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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

FURTHER UNLOCKING OF RESTRICTED SHARES

Reference is made to (1) the announcement of AviChina Industry & Technology Company Limited (the “**Company**”) dated 21 January 2011 in relation to the approval by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China of the restricted share incentive scheme (the “**Scheme**”); (2) the announcement and circular (the “**Circular**”) of the Company dated 23 February 2011 and 24 February 2011 respectively in relation to, among other things, the adoption of the Scheme and the proposed initial grant of the Restricted Shares under the Scheme to the eligible Scheme Participants; (3) the announcement of the Company dated 30 March 2011 (the “**Announcement**”) in relation to the initial grant of the Restricted Shares to certain eligible Scheme Participants in accordance with the Scheme (the “**Initial Grant**”) and (4) the announcement of the Company dated 25 March 2013 in relation to the unlocking of one-third of the Restricted Shares granted to the eligible Scheme Participants under the Initial Grant. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

According to the rules of the Scheme, the Restricted Shares granted to the eligible Scheme Participants under the Initial Grant are subject to the Lock-up Period of two (2) years commencing from the date on which the Initial Grant was made. The Restricted Shares granted may be unlocked by three tranches over a period of three years after the expiry of the abovementioned Lock-up Period, subject to fulfilment of certain conditions set out in the Scheme. On 25 March 2014, the board of directors of the Company (the “**Board**”) resolved, among other things, that the conditions for unlocking are fulfilled in full by the Company and the Scheme Participants and accordingly, another one-third of the Restricted Shares granted to the eligible Scheme Participants under the Initial Grant will be unlocked on 31 March 2014 (“**Unlocked Restricted Shares**”), save and except

circumstances where certain eligible Scheme Participants ceased to be employees of the Company by reasons of retirement according to the terms of employment contracts, whose Restricted Shares granted will be unlocked in full without subject to any further Unlocking Period.

In accordance with the requirement of the applicable tax laws and regulations of the PRC, certain Unlocked Restricted Shares held by the Directors of the Company who are eligible Scheme Participants will be deducted and withheld by the Trustee to set off the personal income tax payable by such Directors upon the unlocking of the Unlocked Restricted Shares. Accordingly, the number of Unlocked Restricted Shares interested in by such Directors will be decreased upon the unlocking of the Unlocked Restricted Shares.

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

Beijing, 25 March 2014

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

** For identification purposes only.*