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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)

VOLUNTARY ANNOUNCEMENT

SHAREHOLDING INCREASE IN AVIC SHENYANG AIRCRAFT

The announcement is made by AviChina Industry & Technology Company Limited* (the “**Company**”) on a voluntary basis.

With the recognition of the investment value of AVIC SHENYANG Aircraft Company Limited (the “**AVIC Shenyang Aircraft**”) and the confidence of its sustainable and stable development in the future, on 13 February 2018, the Company acquired 2,430,501 A shares of AVIC Shenyang Aircraft through the trading system of the Shanghai Stock Exchange at an average price of RMB24.673 per share, representing approximately 0.174% of the total issued shares of AVIC Shenyang Aircraft. (the “**Acquisition**”). Before the Acquisition, the Company held no A shares of AVIC Shenyang Aircraft.

Meanwhile, the Company proposes to further increase its shareholding in AVIC Shenyang Aircraft within the six months at a price not higher than RMB30 per share on market. The total shareholding increase (including the shareholding percentage under the Acquisition) is expected to not exceed 2% of the total issued shares of AVIC Shenyang Aircraft.

The Company undertakes that it will not reduce its shareholding in AVIC Shenyang Aircraft within the implementation period of the shareholding increase, the six months commencing from the completion date of the shareholding increase and other statutory periods under the relevant laws of China.

Pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), as the highest of the applicable size test percentage ratios (as defined in Hong Kong Listing Rules) in respect of the Acquisition is less than 5%, the Acquisition is exempt from the reporting, announcement

and independent shareholder's approval requirements. Further announcement will be made by the Company in due course according to the relevant requirements of Hong Kong Listing Rules (if required).

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

Beijing, 13 February 2018

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

**For identification purposes only*