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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)**

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:**

**ACQUISITION OF 100% EQUITY INTEREST IN AVIC PLANNING AND  
ISSUANCE OF DOMESTIC SHARES AS CONSIDERATION**

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ISSUANCE OF DOMESTIC SHARES AS CONSIDERATION**

To extend the business scope of the Company, and improve the capability for continuous profitability, on 30 September 2015, the Company entered into the Equity Acquisition and Share Issuance Agreement with AVIC, pursuant to which the Company has conditionally agreed to acquire and AVIC has conditionally agreed to sell the 100% equity interest held by AVIC in AVIC Planning, the consideration for which is to be satisfied by the issuance of approximately 489,592,000 Domestic Shares to AVIC. The Issue Price for each Consideration Share is RMB4.42 (equivalent to approximately HK\$5.39). The Consideration Shares, being all Domestic Shares, represent approximately 15.70% and 8.94% of the existing total issued Domestic Shares and existing total issued share capital of the Company, respectively, and approximately 13.57% of the total issued Domestic Shares and approximately 8.21% of the existing total issued share capital of the Company as enlarged by the Issuance upon Completion. The Consideration Shares will be issued under the General Mandate and will rank equally with the existing Domestic Shares.

The consideration for the Acquisition was determined based on arms' length negotiations and with reference to, among various other factors, the historical financial information, comparable prices, the business prospects and potentials of AVIC Planning, the valuation of AVIC Planning by an independent and qualified PRC valuer, etc. The final consideration is subject to adjustment, if any, which will be finally determined by the state-owned assets supervision and administration authorities or its authorized entity.

As at the date of this announcement, AVIC is the controlling shareholder of the Company, directly and indirectly holding 54.85% equity interest in the Company. AVIC Planning is a wholly-owned subsidiary of AVIC and in accordance with the rules in Chapter 14A of the Hong Kong Listing Rules, AVIC and AVIC Planning are connected persons of the Company. As the highest of the applicable size test percentage ratios in relation to the Acquisition and the Issuance is over 5% but less than 25%, the Acquisition and the Issuance both constitute disclosable and connected transactions respectively under the Hong Kong Listing Rules, and as the Acquisition involves the issuance of Domestic Shares as consideration, both the Acquisition and the Issuance are subject to the reporting, announcement and the Independent Shareholders' approval requirements.

An Independent Board Committee comprising all of the independent non-executive Directors will be established to advise the Independent Shareholders on the connected transactions contemplated under the Equity Acquisition and Share Issuance Agreement. None of the members of the Independent Board Committee has any material interest in the transactions contemplated under the Equity Acquisition and Share Issuance Agreement.

An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders on the connected transactions mentioned above.

#### **EGM**

An EGM will be convened by the Company at which resolutions will be proposed to consider and approve, among other things, (i) the Acquisition, and (ii) the Issuance. The notice convening the EGM will be despatched to the Shareholders as soon as possible.

As more time is required for the preparation of the information to be contained in a circular to the Shareholders, the Circular containing, among other things, (1) information relating to (i) the Acquisition and (ii) the Issuance; (2) a letter from the Independent Board Committee containing its opinion and recommendations in respect of (i) the Acquisition and (ii) the Issuance; and (3) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its opinion in respect of (i) the Acquisition and (ii) the Issuance, will be despatched to the Shareholders on or before 15 November 2015.

## **I. ACQUISITION OF 100% EQUITY INTEREST IN AVIC PLANNING AND ISSUANCE OF DOMESTIC SHARES AS CONSIDERATION**

### **A. INTRODUCTION**

On 30 September 2015, the Company entered into the Equity Acquisition and Share Issuance Agreement with AVIC, pursuant to which the Company has agreed to acquire and AVIC has agreed to sell the 100% equity interest held by AVIC in AVIC Planning, the consideration for which to be satisfied by the issuance of approximately 489,592,000 Domestic Shares to AVIC. The Issue Price for each Consideration Share is RMB4.42 (equivalent to approximately HK\$5.39). The Consideration Shares, being all Domestic Shares, represent approximately 15.70% and 8.94% of the existing total issued Domestic Shares and existing total issued share capital of the Company, respectively, and approximately 13.57% of the total issued Domestic Shares and 8.21% of the total issued share capital as enlarged by the Issuance upon Completion. The Consideration Shares will be issued under the General Mandate and will rank equally with the existing Domestic Shares.

### **B. THE EQUITY ACQUISITION AND SHARE ISSUANCE AGREEMENT**

#### **1. Summary of the major terms of the Agreement**

##### **1.1 Date**

30 September 2015

##### **1.2 Parties**

Vendor (Share Subscriber): AVIC

Purchaser (Share Issuer): the Company

##### **1.3 Target Equity**

The 100% equity interest in AVIC Planning held by AVIC

##### **1.4 Summary of the major terms**

The Company has agreed to acquire and AVIC has agreed to sell the 100% equity interest in AVIC Planning, the consideration for which is to be satisfied by the issuance of approximately 489,592,000 Domestic Shares by the Company to AVIC. The consideration for the Acquisition is determined based on arm's length negotiations, and with reference to, among other things, the historical financial information, comparable consideration, the business prospects and potentials of AVIC Planning, and the valuation of AVIC Planning by an independent and qualified PRC valuer, etc.

The final consideration for the Acquisition will be subject to adjustment, if any, which will be finally determined by the state-owned assets supervision and administration authorities or its authorized entity. If the final consideration for the Acquisition is

adjusted, the total number of Consideration Shares will be correspondingly adjusted at the Issue Price and the Company will publish a further announcement accordingly.

### **1.5. Consideration Shares**

Pursuant to the Equity Acquisition and Share Issuance Agreement, the Company will issue approximately 489,592,000 Domestic Shares to AVIC as consideration for the Acquisition.

The Consideration Shares, when issued, will rank equally in all respects among themselves, and with the Domestic Shares then in issue on the day of issuance of the Consideration Shares, and be entitled to all dividends and other rights attached to the Domestic Shares from the date of issuance. The Consideration Shares will be issued under the General Mandate.

### **1.6. Issue Price**

The Issue Price per Consideration Share is at RMB4.42 (equivalent to approximately HK\$5.39), which is determined based on arm's length negotiations between the Company and AVIC and with reference to the average closing price of approximately HK\$5.39 per H Share as quoted on the Hong Kong Stock Exchange for the 20 consecutive trading days up to the date of the Board resolution (excluding the date of Board resolution).

### **1.7. Conditions Precedent**

Pursuant to the Equity Acquisition and Share Issuance Agreement, the Acquisition and the Issuance will become effective upon fulfillment (or waiver) of, among other things, the following conditions:

- (1) AVIC having completed all necessary internal approval procedures in accordance with the requirements of its articles of association;
- (2) Each of the Acquisition and the Issuance having been approved by the Board of the Company;
- (3) Each of the Acquisition and the Issuance having been approved by Independent Shareholders of the Company at the EGM;
- (4) The valuation report of the Target Equity having been acknowledged by AVIC and the state-owned assets supervision and administration authorities or its authorized entity having accepted the valuation report for filing; and
- (5) The Issuance having been acknowledged or approved by the SASAC.

### **1.8. Completion**

The Equity Acquisition and Share Issuance Agreement will be completed on the date on which (i) the conditions set out above have been satisfied; (ii) the title to the equity interest of AVIC Planning has been registered in the name of the Company; and (iii) the Consideration Shares have been issued to and registered in the name of AVIC.

## **2. The Acquisition**

### **2.1 The Consideration and the Valuation of the Target Equity**

The consideration of the Acquisition is determined based on arm's length negotiations, and with reference to, among other factors, the historical financial information, comparable consideration, the business prospects and potentials of AVIC Planning, the valuation of AVIC Planning by an independent and qualified PRC valuer, etc.. The valuation report is prepared based on the asset-based approach and income approach, with the income approach being finally adopted for the purpose of the valuation, and by considering the net asset value of AVIC Planning in its recent financial reports, the development prospects and potentials of AVIC Planning, which valued the Target Equity as at the Valuation Date at RMB2.164 billion. Having considered all relevant factors, including, among other things, the valuation in the valuation report, the Company agreed with AVIC that the consideration for the Acquisition be agreed at RMB2.164 billion, by the Company issuing approximately 489,592,000 new Consideration Shares at the Issue Price of RMB4.42 (equivalent to approximately HK\$5.39) per Consideration Share. The valuation in the valuation report is one of the various factors, among others, considered by the Company in determining the consideration for the Acquisition and the Issuance. As the valuation report has adopted the income approach, it constitutes a profit forecast under the Hong Kong Listing Rules. As there was insufficient time between finalizing the valuation report and for the valuation report to be considered by the Company's reporting accountant and financial advisers for the purpose of complying with the requirements of Rule 14.62 of the Hong Kong Listing Rules, the Company has applied for a waiver from the Hong Kong Stock Exchange for strict compliance and for time to comply with the requirements of Rule 14.62 of the Hong Kong Listing Rules.

### **2.2 Issue Price**

Assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the date of the issuance of the Consideration Shares, the number of Consideration Shares represents:

- (a) approximately 15.70% and 8.94% of the existing total issued Domestic Shares and the existing total issued share capital of the Company, as at the date of this announcement; and
- (b) approximately 13.57% and 8.21% of the total issued Domestic Shares and the total issued share capital of the Company as enlarged by and upon Completion of the Issuance.

The Issue Price of each Consideration Share is RMB4.42 (approximately HK\$5.39). The Issue Price represents:

- (a) same as the closing price of HK\$5.39 per H Share on the Hong Kong Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 3.06% over the average closing price of HK\$5.56

per H Share on the Hong Kong Stock Exchange on the Last Trading Day (inclusive) and five preceding and consecutive trading days.

Note: The comparison above is provided for investors' convenience and for reference only. The Company's Domestic Shares are non-listed Shares.

### C. INFORMATION OF AVIC PLANNING

As at the date of this announcement, AVIC holds 100% equity interest in AVIC Planning. AVIC Planning, whose registered capital is RMB 450 million, is wholly reorganized from the former public institution - China Aviation Planning and Design Research Institute - and forms the professional segment of AVIC engaging in the fixed asset investment, involving planning, design, consultation, construction and operation. It is a large national-level design entity with over 60 years' professional background experience in the aviation industry. It has 7 national-level experts in engineering investigation and design, 70 experts which have been awarded special government allowance and recognized national outstanding contributions, approximately 1300 employees with senior professional titles and national registered professional qualifications, and is responsible for and participate in formulating more than 100 industrial standards, and has won more than 100 prizes, including the prize for top ten national science and technology progress awards, the outstanding award of National Prize for Progress in Science and Technology, National Prize for Excellent Engineering Design.

According to the valuation report prepared by an independent and qualified valuer, the net asset value of the 100% equity interest of AVIC Planning as at the Valuation Date was RMB 2.164 billion. The audited financial information of the 100% equity interest of AVIC Planning for the six months ended 30 June 2015, the financial year ended 31 December 2014 and the unaudited financial information for the financial year ended 31 December 2013 were as follows:

Item	In RMB ten thousand		
	For the six months ended 30 June 2015 (audited)	For the financial year ended 31 December 2014 (audited)	For the financial year ended 31 December 2013 (unaudited)
Total assets	707,420.10	574,179.06	488,032.78
Operating revenue	394,755.20	617,552.22	532,427.68
Net profit (before tax)	15,221.52	21,680.69	17,697.70
Net profit (after tax)	13,287.85	20,134.53	15,850.32

Note: The above financial information on the 100% equity of AVIC Planning excludes the financial information of the Entrusted Assets (as referred to in paragraph D below).

#### **D. BUSINESS NON-COMPETITION ARRANGEMENT**

Prior to the Acquisition, part of the assets of AVIC Planning (four subsidiaries of AVIC Planning, namely, AVIC Institute of Geotechnical Engineering Co., Ltd., AVIC Planning Changsha Design Institute Co., Ltd., Beijing Yinyan Enterprise Co., Ltd. and AVIC Property Management Co., Ltd., and their respective subsidiaries) were excluded from the assets constituting the Acquisition due to issues relating to their unclear titles. These assets which have unclear titles (the “Entrusted Assets”) have been transferred from AVIC Planning to and be held by AVIC Construction and Development.

On 30 September 2015, to avoid business competition between AVIC Planning and the Entrusted Assets, AVIC entered into an entrustment agreement with AVIC Planning by entrusting the 100% of equity interest in AVIC Construction and Development to AVIC Planning. Pursuant to such arrangement, AVIC Planning is entrusted with all shareholder’s rights of AVIC in AVIC Construction and Development, other than rights of relating to request for distribution of profits, right to share in the distribution of remaining assets and the right to dispose the equity interest. AVIC planning will undertake all the management functions of AVIC Construction and Development and its subsidiaries in accordance with the instructions of AVIC, and shall exercise decision rights in accordance with the instructions of AVIC in the management and development of the enterprises entrusted to it.

#### **E. IMPLICATIONS OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE**

Assuming there is no change in the issued share capital of, and the shareholding in the Company from the date of this announcement to the date of the issuance of the Consideration Shares pursuant to the Equity Acquisition and Share Issuance Agreement, the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion and including the issuance of the Consideration Shares will be as follows:

Name of the Shareholder	Number of Shares held as at the date of this announcement			Immediately after Completion (including Issue of the Consideration Shares)		
	Number of Shares	Approximate % to the relevant class of issued share capital of the Company	Approximate % to the total issued share capital of the Company	Number of Shares	Approximate % to the relevant class of issued share capital of the Company	Approximate % to the total issued share capital of the Company
<b>Domestic Shares</b>						
AVIC and its subsidiaries	2,989,492,900	95.88%	54.61%	3,479,084,900	96.44%	58.33%
Other Domestic Shareholders	128,502,365	4.12%	2.35%	128,502,365	3.56%	2.15%
Sub-total	3,117,995,265	100%	56.96%	3,607,587,265	100.00%	60.49%
<b>H Shares</b>						
China Aviation Industry(HK) Co., Ltd	13,076,000	0.55%	0.24%	13,076,000	0.55%	0.22%
Other Public Shareholders	2,343,357,902	99.45%	42.80%	2,343,357,902	99.45%	39.29%
<b>Total</b>	5,474,429,167	-	100.00%	5,964,021,167	-	100.00%

## F. FUND RAISING OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not engaged in any fund raising activities involving issuance of equity securities in the past 12 months immediately prior to the date of this announcement.

## G. REASONS FOR AND BENEFITS OF THE ACQUISITION

1. The Acquisition will be beneficial to the Company in further extending its aviation manufacturing business to the front-end engineering services, such as planning, design and consultation services, of the aviation manufacturing business, and will further complete the aviation industry chain of the Company. AVIC Planning is mainly engaged in the provision of engineering technical services, project engineering general contracting, equipment general contracting services such as planning, consultation, design and supervision for the industrial customers



in aviation, aerospace and civil aviation industries etc. Its services in comprehensive planning and design for aviation industrial engineering, large-span construction, maintenance engineering for aircraft and engine, engineering design and manufacturing for large-scale aeronautical test equipment, design for energy and environmental engineering etc. have a leading position in China.

2. The Acquisition will help raise the profitability of the Group. AVIC Planning has a relatively higher management level with relatively higher business capabilities and profitability, and the Acquisition will expand the revenue and raise the profitability level, in respect of return on equity, earnings per share etc, of the Group.
3. The Acquisition will help the Company to extend into and develop new businesses and new markets. Upon completion of the Acquisition, and riding on the national development strategy of “One Belt One Road”, the Company will extend into the international aviation engineering market. Meanwhile, with expansion in the domestic aviation industry scale, the opening of low altitude air space, and the development of general aviation market, the demand for aviation engineering construction will further increase, and AVIC Planning will continue to expand its market share through its proprietary professional edges.
4. The Acquisition will be beneficial to the Company in fully realizing the synergies among its businesses by applying the experience and capabilities of AVIC Planning in the relevant areas, to optimize the industrial layout for the aviation manufacturing businesses of the Company, and raise its manufacturing capabilities.
5. The Acquisition is the first attempt of company restructured from a public institution in the aviation industry being acquired by an overseas listed company; it paves the way to probe into the Company’s future mergers and acquisitions.

The Directors (excluding the independent non-executive Directors) are of the opinion that the terms of the Equity Acquisition and Share Issuance Agreement and the consideration for the Acquisition (including the Issue Price for the Consideration Shares) are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The views of the independent non-executive Directors will be provided in the circular to be despatched to the Shareholders for this purpose (please referred to sub-paragraph H and paragraph III below).

Each of Mr. Lin Zuoming, Mr. Tan Ruisong, Mr. Gu Huizhong and Mr. Gao Jianshe, Directors of the Company, who are chairman, general manager, vice general manager and vice general manager of AVIC, respectively, is deemed to have a material interest in the transactions contemplated under the Equity Acquisition and Share Issuance Agreement and thus had abstained from voting on the relevant Board resolutions approving the Equity Acquisition and Share Issuance Agreement in accordance with the Company Law of the PRC and the Hong Kong Listing Rules.

## **H. HONG KONG LISTING RULES IMPLICATIONS**

As the date of this announcement, AVIC is a controlling shareholder of the Company directly and indirectly holding 54.85% equity interest in the Company. AVIC Planning is a wholly owned subsidiary of AVIC, and in accordance with the rules in Chapter 14A of the Hong Kong Listing Rules, AVIC and AVIC Planning are connected persons of the Company. As the highest of the applicable size test percentage ratio in relation to each of the Acquisition and the Issuance is over 5 % but less than 25 %, the Acquisition and the Issuance both constitute disclosable and connected transactions under the Hong Kong Listing Rules and as the Acquisition involves the issuance of Domestic Shares as the consideration, both the Acquisition and the Issuance are subject to the reporting, announcement and approval of the Independent Shareholders requirements.

An Independent Board Committee comprising all of the independent non-executive Directors will be established to advise the Independent Shareholders on the connected transactions contemplated under the Equity Acquisition and Share Issuance Agreement. None of the members of the Independent Board Committee has any material interest in the transactions contemplated under the Equity Acquisition and Share Issuance Agreement.

An independent financial adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders on the connected transactions mentioned above.

## **II. GENERAL INFORMATION**

### *Information on the Company*

The Company is a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange. The Company is mainly engaged in the research, development, manufacture and sales of civil aviation products.

### *Information on AVIC*

AVIC is held and controlled by the State Council of the PRC, and is mainly engaged in the development and manufacture of aviation products and non-aviation products. As at the date of this announcement, AVIC is the controlling shareholder of the Company, directly and indirectly holding 54.85% equity interest in the Company.

### *Information on AVIC Planning*

Please refer to Paragraph C of this announcement for details.

### III. EGM

The EGM will be convened by the Company at which resolutions will be proposed to consider and approve, among other matters, (i) the Acquisition, (ii) the Issuance. The notice convening the EGM will be despatched to the Shareholders as soon as possible.

As more time is required for the preparation of the information to be contained in a circular to the Shareholders, the Circular containing, among other things, (1) information relating to the Acquisition and the Issuance; (2) a letter from the Independent Board Committee containing its opinion and recommendations in respect of (i) the Acquisition and (ii) the Issuance; and (3) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders containing its opinion in respect of (i) the Acquisition and (ii) the Issuance, will be despatched to the Shareholders on or before 15 November 2015.

### DEFINITIONS:

- “Acquisition”** pursuant to the Equity Acquisition and Share Issuance Agreement, the acquisition of 100% equity interest in AVIC Planning by the Company from AVIC pursuant to the Equity Acquisition and Share Issuance Agreement, the consideration for which is to be paid by the issuance of the Consideration Shares to AVIC
- “AVIC”** Aviation Industry Corporation of China\* (中國航空工業集團公司), the controlling shareholder of the Company holding 54.85% equity interest in the Company directly and indirectly as at the date of this announcement
- “AVIC Group”** AVIC and its subsidiaries
- “AVIC Construction and Development”** AVIC Construction and Development Technology Co., Ltd. \* (中航建發科技有限公司), a wholly-owned subsidiary of AVIC as at the date of this announcement, and whose Entrusted Assets will be entrusted to and managed by AVIC Planning

<b>“AVIC Planning”</b>	China Aviation Planning and Design Institute Co., Ltd. * (中國航空規劃設計研究總院有限公司), a wholly-owned subsidiary of AVIC as at the date of this announcement
<b>“Company”</b>	AviChina Industry & Technology Company Limited* (中國航空科技工業股份有限公司)
<b>“Completion”</b>	completion of the transactions contemplated under the Equity Acquisition and Share Issuance Agreement
<b>“Consideration Share(s)”</b>	Approximately 489,592,000 new Domestic Shares to be issued by the Company to AVIC at the Issue Price to satisfy the consideration for the Acquisition upon Completion
<b>“Directors”</b>	the director(s) of the Company
<b>“Domestic Share(s)”</b>	domestic share(s) of nominal value of RMB1.00 each in the ordinary share capital of the Company which are subscribed for in RMB
<b>“EGM”</b>	an extraordinary general meeting of the Company to be convened and held for the purposes of considering and, if thought fit, approving, among other things, the Acquisition and the Issue
<b>“Equity Acquisition and Share Issuance Agreement”</b>	the agreement entered into between the Company and AVIC on 30 September 2015 relating to the Acquisition and the Issuance
<b>“General Mandate”</b>	the general mandate granted to the Board for the issue and allotment of new securities and dealing with the additional shares (either Domestic Shares or H shares) of a maximum of not more than 20% of the aggregate amount of the nominal value of the existing Domestic Shares or H Shares in issue as at the date of the relevant resolution of the Shareholders passed at the annual general meeting of the Company held on 12 June 2015
<b>“Group”</b>	the Company and its subsidiaries

<b>“H Share(s)”</b>	overseas listed foreign invested share(s) of nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollar
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Independent Board Committee”</b>	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Lau Chung Man, Louis, Mr. Liu Renhuai and Mr. Yeung Jason Chi Wai, to advise the Independent Shareholders in respect of the Acquisition and the Issuance
<b>“Independent Shareholders”</b>	Shareholders (other than AVIC and its associates) who are not required to abstain from voting on the resolutions to be proposed at the EGM to approve the connected transactions contemplated under the Equity Acquisition and Share Issuance Agreement
<b>“Issuance”</b>	pursuant to the Equity Acquisition and Share Issuance Agreement, the issuance of approximately 489,592,000 Domestic Shares to AVIC as the consideration for the acquisition of the 100% equity interest in AVIC Planning held by AVIC
<b>“Issue Price”</b>	RMB4.42 (equivalent to approximately HK\$5.39) per Domestic Share
<b>“Last Trading Day”</b>	29 September 2015, being the last trading day of the H Shares on the Hong Kong Stock Exchange immediately prior to the date of the Equity Acquisition and Share Issuance Agreement
<b>“PRC”</b>	the People’s Republic of China
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC

<b>“SASAC”</b>	State-owned Assets Supervision and Administration Commission of the State Council
<b>“Shares”</b>	Domestic Shares and H Shares of the Company
<b>“Shareholders”</b>	Holder(s) of the Shares
<b>“Target Equity”</b>	100% equity interest held by AVIC in AVIC Planning
<b>“Valuation Date”</b>	Being 30 June 2015

By Order of the Board  
**AviChina Industry & Technology Company Limited\***  
**Yan Lingxi**  
Company Secretary

Beijing, 30 September 2015

*As at the date of this announcement, the Board comprises executive Directors Mr. Lin Zuoming and Mr. Tan Ruisong and non-executive Directors Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. Guo Chongqing and Mr. Maurice Savart as well as independent non-executive Directors Mr. Lau Chung Man, Louis, Mr. Liu Renhuai and Mr. Yeung Jason Chi Wai.*

*\* For identification purposes only.*