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

Reference is made to the announcement of AviChina Industry & Technology Company Limited (the "**Company**") dated 25 January 2011 (the "**Announcement**") and the circular despatched to the shareholders on 21 February 2011 (the "**Circular**"), in relation to, among other things, the proposed acquisition by the Company from AMES of the entire equity interest in Tianjin Aviation with a consideration of approximately RMB768,278,300, among which 25% and 75% of the consideration will be satisfied by the Company by way of cash and issuing Consideration Shares to AMES respectively. According to the Announcement and the Circular, the final consideration for the Acquisition (the "**Consideration**") is to be determined based on the assets valuation result confirmed by and filed with the state-owned assets supervision and administration authorities or its authorized representatives. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular.

The Board of the Company hereby announces that the net assets value of the 100% equity interest in Tianjin Aviation, which had been filed with and confirmed by the stated-owned assets supervision and administration authorities, has been adjusted from RMB768,278,300 to RMB772,745,000. Accordingly, the Consideration has been adjusted to RMB772,745,000 (the "**Final Consideration**"). Pursuant to an approval letter dated 31 December 2011 issued by the stated-owned assets supervision and administration authorities, as to 25% of the Final Consideration, being RMB193,186,250, will be satisfied by the Company by way of cash; and as to 75% of the Final

Consideration, being RMB 579,558,750, will be satisfied by the Company by way of issuing and allotting 183,404,667 new Domestic Shares to AMES at the Issue Price.

The Company will issue a further announcement as and when there is any further progress on the Acquisition.

By Order of the Board

AviChina Industry & Technology Company Limited*

Yan Lingxi

Company Secretary

Hong Kong, 6 January 2012

As at the date of this announcement, the board of directors of the Company comprises executive directors Mr. Lin Zuoming, Mr. Tan Ruisong and Mr. Wu Xiandong and non-executive directors Mr. Gu Huizhong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Gao Jianshe, Mr. Li Fangyong, Mr. Chen Yuanxian, Mr. Wang Yong, 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.*