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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

Reference is made to the announcement of AviChina Industry & Technology Company Limited* (the “**Company**”) dated 4 November 2009 and the circular of the Company despatched to the Shareholders on 25 November 2009 (the “**Circular**”) in relation to, among other things, the disposal of equity interest in Dongan Motor by the Company to AVIC and the acquisition of equity interest in Jonhon Optronics by the Company from AVIC, which constituted major and connected transactions for the Company (the “**Transaction**”); as well as various voluntary announcements subsequently published by the Company on 14 December 2009, 9 December 2010 and 28 January 2011. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

On 1 March 2011, Dongan Motor received a conditional confirmation (the “**Registration Confirmation**”) of share transfer registration (過戶登記確認書) dated 28 February 2011 issued by the Shanghai branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (the “**Share Transfer Registration**”). Pursuant to the Registration Confirmation, 251,893,000 shares in Dongan Motor previously held by the Company have been transferred to AVIC. However, the Share Transfer Registration will only become effective upon the equity interest in Johnon Optronics having been transferred by AVIC to the Company.

Accordingly, upon the Share Transfer Registration becomes effective, AVIC will directly hold 251,893,000 shares in Dongan Motor, which represents 54.51% of the total issued share capital of Dongan Motor, and become a controlling shareholder of the Dongan Motor. The Company will no longer have any equity interest in Dongan Motor. The assets, liabilities and financial results of Dongan Motor and Dongan Mitsubishi, a subsidiary of the Company with 36% of its equity interest being indirectly held by the Company through Dongan Motor, will no longer be consolidated in the accounts of the Group. It is expected that the asset, liabilities and financial results of the Group will be reduced. For details of the financial impacts on the Group as a result of the Transaction, please refer to the Circular.

The Company will issue a further announcement as and when the Share Transfer Registration becomes effective.

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

Hong Kong, 2 March 2011

As at the date of this announcement, the Board comprises executive directors Mr. Lin Zuoming, Mr. Tan Ruisong and Mr. Wu Xiandong and non-executive directors Mr. Gu Huizhong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Gao Jianshe, Mr. Li Fangyong, Mr. Chen Yuanxian, Mr. Wang Yong, Mr. Maurice Savart as well as independent non-executive directors Mr. Guo Chongqing, Mr. Li Xianzong and Mr. Lau Chung Man, Louis.

**For identification purpose only.*