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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)

VOLUNTARY ANNOUNCEMENT PROPOSED ISSUANCE OF BONDS BY AVIC AVIONICS

On 10 December 2012, China AVIC Avionics Equipment Co., Ltd. (“**AVIC Avionics**”), a non wholly-owned subsidiary of AviChina Industry & Technology Company Limited, will resume the trading of its shares on the Shanghai Stock Exchange, which has been suspended since commencing on 3 December 2012, and announce that its board of directors has approved, among other things, a proposed issuance of bonds by AVIC Avionics in the aggregate principal amount of not more than RMB 1.5 billion with terms within 5 years of issuance (“**Proposed Bond Issuance**”).

The Proposed Bond Issuance is subject to the approval of the shareholders of AVIC Avionics in its general meeting and the exact plans of the Proposed Bond Issuance will be determined by the board of directors of AVIC Avionics within the limits of principal amount of RMB 1.5 billion and the limits of the authorization given to it by its shareholders in its general meeting. Proceeds from the Proposed Bond Issuance will be used in repayment of bank loans and to supplement the working capital of AVIC Avionics.

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.*