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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)

VOLUNTARY ANNOUNCEMENT

SUBSCRIPTION OF INTEREST IN ETF FUND WITH A SHARES IN ZEMIC AND AVIC SHENYANG AIRCRAFT

The announcement is made by AviChina Industry & Technology Company Limited* (the “**Company**”) on a voluntary basis.

On 16 July 2019, the Company and Fuguo Zhongzheng Military Industry Leading Exchange Traded Fund* (富國中證軍工龍頭交易型開放式指數證券投資基金) (the “**ETF Fund**”) confirmed that, the Company has subscribed for the interest in ETF Fund (the “**Subscription**”) in consideration of 13,512,700 A shares in Zhonghang Electronic Measuring Instruments Co., Ltd* (中航電測儀器股份有限公司) (“**ZEMIC**”) (representing approximately 2.29% equity interest in ZEMIC) and 2,430,500 A shares in AVIC SHENYANG Aircraft Company Limited* (中航沈飛股份有限公司) (the “**AVIC Shenyang Aircraft**”) (representing approximately 0.17% equity interest in AVIC Shenyang Aircraft) held by the Company. The average price of the A shares in ZEMIC and AVIC Shenyang Aircraft for the Subscription is RMB9.10 per share and RMB29.37 per share, respectively. Upon completion of the Subscription, the Company holds 84 A shares in ZEMIC and 1 A shares in AVIC Shenyang Aircraft, representing approximately 0.00% equity interest of each of ZEMIC and AVIC Shenyang Aircraft, respectively.

The transaction contemplated thereunder involves both the Subscription and the disposal of A shares in ZEMIC and AVIC Shenyang Aircraft (the “**Disposal**”). Pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), as the highest of the applicable size test percentage ratios (as defined in Hong Kong Listing Rules) in respect of each of the Subscription and the Disposal is less than 5%, each of the Subscription and the Disposal is exempt from the reporting, announcement and independent shareholder's approval requirements.

By Order of the Board
AviChina Industry & Technology Company Limited*
Xu Bin
Company Secretary

Beijing, 16 July 2019

As at the date of this announcement, the Board comprises executive Directors Mr. Chen Yuanxian and Mr. Wang Xuejun, non-executive Directors Mr. Yan Lingxi, Mr. Lian Dawei, and Mr. Xu Gang as well as independent non-executive Directors Mr. Liu Renhuai, Mr. Liu Weiwu and Mr. Wang Jianxin.

** For identification purposes only*