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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

On 27 March 2014, Hafei Aviation Industry Co., Ltd. (“**Hafei Aviation**”), a subsidiary of AviChina Industry & Technology Company Limited (the “**Company**”) whose A Shares are listed on the Shanghai Stock Exchange, published an announcement on the Shanghai Stock Exchange in relation to the potential business opportunities arising from a EC175/AC352 helicopter project.

On 26 March 2014 (local time in France), Aviation Industry Corporation of China (“**AVIC**”), the controlling shareholder of the Company entered into a cooperation agreement with Airbus Helicopters in respect of a EC175/AC352 helicopter project. EC175/AC352 helicopter is a new model of advanced medium utility helicopter jointly researched and developed by both Chinese and European parties. EC175/AC352 helicopter has received its airworthiness certificate from the European Aviation Safety Agency (EASA) and proceeded to the commercial batch production stage. Based on the market forecast for global medium-size helicopters and the competitiveness analysis on EC175/AC352, both parties have predicted that EC175/AC352 will take up at least 1000 aircraft of market share in the helicopter market.

As a specialized company engaging in the manufacturing of entire aircraft and parts and components of civil helicopters under AVIC, the entry into of the aforementioned cooperation agreement will bring about new business opportunities to Hafei Aviation.

In view of the made-to-order production nature of aviation products and EC175/AC352's new entry into the batch production stage, the time and quantity of orders will be determined based on the market sales conditions over which there are uncertainties. In addition, it should be noted that there is uncertainty over the workload to be undertaken by Hafei Aviation and investors should exercise caution when dealing in the securities of the Company.

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

Beijing, 27 March 2014

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*