		14,533,721	17,266,931
Total equity and liabilities		27,356,839	34,035,409
Net current assets		7,350,238	11,660,669
Total assets less current liabilities		13,845,603	18,064,148

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to equity holders of the Company									
	Shares held for restricted share capital		Capital reserve	Share-based compensation reserve	Available-for-sale financial assets reserve	Statutory surplus reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	Share capital	share scheme								
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<i>For the six months ended 30 June 2011</i>										
Balance at 1 January 2011, as restated	4,949,025	-	4,416,480	-	240,007	37,581	(1,227,295)	8,415,798	8,352,680	16,768,478
Total comprehensive income for the period	-	-	-	-	(17,869)	-	268,595	250,726	266,413	517,139
<i>Transactions with owners</i>										
Distribution of net assets of Dongan Motor (Note 1(a))	-	-	(1,887,005)	-	-	-	-	(1,887,005)	(2,900,867)	(4,787,872)
Deemed contribution from holding company (Note 1(a)(ii))	-	-	599,417	-	-	-	-	599,417	-	599,417
Dilution of interests in subsidiaries (Note 1(b) & 1(c))	-	-	(518,520)	-	-	-	-	(518,520)	518,520	-
Purchase of restricted shares under share incentive scheme (Note 20)	-	(139,994)	-	-	-	-	-	(139,994)	-	(139,994)
Value of employee services under share incentive scheme (Note 20)	-	-	-	6,797	-	-	-	6,797	-	6,797
2010 final dividend	-	-	-	-	-	-	(49,490)	(49,490)	-	(49,490)
Contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	5,346	5,346
Dividend to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(96,703)	(96,703)
	-	(139,994)	(1,806,108)	6,797	-	-	(49,490)	(1,988,795)	(2,473,704)	(4,462,499)
Balance at 30 June 2011	4,949,025	(139,994)	2,610,372	6,797	222,138	37,581	(1,008,190)	6,677,729	6,145,389	12,823,118

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011



	Attributable to equity holders of the Company						Non-controlling interests	Total
	Share capital	Capital reserve	Available-for-sale financial assets reserve	Statutory surplus reserve	Accumulated losses	Subtotal		
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
For the six months ended 30 June 2010								
Balance at 1 January 2010, as restated	4,643,609	3,590,706	129,515	31,178	(2,099,273)	6,295,735	5,598,369	11,894,104
Total comprehensive income for the period	–	–	(54,511)	–	458,424	403,913	626,805	1,030,718
<i>Transactions with owners</i>								
Issuance of new shares	305,416	588,208	–	–	–	893,624	–	893,624
Deemed distribution to holding company	–	(908,661)	–	–	–	(908,661)	–	(908,661)
Partial disposal of interests in a subsidiary	–	708,021	–	–	–	708,021	426,565	1,134,586
Contribution from non-controlling shareholders of a subsidiary	–	–	–	–	–	–	1,122,824	1,122,824
Dividend to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	(67,095)	(67,095)
Distributions to previous shareholder (Note 2(a))	–	–	–	–	(5,802)	(5,802)	–	(5,802)
Contribution from shareholders	–	2,509	–	–	–	2,509	–	2,509
	305,416	390,077	–	–	(5,802)	689,691	1,482,294	2,171,985
Balance at 30 June 2010, as restated	4,949,025	3,980,783	75,004	31,178	(1,646,651)	7,389,339	7,707,468	15,096,807

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2011

	Note	For the six months ended 30 June	
		2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited) (Restated)
Net cash (used in)/generated from operating activities			
– continuing operations		(1,001,737)	(451,467)
– discontinued operations	9	(136,176)	1,019,759
		(1,137,913)	568,292
Net cash (used in)/generated from investing activities			
– continuing operations		(975,167)	(907,015)
– discontinued operations	9	47,990	(1,152,611)
		(927,177)	(2,059,626)
Net cash (used in)/generated from financing activities			
– continuing operations		(278,605)	2,808,925
– discontinued operations	9	(50,480)	(425,670)
		(329,085)	2,383,255
Net (decrease)/increase in cash and cash equivalents		(2,394,175)	891,921
Cash and cash equivalents at 1 January		6,899,393	4,901,823
Cash and cash equivalents at 30 June		4,505,218	5,793,744
Analysis:			
Cash and cash equivalents		4,505,218	4,930,400
Cash and cash equivalents classified as held for sale	9	–	863,344
		4,505,218	5,793,744



1 ORGANISATION AND PRINCIPAL ACTIVITIES

AviChina Industry & Technology Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 30 April 2003 as a joint stock company with limited liability under the PRC laws as a result of a group reorganisation of China Aviation Industry Corporation II (“AVIC II”). AVIC II merged with China Aviation Industry Corporation I (“AVIC I”) to form Aviation Industry Corporation of China (“AVIC”) on 6 November 2008. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) on 30 October 2003. The address of its registered office is 8th Floor, Tower 2, No. 5A Rongchang East Street, Beijing Economic Technological Development Area, Beijing, the PRC.

The Company and its subsidiaries are collectively referred to as the “Group”. The Group is principally engaged in the research, development, manufacture and sale of aviation and automobile products.

The Company’s directors regard AVIC, a company established in the PRC, as being the ultimate holding company of the Company. AVIC, AVIC I and AVIC II are all state-owned enterprises under control of the State Council of the PRC government.

This condensed consolidated interim financial information (“Condensed Financial Information”) is presented in thousands of Renminbi (“RMB’000”), unless otherwise stated, and is approved for issue by the Board of Directors on 30 August 2011.

This Condensed Financial Information has not been audited.

Reorganisation and change of structure of the Group

- (a) On 17 March 2011, the Company distributed to AVIC its entire 54.51% equity interests in Harbin Dongan Auto Engine Co., Ltd. (“Dongan Motor”) which had been valued at approximately RMB2.4 billion.

This consideration was satisfied by AVIC by:

- (i) transferring its entire 43.34% equity interests in China Aviation Optical-Electrical Technology Co., Ltd. (“JONHON Optronic”) being valued at approximately RMB1.8 billion to the Company; and
- (ii) settling approximately RMB0.6 billion in cash.
- (b) On 26 May 2011, China AVIC Avionics Equipment Co., Ltd. (“AVIC Avionics”, a subsidiary of the Company) issued and the Company subscribed approximately 124 million new shares of AVIC Avionics (equivalent to approximately RMB0.9 billion). The share issuance was satisfied by the Company by transferring its entire 100% and 86.74% equity interests in Lanzhou Flight Control Co., Ltd. (“AVIC Lanfei”) and Chengdu CAIC Electronics Co., Ltd. (“AVIC Kaitian”) respectively, being valued at an aggregate of approximately RMB0.9 billion, to AVIC Avionics.

Upon this share issuance, the equity interests held by the Company in AVIC Avionics increased to 60.13% with the Company’s effective interests in AVIC Lanfei and AVIC Kaitian being diluted to 60.13% and 52.16% respectively.



Notes to the Condensed Consolidated Interim Financial Information

1 ORGANISATION AND PRINCIPAL ACTIVITIES (continued)

Reorganisation and change of structure of the Group (continued)

- (c) On 26 May 2011, AVIC Avionics issued and AVIC and certain of its other subsidiaries subscribed an aggregate of approximately 213 million new shares of AVIC Avionics (equivalent to approximately RMB1.6 billion). The share issuance was satisfied by AVIC and certain of its other subsidiaries by transferring their entire 100%, 100%, 80% and 100% equity interests in Shaanxi Baocheng Aviation Instrument Co., Ltd. ("Shaanxi Baocheng"), AVIC Taiyuan Aviation Instrument Co., Ltd. ("Taiyuan Instrument"), AVIC Shaanxi Huayan Aero-Instrument Co., Ltd. ("Shaanxi Huayan") and AVIC Shaanxi Qianshan Avionics Co., Ltd. ("Qianshan Avionics") respectively, being valued at an aggregate of approximately RMB1.6 billion, to AVIC Avionics.

Upon this share issuance, the equity interests held by the Company in AVIC Avionics was diluted to 44.49%. The Company, AVIC and certain of its other subsidiaries had entered into an agreement that upon the above mentioned share issuance, AVIC and certain of its other subsidiaries would undertake to exercise their then entire 35% voting rights in AVIC Avionics in accordance with the instructions of the Company. Accordingly, although the Company holds less than 50% equity interests in AVIC Avionics, AVIC Avionics remains as a subsidiary of the Company due to such agreement.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This Condensed Financial Information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board ("IASB") and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This Condensed Financial Information should be read in conjunction with the 2010 annual financial statements.

(a) Restatement of prior year's financial statements due to business combinations under common control

Prior to the equity swap transaction in Note 1(a), AVIC held 43.34% equity interests and had de facto control over JONHON Optronics. The Company continued to have de facto control over JONHON Optronics after the acquisition of JONHON Optronics from AVIC. Accordingly, the acquisition was accounted for using merger accounting given that the Company and JONHON Optronics are under common control of AVIC before and after the acquisition.

Corresponding to Note 1(c), given that AVIC Avionics, Shaanxi Baocheng, Taiyuan Instrument, Shaanxi Huayan and Qianshan Avionics are all under common control of AVIC immediately before and after the business combination, the Company applied the principles of merger accounting in preparing this Consolidated Financial Information of the Group.

By applying the principles of merger accounting, this Consolidated Financial Information of the Group also includes the financial positions, results and cash flows of JONHON Optronics, Shaanxi Baocheng, Taiyuan Instrument, Shaanxi Huayan and Qianshan Avionics as if they had been combined with the Group throughout the six months ended 30 June 2011. Comparative figures as at 31 December 2010 and for the six months ended 30 June 2010 have been restated as a result of such.



2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(a) Restatement of prior year's financial statements due to business combinations under common control (continued)

During the six months ended 30 June 2010, JONHON Optronics made cash distributions to AVIC amounting to an aggregate of approximately RMB5,802,000, which were accounted for as distributions to previous shareholder.

The following are reconciliations of the effects arising from the above mentioned common control combinations on the condensed consolidated balance sheet as at 31 December 2010, condensed consolidated income statement and condensed consolidated cash flow statement for the six months ended 30 June 2010.

(i) The condensed consolidated balance sheet as at 31 December 2010:

	Balances as previously reported RMB'000 (Audited)	Merger of JONHON Optronics RMB'000	Merger of Shaanxi Baocheng, Taiyuan Instrument, Shaanxi Huayan and Qianshan Avionics RMB'000	Elimination of inter-company balances RMB'000	Balances as restated RMB'000 (Unaudited)
Total non-current assets	4,647,343	798,346	957,790	–	6,403,479
Total current assets	23,667,016	1,945,795	2,119,739	(100,620)	27,631,930
Total non-current liabilities	614,541	440,918	240,211	–	1,295,670
Total current liabilities	13,618,446	928,298	1,525,137	(100,620)	15,971,261
Total equity	14,081,372	1,374,925	1,312,181	–	16,768,478

Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(a) Restatement of prior year's financial statements due to business combinations under common control (continued)

(ii) The condensed consolidated income statement for the six months ended 30 June 2010:

	Balances as previously reported RMB'000 (Unaudited)	Merger of JONHON Optronic RMB'000	Merger of Shaanxi Baocheng, Taiyuan Instrument, Shaanxi Huayan and Qianshan Avionics RMB'000	Elimination of inter-company balances RMB'000	Balances as restated RMB'000 (Unaudited)
Continuing operations					
Revenues	2,505,464	655,378	733,094	(96,245)	3,797,691
Profit for the period from continuing operations	207,098	61,390	75,382	–	343,870
Discontinued operations					
Profit for the period from discontinued operations	787,263	–	–	–	787,263
Profit for the period	994,361	61,390	75,382	–	1,131,133



2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(a) Restatement of prior year's financial statements due to business combinations under common control (continued)

(iii) The condensed consolidated cash flow statement for the six months ended 30 June 2010:

	Balances as previously reported RMB'000 (Unaudited)	Merger of JONHON Optronic RMB'000	Merger of Shaanxi Baocheng, Taiyuan Instrument, Shaanxi Huayan and Qianshan Avionics RMB'000	Balances as restated RMB'000 (Unaudited)
Net cash generated from/(used in) operating activities	725,123	(108,437)	(48,394)	568,292
Net cash used in investing activities	(1,920,180)	(107,452)	(31,994)	(2,059,626)
Net cash generated from/(used in) financing activities	2,453,481	(21,303)	(48,923)	2,383,255

(b) Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

The following new/revised standards, amendments to standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2011:

IAS 24 (Revised)	Related Party Disclosures
IAS 32 (Amendment)	Classification of Rights Issue
IFRS 1 (Amendment)	Limited exemption from comparative IFRS 7 disclosures for first-time adopters
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above new/revised standards, amendments to standards and interpretation does not have any significant impact to the results and financial position of the Group for the six months ended 30 June 2011, except for IAS 24 (Revised) which the Group has early adopted since 2009. It introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose the name of the government and the nature of their relationship, the nature and amount of any individually-significant transactions, and the extent of any collectively-significant transactions qualitatively or quantitatively. It also clarifies and simplifies the definition of a related party.

In addition, the IASB also issued a number of amendments to existing standards and interpretations of IAS 1, IAS 27, IAS 34, IFRS 1, IFRS 3, IFRS 7 and IFRIC 13 effective for the first time for the year commencing on 1 January 2011 under its annual improvement project. These improvements also do not have any significant impact to the results and financial position of the Group.

Notes to the Condensed Consolidated Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(b) (continued)

The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2011 and have not been early adopted:

		Effective for accounting periods beginning on or after
IAS 1 (Amendment)	Presentation of financial statements	1 July 2012
IAS 12 (Amendment)	Deferred Tax: Recovery of underlying assets	1 January 2012
IAS 19 (Amendment)	Employee Benefits	1 January 2013
IAS 27 (Amendment)	Separate Financial Statements	1 January 2013
IAS 28 (Amendment)	Investments in Associates	1 January 2013
IFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
IFRS 7 (Amendment)	Disclosures – Transfers of financial assets	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurements	1 January 2013

Management is in the process of assessing their related impacts to the Group.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board of Directors considers the business from a product perspective:

- Aviation – manufacturing, assembly, sales and servicing of helicopters, trainers and other aircraft ("entire aircraft")
- Aviation – manufacturing and sales of aviation parts and components ("aviation parts & components")
- Automobiles – manufacturing, assembly, sales and servicing of automobile engines

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the condensed consolidated income statement.

The Group is domiciled in the PRC from where all of its revenue from external customers is derived and in where all of its assets are located.



3 SEGMENT INFORMATION (continued)

	(Continuing operations)			(Discontinued operations)
	Aviation-entire aircraft RMB'000 (Unaudited)	Aviation-parts & components RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Automobiles RMB'000 (Unaudited)
For the six months ended 30 June 2011				
Total segment revenue	2,919,769	3,204,066	6,123,835	864,457
Inter-segment revenue	–	(327,162)	(327,162)	–
Revenue (from external customers)	2,919,769	2,876,904	5,796,673	864,457
Segment results	28,139	421,952	450,091	169,554
Depreciation and amortisation	59,762	122,707	182,469	–
(Reversal of provision)/provision for impairments	(17,757)	42,339	24,582	8,372
Finance costs	36,620	24,392	61,012	3,277
Share of results of associates	8,691	(200)	8,491	4,061
Income tax expense	4,813	72,177	76,990	25,529
For the six months ended 30 June 2010 (restated)				
Total segment revenue	1,448,140	2,557,479	4,005,619	4,412,431
Inter-segment revenue	–	(207,928)	(207,928)	–
Revenue (from external customers)	1,448,140	2,349,551	3,797,691	4,412,431
Segment results	96,558	310,950	407,508	892,009
Depreciation and amortisation	63,407	127,292	190,699	–
(Reversal of provision)/provision for impairments	(207)	32,426	32,219	5,132
Finance costs	45,686	16,965	62,651	25,186
Share of results of associates	13,142	(75)	13,067	4,748
Income tax expense	20,168	51,583	71,751	126,126

Notes to the Condensed Consolidated Interim Financial Information

3 SEGMENT INFORMATION (continued)

Reconciliation of segment results to profit for the period:

	For the six months ended 30 June	
	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited) (Restated)
Segment result for entire aircraft and aviation components & parts	450,091	407,508
Finance income	66,603	24,660
Corporate overheads	(25,950)	(16,547)
Profit before income tax for continuing operations	490,744	415,621
Income tax expense	(76,990)	(71,751)
Profit for the period from continuing operations	413,754	343,870
Segment result for automobiles	169,554	892,009
Finance income	1,292	21,380
Profit before income tax for discontinued operations	170,846	913,389
Income tax expense	(25,529)	(126,126)
Profit for the period from discontinued operations	145,317	787,263



4 OTHER INCOME

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000 (Restated)
Rental income	5,423	7,082
Profit from sale of scrap materials	4,955	2,496
Income from rendering of maintenance and other services	1,053	1,338
Dividend income from available-for-sale financial assets	11,837	4,000
	<u>23,268</u>	<u>14,916</u>

5 OTHER GAINS, NET

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000 (Restated)
Fair value gain/(loss) on financial assets held for trading	548	(6,018)
Gain/(loss) on disposal of:		
– Property, plant and equipment	1,601	632
– Available-for-sale financial assets	–	49,529
– Financial assets held for trading	4,763	(151)
	<u>6,912</u>	<u>43,992</u>

Notes to the Condensed Consolidated Interim Financial Information

6 EXPENSES BY NATURE

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000 (Restated)
Advertising costs	6,634	6,672
Amortisation on:		
– Land use rights	6,499	4,902
– Intangible assets	2,356	1,993
Auditors' remuneration	4,936	5,484
Changes in inventories of finished goods and work-in-progress	(979,495)	(597,834)
Contract costs incurred	2,518,524	1,159,108
Depreciation on:		
– Investment properties	682	872
– Property, plant and equipment	172,932	182,932
Less: amortisation of deferred income from government grant	(11,459)	(11,870)
	162,155	171,934
Fuel	109,553	117,237
Insurance	17,850	3,902
Operating lease rentals	21,587	14,369
Provision/(reversal of provision) for impairment:		
– Available-for-sale financial assets	–	1,235
– Inventories	6,611	(230)
– Receivables	17,971	31,214
Raw materials and consumables used	1,790,337	1,220,648
Repairs and maintenance expense	51,917	40,809
Research expenditures and development costs	151,797	120,890
Staff costs	1,007,711	734,411
Sub-contracting charges	113,596	140,261
Sundries	270,840	187,499
Transportation expenses	28,592	16,333
Travelling	40,220	35,217
Total cost of sales, selling and distribution expenses, and general and administrative expenses	5,350,191	3,416,054



7 FINANCE INCOME/(COSTS), NET

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000 (Restated)
Finance income:		
Interest income on bank balances and deposits	66,603	24,660
Finance costs:		
Interest expense on bank borrowings		
– Wholly repayable within 5 years	38,514	48,260
– Not wholly repayable within 5 years	3,200	2,822
	41,714	51,082
Interest expense on other borrowings		
– Wholly repayable within 5 years	7,640	4,302
– Not wholly repayable within 5 years	10,017	9,245
	59,371	64,629
Less: Amount capitalised in property, plant and equipment	(1,891)	(3,767)
	57,480	60,862
Other finance costs	3,532	1,789
	61,012	62,651
	5,591	(37,991)

Notes to the Condensed Consolidated Interim Financial Information

8 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000 (Restated)
Current income tax	106,213	60,719
Deferred income tax	(29,223)	11,032
	<u>76,990</u>	<u>71,751</u>

Except for certain subsidiaries which are taxed at a preferential rate of 15% (2010: 15%), in accordance with the relevant PRC enterprise income tax rules and regulations, provision for PRC enterprise income tax is calculated based on the statutory income tax rate of 25% (2010: 25%) on the assessable income of the companies within the Group.

9 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The aggregate results and cash flows of the discontinued operations related to Dongan Motor were as follows:

	For the six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Revenue	864,457	4,412,431
Expenses	(693,611)	(3,499,042)
Profit before income tax	170,846	913,389
Income tax expense	(25,529)	(126,126)
Profit from discontinued operations	<u>145,317</u>	<u>787,263</u>
Net cash (used in)/generated from operating activities	(136,176)	1,019,759
Net cash generated from/(used in) investing activities	47,990	(1,152,611)
Net cash used in financing activities	(50,480)	(425,670)
Net cash outflows	<u>(138,666)</u>	<u>(558,522)</u>



9 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

The assets/liabilities held for sale related to Dongan Motor were as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000
Assets classified as held for sale		
Property, plant and equipment	–	1,911,952
Land use rights	–	62,276
Interests in associates	–	26,838
Deferred income tax assets	–	72,670
Accounts receivable	–	1,863,260
Advances to suppliers	–	18,118
Other receivables and prepayments	–	42,140
Inventories	–	776,057
Pledged deposits	–	55,469
Term deposits with initial term of over three months	–	2,375,000
Cash and cash equivalents	–	481,483
	–	7,685,263
Liabilities directly associated with assets classified as held for sale		
Long-term borrowings	–	200,000
Accounts payable	–	1,470,661
Advances from customers	–	135,792
Other payables and accruals	–	940,607
Short-term borrowings	–	198,526
Current income tax liabilities	–	29,487
	–	2,975,073

Notes to the Condensed Consolidated Interim Financial Information

10 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue less shares held for the restricted share scheme during the period.

	For the six months ended 30 June	
	2011	2010
	RMB'000	RMB'000 (Restated)
Profit attributable to equity holders of the Company from		
– continuing operations	213,818	172,384
– discontinued operations	54,777	286,040
	<u>268,595</u>	<u>458,424</u>
Weighted average number of ordinary shares (thousands)	<u>4,930,518</u>	<u>4,830,252</u>

Diluted earnings per share is not presented as the effect of potential dilutive shares is insignificant.



12 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, LAND USE RIGHTS AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Investment properties RMB'000	Land use rights RMB'000	Intangible assets (note) RMB'000	Total RMB'000
Cost					
As at 1 January 2011, as restated	6,479,362	61,371	550,085	255,919	7,346,737
Additions	249,671	–	148	3,899	253,718
Disposals	(87,462)	–	–	–	(87,462)
As at 30 June 2011	6,641,571	61,371	550,233	259,818	7,512,993
Accumulated depreciation/amortisation and impairment					
As at 1 January 2011, as restated	2,475,010	9,224	62,875	9,324	2,556,433
Depreciation/amortisation	172,932	682	6,499	2,356	182,469
Disposals	(59,089)	–	–	–	(59,089)
As at 30 June 2011	2,588,853	9,906	69,374	11,680	2,679,813
Net book value					
As at 30 June 2011	4,052,718	51,465	480,859	248,138	4,833,180

Notes to the Condensed Consolidated Interim Financial Information

12 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, LAND USE RIGHTS AND INTANGIBLE ASSETS (continued)

	Property, plant and equipment RMB'000	Investment properties RMB'000	Land use rights RMB'000	Intangible assets (note) RMB'000	Total RMB'000
Cost					
As at 1 January 2010, as restated	5,658,150	61,371	418,593	247,502	6,385,616
Additions	162,192	266	132,094	1,883	296,435
Disposals	(134,994)	–	–	–	(134,994)
As at 30 June 2010, as restated	5,685,348	61,637	550,687	249,385	6,547,057
Accumulated depreciation/amortisation and impairment					
As at 1 January 2010, as restated	2,002,601	7,565	52,177	6,039	2,068,382
Depreciation/amortisation	182,932	872	4,902	1,993	190,699
Disposals	(25,575)	–	–	–	(25,575)
As at 30 June 2010, as restated	2,159,958	8,437	57,079	8,032	2,233,506
Net book value					
As at 30 June 2010, as restated	3,525,390	53,200	493,608	241,353	4,313,551

Note:

Intangible assets principally represent development costs capitalised in accordance with the Group's accounting policies.



13 ACCOUNTS RECEIVABLE

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Trade receivables, gross (note (a))		
– Fellow subsidiaries (note (b))	2,333,058	1,711,836
– Others	1,282,216	1,144,004
	3,615,274	2,855,840
Less: Provision for impairment of receivables	(171,990)	(165,122)
	3,443,284	2,690,718
Notes receivable (note (c))		
– Fellow subsidiaries (Note 22(b))	386,278	584,328
– Others	239,633	293,852
	625,911	878,180
	4,069,195	3,568,898

Notes:

- (a) Certain of the Group's sales were on advance payment. Sales to small, new or short-term customers are normally expected to be settled shortly after delivery. A credit period of up to six months may be granted in respect of sales to customers with good credit history and long-established relationship with the Group. Terms offered to related parties are similar to those offered to third parties. Ageing analysis of trade receivables is as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Current to 1 year	3,122,895	2,476,825
1 year to 2 years	316,082	190,323
2 years to 3 years	85,018	56,316
Over 3 years	91,279	132,376
	3,615,274	2,855,840

- (b) Trade receivables from fellow subsidiaries are unsecured, non-interest bearing and are repayable in accordance with the relevant trading terms. Details of these balances are disclosed in Note 22(b).
- (c) Substantially all of the notes receivable are bank acceptance notes with average maturity period of within six months.
- (d) Substantially all of the accounts receivable are denominated in RMB and the carrying amounts of accounts receivable approximate their fair values.
- (e) Certain trade receivables were pledged as security for bank loans (Note 18(g)).

Notes to the Condensed Consolidated Interim Financial Information

14 OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Amounts due from customers for contract work	483,181	381,083
Other advances to (note)		
– ultimate holding company	7,574	10,136
– fellow subsidiaries	112,871	112,535
Other receivables	243,369	271,151
Prepayments and deposits	55,266	52,889
Other current assets	110,710	84,932
	1,012,971	912,726

Note:

Other advances mainly represent current account balances with the respective related companies which are unsecured, non-interest bearing and are repayable on demand. Details of these balances are disclosed in Note 22(b).

15 ACCOUNTS PAYABLE

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Trade payables (note (a))		
– Fellow subsidiaries (note (b))	1,228,051	907,714
– Others	4,237,907	3,426,704
	5,465,958	4,334,418
Notes payable (note (c))		
– Fellow subsidiaries (Note 22(b))	530,987	555,126
– Others	709,910	600,550
	1,240,897	1,155,676
	6,706,855	5,490,094



15 ACCOUNTS PAYABLE (continued)

Notes:

- (a) The normal credit period for trade payables generally ranges from 0 to 6 months. Ageing analysis of trade payables is as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Current to 1 year	4,693,423	3,444,045
1 year to 2 years	444,121	564,554
2 years to 3 years	106,271	132,944
Over 3 years	222,143	192,875
	5,465,958	4,334,418

- (b) Trade payables to fellow subsidiaries are unsecured, non-interest bearing and will be settled in accordance with the relevant trading terms. Details of these balances are disclosed in Note 22(b).
- (c) Substantially all of the notes payable are bank acceptance notes with average maturity period of within six months. As at 30 June 2011, notes payable of RMB974,491,000 (31 December 2010: RMB696,436,000 as restated) were secured by pledged deposits to the extent of RMB676,401,000 (31 December 2010: RMB153,209,000 as restated).
- (d) The carrying amounts of accounts payable approximate their fair values.

16 OTHER PAYABLES AND ACCRUALS

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Payable for property, plant and equipment		
– Fellow subsidiaries (note (a))	273	40
– Others	19,826	20,546
Wages, salaries, bonuses and other employee benefits	848,700	853,320
Accrued expenses	573,847	470,979
Deferred income from government grants	22,918	19,820
Consumption tax, business tax and other taxes payable	19,076	22,718
Other advances from (note (b))		
– Ultimate holding company	5,679	5,764
– Fellow subsidiaries	102,362	115,924
Dividend payable to ultimate holding company	28,061	–
Dividend payable to non-controlling shareholders of a subsidiary	80,847	–
Advances from participants of restricted share scheme (Note 20)	64,707	–
Other current liabilities	127,730	86,403
	1,894,026	1,595,514

Notes to the Condensed Consolidated Interim Financial Information

16 OTHER PAYABLES AND ACCRUALS (continued)

Notes:

- (a) Payable for property, plant and equipment is unsecured, non-interest bearing and will be settled in accordance with the relevant trading terms.
- (b) Other advances mainly represent current account balances with the respective related companies which are unsecured, non-interest bearing and are repayable on demand.

Details of these balances are disclosed in Note 22(b).

17 AMOUNTS PAYABLE TO ULTIMATE HOLDING COMPANY

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Balance arising from Group restructure	315,046	908,661
Others	370,524	370,524
	685,570	1,279,185

These amounts due to ultimate holding company are unsecured, non-interest bearing and with no fixed repayment terms.

18 BORROWINGS

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Short-term borrowings		
Bank borrowings		
– Secured (note (g))	20,000	137,000
– Unsecured	1,039,705	995,300
	1,059,705	1,132,300
Other borrowings (note (c))		
– Secured (note (g))	130,000	28,000
– Unsecured	250,000	362,000
	380,000	390,000
Current portion of long-term borrowings	588,500	551,000
	2,028,205	2,073,300



18 BORROWINGS (continued)

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Long-term borrowings		
Bank borrowings		
– Secured (note (g))	739,580	860,080
Other borrowings (note (c))		
– Unsecured	583,000	648,000
	1,322,580	1,508,080
Less: Current portion of long-term borrowings	(588,500)	(551,000)
	734,080	957,080
Total borrowings	2,762,285	3,030,380

Notes:

(a) The long-term borrowings are analysed as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Wholly repayable within five years		
– Bank borrowings	639,580	760,080
– Other borrowings	137,250	65,000
	776,830	825,080
Not wholly repayable within five years		
– Bank borrowings	100,000	100,000
– Other borrowings	445,750	583,000
	545,750	683,000
	1,322,580	1,508,080

Notes to the Condensed Consolidated Interim Financial Information

18 BORROWINGS (continued)

Notes: (continued)

(b) The long-term borrowings are repayable as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Bank borrowings:		
– Within one year	588,500	551,000
– In the second year	43,000	196,000
– In the third to fifth years	8,080	13,080
– After the fifth years	100,000	100,000
	739,580	860,080
Other borrowings:		
– In the second year	–	45,000
– In the third to fifth year	137,250	20,000
– After the fifth years	445,750	583,000
	583,000	648,000
	1,322,580	1,508,080

(c) As at 30 June 2011 and 31 December 2010, other borrowings represent loans granted by a fellow subsidiary of the Group which bear interests at 4% to 5% per annum.

(d) The annual effective interest rates of long-term and short-term borrowings at balance sheet date were as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Weighted average effective interest rates		
– Bank borrowings	6%	5%
– Other borrowings	5%	5%

(e) The carrying amounts of long-term and short-term borrowings are denominated in Renminbi.

(f) The carrying amount and fair value of non-current portion of long-term borrowings are as follows:

	Carrying amount		Fair value	
	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Bank borrowings	151,080	309,080	146,994	300,203
Other borrowings	583,000	648,000	552,084	615,977
	734,080	957,080	699,078	916,180



18 BORROWINGS (continued)

Notes: (continued)

(f) (continued)

The fair values are based on discounted cash flows using applicable discount rates based upon the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics as at the balance sheet dates. Such discount rates ranged from 6.40% to 6.80% as at 30 June 2011 (31 December 2010: 5.85% to 6.40%), depending on the type of the debt.

(g) The Group's long-term and short-term borrowings are secured as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Securities over the Group's assets, at carrying value:		
– Accounts receivable (Note 13(e))	50,000	46,970
Guarantees provided by:		
– Related parties (Note 22(c))	259,580	243,110
– Subsidiaries within the Group (cross guarantees)	580,000	735,000

19 SHARE CAPITAL

	30 June 2011 RMB'000	31 December 2010 RMB'000
Registered:	4,949,025	4,949,025
Issued and fully paid:		
2,934,590,598 Domestic Shares of RMB1 each	2,934,591	2,934,591
2,014,433,902 H Shares of RMB1 each	2,014,434	2,014,434
	4,949,025	4,949,025

Notes to the Condensed Consolidated Interim Financial Information

20 SHARE-BASED COMPENSATION

On 29 March 2011, the Company adopted a restricted share incentive scheme (the "Scheme") with a duration of 10 years.

Upon the grant of restricted shares to Scheme participants, 50% of the grant price was funded by the Company with the remaining funded by the Scheme participants amounting to approximately RMB64,707,000. These restricted shares would vest gradually after the Scheme participants complete a period of service of 3 to 5 years from the date of grant.

During the period, the Company acquired 37,013,900 of its own shares through purchases from the market. The total amount paid to acquire the shares was approximately RMB139,994,000 and deducted from reserves within equity. The shares have been held as restricted shares by a trustee before they are vested.

On 30 March 2011, the Board of Directors approved an initial grant of restricted shares under the Scheme, pursuant to which approximately 37,013,900 restricted shares, representing approximately 0.748% of the issued share capital of the Company, were granted to 149 selected Scheme participants at the grant price of HK\$4.15 per share.

Movements in the number of restricted shares granted and related fair value are as follows:

	Average fair value (per share) HK\$	Number of restricted shares granted (Thousands)
As at 1 January 2011	–	–
Granted	4.15	37,014
As at 30 June 2011	4.64	37,014

The fair value of restricted shares charged to the consolidated income statement was RMB6,797,000 during the six months ended 30 June 2011.



21 CAPITAL COMMITMENTS

The Group has the following capital commitments not provided for as at 30 June 2011:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Acquisition of property, plant and equipment		
– Authorised but not contracted for	267,226	138,917
– Contracted but not provided for	69,707	24,861
	336,933	163,778
Construction commitments		
– Authorised but not contracted for	221,100	25,150
– Contracted but not provided for	38,126	70,795
	259,226	95,945
Investments in an associate		
– Contracted but not provided for	85,000	6,000
	681,159	265,723

Notes to the Condensed Consolidated Interim Financial Information

22 SIGNIFICANT RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions in addition to the related party information shown in Note 1 about the Reorganisation of the Group and elsewhere in the Condensed Financial Information. Management of the Group are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed.

(a) Significant transactions with related parties:

	For the six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
		(Restated)
Income:		
Sale of goods and materials		
– Fellow subsidiaries	3,703,670	2,310,730
Rendering of services		
– Fellow subsidiaries	933	1,048
Expenses:		
Purchase of goods and raw materials		
– Fellow subsidiaries	1,360,763	919,679
Service fees payable		
– Fellow subsidiaries	45,030	45,785
Rental expenses		
– Fellow subsidiaries	6,066	6,325
Key management compensations		
– Salaries, bonuses and other welfares	3,590	3,697
– Employee share schemes for value of services provided	1,511	–

In the opinion of the directors of the Company, the above transactions were carried out in the ordinary course of the Group's business and were determined based on mutually agreed terms.



22 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant balances with related parties:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Assets:		
Trade receivables		
– Fellow subsidiaries	2,333,058	1,711,836
Notes receivable		
– Fellow subsidiaries	386,278	584,328
Advance to suppliers		
– Fellow subsidiaries	466,972	139,250
Other receivables and prepayments		
– Ultimate holding company	7,574	10,136
– Fellow subsidiaries	112,871	112,535
Liabilities:		
Trade payables		
– Fellow subsidiaries	1,228,051	907,714
Notes payable		
– Fellow subsidiaries	530,987	555,126
Advance from customers		
– Fellow subsidiaries	1,713,426	2,102,320
Other payables and accruals		
– Ultimate holding company	33,740	5,764
– Fellow subsidiaries	102,635	115,964

Notes to the Condensed Consolidated Interim Financial Information

22 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Other items:

	30 June 2011 RMB'000	31 December 2010 RMB'000 (Restated)
Guarantees on bank loans granted to the Group from		
– Ultimate holding company	19,500	20,000
– Fellow subsidiaries	240,080	223,110

In addition, certain of the Group's property, plant and equipment with carrying value of approximately RMB303,178,000 at 30 June 2011 (31 December 2010: RMB306,960,000) were situated on leasehold land in the PRC which are granted by AVIC for the Group's use at no cost or have been leased from certain fellow subsidiaries under long-term leases (Note 22(a): Rental expenses).



BOARD OF DIRECTORS

Executive Director (Chairman)	Lin Zuoming
Executive Director (Vice Chairman)	Tan Ruisong
Executive Director	Wu Xiandong
Non-Executive Director	Gu Huizhong
Non-Executive Director	Xu Zhanbin
Non-Executive Director	Geng Ruguang
Non-Executive Director	Zhang Xinguo
Non-Executive Director	Gao Jianshe
Non-Executive Director	Li Fangyong
Non-Executive Director	Chen Yuanxian
Non-Executive Director	Wang Yong
Non-Executive Director	Maurice Savart
Independent Non-Executive Director	Guo Chongqing
Independent Non-Executive Director	Li Xianzong
Independent Non-Executive Director	Lau Chung Man, Louis

SENIOR MANAGEMENT

President	Tan Ruisong
Vice Presidents	Wang Jun Ni Xianping Zheng Qiang Zhang Kunhui
Company Secretary	Yan Lingxi

THE LEGAL NAME OF THE COMPANY

中國航空科技工業股份有限公司	
AviChina Industry & Technology Company Limited	
Abbreviation name in Chinese:	中航科工
Abbreviation name in English:	AVICHINA
Legal representative:	Lin Zuoming

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 15/F, United Center, Queensway 95, Hong Kong

AUTHORISED REPRESENTATIVE

Wu Xiandong Yan Lingxi

PRINCIPAL BANKERS

Shanghai Pudong Development Bank Limited
No.588, Pudong South Road, Pudong New District,
Shanghai, the PRC

Bank of Communications Co., Ltd.
No. 188 Yin Cheng Zhong Lu, Pudong New District,
Shanghai, the PRC

China Minsheng Banking Corp., Ltd.
No. 2 Fuxingmen Street, Xicheng District,
Beijing, the PRC

Bank of China
No.1 Fuxingmennei Street, Xicheng District,
Beijing, the PRC

PLACE OF LISTING, STOCK NAME AND STOCK CODE

Main Board of the Stock Exchange of
Hong Kong Limited (H Shares)
Stock name: AVICHINA
Stock code: 2357

REGISTERED ADDRESS

8th Floor, Tower 2, No. 5A Rongchang East Street,
Beijing Economic Technological Development Area,
Beijing, the PRC

WEBSITE

www.avichina.com



Corporate Information

CORRESPONDENCE ADDRESS

P.O.Box 1655, Beijing, the PRC
Postal Code: 100009

Telephone: 86-10-58354309
Facsimile: 86-10-58354310/00
E-mail: avichina@avichina.com

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Room 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

AUDITORS

International Auditors

PricewaterhouseCoopers
22nd Floor, Prince's Building,
Central, Hong Kong

Auditors in the PRC

PricewaterhouseCoopers Zhong Tian CPAs
Limited Company
11/F, PricewaterhouseCoopers Center,
No.202 Hu Bin Road,
Shanghai, the PRC

LEGAL ADVISERS

As to Hong Kong law

Baker & McKenzie
23rd Floor One Pacific Place,
88 Queensway
Hong Kong

As to PRC law

Beijing Jiayuan Law Firm
F407, Ocean Plaza,
158 Fuxingmennei Street,
Xicheng District,
Beijing, the PRC