
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **AviChina Industry & Technology Company Limited**, you should at once hand this circular and the enclosed proxy form and reply slip to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

I. PROPOSED APPOINTMENT OF DIRECTORS;
AND
II. NOTICE OF EGM

A notice convening the EGM of AviChina Industry & Technology Company Limited* to be held at 9:00 a.m. on Tuesday, 18 January 2022 at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the People's Republic of China is set out on pages 7 to 9 of this circular.

A form of proxy for use at the EGM is enclosed and is also published on the website of the Stock Exchange (www.hkexnews.hk). Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for the holding of EGM or any adjournment of that meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM or any adjournment thereof (as the case may be) and voting in person if you so wish.

23 December 2021

* For identification purpose only

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DEFINITIONS

The following terms have the following meanings in this circular, unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“AVIC”	Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司), the controlling shareholder of the Company, holding 61.60% equity interest in the Company directly and indirectly as at the Latest Practicable Date
“AVIC Capital”	AVIC Capital Co., Ltd. (中航資本控股股份有限公司), a joint stock limited liability company whose shares are listed on the Shanghai Stock Exchange and a subsidiary of AVIC, which has been renamed as AVIC Industry-Finance Holdings Co., Ltd. (中航工業產融控股股份有限公司)
“Board”	the board of Directors of the Company
“Company”	AviChina Industry & Technology Company Limited* (中國航空科技工業股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as fully paid in RMB by PRC national and/or PRC corporate entities
“EGM”	the extraordinary general meeting of the Company to be held at 9:00 a.m. on Tuesday, 18 January 2022, at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the PRC for the purpose of considering and, if thought fit, approving, among other things, the proposed appointment of directors
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	Overseas listed foreign invested shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are traded in HK dollars and listed on the Stock Exchange

DEFINITIONS

“Latest Practicable Date”	20 December 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board
“Shareholder(s)”	holder(s) of Shares of the Company
“Share(s)”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Wang Xuejun

Non-executive Directors:

Mr. Lian Dawei

Mr. Li Xichuan

Mr. Xu Gang

Mr. Wang Jun

Independent non-executive Directors:

Mr. Liu Weiwu

Mr. Mao Fugen

Mr. Lin Guiping

Registered Office:

2nd floor, Building 27

No. 26 Xihuan South Street

Beijing Economic Technological Development Area

Beijing, PRC

Place of business in Hong Kong:

Unit 2202A, 22th Floor

Fairmont House

8 Cotton Tree Drive

Central

Hong Kong

23 December 2021

To the Shareholders

Dear Sir or Madam,

I. PROPOSED APPOINTMENT OF DIRECTORS; AND II. NOTICE OF EGM

Reference is made to the announcement of the Company dated 3 December 2021 relating to the proposed appointment of Directors.

The purpose of this circular is to provide you with, among other things, (i) details of the proposed appointment of Directors; and (ii) the notice of the EGM.

I. PROPOSED APPOINTMENT OF DIRECTORS

At the Board meeting held on 3 December 2021, Mr. Zhang Minsheng (“**Mr. Zhang**”) and Mr. Yan Lingxi (“**Mr. Yan**”) have been nominated as the candidates for executive Directors, both for a term of office commencing from the date on which their proposed appointment is approved at the EGM until the date on

* For identification purpose only

LETTER FROM THE BOARD

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 2024. The salary of Mr. Zhang and Mr. Yan will be determined by the Remuneration Committee of the Board by reference to their respective qualifications, experience and the prevailing market conditions, subject to the authorization of the EGM. As at the Latest Practicable Date, no director service contract has been entered into between each of Mr. Zhang and Mr. Yan and the Company.

Furthermore, the Board also considered and approved the resolution on 3 December 2021 in relation to the appointment of Mr. Yan as the general manager of the Company, with his term of office commencing from the date of approval of the resolution to the date on which the term of office of the seventh session of the Board expires.

The biographical details of Mr. Zhang and Mr. Yan are set out as follows:

Mr. Zhang Minsheng (張民生), 53, a master degree holder and a first level senior accountant. Mr. Zhang also serves as chief accountant of AVIC. Mr. Zhang graduated from Dongbei University of Finance & Economics with a bachelor degree in economics and graduated from HEC Paris with an EMBA degree in 2009. Mr. Zhang commenced his career in the aviation industry in 1990, and served as vice director of the Financial and Audit Department and director of Financial Department of China Aviation Industry Corporation II (“**AVIC II**”), director of the Audit Department of AVIC, general manager, vice chairman and chairman of Xi’an Aviation Engine (Group) Co., Ltd., chairman of supervisory committee, general manager, director and vice chairman of Xi’an Aero-Engine Co., Ltd., director and general manager of AVIC Capital, chief accountant of Aero Engine Corporation of China and executive director of AECC Asset Management Co., Ltd. From September 2016 to April 2019, Mr. Zhang had been chairman of AECC Aviation Power Co., Ltd. Mr. Zhang has been shareholder supervisor of Bank of Communications Co., Ltd. since March 2020.

Mr. Yan Lingxi (閆靈喜), 51, a master degree holder and a senior engineer. Mr. Yan graduated from Beijing University of Aeronautics and Astronautics with a bachelor degree in engineering in 1991 and with a master degree in management in 1999. He commenced his career in the aviation industry in July 1991 and worked in the reform bureau of the Ministry of Aero-Space Industry, the corporate management office of Nanjing Jincheng Machinery Factory, the corporate management department and the asset and business management department of Aviation Industry Corporation of China, respectively. He was appointed as the deputy director and the director of the corporate assets management department of AVIC II. From June 2012 to September 2016, Mr. Yan had been a director of China Avionics Systems Co., Ltd. (“**AVIC Avionics**”), a non wholly-owned subsidiary of the Company listed on the Shanghai Stock Exchange. From August 2014 to September 2016, Mr. Yan had been a director of AVICOPTER PLC. From October 2016 to February 2018, Mr. Yan had successively been the head of the Office of the Board of Directors and the deputy director of Capital Management Department of AVIC, and the deputy general manager and the secretary of the board of directors of AVIC Capital. From March 2019 to November 2021, Mr. Yan served as director of the Capital Operation Department of AVIC. From April 2004 to August 2016, Mr. Yan had been the director of the securities and legal department, the secretary of the Board and the assistant to the general manager of the Company, respectively. Mr. Yan was the standing deputy general manager of the Company from February 2018 to March 2019. And he was the non-executive Director of the Company from May 2019 to May 2021.

As far as the Directors are aware, save as disclosed in this circular, as at the Latest Practicable Date, each of Mr. Zhang and Mr. Yan does not hold any directorships in other public listed companies nor did they hold any position with the Company or other members of the Group in the last three years. Save for

LETTER FROM THE BOARD

267,740 H Shares of the Company (representing 0.003 % of the issued share capital of the Company as at the Latest Practicable Date) held by Mr. Yan, and 6,000 A shares of AVIC Avionics (representing 0.0003% of the issued share capital of AVIC Avionics as at the Latest Practicable Date) held by the spouse of Mr. Zhang, each of Mr. Zhang and Mr. Yan does not have any relationship with any Director, supervisor, senior management or substantial or controlling shareholders of the Company, and each of Mr. Zhang and Mr. Yan has no other any interests or short positions within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in the Shares, underlying shares or debentures of the Company or any of its associated corporations.

Save as disclosed above, as at the Latest Practicable Date, 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 each of Mr. Zhang and Mr. Yan.

Each proposal in relation to the appointment of the candidates for Directors of the Company will be submitted for the consideration and approval of the Shareholders by way of ordinary resolutions at the EGM.

II. EGM

The EGM will be held at 9:00 a.m. on Tuesday, 18 January 2022 at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the PRC. The notice of the EGM is set out on pages 7 to 9 of this circular.

A form of proxy for use at the EGM is enclosed and is also published on the website of the Stock Exchange (www.hkexnews.hk). Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for the holding of EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM or any adjournment thereof (as the case may be) and voting in person if you so wish.

To the best knowledge of the Directors after having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the ordinary resolutions relating to the proposed appointment of Directors at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll. The Company will announce the results of the poll in accordance with the Listing Rules following the EGM.

LETTER FROM THE BOARD

III. RECOMMENDATION

The Board considers that the resolutions as set out in the notice of the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of such resolutions to be proposed at the EGM.

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

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of AviChina Industry & Technology Company Limited* (the “**Company**”) will be held at 9:00 a.m. on Tuesday, 18 January 2022, at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the PRC to consider and approve the following resolutions. Unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 23 December 2021 (the “**Circular**”):

ORDINARY RESOLUTIONS

- (1) the resolution relating to the new appointment of Mr. Zhang Minsheng as an executive Director of the Company with a term of office commencing from the date on which his proposed appointment is approved at the EGM until the date on which the election of the new session of the Board is resolved at the annual general meeting to be convened in 2024, the grant of an authorization to the Remuneration Committee to determine his remuneration and the grant of an authorization to an executive Director of the Company to sign the relevant service contract on behalf of the Company with him; and
- (2) the resolution relating to the new appointment of Mr. Yan Lingxi as an executive Director of the Company with a term of office commencing from the date on which his proposed appointment is approved at the EGM until the date on which the election of the new session of the Board is resolved at the annual general meeting to be convened in 2024, the grant of an authorization to the Remuneration Committee to determine his remuneration and the grant of an authorization to an executive Director of the Company to sign the relevant service contract on behalf of the Company with him.

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

Beijing, 23 December 2021

* For identification purpose only

NOTICE OF EGM

As at the date of this notice, the Board comprises executive Director Mr. Wang Xuejun, non-executive Directors Mr. Lian Dawei, Mr. Li Xichuan, Mr. Xu Gang and Mr. Wang Jun as well as independent non-executive Directors Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping.

Notes:

1. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY TO ATTEND AND VOTE AT THE EGM

Pursuant to Article 41 of the Articles of Association, the H Share register of members of the Company will be closed from Wednesday, 29 December 2021 to Tuesday, 18 January 2022 (both days inclusive), during which period no transfer of H shares will be registered. Holders of the Company's H Shares and Domestic Shares whose names appear on the Company's Register of Members at the opening of business on Tuesday, 18 January 2022 are entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, holders of the Company's H Shares shall lodge all transfer instruments together with the relevant share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Shares Registrar, not later than 4:30 p.m. on Tuesday, 28 December 2021 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

2. REGISTRATION PROCEDURES FOR ATTENDING THE EGM

The Shareholder or its proxies shall produce its identification proof. If a corporation Shareholder's legal representative or any other person authorized by the board of directors or other governing body of such corporate Shareholder attends the EGM, such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid authorization document of the board of directors or other governing body of such corporate shareholder (as the case may be) to prove the identity and authorization of that legal representative or other person.

3. PROXIES

- a. Any Shareholder who is entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf at the EGM. A proxy needs not be a Shareholder. Any Shareholder who wishes to appoint a proxy should first review the form of proxy for use in the EGM.
- b. Any Shareholder shall appoint its proxy in writing. The instrument appointing a proxy must be in writing signed under the hand of the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument shall be affixed with the seal of the body corporate or shall be signed by the directors of the board of the body corporate or by attorneys duly authorized. If the instrument is signed by an attorney of the appointer, the power of attorney authorizing the attorney to sign or other documents of authorization must be notarially certified. In order to be valid, the form of proxy, and a notarially certified copy of the power of attorney or other documents of authorization, where appropriate, must be delivered, for holders of H Shares, to Computershare Hong Kong Investor Services Limited, the Company's H Share registrar, at 17M Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, and for holders of Domestic Shares, to the correspondence address designated by the Company, not less than 24 hours before the time for holding the EGM and return of a form of proxy will not preclude a Shareholder from attending EGM or any adjournment thereof (as the case may be) in person and voting at the EGM if he or she so wishes.

NOTICE OF EGM

- 4. THE EGM IS EXPECTED TO LAST FOR HALF A DAY. SHAREHOLDERS ATTENDING THE MEETING ARE RESPONSIBLE FOR THEIR OWN TRANSPORTATION AND ACCOMMODATION EXPENSES.**

Designated address of the Company:

6/F, Building A, No. 14 Xiaoguan Dongli, Andingmenwai, Chaoyang District, Beijing, the PRC (Postal code: 100029)

Telephone No: 86-10-58354335

Facsimile No: 86-10-58354310

Attention: Mr. Liu Kai