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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)

INSIDE INFORMATION ANNOUNCEMENT

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

This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Hong Kong Listing Rules.

References are made to the announcements dated 16 May 2014, 22 July 2014 and 14 November 2014 (collectively, the “**Announcements**”), and the circular dated 10 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.

On 12 December 2014, the Company received a notice from CITC in relation to the termination of the major assets reorganization. Accordingly the Company and AVIC Avionics will terminate the subscription of new CITC A shares.

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

Beijing, 12 December 2014

As at the date of this announcement, the Board comprises executive Directors Mr. Lin Zuoming and Mr. Tan Ruisong and non-executive Directors Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. Sheng Mingchuan and 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.*