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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)**

**PROGRESS ANNOUNCEMENT REGARDING THE H SHARE FULL  
CIRCULATION PLAN**

References are made to the announcements of AviChina Industry & Technology Company Limited\* (the “**Company**”) dated 9 May, 30 May and 1 June 2018 in relation to the participation in the H share full circulation pilot project by the Company. Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the announcement dated 30 May and 1 June 2018.

The Company has instructed the H share registrar to dispatch the relevant share certificates of the Converted H Shares on 15 June 2018. The Converted H Shares have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited, for deposit, clearance and settlement in the Central Clearing and Settlement System, which will take effect from the commencing date of trading of the Converted H Shares on the Stock Exchange. The Converted H Shares are expected to be listed on the Stock Exchange from 9:00 a.m. on 19 June 2018.

The 3,609,687,934 Converted H shares of the Company will be registered on the account of China Clearing on 15 June 2018. The register of members of H shares of the Company will correspondingly be registered and updated by the H share registrar of the Company on the same day and the corresponding 3,609,687,934 H shares will be registered and updated on the register of members of H shares of the Company maintained by the H share registrar of the Company, in name of the Participating Shareholders or their designated share accounts of China Clearing established through the Central Clearing and Settlement System according to their respective instructions. The number of shares of each class and the percentage in the total issued shares of the Company before and after the completion of the Conversion on 15

*\* For identification purposes only*

June 2018 is set out below:

	Immediately before the completion of the Conversion on 15 June 2018		After the completion of the Conversion on 15 June 2018	
Class of shares	Number of shares	Percentage in the total issued shares of the Company after the Conversion (approximately)	Number of shares	Percentage in the total issued shares of the Company after the Conversion (approximately)
Domestic shares	3,609,687,934	60.50%	0	0%
H shares	2,356,433,902	39.50%	5,966,121,836	100%
<b>Total</b>	<b>5,966,121,836</b>	<b>100%</b>	<b>5,966,121,836</b>	<b>100%</b>

As stated in the announcement of the Company dated 1 June 2018, the domestic Participating Shareholders of the Company can only conduct share trading after the procedures relating to the arrangements of registration, deposit and transaction settlement after the Conversion are completed.

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

Beijing, 11 June 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.*