

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ENTERING INTO SUPPLEMENTARY AGREEMENT II TO THE
SUBSCRIPTION AGREEMENT IN RELATION TO SUBSCRIPTION
OF NEW HAFEI AVIATION A SHARES
AND
DESPATCH OF SUPPLEMENTARY CIRCULAR**

On 21 March 2013, Hafei Aviation on the one side and the Company, AVIC Helicopter and AVIC Hafei on the other side entered into the Supplementary Agreement II to the Subscription Agreement.

A supplementary circular will be despatched to the shareholders of the Company on or before 30 April 2013 to revise certain details regarding the consideration in respect of the Proposed Placing of Hafei Aviation and the number of new Hafei Aviation A Shares to be issued as described in the circular dated 20 July 2012.

Reference is made to the announcements of the Company dated 25 May 2012, 14 June 2012 and 11 July 2012, respectively, in relation to the proposed subscription for new Hafei Aviation A Shares (collectively, the “**Announcements**”), and the circular dated 20 July 2012 in relation to, among other things, (i) the proposed issuance of new Hafei Aviation A Shares by Hafei Aviation; and (ii) the subscription for new Hafei Aviation A Shares by: (a) the AVIC Helicopter with AVIC Helicopter Interests; (b) AVIC Hafei with AVIC Hafei Assets; and (c) the Company with Changhe Aviation Interests (the “**Circular**”), which constituted discloseable and connected transactions of the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

A. THE SUPPLEMENTARY AGREEMENT II

On 21 March 2013, Hafei Aviation on the one side and the Company, AVIC Helicopter and AVIC Hafei on the other side entered into a further supplementary

agreement to the Subscription Agreement, as amended by the Supplementary Agreement I (the “**Supplementary Agreement II**”). The principle terms of the Supplementary Agreement II are set out as follows:

1. Confirmation of consideration in respect of the Proposed Placing of Hafei Aviation

The parties to the Supplementary Agreement II confirm and consent that, according to the final valuation report filed with and ascertained by SASAC, consideration in respect of the targeted assets is RMB3,320,466,700, among which, the consideration in respect of 100% equity interest in Changhe Aviation, 100% equity interest in Changfei Parts and Components, 100% equity interest in AVIC Huiyang, 100% equity interest in Helicopter Tianjin and AVIC Hafei Assets are RMB641,562,000, RMB863,093,000, RMB189,610,600, RMB815,247,000 and RMB810,954,200 respectively.

2. Number of new Hafei Aviation A Shares to be issued

According to the Supplementary Agreement II, the total number of new Hafei Aviation A Shares to be issued by Hafei Aviation to the Company, AVIC Helicopter and AVIC Hafei under the Subscription Agreement will be 193,839,271, among which, 37,452,541 will be issued to the Company, 109,045,565 will be issued to AVIC Helicopter and 47,341,165 will be issued to AVIC Hafei. The final issuance number will be determined according to that as approved by the CSRC.

B. DESPATCH OF SUPPLEMENTARY CIRCULAR

A supplementary circular will be despatched to shareholders of the Company on or before 30 April 2013 to revise certain details regarding the consideration in respect of the Proposed Placing of Hafei Aviation and the number of new Hafei Aviation A Shares to be issued as described in the circular dated 20 July 2012.

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

Beijing, 22 March 2013

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. Li Xianzong and Mr. Lau Chung Man, Louis.

** For identification purposes only.*