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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

DISCLOSEABLE AND CONNECTED TRANSACTION SUBSCRIPTION OF NEW CITC A SHARES BY THE COMPANY AND AVIC AVIONICS

References are made to the announcements dated 16 May 2014 and 22 July 2014 (collectively, the “**Announcements**”), and the circular dated 9 June 2014 (the “**Circular**”) of the Company, respectively, in relation to the proposed placing of new CITC A Shares by CITC to ten specific investors, including the Company and AVIC Avionics. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

Based on an appraisal of its underlying assets, CITC has determined the transaction price and adjusted the total value of the placing from not more than RMB5,282.41 million to RMB5,180.46 million. As a result, on 14 November 2014, each of the Company and AVIC Avionics entered into a supplementary agreement of the Share Subscription Agreement with CITC, respectively (the “**Supplementary Agreements**”). Pursuant to the Supplementary Agreements, the Company has adjusted the new CITC A Shares it has conditionally agreed to subscribe for from not more than 100,301,200 shares to 98,330,423 shares and adjusted the total consideration from not more than RMB1,665 million to approximately RMB1,632 million; and AVIC Avionics has adjusted the new

CITC A Shares it has conditionally agreed to subscribe for from 33,132,500 shares to 32,481,521 shares and adjusted the total consideration from not more than RMB550 million to approximately RMB540 million.

The above adjustments are subject to approval by the relevant Chinese regulators and the general meeting of the shareholders of CITC. The Company will issue further announcements on the progress of the CITC Placing according to the requirements under the Hong Kong Listing Rules.

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

Beijing, 14 November 2014

As at the date of this announcement, the board of directors of the Company 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. Lau Chung Man, Louis and Mr. Liu Renhuai..

** For identification purposes only.*