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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)

- (1) PROPOSED CHANGE OF NON-EXECUTIVE DIRECTORS;**
- (2) PROPOSED GENERAL MANDATE TO ISSUE SHARES;**
- (3) PROPOSED DISTRIBUTION OF 2016 FINAL DIVIDEND;**
- (4) PROPOSED CHANGE OF EXTERNAL AUDITORS;**

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of AviChina Industry & Technology Company Limited to be held at 9:00 a.m. on Thursday, 18 May 2017 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 8 to 12 of this circular.

A reply slip and a form of proxy for use at the AGM are enclosed and are also published on the website of the Stock Exchange (www.hkexnews.hk). Shareholders who intend to attend the AGM shall complete and return the reply slip in accordance with the instructions printed thereon on or before Thursday, 27 April 2017. Shareholders who intend to appoint a proxy to attend the AGM 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 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM or any adjournment thereof (as the case may be) and voting in person if you so wish.

13 April 2017

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Proposed change of non-executive Directors	4
Proposed General Mandate to issue Shares	5
Proposed distribution of 2016 final dividend	6
Proposed change of external auditors	6
AGM	7
Recommendation	7
Notice of Annual General Meeting	8

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“AVIC”	Aviation Industry Corporation of China (中國航空工業集團公司), a controlling shareholder of the Company holding directly and indirectly 58.57% equity interest of the Company as of the Latest Practicable Date
“AVIC II”	China Aviation Industry Corporation II (中國航空工業第二集團公司), a former controlling shareholder of the Company and predecessor of AVIC
“AGM”	the annual general meeting of the Company to be held on Thursday, 18 May 2017
“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
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi by PRC nationals and/or PRC incorporated entities
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to issue, allot or otherwise deal with additional Shares (whether Domestic Shares or H Shares) representing up to the limit of 20% of the aggregate nominal values of the Domestic Shares and/or H Shares in issue as at the date of approving the General Mandate Resolution at the AGM
“General Mandate Resolution”	the special resolution to be proposed to the Shareholders at the AGM in relation to the granting of the General Mandate to the Board
“Group”	the Company and its subsidiaries
“H Shares”	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

“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	Monday, 10 April 2017, 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
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended from time to time)
“Shareholder(s)”	holder(s) of Domestic Shares and holder(s) of H Shares
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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. Lin Zuoming

Non-executive Directors:

Mr. Tan Ruisong
Mr. Gu Huizhong
Mr. Gao Jianshe
Mr. He Zhiping
Mr. Kiran Rao

Independent non-executive Directors:

Mr. Lau Chung Man, Louis
Mr. Liu Renhuai
Mr. Yeung Chi Wai

Registered Office:

8th Floor, Tower 2
No. 5A Rongchang East Street
Beijing Economic-Technological
Development Area
Beijing, PRC

Principal place of business in

Hong Kong:

Unit 2202A, 22th Floor,
Fairmont House
8 Cotton Tree Drive
Central
Hong Kong

13 April 2017

To the Shareholders:

Dear Sir or Madam,

**(1) PROPOSED CHANGE OF NON-EXECUTIVE DIRECTORS;
(2) PROPOSED GENERAL MANDATE TO ISSUE SHARES;
(3) PROPOSED DISTRIBUTION OF 2016 FINAL DIVIDEND;
(4) PROPOSED CHANGE OF EXTERNAL AUDITORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to, among other things, (1) the proposed change of non-executive Directors; (2) the proposed General Mandate to issue Shares; (3) the proposed distribution of 2016 final dividend; and (4) the proposed change of external auditors.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED CHANGE OF NON-EXECUTIVE DIRECTORS

Mr. Gu Huizhong has tendered a resignation to the Board to resign as the non-executive Director and related duties due to his age, and Mr. Gao Jianshe and Mr. Kiran Rao also have applied to the Board for the resignation from their positions as the non-executive Directors and related duties due to other business commitment. According to Article 89 of the Articles of Association in relation to the composition of the Board, the Board shall consist of nine Directors. Accordingly, the Company proposed that, three non-executive Directors who would fill their vacancies shall be elected at the AGM in accordance with the requirement with respect to the composition of the Board as provided in the Articles of Association. The terms of office of Mr. Gu Huizhong, Mr. Gao Jianshe and Mr. Kiran Rao will not be terminated until the appointments of the candidates for new non-executive Directors are approved at the AGM. For further details, please refer to the announcements of the Company on 15 March and 7 April 2017.

Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac have been nominated as the candidates of non-executive Directors with a term of office commencing from the date on which their proposed appointments to be approved at the AGM until the date on which the resolution relating to the election of the sixth session of the Board will be considered at the annual general meeting to be convened in 2018. The salaries of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac 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 each of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac and the Company as at the Latest Practicable Date.

The biographical details of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac are set out as follows:

Mr. Wu Xiandong, 53, a researcher level senior engineer. Mr. Wu is also a vice general manager of AVIC. Mr. Wu received bachelor degree from Beijing University of Aeronautics and Astronautics, Ph.D.degree from the Moscow Aircraft Institute of Russia and post-doctoral from Beijing University of Aeronautics and Astronautics. Mr. Wu commenced his career in aviation industry in July 1987. He used to be the general manager of Harbin Aviation Electro-Mechanical Manufacturing Company, the director of Assets and Enterprises Management Department of AVIC II, an assistant to the general manager of AVIC II, and a vice general manager of AVIC II. Mr. Wu had been the vice chairman of the board and the general manager of the Company from April 2003 to October 2008, and the executive Director of the Company from October 2008 to May 2012.

Mr. Li Yao, 52, a researcher level senior accountant. Mr. Li is also the chief accountant of AVIC. Mr. Li graduated from Beijing University of Aeronautics and Astronautics and received Master's Degree from Tsinghua University. Mr. Li commenced his career in aviation industry since July 1986. He had served as the deputy director of the Financial & Audit Department of AVIC II, the chairman of Jiangxi Changhe Automobile Co., Ltd., the director, the general manager and the chairman of AVIC Assets Management Division, the director of the Planning and Finance Department of AVIC and the deputy chief accountant of AVIC. Mr. Li had been the vice general manager & CFO of the Company from April 2003 to April 2010.

LETTER FROM THE BOARD

Mr. Patrick de Castelbajac, 46, has a DESS (advanced post-graduate diploma) in Business and Tax Law from the University of Bordeaux, and a DEA (advanced post-graduate diploma) in Comparative Law from the Sorbonne University and Paris II Assas. Mr. Castelbajac successively worked at MBDA and Baker & McKenzie from 1997. He joined Airbus in 2002 and he successively was appointed Vice-President Legal Affairs for Purchasing and Intellectual Property, Vice-President Contract of the Commercial Division, Head of Negotiations for the sales of commercial aircraft and Deputy Contracts Director. Mr. Patrick de Castelbajac was appointed as Chief Executive Officer of ATR in June 2014. In December 2016, Mr. Castelbajac came back to Airbus as member of the Executive Committee, becoming Corporate Secretary of Airbus Commercial Aircraft and Executive Vice-President Strategy of Airbus Group.

As far as the Directors are aware, save as disclosed above, as at the Latest Practicable Date, each of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac did 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. Each of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac does not have any relationship with any Director, supervisor, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, save for 191,811 H shares (representing 0.003% of the issued share capital of the Company as at the Latest Practicable Date) held by Mr. Wu Xiandong and 174,910 H shares (representing 0.003% of the issued share capital of the Company as at the Latest Practicable Date) held by Mr. Li Yao, none of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac has any interests or short positions within the meaning of Part XV of the SFO 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 Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders in relation to the proposed appointment of each of Mr. Wu Xiandong, Mr. Li Yao and Mr. Patrick de Castelbajac.

Each of the proposals on appointing the above director candidates of the Company is subject to the Shareholders' approval by an ordinary resolution at the AGM.

PROPOSED GENERAL MANDATE TO ISSUE SHARES

In order to provide the Board with flexibility and discretion to issue new Shares, the Company proposed to grant the General Mandate to the Board to allot, issue and deal with additional Domestic Shares and/or H Shares of the Company up to the limit of 20% of the aggregate nominal values of the Domestic Shares and/or H Shares respectively in issue as at the date of passing the General Mandate Resolution at the AGM. As at the Latest Practicable Date, the issued share capital of the Company comprised 3,609,687,934 Domestic Shares and 2,356,433,902 H Shares. Subject to the passing of the General Mandate Resolution at the AGM and on the basis that no further Shares are issued before the AGM, the Company will be allowed to issue a maximum of 721,937,586 Domestic Shares and/or 471,286,780 H Shares. The General Mandate shall be effective until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company following the passing of the General Mandate Resolution at the AGM; or (ii) the expiration of the 12-month period following the passing of the General Mandate Resolution at the AGM; or (iii) the revocation or variation of the authority given under the General Mandate Resolution by a special resolution of the Company in a general meeting. Any exercise of the power by the Board under the General Mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association and the

LETTER FROM THE BOARD

applicable laws and regulations of the PRC. As at the Latest Practicable Date, the Board had no plan to issue new Shares pursuant to the General Mandate. The proposal on granting the General Mandate to issue Shares is subject to the Shareholders' approval by a special resolution at the AGM.

PROPOSED DISTRIBUTION OF 2016 FINAL DIVIDEND

The Board recommended the payment of a final dividend for the year 2016 in an aggregate amount of RMB119,322,436.72, representing a dividend of RMB0.02 per Share (2015: 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 Record Date (as defined below). The proposed distribution of 2016 final dividend is subject to the Shareholders' approval by way of an ordinary resolution at the AGM.

The 2016 final dividend will be paid to those Shareholders whose names appear on the Company's register of members at the close of business on Monday, 29 May 2017 (the "**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 Wednesday, 24 May 2017 to Monday, 29 May 2017 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to receive the 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 pm on Tuesday, 23 May 2017, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queens' Road East, Wanchai, Hong Kong.

In accordance with Article 151 of the Articles of Association, the dividend will be declared in RMB to the Shareholders. The dividend payable to the holders of Domestic Shares will be paid in RMB within three months after the dividend declaration date. The dividend payable to holders of H Shares is calculated and declared in RMB and will be paid in HK\$ within three months after the dividend declaration date. The amount denominated in HK\$ will be converted based on the average closing conversion rate between RMB and HK\$ issued by the People's Bank of China for the five working days prior to the declaration of dividends at the AGM on 18 May 2017. Subject to the approval of the Company's shareholders at the AGM, the aforementioned dividend is expected to be paid on 18 August 2017.

PROPOSED CHANGE OF EXTERNAL AUDITORS

According to the tender results with respect to the engagement of the external auditors of the Company, and as recommended by the Audit Committee of the Company, the Board proposed to appoint ShineWing (HK) CPA Limited and ShineWing Certified Public Accountant LLP as the external auditors of the Company for the financial year 2017. The proposal is subject to the approval by the Shareholders by way of an ordinary resolution at the AGM. Ernst & Young and Ernst & Young Hua Ming LLP will respectively cease to act as the international and PRC auditors of the Company with effect from the date of the close of the AGM.

Each of Ernst & Young and Ernst & Young Hua Ming LLP has confirmed that there are no matters in relation to their retirement which should be brought to the attention of the Shareholders. The Board is not aware of any matters in relation to the proposed change of auditors that need to be brought to the attention

LETTER FROM THE BOARD

of the Shareholders. The Board and the Audit Committee of the Company have also confirmed that there are no disagreements or outstanding matters between the Company and Ernst & Young and Ernst & Young Hua Ming LLP.

For further details, please refer to the announcement of the Company on 7 April 2017.

AGM

The AGM will be held at 9:00 am on Thursday, 18 May 2017 at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the PRC. The notice of the AGM is set out on pages 8 to 12 of this circular. A reply slip and a form of proxy for use at the AGM are also enclosed.

Shareholders who intend to attend the AGM shall complete and return the reply slip in accordance with the instructions printed thereon on or before Thursday, 27 April 2017. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 24 hours before the time fixed for the holding of AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be).

RECOMMENDATION

The Board considers that the resolutions as set out in the notice of the AGM, including but not limited to (1) the proposed change of non-executive Directors; (2) the proposed General Mandate to issue Shares; (3) the proposed distribution of 2016 final dividend; and (4) proposed change of external auditors as mentioned above, 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 AGM.

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

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of AviChina Industry & Technology Company Limited (the “Company”) will be held at 9:00 am on Thursday, 18 May 2017, at Avic Hotel, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing, the People’s Republic of China to consider and approve the following resolutions. Unless otherwise indicated, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 13 April 2017:

ORDINARY RESOLUTIONS

1. The resolution relating to the Report of the Board of the Company for the year ended 31 December 2016;
2. The resolution relating to the Report of the supervisory committee of the Company for the year ended 31 December 2016;
3. The resolution relating to the audited financial statements of the Company for the year ended 31 December 2016;
4. The resolution relating to the profit distribution plan (including distribution of 2016 final dividend) of the Company for the year ended 31 December 2016;
5. The resolution relating to the appointment of ShineWing (HK) CPA Limited and ShineWing Certified Public Accountant LLP, as the international and domestic auditors of the Company for the financial year 2017, respectively and to determine their remuneration;
6. The resolution relating to the appointment of Mr. Wu Xiandong as a non-executive Director of the Company with a term of office commencing from the date on which the proposed appointment has been approved at the AGM, until the date on which the resolution relating to the election of the sixth session of the Board will be approved at the annual general meeting to be convened in 2018, the grant of an authorization to the Remuneration Committee of the

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

Company to determine his remuneration by reference to his qualifications, experience and the prevailing market conditions and 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;

7. The resolution relating to the appointment of Mr. Li Yao as a non-executive Director of the Company with a term of office commencing from the date on which the proposed appointment has been approved at the AGM, until the date on which the resolution relating to the election of the sixth session of the Board will be approved at the annual general meeting to be convened in 2018, the grant of an authorization to the Remuneration Committee of the Company to determine his remuneration by reference to his qualifications, experience and the prevailing market conditions and 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;
8. The resolution relating to the appointment of Mr. Patrick de Castelbajac as a non-executive Director of the Company with a term of office commencing from the date on which the proposed appointment has been approved at the AGM, until the date on which the resolution relating to the election of the sixth session of the Board will be approved at the annual general meeting to be convened in 2018, the grant of an authorization to the Remuneration Committee of the Company to determine his remuneration by reference to his qualifications, experience and the prevailing market conditions and 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
9. The resolution(s) to be proposed at the AGM by shareholders holding 3% or more of the total number of the Company's shares carrying voting rights, if any, by way of ordinary resolution(s).

SPECIAL RESOLUTIONS

10. To consider, and if thought fit, pass the following resolution on the proposed General Mandate to issue Shares:

“THAT:

- (1) the Board be and is hereby granted, during the Relevant Period (as hereafter defined), an unconditional general mandate to issue, allot and/or deal with additional shares in the capital of the Company (whether Domestic Shares or H Shares), and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the Domestic Shares and/or the H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board other than pursuant to the share option scheme (if any) adopted by the Company for the grant or issue of shares of the Company, shall not exceed:
 - i. 20 percent of the aggregate nominal amount of the Domestic Shares in issue; and/or
 - ii. 20 percent of the aggregate nominal amount of the H Shares in issue, respectively, in each case as at the date of passing of this resolution; and
- (c) the Board will only exercise its power under the General Mandate in accordance with the Company Law of the People's Republic of China and the Listing Rules (as each of them may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant government authorities in the People's Republic of China are obtained;

and, for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
 - ii. the expiration of the 12-month period following the passing of this resolution; or
 - iii. the date on which the authority granted to the Board set out in this resolution is revoked or varied by a special resolution of the Company in a general meeting.
- (2) contingent on the Board resolving to exercise the General Mandate and/or issue shares pursuant to paragraph (1) of this resolution, the Board be and is hereby authorised:
- (a) to approve, execute and do, or procure to be executed and done all such documents, deeds and matters which it may consider necessary in connection with the exercise of the General Mandate and/or the issue of shares, including but not limited to the time, price, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);
 - (b) to determine the use of proceeds, and to make all necessary filings and registration with the relevant authorities in the People's Republic of China, Hong Kong and/or other places and jurisdictions (as appropriate); and

NOTICE OF ANNUAL GENERAL MEETING

- (c) to increase the registered capital of the Company and make all necessary amendments to the Articles of Association to reflect such increase and to register the increased capital with the relevant authorities so as to reflect the new capital and/or share capital structure of the Company.”
11. The resolution (s) to be proposed at the AGM by Shareholders holding 3% or more of the total number of the Company’s shares carrying voting rights, if any, by way of special resolution (s).

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

Beijing, 13 April 2017

Notes:

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

As disclosed in the announcement of the Company dated 7 April 2017, the H Share register of members of the Company will be closed from Friday, 28 April 2017 to Thursday, 18 May 2017 (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 Thursday, 18 May 2017 are entitled to attend and vote at the AGM.

In order to be eligible to attend and vote at the AGM, 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 pm on Thursday, 27 April 2017 at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queens’ Road East, Wanchai, Hong Kong.

(2) CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY TO RECEIVE THE 2016 FINAL DIVIDEND

The Board recommended the payment of a final dividend for the year 2016 in an aggregate amount of RMB119,322,436.72, representing a dividend of RMB0.02 per Share (2015: 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 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 18 August 2017. Further announcement will be made in this regard in due course.

The 2016 final dividend will be paid to those Shareholders whose names appear on the Company’s register of members at the close of business on Monday, 29 May 2017 (the “**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 Wednesday, 24 May 2017 to Monday, 29 May 2017 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be entitled to receive the 2016 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 pm on Tuesday, 23 May 2017 at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queens’ Road East, Wanchai, Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING

(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 authorisation 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, i.e. on or before Thursday, 27 April 2017.
- 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 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:

9/F, Easyhome Tower, No 3A Dongzhimen South Avenue, Dongcheng District, Beijing, the PRC
(Postal code: 100007)
Telephone No: 86-10-58354335/4313
Facsimile No: 86-10-58354310
Attention: Mr. Liu Kai/Mr. Hao Weidi

As at the date of this notice, the Board comprises executive Director Mr. Lin Zuoming, non-executive Directors Mr. Tan Ruisong, Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. He Zhiping and Mr. Kiran Rao as well as independent non-executive Directors Mr. Lau Chung Man, Louis, Mr. Liu Renhuai and Mr. Yeung Chi Wai.