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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)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09 of the Hong Kong Listing Rules.

Reference is made to the announcement of AviChina Industry & Technology Company Limited (the “**Company**”) dated 11 July 2014 in relation to the trading suspension of Hafei Aviation Industry Co., Ltd. (“**Hafei Aviation**”), an A-share subsidiary of the Company, from 14 July 2014 due to its consideration of a proposed material matter (i.e. private placement of its shares).

After the investigation of Hafei Aviation, the private placement of its shares is still subject to uncertainties, which will affect the implementation of the placement. As the implementation conditions of the private placement is not favourable for Hafei Aviation at this stage, Hafei Aviation will apply for resumption of trading on 15 July 2014, and Hafei Aviation and relevant parties subject to disclosure obligations are committed not to discuss or negotiate on the private placement within three months from 14 July 2014, according to the relevant rules of the Shanghai Stock Exchange.

The Company will publish further announcement(s) in due course if Hafei Aviation makes any progress in respect of the private placement after the aforementioned three months.

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

Beijing, 14 July 2014

As at the date of this announcement, the board of directors comprises executive directors Mr. Lin Zuoming and Mr. Tan Ruisong and non-executive directors Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. Sheng Mingchuan and Mr. Maurice Savart as well as independent non-executive directors Mr. Guo Chongqing, Mr. Lau Chung Man, Louis and Mr. Liu Renhuai.

** For identification purposes only.*