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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)

CHANGE IN BOARD LOT SIZE

In order to improve the Company's liquidity of the H Shares and broaden the shareholder base, the Board announces that the board lot size of the H Shares for trading on the Stock Exchange will be changed from 4,000 H Shares to 1,000 H Shares with effect from 9:00 a.m. on Thursday, 30 July 2015. The expected timetable for such change in board lot size is set out below.

Holders of H Shares may submit their existing share certificates in board lot of 4,000 H Shares each to the H Share Registrar in exchange for new share certificates in board lot of 1,000 H Shares each free of charge during business hours from Thursday, 16 July 2015 to Friday, 21 August 2015, both days inclusive.

The board of directors (the "**Board**") of AviChina Industry & Technology Company Limited (the "**Company**") announces that the board lot size of the overseas-listed foreign shares of RMB 1.00 each in the capital of the Company (the "**H Shares**") for trading on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") will be changed from 4,000 H Shares to 1,000 H Shares with effect from 9:00 a.m. on Thursday, 30 July 2015.

Based on the closing price of HKD4.51 per share as quoted on the Stock Exchange as at the date of this announcement, the market value of the existing board lot of 4,000 H Shares is HKD18,040; After the change in board lot size is effective, the market value of the then board lot of 1,000 H Shares is HKD4,510. The change in board lot size will reduce the board lot value. The Board is of the view that the reduction in board lot size of the H Shares may enable more investors who are interested in the Company to buy the H Shares on the Stock Exchange, which may improve the liquidity of the H Shares and broaden the Company's shareholder base.

The change in board lot size will not affect any of the relevant rights of the shareholders of the Company. The Board considers that the change in board lot size of the H Shares is in the interests of the Company and its shareholders as a whole.

As no odd lot of the H Shares will be created as a result of the said change in board lot size (other than those already existed before such change becoming effective), no odd lot arrangement to match the sales and purchases of odd lots will be made.

The expected timetable for such change in board lot size is set out below:

EXPECTED TIMETABLE

First day for free exchange of existing share certificates
in board lot of 4,000 H Shares each for new share
certificates in board lot of 1,000 H Shares each Thursday, 16 July 2015

Last day for trading of the H Shares with old board lot
of 4,000 H Shares in the original counter. Wednesday, 29 July 2015

Effective date of the change in board lot size
from 4,000 H Shares to 1,000 H Shares 9:00 a.m. on Thursday, 30 July 2015

Original counter for trading in the H Shares in board lot
of 4,000 H Shares each becomes counter for trading
in the H Shares in board lot of 1,000 H Shares 9:00 a.m. on Thursday, 30 July 2015

Temporary counter for trading in the H Shares in
board lot of 4,000 H Shares each opens 9:00 a.m. on Thursday, 30 July 2015

First day of parallel trading in H Shares
(in board lot of 1,000 H Shares each and
board lot of 4,000 H Shares each) 9:00 a.m. on Thursday, 30 July 2015

Temporary counter for trading in the H Shares in
old board lot of 4,000 H Shares each closes. 4:00 p.m. on Wednesday, 19 August 2015

Last day of parallel trading in H Shares
(in board lot of 1,000 H Shares each and
board lot of 4,000 H Shares each) 4:00 p.m. on Wednesday, 19 August 2015

Last day for free exchange of existing share certificates
in board lot of 4,000 H Shares each for new share
certificates in board lot of 1,000 H Shares each Friday, 21 August 2015

EXCHANGE OF NEW SHARE CERTIFICATES

Holders of H Shares may submit their existing share certificates in board lot of 4,000 H Shares each to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (the "**H Share Registrar**"), in exchange for new share certificates in board lot of 1,000 H Shares each free of charge during business hours from Thursday, 16 July 2015 to Friday, 21 August 2015, both days inclusive. After the expiry of such period, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be specified from time to time by the Stock Exchange) for each new share certificate in board lot of 1,000 H Shares issued or each existing share certificate submitted, whichever number of share certificates involved is higher. It is expected that the new share certificates will be available for collection from the H Share Registrar by the holders of H Shares within 10 business days after delivery of the existing share certificates to the H Share Registrar for exchange purpose.

As of Thursday, 30 July 2015, new share certificates of the Company will be issued in board lot of 1,000 H Shares each (except for odd lots or where the H Share Registrar is otherwise instructed). All existing share certificates in board lot of 4,000 H Shares each will continue to be good evidence of legal title to such H Shares and continue to be valid for trading, delivery and settlement purposes. Save and except for the change in the number of H Shares for each board lot, new share certificates will have the same format and colour as the existing share certificates.

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

Beijing, 8 July 2015

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. Guo Chongqing and Mr. Maurice Savart as well as independent non-executive directors Mr. Lau Chung Man, Louis and Mr. Liu Renhuai and Mr. Yeung Jason Chi Wai.

** For identification purposes only.*