

**ATV.L**  
**24 September 2007**

**Antonov plc**  
**(“Antonov” or the “Company”)**

**Second Chinese Programme Secured by Antonov**

The Board of Antonov plc is pleased to announce that it has reached agreement to work with Chongqing Loncin General Purpose Engine Co., Ltd (a subsidiary of Loncin Holdings Co., Ltd. “Loncin”), on a Pilot Project to explore future options for the development, manufacturing and marketing of a small six speed automatic transmission. Loncin is a leading Chinese manufacturer of high specification motor-cycles, small engines and a range of automotive components. It currently manufactures 1.5 million motor cycles per annum and over 3 million engines both for domestic use and export. It supplies components to domestic and major Western automotive brands.

The parties will work closely together during this pilot project and will provide €1.2 million each to fund the initial phase which will produce prototype demonstration vehicles and carry out marketing activities. In parallel, the parties will be discussing the formation of a manufacturing Joint Venture during 2008. This is dependent on the success of the pilot project and on reaching mutually agreeable commercial terms.

This agreement supports Antonov’s evolving commercial strategy towards direct involvement in the application of its technology. This will enable Antonov to maintain closer control over its intellectual property rights in order to reduce risk and generate better returns compared with a pure licensing business model.

John Moore, CEO of Antonov, commented:

“I am delighted with this agreement with Loncin as it provides a second route to market for our technology within the significant Chinese market place. We look forward to working closely with Loncin on the pilot project and possibly to a more formal relationship. I will update shareholders on further progress in due course.”

Loncin’s Chairman, Mr. Tu Jianhua, commented:

“More and more Chinese customers prefer cars with automatic transmissions, At the moment, all automatic transmissions used within our industry are imported. We believe that our engine manufacturing experience in partnership with the unique resources provided by Antonov provide significant opportunities to address a major market for Chinese produced automatic transmissions.”

**For more information, please contact:**

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**Notes to editors:**

Loncin is a joint venture controlled by Chongqing Loncin Holdings Co., Ltd. Founded in 2002, it is a leading manufacturer and exporter of small gasoline engines. Since its foundation in 1993, Loncin Holdings has become an investing and holding enterprise running a range of successful businesses including motorcycle manufacture, component manufacture, industrial products and real estate. It now owns assets in excess of RMB 4 billion and has a staff of over 10,000. More information is available at [www.loncin.cn](http://www.loncin.cn).