

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
COMPLETION OF DOMESTIC SHARES ISSUANCE;
PROPOSED CHANGE OF REGISTERED CAPITAL;
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION**

The announcement is published by AviChina Industry & Technology Company Limited (the “**Company**”) 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**”).

References are made to the announcements dated 12 October 2018, 13 October 2019, 28 November 2019 and 13 February 2020, and the circular dated 6 January 2020 (the “**Circular**”), in relation to, among other things, the issuance of domestic shares as the consideration (the “**Issuance**”) for the acquisition (the “**Acquisition**”) of the Target Equity pursuant to the Equity Acquisition and Share Issuance Agreement. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The board of directors of the Company (the “**Board**”) is pleased to announce that the Company has received the Reply in Relation to Approval of the Directional Issuance of Shares by AviChina Industry & Technology Company Limited* issued by China Securities Regulatory Commission. The preliminary conditions for the Acquisition have been fulfilled and the completion of the Acquisition as well as the Issuance have been completed. The Company will conduct registration with the relevant regulatory authorities. The shares issued are 1,500,669,406 domestic shares, among which 1,250,899,906 domestic shares are held by AVIC and 249,769,500 domestic shares are held by Tianjin Free Trade Zone Investment. Upon the completion of the Issuance, the total number of issued shares of the Company has been increased from 6,210,662,836 shares to 7,711,332,242 shares,

among which 6,210,662,836 shares are overseas listed foreign invested shares and 1,500,669,406 shares are domestic shares.

The shareholding structure of the Company immediately before and after the completion of the Issuance is set out as follows:

	Immediately before Completion of the Issuance			Immediately after Completion of the Issuance		
Holders of Domestic Shares or H Shares	Number of shares	Approximate percentage of the relevant class of the issued share capital	Approximate percentage of issued share capital	Number of shares	Approximate percentage of the relevant class of the issued share capital	Approximate percentage of issued share capital
Holders of Domestic Shares						
AVIC	-	-	-	1,250,899,906	83.36%	16.22%
Tianjin Free Trade Zone Investment	-	-	-	249,769,500	16.64%	3.24%
Sub-total	-	-	-	1,500,669,406	100.00%	19.46%
Holders of H Shares						
AVIC	3,297,780,902	53.10%	53.10%	3,297,780,902	53.10%	42.77%
AVIC Airborne Systems Company Limited* ^{Note}	183,404,667	2.95%	2.95%	183,404,667	2.95%	2.38%
China Aviation Industry (HK) Company Limited* ^{Note}	18,346,000	0.30%	0.30%	18,346,000	0.30%	0.24%
Airbus Group	312,255,827	5.03%	5.03%	312,255,827	5.03%	4.05%
Other holders of H Shares	2,398,875,440	38.63%	38.63%	2,398,875,440	38.63%	31.11%
Sub-total	6,210,662,836	100%	100%	6,210,662,836	100%	80.54%
Total	6,210,662,836	100%	100%	7,711,332,242	-	100%

Note: As at the date of this announcement, AVIC Airborne Systems Company Limited and China Aviation Industry (HK) Company Limited are wholly-owned subsidiaries of AVIC.

For the purpose of reflecting the above changes, the Board proposed to update the registered capital of the Company correspondently and amend the articles of association of the Company (the “**Articles of Association**”) as follows:

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 Company issued 1,500,669,406 domestic shares in December 2020.

The current shareholding structure of the Company is: the total number of issued ordinary shares of the Company amounts to ~~6,210,662,836~~ 7,711,332,242 shares, ~~all being overseas listed foreign invested shares.~~ among which 1,500,669,406 shares are held by shareholders of domestic shares, representing 19.46% of the total number of issued ordinary shares of the Company, and 6,210,662,836 shares are held by shareholders of overseas listed foreign invested shares, representing 80.54% of the total number of issued ordinary shares of the Company.

Article 22 The registered capital of the Company is ~~RMB6,245,121,836~~ RMB7,711,332,242.

The proposed change of registered capital and 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 change of registered capital and proposed amendments to the Articles of Association will be despatched to the Shareholders in due course.

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

Beijing, 24 December 2020

As at the date of this announcement, the Board comprises executive Directors Mr. Wang Xuejun and Mr. Zhao Hongwei, 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*