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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

PRELIMINARY FINANCIAL DATA OF JONHON OPTRONIC FOR THE FIRST HALF YEAR OF 2018

The major financial data and indicators of AVIC JONHON Optron Technology Co., Ltd. (“**JONHON OPTRONIC**”, 中航光電科技股份有限公司, whose shares are listed on the Shenzhen Stock Exchange), a non-wholly-owned subsidiary of AviChina Industry & Technology Company Limited* (the “**Company**”), for the first half year of 2018 (the “**First Half of 2018**”) as set out in this announcement have been prepared in accordance with the PRC Accounting Standards and have not been audited. Investors should take note of the investment risks which may result therefrom.

1. MAJOR FINANCIAL DATA AND INDICATORS OF JONHON OPTRONIC FOR THE FIRST HALF OF 2018 (UNAUDITED)

Unit: RMB yuan

Item	For the First Half of 2018	For the first half of 2017	Increase/Decrease (%)
Total operating revenue	3,584,825,699.13	3,032,730,012.66	18.20%
Operating profits	540,776,143.19	506,397,370.43	6.79%
Profits before tax	548,193,535.96	544,459,685.29	0.69%
Net profits attributable to the shareholders of JONHON OPTRONIC	465,400,446.44	441,633,243.11	5.38%
Basic earnings per share	0.5930	0.5638	5.17%
Weighted average return on equity	9.10%	10.25%	-1.15%
	As at the end of the First Half of 2018	As at the beginning of the First Half of 2018	Increase/Decrease (%)
Total assets	11,208,476,514.35	10,030,183,398.26	11.75%
Owner's equity attributable to	5,275,872,364.52	4,889,575,296.87	7.90%

the shareholders of JONHON OPTRONIC			
Share capital	790,940,909.00	790,977,309.00	0.00%
Net assets per share attributable to the shareholders of JONHON OPTRONIC	6.6704	6.1817	7.91%

2. EXPLANATION OF THE OPERATING RESULTS AND FINANCIAL SITUATION OF JONHON OPTRONIC

During the first half of 2018, JONHON OPTRONIC achieved the total operating revenue of approximately RMB3,584.8257 million, representing an increase of 18.20% compared with approximately RMB3,032.73 million of the corresponding period of last year. The operating profits and net profits attributable to the shareholders of JONHON OPTRONIC increased by 6.79% and 5.38% compared with that of the corresponding period of last year respectively. The main reason is the rapid growth of the business of JONHON OPTRONIC in data communication industry, new energy auto industry and international market and the steady increase of the business in defense market.

Investors are reminded that the final major financial data and indicators of JONHON OPTRONIC for the First Half of 2018 shall be those data to be formally disclosed in the financial report of JONHON OPTRONIC for the First Half of 2018. Investors should also note that JONHON OPTRONIC is only one of the subsidiaries of the Company and its financial information does not present a full picture of the operating results and financial situation of the Company and its subsidiaries. Investors should exercise caution when dealing in the securities of the Company.

For further details relating to the preliminary financial data of JONHON OPTRONIC for the First Half of 2018, please refer to the announcement dated 27 July 2018 published by JONHON OPTRONIC on the website of the Shenzhen Stock Exchange (www.szse.cn).

By order of the Board
AviChina Industry & Technology Company Limited*
Xu Bin
Company Secretary

Beijing, 27 July 2018

As at the date of this announcement, the Board comprises executive Directors Mr. Tan Ruisong and Mr. Chen Yuanxian, non-executive Directors Mr. Li Yao, Mr. Wang Xuejun, Mr. He Zhiping and Mr. Patrick de Castelbajac as well as independent non-executive Directors Mr. Liu Renhuai, Mr. Liu Weiwu and Mr. Wang Jianxin.

**For identification purposes only.*