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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)

**PRICE SENSITIVE INFORMATION
PROPOSED ACQUISITION OF EQUITY INTERESTS FROM AVIC
AVIONICS SYSTEMS**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

On 7 December 2012, the board of China AVIC Avionics Equipment Co., Ltd. (“**AVIC Avionics**”), a non wholly-owned subsidiary of AviChina Industry & Technology Company Limited (the “**Company**”), approved the proposed acquisitions of equity interests in each of Beijing Qingyun Avionics Technology Co., Ltd., AVIC Radar and Electrical Technology Co., Ltd. and Luoyang Longsheng Technology Development Company held by AVIC Avionics Systems Co., Ltd., (“**AVIC Avionics Systems**”), a wholly owned subsidiary of Aviation Industry Corporation of China (“**AVIC**”), the controlling shareholder of the Company (the “**Proposed Acquisitions**”). The Proposed Acquisitions are subject to the approval of the independent shareholders of AVIC Avionics in its general meeting and the terms of the Proposed Acquisitions are under negotiation between the parties.

It is intended that the total consideration of the Proposed Acquisitions will be between RMB 1 billion to 1.3 billion, which will be determined with reference to the valued net assets of the target companies to be acquired after the negotiations between the parties. The formal acquisition agreement in respect of each Proposed Acquisition will be executed separately.

As AVIC is the controlling shareholder of the Company and AVIC Avionics System is a subsidiary of AVIC, both AVIC and AVIC Avionics System are connected persons of the Company under the Listing Rules and the Proposed Acquisitions, if proceeded, will constitute connected transactions of the Company. If any formal agreement is entered into in respect of

the Proposed Acquisitions, the Company will comply with the applicable requirements in accordance with the relevant provisions under the Listing Rules.

It should be noted that the terms of the formal agreement for the Proposed Acquisitions are still subject to further negotiations between the parties and the approval of the independent shareholders of AVIC Avionics. Potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

AviChina Industry & Technology Company Limited*

Yan Lingxi

Company Secretary

Hong Kong, 9 December 2012

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.*