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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)

PRICE SENSITIVE INFORMATION

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of AviChina Industry & Technology Company Limited (the “**Company**”) announces that the Company is in discussion with Aviation Industry Corporation of China, a controlling shareholder of the Company, in relation to the reorganization of the assets of the Company, which involves China AVIC Avionics Equipment Co., Ltd., a non wholly-owned subsidiary of the Company whose shares are listed on the Shanghai Stock Exchange (the “**Proposed Transaction**”).

As details of the Proposed Transaction have not yet been finalized, there are uncertainties over the transaction. Upon finalization of such details, the Company will, when appropriate, publish a further announcement pursuant to the Listing Rules. As of the date of this announcement, no agreement has been entered into between the parties in respect of the Proposed Transaction.

SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”) AND POTENTIAL INVESTORS ARE REMINDED THAT THE PROPOSED TRANSACTION MAY OR MAY NOT PROCEED AND THAT SHAREHOLDERS AND POTENTIAL 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

Hong Kong, 19 May 2010

As at the date of this announcement, the Board 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.*