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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

RESULTS OF SUBSIDIARIES

Summary

On 28 October 2014, the subsidiaries of the Company, namely Hafei Aviation, Hongdu Aviation, AVIC Avionics and JONHON Optronics will publish their unaudited third quarter reports for 2014 prepared under the PRC Accounting Standards on the websites of the Shanghai Stock Exchange or the Shenzhen Stock Exchange (as the case may be) respectively.

Investors are reminded that the above financial data are unaudited results for the third quarter of 2014 of the subsidiaries of the Company, rather than that of the Company. Investors should also note that the Company has prepared its financial statements under the IFRS (the International Financial Reporting Standards) and therefore, the financial data of the subsidiaries of the Company disclosed herein may be significantly different if prepared under the IFRS. Investors should exercise caution when dealing in the securities of the Company.

On 28 October 2014, the subsidiaries of the Company, namely Hafei Aviation, Hongdu Aviation, AVIC Avionics and JONHON Optronics, will publish their unaudited third quarter reports for 2014 prepared under the PRC Accounting Standards on the websites of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (as the case may be) respectively. The key unaudited financial data of the reports are set out as follows:

For the nine months ended 30 September 2014

Unit: RMB

Name of company	Revenue	Cost	Net profit / (loss) attributable to the equity holders of the company
Hafei Aviation	8,096,542,283.45	7,199,332,534.51	241,963,427.51
Hongdu Aviation	1,656,166,537.68	1,547,022,108.85	15,732,221.57
AVIC Avionics	4,123,747,732.08	2,810,687,306.32	373,635,492.98
JONHON Optronics	2,400,556,278.65	1,607,201,449.45	236,984,906.39

According to the provisions of “Accounting Standards for Business Enterprises No.2–Long-term Equity Investments” promulgated by the Ministry of Finance of the PRC, the items listed under “long-term equity investment” have been retrospectively transferred to “available-for-sale financial assets” in the financial reports of each subsidiary of the Company. The aforementioned adjustments have no impact on the profit for the period and shareholders’ equity of the subsidiaries, and also do not constitute significant impact for the Company’s financial status.

Meanwhile, according to the provisions of “Accounting Standards for Business Enterprises No.9–Wages and Salaries of Employees” promulgated by the Ministry of Finance of the PRC, each subsidiary of the Company has made qualitative analysis and illustration of the impact of these provisions. As the “obligations for defined benefit plans” requires a quantitative calculation, each subsidiary has to engage professional institutes for actuary purpose, and quantitative adjustment materials cannot be provided for the time being. Therefore, in the third quarter financial report of each subsidiary, the explicit impact of the long term employee welfare on the financial statements is not available for disclosure and related impact is also unpredictable. The impact of the adjustment of relevant accounting policies will be disclosed by the Company and its subsidiaries after final confirmation.

Investors are reminded that the above financial data are unaudited results for the third quarter of 2014 of the subsidiaries of the Company, rather than that of the Company. Investors should also note that the Company has prepared its financial statements under the IFRS and therefore, the financial data of the subsidiaries of the Company disclosed herein may be significantly different if prepared under the IFRS. Investors should exercise caution when dealing in the securities of the Company.

For further details relating to the third quarter reports for 2014 of each of the above subsidiaries of the Company, please refer to the announcements dated 28 October 2014 published by each of the above subsidiaries of the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) or the Shenzhen Stock Exchange (www.szse.cn) (as the case may be) respectively.

Definitions:

“AVIC Avionics”	China AVIC Electronics Co., Ltd., a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 43.22% of its interest being held directly by the Company
“Board”	the board of directors of the Company
“Company”	AviChina Industry & Technology Company Limited
Hafei Aviation”	Hafei Aviation Industry Co., Ltd., a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 35.10% of its interest being held by the Company through a wholly-owned subsidiary
“Hongdu Aviation”	Jiangxi Hongdu Aviation Industry Co., Ltd., a joint stock limited company whose shares are listed on the Shanghai Stock Exchange with 43.63% of its interest being held directly by the Company
“JONHON Optronic”	China Aviation Optical-Electrical Technology Co., Ltd., a joint stock limited liability company whose shares are listed on the Shenzhen Stock Exchange with 41.57% of its equity interest being held directly by the Company
“PRC”	the People’s Republic of China

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

Beijing, 28 October 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.*