

**AVICHINA INDUSTRY AND TECHNOLOGY COMPANY LTD:  
BEIJING PASSES ROUND THE BEGGING BOWL**

One thing is certain about AviChina Industry and Technology Company Ltd: Don't try to sue this Company – because you don't have the ghost of a chance.

This was, clearly, stated in the Company's Global Offering Prospectus, disseminated on October 21, 2003, when this sprawling entity, controlled by the Government of the People's Republic of China (PRC), raised about \$HK1.91 billion from the investing public, worldwide.

AviChina Industry (Code: 2357, Main Board, The Stock Exchange of Hongkong Ltd) claims to be the fourth largest manufacturer of motor vehicles in the PRC, proper, (as opposed to the Hongkong Special Administrative Region [HKSAR] of the PRC), and, also, the largest, mini-sized vehicle producer in the PRC, proper.

In addition, it is the sole producer of helicopters in the PRC, proper, '*capable of scale production*' as well as being '*one of the leading aeroplane manufacturers*' in the PRC, proper.

But, the Company's debts have been growing, of late.

Hence, the Global Offering of 1,599,810,000, one-renminbi Shares at \$HK1.21 a pop.

Its initial expectations were to raise about 1.60 billion renminbi, but it did much better than that.

It succeeded, as history has recorded, in raising the best part of \$HK1.91 billion (about 2.03 billion renminbi), thanks to an Over-Allotment Option that was taken up by the Joint Global Coordinators and Joint Bookrunners.

According to Page 16 of the Company's Prospectus, there was no valuation report, included in the hand-on-the-heart declaration, because, simply put, the Company has so much property, and, due to the substantial number of buildings that it owns, it would have put an undue strain on the Company if a full valuation report had to be included.

The section, marked '*Disclosure in Valuation Report*', states, inter alia:

*'... it would be impractical and extremely onerous for the Company to prepare a valuation report which contains detailed particulars of each building in which the Group has interests and also to prepare a valuation report in both English and Chinese languages as required under the Listing Rules (of The Stock Exchange of Hongkong Ltd) and the Companies Ordinance (of the HKSAR) ...'*

As **TARGET** has mentioned, many times in the past, there is one rule for ordinary folk in the HKSAR, and there is another rule for '*others*': The Stock Exchange of Hongkong Ltd granted a waiver to AviChina Industry from compliance with Rule 5.06 (1) of The Listing Rules.

**The Flotation**

AviChina Industry expected ... [CLICK TO ORDER FULL ARTICLE](#)

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