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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)

ANNOUNCEMENT
COMPLETION OF ISSUANCE OF DOMESTIC SHARES TO AVIC

The Board is pleased to announce that all conditions precedent for the acquisition of the entire equity interest in AVIC Planning as set out in the Equity Acquisition and Share Issuance Agreement, have been satisfied and the completion of the Issuance took place on 28 June 2016 in accordance with the terms of the Equity Acquisition and Share Issuance Agreement and the Supplementary Agreement to the Equity Acquisition and Share Issuance Agreement.

Reference is made to the announcements of AviChina Industry & Technology Company Limited*(the “**Company**”) dated 30 September 2015, 19 October 2015 and 10 March 2016(the three announcements are collectively referred to as the “**Announcements**”) and the circular of the Company dated 10May 2016(the “**Circular**”) in relation to, among other things, the proposed acquisition of the entire equity interest in AVIC Planning by the Company from AVIC by way of issuing Domestic Shares as consideration (the “**AVIC Planning Acquisition**”). Unless otherwise defined, all capitalized terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

Completion of issuance of Domestic Shares to AVIC

The board of directors(the “**Board**”) of the Company is pleased to announce that all conditions precedent to the AVIC Planning Acquisition, as set out in the Equity Acquisition and Share Issuance Agreement, have been satisfied, and the issuance of 491,692,669 new Domestic Shares by the Company to AVIC as the consideration for the AVIC Planning Acquisition, pursuant to the Equity Acquisition and Share Issuance Agreement and as adjusted pursuant to the Supplementary Agreement to the Equity Acquisition and Share Issuance Agreement(the “**Issuance**”) has been completed on 28 June 2016.

Change of the shareholding structure of the Company upon completion of the Issuance

Upon completion of the Issuance, the total number of issued Shares of the Company has increased from 5,474,429,167 Shares to 5,966,121,836 Shares, among which, the total number of Domestic Shares has increased from 3,117,995,265 Shares to 3,609,687,934 Shares, and the total number of H Shares held by the H Shareholders remains unchanged.

The shareholding structure of the Company immediately before and after the completion of the Issuance is set out as follows:

Holders of Domestic Shares or H Shares	Immediately before Completion of the Issuance			Immediately after Completion of the Issuance		
	No. of Shares	Approximate percentage of the relevant class of the issued share capital	Approximate percentage of issued share capital	No. of Shares	Approximate percentage of the relevant class of the issued share capital	Approximate percentage of issued share capital
Holders of Domestic Shares						
AVIC	2,806,088,233	90.00%	51.26%	3,297,780,902	91.36%	55.28%
AMES ^{Note}	183,404,667	5.88%	3.35%	183,404,667	5.08%	3.07%
Other holders of Domestic Shares	128,502,365	4.12%	2.35%	128,502,365	3.56%	2.15%
Sub-total	3,117,995,265	100%	56.96%	3,609,687,934	100%	60.50%
Holders of H Shares						
China Aviation Industry (HK) Company Limited ^{Note}	13,076,000	0.55%	0.24%	13,076,000	0.55%	0.22%
Other holders of H Shares	2,343,357,902	99.45%	42.80%	2,343,357,902	99.45%	39.28%
Total	5,474,429,167	-	100%	5,966,121,836	-	100%

Note: As at the date of this announcement, AMES and China Aviation Industry (HK) Company Limited are wholly-owned subsidiaries of AVIC.

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

Beijing, 28 June 2016

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. Kiran Rao 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