

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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**

- I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- II. RESIGNATION OF A DIRECTOR, CHANGE OF CHAIRMAN OF THE BOARD AND MEMBERS IN THE SPECIAL COMMITTEES OF THE BOARD;**
- III. CHANGE OF GENERAL MANAGER; AND**
- IV. PROPOSED APPOINTMENT OF A DIRECTOR**

The announcement is published by AviChina Industry & Technology Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rule 13.51 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

To strengthen investors' confidence and stabilize the stock price of the Company, the Company repurchased a total of 34,459,000 H shares from May to June 2020 and has completed the cancellation thereof. Considering the share repurchase and cancellation, and pursuant to the Company Law of the People's Republic of China and the Reply of the State Council on Adjustment of the Notice Period for General Meeting and Other Matters Applicable to Overseas Listed Company, the board of directors (the “**Director(s)**”) of the Company (the “**Board**”) proposed to amend the articles of association of the Company (the “**Articles of Association**”) as follows:

**1. To amend the following original articles in the Articles of Association to reflect the reduction of registered capital:**

**Article 19** Upon the approval of the securities regulatory authorities of the State Council, a total number of 1,679,800,500 shares of overseas listed foreign

invested shares (including 1,527,090,000 shares issued by the Company, and 152,710,500 existing shares held by State-owned shareholder of the Company sold pursuant to the relevant requirements of the PRC regulations on reduction of State-owned shares), had been issued and sold after the establishment of the Company.

Upon the approval of the securities regulatory authorities of the State Council, the Company issued and sold 305,416,000 shares of overseas listed foreign invested shares on 10 March, 2010, and Aviation Industry Corporation of China sold 29,217,402 existing shares pursuant to the relevant requirements of the PRC regulations on reduction of state-owned shares. The Company issued 183,404,667 domestic shares on 18 January, 2012; the Company issued and allotted 342,000,000 shares of overseas listed foreign invested shares on 2 March, 2012; the Company issued 491,692,669 Domestic Shares in June 2016. 3,609,687,934 domestic shares of the Company were converted into overseas listed foreign invested shares in June 2018; the Company issued and allotted 279,000,000 shares of overseas listed foreign invested shares in December 2018; the Company canceled a total of 34,459,000 repurchased shares of overseas listed foreign invested shares in June and September 2020.

The current shareholding structure of the Company is: the total number of issued ordinary shares of the Company amounts to ~~6,245,121,836~~ 6,210,662,836 shares, all being overseas listed foreign invested shares.

**Article 22** The registered capital of the Company is RMB~~6,245,121,836~~6,210,662,836.

**2.To amend the following original articles in the Articles of Association in accordance with the applicable laws and regulations:**

**Article 26** When the Company is to reduce its capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers ~~at least three times~~ within 30 days of the said date. Creditors shall, within 30 days of receiving a written notice or within ~~90~~45 days of the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum.

**Article 56** Unless otherwise provided by the relevant laws, regulations and listing rules of the place where the securities of the Company are listed and the articles herein regarding means of shareholders communication, or waived by all shareholders of the Company on the receipt of a written notice, a written notice of a general meeting shall be given no less than ~~thirty-two~~ (30) days prior to the annual general meeting or fifteen (15) days prior to the extraordinary general meeting, by notifying all of the shareholders who are registered on the register of members of the Company of the matters to be considered at the meeting and the

~~date and the place of the meeting. A shareholder who intends to attend the general meeting shall deliver to the Company his written reply concerning the attendance at such general meeting not less than twenty (20) days prior to the date of the meeting.~~

The date of the meeting and the date of the notice shall not be included when determining the notification period.

The date of notice stated in this section is the date on which the Company or the Company's appointed share registrar delivers such notice to the relevant postal office for mailing.

~~**Article 58** The Company shall, based on the written replies it receives 20 days before the date of the shareholders' general meeting from the shareholders, calculate the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting amounts to more than half of the Company's total number of shares carrying voting rights, the Company may convene the meeting; if not, the Company shall, within five days, notify the shareholders again, by way of a public announcement, the matters to be considered at and the place and date of the meeting. The Company may then convene the meeting after such announcement.~~

~~An extraordinary general meeting shall not decide on matters that have not been stated in the notice of the meeting.~~

~~**Article 87** Unless otherwise provided by the relevant laws, regulations and listing rules of the place where the securities of the Company are listed and the articles herein regarding means of shareholders communication, when the Company is to hold a class shareholders' meeting, it shall issue a written notice 30 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting according to the requirements on the notice period for holding the general meeting as prescribed in Article 56 in this Articles of Association. Shareholders that intend to attend the meeting shall, within 20 days prior to the day on which the meeting is to be held, serve a written reply on the Company stating that they will attend the meeting.~~

~~If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within five days, inform the shareholders once again of the matters to be considered at and the date and place of the meeting in the form of a public announcement. After such notification by public announcement, the Company may hold the class shareholders' meeting.~~

~~**Article 167** The Company may carry out mergers either in the form a merger by absorption or the form of a merger by new establishment.~~

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution,

the Company shall notify its creditors and within 30 days it shall publish an announcement in the designated newspapers ~~at least three times~~.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

**Article 168** If the Company is to be divided, its property shall be divided accordingly.

For division of the Company, the parties to the division shall enter into a division agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the division resolution, the Company shall notify its creditors and within 30 days it shall publish an announcement in the designated newspapers ~~at least three times~~.

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company.

**Article 173** The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and publish an announcement of the liquidation in the newspapers ~~at least three times~~ within 60 days. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee. In reporting claims, a creditor shall explain the relevant particulars of the claims with supporting materials. Claims shall be registered by the liquidation committee.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 175** After the liquidation committee has inventoried the Company's property and prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or the relevant governing authorities for confirmation.

The liquidation expenses including the payment to liquidation members and consultants, shall be appropriated in priority from the assets of the Company before paying off other creditors.

After the resolution of the shareholders' general meeting to dissolve the Company or the Company is declared bankrupt according to law or ordered to close down, without the permission of the liquidation committee, no persons shall be entitled to dispose of the Company's property.

The property of the Company shall be distributed in accordance with the following sequence: paying off the liquidation expenses, wages of employees ~~and labor insurance premiums~~ social insurance premiums and statutory compensation, outstanding taxes and the debts of the Company.

The remaining property of the Company after paying off all the debts and expenses as prescribed by the preceding paragraph shall be distributed in

accordance with the classes of the shares and in proportion to the number of shares held by the shareholders.

Relevant remaining property shall be distributed in proportion to the number of ordinary shares held by the shareholders.

During liquidation, the Company may not engage in new business activities.

The members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations in accordance with the law.

The members of the liquidation committee may not use their power and authority to accept bribes or other illegal income or misappropriate the Company's property. If the Company or a creditor sustains a loss due to a willful act or gross negligence on the part of a member of the liquidation committee, such liquidation committee member shall be liable for damages.

The proposed amendments to the Articles of Association will be submitted for the consideration and approval of the shareholders of the Company (“**Shareholders**”) by way of special resolution(s) at the Shareholders' general meeting of the Company. Notice of the Shareholders' general meeting and circular in relation to, among other things, the proposed amendments to the Articles of Association will be despatched to the Shareholders in due course.

## **II. RESIGNATION OF A DIRECTOR, CHANGE OF CHAIRMAN OF THE BOARD AND MEMBERS IN THE SPECIAL COMMITTEES OF THE BOARD**

Due to other work commitment, on 16 October 2020, Mr. Chen Yuanxian (“**Mr. Chen**”) applied to the Board for resignation as the Director of the Company, the chairman of the Board as well as all other positions in each of the special committees of the Board. The resignation as the chairman of the Board as well as all other positions in each of the special committees will take effect from 16 October 2020 while the terms of office of Mr. Chen as a Director will not be terminated until the appointment of the candidate for new Director has been approved at the Shareholders' general meeting of the Company.

At the Board meeting held on 16 October 2020, Mr. Wang Xuejun (“**Mr. Wang**”) was elected as the chairman of the sixth session of the Board as well as the chairman of the Nomination Committee and the Development and Strategy Committee of the Board.

Mr. Chen has confirmed to the Company that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders of the Company in connection with his resignation.

The Board takes this opportunity to express sincere gratitude for the contributions that Mr. Chen has made for the Company during his term of service.

## **III. CHANGE OF GENERAL MANAGER**

Due to other work commitment, Mr. Wang applied to the Board for resignation as the general manager of the Company.

Mr. Wang has confirmed to the Company that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders of the Company in connection with his resignation.

At the Board meeting held on 16 October 2020, the Board considered and approved the resolution in relation to the appointment of Mr. Zhao Hongwei (“**Mr. Zhao**”) as the general manager of the Company, with the term of office commencing from the date of approval of such resolution to the date on which the Board removes his duty.

The biographical details of Mr. Zhao are set out as follows:

Mr. Zhao Hongwei, 53, a senior engineer. Mr. Zhao successively graduated from Nanjing University of Aeronautics and Astronautics with a bachelor degree majoring in industrial management engineering, and Zhejiang University with a MBA degree. Mr. Zhao commenced his career in aviation industry in 1989. He successively served as the manager of the Comprehensive Planning Department and deputy general manager of China National Aero-Technology Import & Export Shanghai Corporation, deputy general manager of AVIC Auto Maintenance Equipment Co., Ltd., deputy general manager and general manager of China National Aero-Technology Import & Export Hangzhou Corporation, and general manager and chairman of AVIC International Lease Co., Ltd. Mr. Zhao served as the general manager of AVIC Capital Co., Ltd. (“**AVIC Capital**”) from June 2017 to October 2020, and served as the director of AVIC Capital since June 2017.

As far as the Directors are aware, save as disclosed above, as at the date of this announcement, Mr. Zhao does not hold any directorships in other public listed companies nor did he hold any position with the Company or other members of the Group in the last three years. Mr. Zhao does not have any relationship with any Director, supervisor, senior management or substantial or controlling shareholders of the Company. Except for 721,500 shares in AVIC Capital, an associated corporation of the Company, which represent approximately 0.008% of the total issued share capital of AVIC Capital as at the date of the announcement, Mr. Zhao has no other any interests or short positions within the meaning of Part XV of the Securities and Futures Ordinance in the shares, underlying shares or debentures of the Company or any of its associated corporations. Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders of the Company in relation to the proposed appointment of Mr. Zhao.

#### **IV. PROPOSED APPOINTMENT OF A DIRECTOR**

Due to the proposed resignation of Mr. Chen as the Director of the Company, at the Board meeting held on 16 October 2020, Mr. Zhao has been nominated as the candidate of executive Director with a term of office commencing from the date on which his proposed appointment is approved at the Shareholders’ general meeting of the Company until the date on which the resolution relating to the election of the new session of the Board will be considered at the annual general meeting to be convened in 2021. The salary of Mr. Zhao will be determined by the Remuneration Committee of the Company by reference to his qualifications,

experience and the prevailing market conditions, subject to the authorization of the Shareholders' general meeting of the Company. As at the date of this announcement, no director service contract has been entered into between Mr. Zhao and the Company. Please refer to the above for the biographical details of Mr. Zhao.

The proposed appointment of Mr. Zhao will be submitted for the consideration and approval of the Shareholders of the Company by way of ordinary resolution(s) at the Shareholders' general meeting of the Company.

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

Beijing, 16 October 2020

*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*