

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。



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 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND PROPOSED RE-ELECTION AND NEW APPOINTMENT OF DIRECTORS AND SUPERVISORS

The announcement is published in accordance with the provisions of Rule 13.51 (1) and 13.51 (2) of the Listing Rules. The proposed amendments to the Article of Association and proposed re-election and new appointment of each of the Directors and Supervisors will be submitted for consideration and approval by the Shareholders by way of a special resolution and ordinary resolution respectively at the 2011 annual general meeting of the Company (“AGM”). Notice of the AGM and circular in relation to, among other things, the proposed revision of the Articles of Association and proposed re-election and new appointment of the Directors and Supervisors will be despatched to the Shareholders as soon as possible in due course.

I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Due to the issue of domestic shares and the placement of H shares of the AviChina Industry & Technology Company Limited (“Company”), which were completed recently and resulted in the change of the shareholding structure of the Company, and the latest amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the board of directors of the

Company (“**Board**”) proposed to amend the articles of association of the Company (“**Articles of Association**”) as follows:

- 1, To amend Article 16 of the Articles of Association as follows:

“.....Having been approved by the securities regulatory authorities of the State Council, the Company issued and sold 305,416,000 shares of overseas listed foreign invested shares on March 10, 2010, and Aviation Industry Corporation of China sold 29,217,402 existing shares pursuant to relevant requirements of the PRC regulations of reduction of State-owned shares; **the Company issued 183,404,667 domestic shares on January 18, 2012; the Company issued and allotted 342,000,000 shares of overseas listed foreign invested shares on March 2, 2012.**

The current shareholding structure of the Company is: the total number of issued ordinary shares of the Company amounts to ~~4,949,024,500~~ **5,474,429,167** shares, of which, 2,806,088,233 shares are held by Aviation Industry Corporation of China, representing ~~56.70%~~ **51.26%** of the Company’s total issued ordinary shares; **183,404,667 shares are held by AVIC Mechanical & Electrical Systems Co., Ltd., representing 3.35% of the Company’s total issued ordinary shares;** 99,488,927 shares are held by China Huarong Asset Management Corporation, representing ~~2.01%~~ **1.82%** of the Company’s total issued ordinary shares; 14,706,448 shares are held by China Cinda Asset Management Co., Ltd, representing ~~0.30%~~ **0.27%** of the Company’s total issued ordinary shares; 14,306,990 shares are held by China Orient Asset Management Corporation, representing ~~0.29%~~ **0.26%** of the Company’s total issued ordinary shares; ~~2,014,433,902~~ **2,356,433,902** shares are held by holders of overseas listed foreign invested shares, representing ~~40.70%~~ **43.04%** of the Company’s total issued ordinary shares.”

- 2, To amend Article 19 of the Articles of Association as follows:

“The registered capital of the Company is RMB ~~4,949,024,500~~ **5,474,429,167.**”

- 3, To amend Article 87 of the Articles of Association as follows:

“The Company shall have a Board comprising ~~fifteen~~ **nine** Directors. The Board shall include a Chairman and one or two vice-chairmen. Of these, more than half of the Board members (including half of the Board members) shall be external Directors (refer to Directors who do not hold any positions in the Company), **at least one third (inclusive) of the Board members shall be independent non-executive Directors** and three shall be independent Directors.”

- 4, To amend Article 110 of the Articles of Association as follows:

“The supervisory committee shall comprise ~~five~~ **three** supervisors, including ~~three~~ **two** shareholder representative supervisors and ~~two~~ **one** employee representative supervisor, to serve a term of office of three years and may be eligible for re-election.....”

The aforementioned proposed amendments to the Articles of Association will be submitted to the shareholders of the Company (“**Shareholders**”) for approval by way of a special resolution at the AGM about to be held, and the Company proposes that the AGM authorizes the Board to make appropriate revision to the aforementioned amendments to the Articles of Association at the request of the relevant regulatory authorities. The Company will despatch to the Shareholders a circular containing, among other things, details of the proposed amendments to the Articles of Association and the AGM as soon as possible.

II. PROPOSED RE-ELECTION AND NEW APPOINTMENT OF DIRECTORS AND SHAREHOLDER REPRESENTATIVE SUPERVISORS

Pursuant to the Articles of Association, directors (“**Directors**”) and shareholder representative supervisors of the Company (“**Supervisors**”) shall be elected at the general meeting of the Company for a term of three years. Directors and Supervisors are eligible for re-election on expiration of their respective term. The appointment of Directors and shareholder representative Supervisors shall be approved by a resolution which receives more than half of the votes casted in favour by the Shareholders (or their proxies) present at a general meeting of the Company.

According to the aforementioned proposed amendments to Article 87 (on the composition of the Board) and Article 110 (on the composition of the supervisory committee) of the Articles of Association, the composition of the Board will be changed from 15 Directors to nine Directors, out of which three shall be independent non-executive Directors, and the composition of the supervisory committee will be changed from five Supervisors to three Supervisors, out of which two shall be shareholder representative Supervisors and one employee representative Supervisor. The aforementioned proposed amendments to the Articles of Association are subject to approval by the Shareholders at the AGM by way of a special resolution.

The term of all Directors of the third session of the Board and all Supervisors of the third session of the supervisory committee will expire at the AGM. Accordingly, the Company proposes that, after the aforementioned proposal on amendments to the Articles of Association is validly approved at the AGM, members of the fourth session of the Board and the fourth session of the supervisory committee (with respect to shareholder representative Supervisors) shall be elected at the AGM in accordance with the new composition of the Board and supervisory committee as provided in the to-be-amended Articles of Association. The term the Directors of the fourth session of

the Board and the Supervisors of the fourth session of the Supervisory Committee shall be three years, commencing from their respective establishment date, which shall be the date of conclusion of the AGM.

Directors

Certain members of the third session of the Board, namely Mr. Lin Zuoming (executive Director), Mr. Tan Ruisong (executive Director), Mr. Gu Huizhong (non-executive Director), Mr. Gao Jianshe (non-executive Director), Mr. Maurice Savart (non-executive Director), Mr. Guo Chongqing (independent non-executive Director), Mr. Li Xianzong (independent non-executive Director) and Mr. Lau Chung Man, Louis (independent non-executive Director), have been nominated as candidates for re-election as Directors of the fourth session of the Board for a term of three years commencing from the date on which the fourth session of the Board is established.

Mr. Sheng Mingchuan has been nominated as the candidate for the new member of the fourth session of the Board for a term of three years commencing from the date on which the fourth session of the Board is established.

Mr. Wu Xiandong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Li Fangyong, Mr. Chen Yuanxian and Mr. Wang Yong have confirmed that they will not be re-elected as Directors of the fourth session of the Board. Each of them has confirmed in writing that there is no disagreement with the Board and that there is no matter that needs to be brought to the attention of the Shareholders in respect of their respective cessation of office. The Board wishes to take this opportunity to extend its gratitude to their contribution to the Company during their respective term of office.

Mr. Guo Chongqing has been appointed as an independent non-executive Director since 8 May 2003. He will hold such office for a term of more than 9 years up to the date of the AGM. However, as Mr. Guo Chongqing has the excellent professional skills and no event has occurred during his term of office as the Company's independent non-executive Director which might in any way have affected his independence, the Board considers that Mr. Guo Chongqing is able to satisfy the independence requirements under Rule 3.13 of the Listing Rules and therefore determines that Mr. Guo Chongqing is suitable to continue acting as an independent non-executive Director with adequate independence and professional skills.

Biographical details of Mr. Sheng Mingchuan are set out as follows:

Mr. Sheng Mingchuan, aged 53, senior economist. Mr Sheng was appointed as the senior manager of China Hua Rong Asset Management Corporation Harbin Office Debt Management Department and General Debt Operating Department in April 2000, as the president assistant of China Hua Rong Asset Management Corporation Tianjin Office in November 2002, as the vice president of China Hua Rong Asset

Management Corporation Harbin Office in September 2005 and as the vice president of China Hua Rong Asset Management Corporation Changchun Office in November 2009. Since April 2011, Mr. Sheng was re-appointed as the vice president of China Hua Rong Asset Management Corporation Harbin Office. Mr. Sheng graduated from Jiamusi Engineering College in 1982 majoring mechanical manufacturing and received a bachelor degree. In 2006, he graduated from Macau University of Science and Technology majoring MBA and received a master degree. Mr. Sheng commenced his career in banks in Heilongjiang Province since 1982, and has been, in succession, appointed as the head of the credit and loan department, industrial and commercial department, investigation and statistics department and housing credit department of Industrial and Commercial Bank of China Heilongjiang Branch.

Supervisors

Certain members of the third session of the supervisory committee of the Company, namely, Ms. Bai Ping and Mr. Yu Guanghai, have been nominated by the Shareholders as candidates for re-election as shareholder representative Supervisors of the fourth session of the supervisory committee for a term of three years commencing from the date on which the fourth session of the supervisory committee is established.

Mr. Li Yuhai, Mr Tang Jianguo and Mr. Wang Yuming have confirmed that they will not be re-elected as Supervisors of the fourth session of the supervisory committee. Each of them has confirmed in writing that there is no disagreement with the supervisory committee and that there is no matter that needs to be brought to the attention of the Shareholders in respect of their respective cessation of office. The Board wishes to take this opportunity to extend its gratitude to their contribution to the Company during their respective term of office.

In addition, Ms. Li Jing has been elected as a employee representative Supervisor at the general meeting of employees held on 21 March 2012 for a term of three years commencing from the date on which the fourth session of the supervisory committee is established.

Biographical Details of Ms. Li Jing are set out as follows:

Ms. Li Jing, aged 33, a certified medium translator. She graduated from the Southwest Agriculture University with a bachelor degree in 2002. She worked in the Investment Promotion Bureau of Mianyang Scientific-Industrial Zone and the International Cooperation Division of International Cooperation and Trading Department under China Aviation Industry Cooperation II. Ms. Li joined the Company since 2004 and has since been appointed as the investor relations manager.

As far as the Directors are aware and save as disclosed above, each of Mr. Sheng

Mingchuan and Ms. Li Jing has not held any directorships in other public listed companies in the last three years. Save as disclosed above, none of them has any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of the Company, nor has any interests in the shares of the Company or associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, there is nothing which need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules nor is there any issues which need to be brought to the attention of the Shareholders in respect of each of the appointment of Mr. Sheng Mingchuan and Ms. Li Jing.

In order to enable the Shareholders to make an informed decision on the proposed re-election and new appointment of Directors for the fourth session of the Board and shareholder representative Supervisors of the fourth session of the supervisory committee, a circular containing, among other things, further details of the proposed re-election and new appointment of Directors and Supervisors will be despatched to the Shareholders as soon as practicable.

By Order of the Board

AviChina Industry & Technology Company Limited*

Yan Lingxi

Company Secretary

Hong Kong, 27 March 2012

As at the date of this announcement, the board of directors of the Company comprises executive directors Mr. Lin Zuoming, Mr. Tan Ruisong and Mr. Wu Xiandong and non-executive directors Mr. Gu Huizhong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Gao Jianshe, Mr. Li Fangyong, Mr. Chen Yuanxian, Mr. Wang Yong, Mr. Maurice Savart as well as independent non-executive directors Mr. Guo Chongqing, Mr. Li Xianzong and Mr. Lau Chung Man, Louis.

** For identification purposes only.*