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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)

ANNOUNCEMENT

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 Ltd.

The board of directors (the “**Board**”) of AviChina Industry & Technology Company Limited (the “**Company**”) announces that the Company has obtained the approval for the proposed Share Incentive Scheme of the Company (the “**Scheme**”) from the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China. The implementation of the Scheme will be put forward for approval by the shareholders of the Company (“**Shareholders**”) in a general meeting. Details of the Scheme will be set out in a circular to be despatched to the Shareholders in due course.

By Order of the Board

AviChina Industry & Technology Company Limited*

Yan Lingxi

Company Secretary

Hong Kong, the PRC

21 January 2011

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 purpose only.*