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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)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

REFERENCE IS MADE TO the notice (the “**Original Notice**”) dated 11 April 2018 of the annual general meeting of AviChina Industry & Technology Company Limited* (the “**Company**”) for the year ended 31 December 2017 (the “**AGM**”) to be held at 9:00 a.m. on Friday, 18 May 2018, at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”). Unless otherwise indicated, capitalized terms used in this supplemental notice shall have the same meanings as those defined in the Original Notice and the circular of the Company dated 11 April 2018.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that, as disclosed in the announcement of the Company dated 10 May 2018, in relation to, among others, the postponement of the AGM, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company postponed the date of the AGM to **9:00 a.m., Friday, 29 June 2018**. The venue of the AGM will remain unchanged at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the PRC. The ordinary resolution no. 6 relating to the re-election of Mr. Lin Zuoming as an executive Director of the Company and the ordinary resolution no. 13 relating to the new appointment of Mr. Li Xianzong as an independent non-executive Director of the Company as set out in the Original Notice shall be withdrawn and replaced with the corresponding supplemental resolution no. 9 (as re-numbered) and resolution no. 13, respectively. Meanwhile, the Board proposes a special resolution relating to the amendments to the Articles of Association of the Company at the AGM. Please see details of the abovementioned three supplemental resolutions below:

ORDINARY RESOLUTIONS

9. The resolution relating to the new appointment of Mr. Wang Xuejun as a non-executive Director of the Company with a term of office commencing from the establishment of the sixth session of the Board until the date on which the term of the sixth session of the Board will expire, the grant of an authorization to the executive Director of the Company to sign the relevant service contract on behalf of the Company with him and the grant of an authorization to the remuneration committee of the Company to determine his remuneration;

* *For identification purpose only*

13. The resolution relating to the new appointment of Mr. Wang Jianxin as an independent non-executive Director of the Company with a term of office commencing from the establishment of the sixth session of the Board until the date on which the term of the sixth session of the Board will expire, the grant of an authorization to the executive Director of the Company to sign the relevant service contract on behalf of the Company with him and the grant of an authorization to the remuneration committee of the Company to determine his remuneration;

Note: The ordinary resolutions no. 7 to no. 9 set out in the Original Notice shall be re-numbered and referred to as ordinary resolutions no. 6 to no. 8 instead, respectively.

SPECIAL RESOLUTION

20. **“THAT:**

- (1) subject to the required approval or endorsement from or registration with the relevant regulatory authorities in the PRC, the proposed amendments to the Articles of Association of the Company be and are hereby approved and confirmed;
- (2) any one of the Directors or authorized representative of the chairman of the Board be and is hereby authorized to implement and take all steps and to do all acts and things as may be necessary or desirable to give effect to the proposed amendments to the Articles of Association of the Company, including, without limitation, to obtain all necessary approvals from the relevant regulatory authorities in the PRC, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder, as such Director or authorized representative may in his absolute discretion deem fit; and
- (3) any one of the Directors or authorized representative of the chairman of the Board be and is hereby authorised to make such other modifications to the proposed amendments to the Articles of Association of the Company as may be required by the relevant regulatory authorities in the PRC.”

Note: The special resolution no. 20 set out in the Original Notice shall be re-numbered and referred to as special resolution no. 21 instead.

Please refer to the announcement of the Company dated 7 June 2018 and appendixes to this supplemental notice for details in relation to the above three supplemental resolutions.

Save for the changes mentioned in this supplemental notice, all the resolutions contained in the Original Notice remain to be valid and effective.

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

Beijing, 8 June 2018

Notes:

(1) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY TO ATTEND AND VOTE AT THE AGM

As disclosed in the Original Notice and revised in the announcement of the Company dated 10 May 2018, the H Share register of members of the Company will be closed from Saturday, 9 June 2018 to Friday, 29 June 2018 (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 Friday, 29 June 2018 are entitled to attend and vote at the AGM.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY TO RECEIVE THE 2017 FINAL DIVIDEND

The Board recommended the payment of a final dividend for the year 2017 in an aggregate amount of RMB178,983,655.08, representing a dividend of RMB0.03 per Share (2016: RMB0.02 per Share), calculated based on the existing number of total issued Shares of 5,966,121,836 Shares as at the Latest Practicable Date, which is subject to adjustment based on the number of the total issued Shares of the Company as at the Revised Record Date (as defined below). Subject to the approval of the Shareholders at the AGM, the aforementioned dividend is expected to be paid by the Company on or before 28 September 2018. Further announcement will be made in this regard in due course.

The 2017 final dividend will be paid to those Shareholders whose names appear on the Company's register of members at the close of business on Wednesday, 11 July 2018 (the "**Revised Record Date**"). To determine the identity of the Shareholders entitled to receive the final dividend, the Company's register of members will be closed from Friday, 6 July 2018 to Wednesday, 11 July 2018 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to receive the 2017 final dividend, all transfer instruments accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's H shares registrar, not later than 4:30 p.m. on Thursday, 5 July 2018 at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queens' Road East, Wanchai, Hong Kong.

(3) REGISTRATION PROCEDURES FOR ATTENDING THE AGM

- a. The Shareholder or its proxies shall produce his 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 AGM, 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.
- b. Holders of H Shares or Domestic Shares who wish to attend the AGM must complete the reply slip to confirm the attendance, and return the same to the correspondence address designated by the Company not later than 20 days before the date of the AGM.
- c. Shareholders may deliver the reply slip by post or facsimile to the correspondence address designated by the Company.

(4) PROXIES

- a. Any Shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his behalf at the AGM. 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 AGM.
- 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 in the case of holders of Domestic Shares, to the correspondence address designated by the Company, and in the case of holders of H Shares, to Computershare Hong Kong Investor Services Limited, the Company's H shares registrar, at 17M Floor Hopewell Centre, 183 Queens' Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the AGM and return of a form of proxy will not preclude a Shareholder from attending AGM or any adjournment thereof (as the case may be) in person and voting at the AGM if he or she so wishes.

(5) THE AGM 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:

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

Telephone No: 86-10-58354335/4313

Facsimile No: 86-10-58354310

Attention: Mr. Liu Kai/Mr. Hao Weidi

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.

APPENDIX I

PROPOSED APPOINTMENT OF DIRECTORS

Mr. Wang Xuejun and Mr. Wang Jianxin have been nominated as candidates for new members of the sixth session of the Board as a non-executive Director and an independent non-executive Director, respectively, both for a term of office commencing from the establishment of the sixth session of the Board until the date on which the term of the sixth session of the Board will expire. Their salaries will be determined by the Remuneration Committee of the Company by reference to their qualifications, experiences and the prevailing market conditions, subject to the authorization of the AGM. No service contract has been entered into between them and the Company as at the date of this announcement. Please see their biographical details as follows:

Mr. Wang Xuejun, aged 46, is a researcher level senior economist. Mr. Wang Xuejun graduated from Renmin University of China with a bachelor degree in economics specialising in international finance in July 1995, and graduated from the Economy and Management School of Tsinghua University with a MBA degree in July 2002. Mr. Wang Xuejun commenced his career in aviation in 1995. He had been a section chief and vice director of the Capital Department of Aviation Industry Corporation of China since 2008. He is now the director of the Capital Management Department of Aviation Industry Corporation of China, Ltd.

Mr. Wang Jianxin, aged 45, is a doctorate degree holder and researcher. Mr. Wang Jianxin graduated from Jishou University with a Bachelor of Science degree in June 1994, and graduated from Zhongnan University of Finance and Economics with a master degree in accountancy in March 2001. He graduated from Shanghai University of Finance and Economics with a doctorate degree in accountancy in June 2004. Mr. Wang Jianxin had been a section chief of Chinese Academy of Fiscal Science, the vice director of Yunan Provincial Department of Finance and the chairman of Yunnan Institute of Certified Public Accountants, etc. He is now a researcher and doctoral supervisor in Chinese Academy of Fiscal Science. He is also the independent director of AVIC Capital Co., Ltd., Nantian Electronics Information Co., Ltd., and Homa Appliances Co., Ltd.

As at the date of this announcement, as far as the Directors are aware and save as disclosed above, Mr. Wang Xuejun and Mr. Wang Jianxin do not hold any directorships in other publicly listed companies in the last three years, nor do they have any relationship with any other Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company.

As at the date of this announcement, as far as the Directors are aware, Mr. Wang Xuejun and Mr. Wang Jianxin do not have any interests or short positions in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Saved as disclosed above, in relation to their appointments there is no other information required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules nor is there any other matter that needs to be brought to the attention of the Shareholders.

APPENDIX II

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To emphasize the importance of compliance with the PRC laws and regulations, the Board proposed to amend the Articles of Association as follows:

To insert paragraph 2 under the Article 7 under Chapter One of the Articles of Association as follows:

“The Company and its shareholders, directors, supervisors, managers and other senior management staff shall all strictly comply with the national laws and regulations and the regulations and rules issued by the relevant regulatory authorities. Where there are other regulations or requirements by the industry authorities on the industry that the Company involves in (including but not limited to confidentiality matters and military matters), the Company shall execute in accordance with such regulations or requirements.”