

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)

VOLUNTARY ANNOUNCEMENT
SHAREHOLDING INCREASE IN A SUBSIDIARY

The board of directors (the “**Board**”) of AviChina Industry & Technology Company Limited (the “**Company**”) hereby announces that on 18 December 2018, the Company purchased 1,284,500 A shares of China Aviation Optical-Electrical Technology Co., Ltd. (“**JONHON Optronic**”) on the A share market of the Shenzhen Stock Exchange with an average price of RMB34.95 per share, representing approximately 0.162% of the total issued shares of JONHON Optronic as at the date of this announcement (the “**Shareholding Increase**”). Immediately before the Shareholding Increase, the Company held 325,632,280 A shares in JONHON Optronic, representing approximately 41.17% of the total issued shares of JONHON Optronic. Upon completion of the Shareholding Increase, the Company held 326,916,780 A shares of JONHON Optronic, representing approximately 41.33% of the total issued shares of JONHON Optronic.

With recognition in the long-term investment value in JONHON Optronic and confidence in its stable development in the future, within 6 months from the date of the Shareholding Increase, the Company will use its own funds to increase its shareholding in JONHON Optronic at a price of not exceeding RMB40 per share, and the total amount (including the consideration paid for the Shareholding Increase) will range from RMB50 million to RMB100 million (the “**Subsequent Shareholding Increase**”).

At the same time, the Company undertakes not to reduce its shareholding in JONHON Optronic during the implementation period of the Subsequent Shareholding Increase, the 6 months upon such implementation and any period as prescribed by relevant laws and regulations.

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

Beijing, 18 December 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*