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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)

ANNOUNCEMENT

(1) PROPOSED RE-ELECTION AND NEW APPOINTMENT OF DIRECTORS AND SUPERVISORS; AND (2) APPOINTMENT OF GENERAL MANAGER

The announcement is published in accordance with Rule 13.51(2) of the Hong Kong Listing Rules.

The proposed re-election and new appointment of Directors and Shareholder representative Supervisors will be submitted for the Shareholders' consideration and approval at the AGM.

A circular containing, among other things, further details of the re-election and new appointment of Directors and Shareholder representative Supervisors, together with a notice of the AGM, will be despatched to the Shareholders in due course.

I. PROPOSED RE-ELECTION AND NEW APPOINTMENT OF DIRECTORS AND SUPERVISORS

According to the Articles of Association, the Board shall consist of nine Directors, including three independent non-executive Directors, and the Supervisory Committee shall consist of three Supervisors, including two Shareholder representative Supervisors and one employee representative Supervisor.

As the term of all Directors of the fifth session of the Board and all Supervisors of the fifth session of the Supervisory Committee will expire at the AGM, the Company proposes that, members of the sixth session of the Board and the sixth session of the Supervisory Committee (with respect to Shareholder representative Supervisors) shall be elected at the

AGM. The employee representative Supervisor has been elected separately by the general meeting of employees of the Company.

The terms of the Directors of the sixth session of the Board and the Supervisors of the sixth session of the Supervisory Committee shall be three years, commencing from the date on which the sixth session of the Board or the Supervisory Committee is established, respectively, which shall be the date of conclusion of the AGM.

Pursuant to the Articles of Association, Directors and Supervisors are eligible for re-election on expiration of their respective terms, and the re-election shall be approved by resolutions passed by more than half of the voting rights represented by the Shareholders (or their proxies) present at the general meeting of the Company. Therefore, the proposed re-election and new appointment of Directors and Shareholder representative Supervisors will be submitted for the Shareholders' consideration and approval at the AGM.

1. Proposed Re-election and New Appointment of Directors

Certain members of the fifth session of the Board, namely Mr. Lin Zuoming (executive Director), Mr. Tan Ruisong (non-executive Director), Mr. Li Yao (non-executive Director), Mr. He Zhiping (non-executive Director), Mr. Patrick de Castelbajac (non-executive Director) and Mr. Liu Renhuai (independent non-executive Director), have been nominated as candidates for re-election as Directors of the sixth session of the Board for a term of three years commencing from the date on which the sixth session of the Board is established.

The remaining members of the fifth session of the Board, namely Mr. Wu Xiandong (non-executive Director), Mr. Lau Chung Man, Louis (independent non-executive Director) and Mr. Yeung Chi Wai (independent non-executive Director) have confirmed that they will not stand for re-election as Directors of the sixth session of the Board after expiry of their respective terms, and have confirmed to the Company that they have no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders in respect of their cessation of office.

The Board would like to express its sincere gratitude for the contributions Mr. Wu Xiandong, Mr. Lau Chung Man, Louis and Mr. Yeung Chi Wai have made for the Company during their terms of service.

The Board is pleased to announce that, Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu have been nominated as the candidates for new members of the sixth session of the Board as executive Director, independent non-executive Director and independent non-executive Director, respectively, for a term of three years commencing from the date on which the sixth session of the Board is established. The salary of Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu will be determined by the Remuneration Committee of the Company by reference to their qualifications, experience and the prevailing market conditions, subject to the authorization of the AGM. No service contract has been entered into between Mr. Chen Yuanxian, Mr. Li Xianzong, Mr. Liu Weiwu and the Company as at the date of this announcement.

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

Mr. Chen Yuanxian (“**Mr. Chen**”), aged 57, is a holder of the doctorate degree and researcher. He is the vice general manager of Aviation Industry Corporation of China, Ltd.* Mr. Chen graduated from Nanjing University of Aeronautics and Astronautics with a bachelor degree majoring in man-machine engineering in 1982 and graduated from Beijing University of Aeronautics and Astronautics with a master degree and a doctorate degree majoring in man-machine engineering in 1988 and 1998, respectively. Mr. Chen has commenced his career in the aviation industry since 1982 as a technician, and was promoted as a vice director, deputy chief engineer and chief engineer of China Research Institute of Aero-Accessories* in subsequent years. He has been the director of China Research Institute of Aero-Accessories* since February 2000; director-general of Airborne Equipment Department of the former China Aviation Industry Corporation I* (“**AVIC I**”) since February 2003; deputy chief engineer of AVIC I since June 2007; deputy chief economist and director of Strategic Planning Department of Aviation Industry Corporation of China, Ltd.* in September 2008. In March 2013, he was appointed as a director and chief economist of Aviation Industry Corporation of China, Ltd.* Mr. Chen was also a director of AVIC Capital International Holding Co., Ltd.* from June 2012 to December 2015. Mr. Chen was a non-executive Director of the Company from June 2009 to May 2012. From March 2014 to 18 May 2017, Mr. Chen served successively as the vice general manager and chief financial officer, the general manager and chief financial officer of the Company.

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

Mr. Li Xianzong (“**Mr. Li**”), aged 61, is a senior member of Accounting Society of China, one of the first batch of senior non-practicing senior members of the Chinese Institute of Certified Public Accountants, and one of the first batch of chief accounting expert of the Finance Bureau of Henan Province. Mr. Li graduated from Zhengzhou Institute of Aeronautical Industry Management in 1982 and graduated from Tianjin Finance and Economics Academy in 1996 with a master degree majoring in accounting. Mr. Li was an independent director of AVIC Guizhou Guihang Automotive Components Co., Ltd.* Mr. Li is also a member of the Management Accounting And Application Professional Committee of Accounting Society of China, vice chairman of the Accounting Society of Henan Province and a standing director of Henan Institute of Certified Public Accountants. Mr. Li was an independent non-executive Director of the Company from December 2004 to June 2014, and was the chairman of the audit committee of the Company and a member of the remuneration committee and the nomination committee of the Company during certain period of his service as an independent non-executive Director.

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

Mr. Liu Weiwu (“**Mr. Liu**”), aged 54, a master degree holder. Mr. Liu is the deputy general manager of China Merchants Energy Shipping Co., Ltd.* and a director of China VLCC Company Limited*. Mr. Liu was the head of treasury division of the financial department of Guangzhou Ocean Shipping Company, the manager of financial department of Hong Kong Mingwah Shipping Co., Ltd.*, and the deputy general manager of financial department of China Merchants Group Limited from August 2004 to February 2009. Mr. Liu had successively been the director, the chief financial officer and the deputy general manager of China Merchants Energy Shipping Co., Ltd.* since February 2009.

As far as the Board is aware, save as disclosed above, as at the date of this announcement, each of Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu does not hold any

directorships in other public listed companies nor does any of them hold any position with the Company or other members of the Group in the last three years. Each of Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu does not have any relationship with any Director, Supervisor, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, save for 255,687 H shares (representing 0.004% of the issued share capital of the Company as at the date of this announcement) held by Mr. Chen Yuanxian, each of Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu does not hold 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.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Hong Kong Listing Rules, it is recommended that serving more than nine years could be relevant to the determination of a non-executive director's independence. Mr. Li Xianzong was an independent non-executive Director serving the Company from December 2004 to June 2014. The Company has received from Mr. Li Xianzong a confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. Taking into account [the long time gap from Mr. Li Xianzong's resignation in 2014 till now and the independent nature of his work scope, the Board considers Mr. Li Xianzong is able to independently fulfill his role as an independent non-executive Director.

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 Hong Kong Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders in relation to the proposed appointment of Mr. Chen Yuanxian, Mr. Li Xianzong and Mr. Liu Weiwu.

2. Proposed Re-election and New Appointment of Supervisors

Member of the fifth session of the Supervisory Committee, namely Mr. Zheng Qiang, has been nominated by the Shareholders as a candidate for re-election as a Shareholder representative Supervisor of the sixth session of the Supervisory Committee for a term of three years commencing from the date on which the sixth session of the Supervisory Committee is established.

Remaining members of the fifth session of the Supervisory Committee, namely, Mr. Liu Fumin and Ms. Li Jing have confirmed that they will not stand for re-election as Supervisors of the sixth session of the Supervisory Committee after expiry of their respective terms, and have confirmed to the Company that they have no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders in respect of their cessation of office.

The Company would like to express its sincere gratitude to Mr. Liu Fumin and Ms. Li Jing for their valuable contribution to the Company during their terms of service.

The Board is pleased to announce that, Mr. Guo Guangxin has been nominated by the Shareholders as a candidate as a Shareholder representative Supervisor of the sixth session of the Supervisory Committee, and Mr. Shi Shiming has been elected by the general meeting of employees of the Company as the employee representative Supervisor of the sixth session of the Supervisory Committee, both for a term of three years commencing from the date on which the sixth session of the Supervisory Committee is established.

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

Mr. Guo Guangxin (“**Mr. Guo**”), aged 49, a bachelor degree holder. Mr. Guo graduated with a bachelor of engineering from the department of computer and science technology in Harbin College of Shipbuilding Engineering in 1991 and majoring in computer application technology. Mr. Guo served successively as a member of technology department then a senior staff member of disciplinary committee in Heilongjiang Branch of Industrial and Commercial Bank of China* from July 1991 to April 2000. Mr. Guo served successively as the deputy head of the equity management department, the head of the debt operation and comprehensive management department, the head of the comprehensive management department and the assistant to senior manager of the innovation business department in Harbin Branch of China Huarong Asset Management Co., Ltd.* from April 2002. Mr. Guo has been a senior manager of Business Division VII in Heilongjiang Branch of China Huarong Asset Management Co., Ltd.* since 2016.

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

Mr. Shi Shiming (“**Mr. Shi**”), aged 39, a master degree holder, a senior accountant, and a national reserve leader in accounting. Mr. Shi graduated from Zhongnan University of Economics and Law in 2002, and graduated with a master of accounting from Renmin University of China in 2009. Mr. Shi worked in Jiangxi Hongdu Aviation Industry Group Co., Ltd.* from July 2002 to March 2003 and has worked in the Company since March 2003. He is currently the head of finance and planning department of the Company.

As far as the Board is aware, save as disclosed above, as at the date of this announcement, each of Mr. Guo Guangxin and Mr. Shi Shiming does not hold any directorships in other public listed companies nor does any of them hold any position with the Company or other members of the Group in the last three years. Each of Mr. Guo Guangxin and Mr. Shi Shiming does not have any relationship with any Director, Supervisor, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, save for 35,984 H shares (representing 0.0006% of the issued share capital of the Company as at the date of this announcement) held by Mr. Shi Shiming, each of Mr. Guo Guangxin and Mr. Shi Shiming does not hold 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.

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 Hong Kong Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders in relation to the proposed appointment of Mr. Guo Guangxin and Mr. Shi Shiming.

II. PROPOSED APPOINTMENT OF GENERAL MANAGER

Due to other work commitment, Mr. Qu Jingwen applied to the Board for resignation as the general manager of the Company. Mr. Qu Jingwen confirmed that he had no disagreement with the Board and there is no matter that needs to be brought to the attention of the Board and the Shareholders in respect of his cessation of office.

The Company would like to express its sincere gratitude to Mr. Qu Jingwen for his valuable contribution to the Company during his term of service.

The Board is pleased to announce that, the Board has considered and approved the resolution in relation to the appointment of Mr. Chen Yuanxian as the general manager of the Company. The term of office of Mr. Chen starts from the date of approval of such resolution to the date of the Board removes his duty.

For the biographical details and other information of Mr. Chen Yuanxian, please refer to part I of this announcement.

A circular containing, among other things, further details of the re-election and new appointment of Directors and Shareholder representative Supervisors, together with the notice of the AGM, will be despatched to the Shareholders in due course.

III. DEFINITIONS

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| “AGM” | the annual general meeting of the Company to be held on Friday, 18 May 2018 |
| “Articles of Association” | the articles of association of the Company, as amended from time to time |
| “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 Hong Kong Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “H Share(s)” | the overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Hong Kong Stock Exchange |
| “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's |

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| | Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of Domestic Shares and holder(s) of H Shares |
| “Supervisors” | the supervisors of the Company |
| “Supervisory Committee” | the supervisory committee of the Company |

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

Beijing, 16 March 2018

As at the date of this announcement, the Board comprises executive Director Mr. Lin Zuoming, non-executive Directors Mr. Tan Ruisong, Mr. Wu Xiandong, Mr. Li Yao, Mr. He Zhiping and Mr. Patrick de Castelbajac as well as independent non-executive Directors Mr. Lau Chung Man, Louis, Mr. Liu Renhuai and Mr. Yeung Chi Wai.

**For identification purposes only*