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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

**ACQUISITION OF ADDITIONAL 10% EQUITY INTEREST
IN XI'AN FORSTAR BY JONHON OPTRONIC**

References are made to the announcements of AviChina Industry & Technology Company Limited (the “**Company**”) dated 24 October 2013 and 13 November 2013, as well as the overseas regulatory announcement dated 9 January 2014, in relation to the acquisition of 48.182% equity interest in Xi’an Forstar S&T Co., Ltd. (“**Xi’an Forstar**”) (the “**Initial Equity Transfer**”) by China Aviation Optical-Electrical Technology Co., Ltd. (中航光電科技股份有限公司) (“**JONHON OPTRONIC**”) (whose A shares are listed on the Shenzhen Stock Exchange), a non wholly-owned subsidiary of the Company, from China-Belgium Direct Equity Investment Fund (中國—比利時直接股權投資基金), Shaanxi Venture Capital Guiding Fund Centre (陝西省創業投資引導基金管理中心) and a few individual shareholders, all being independent third parties.

On 24 April 2014, JONHON OPTRONIC entered into equity transfer agreements with Shaanxi State-Owned Assets Management Co., Ltd. (陝西省國有資產經營有限公司) and other related parties, all being independent third parties. Pursuant to which, JONHON OPTRONIC has agreed to acquire additional 10% equity interest in Xi’an Forstar (the “**Equity Transfer**”) with its own funds, at a consideration of RMB26.752 million. Upon completion of the Equity Transfer, JONHON OPTRONIC will hold 58.182% equity interest in aggregate in Xi’an Forstar.

As the highest of the applicable size test percentage ratios in relation to the Equity Transfer and the Initial Equity Transfer on an aggregate basis is less than 5%, the Equity Transfer constitutes a de minimis transaction of the Company and is therefore exempt from the reporting, announcement and independent shareholders’ approval requirements pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Notwithstanding such exemption, the Company made this announcement

voluntarily in order to keep the shareholders of the Company informed of the recent development since the Initial Equity Transfer.

For further details relating to the Equity Transfer, please refer to the announcement dated 25 April 2014 published by JONHON OPTRONIC on the website of the Shenzhen Stock Exchange (www.szse.cn).

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

Beijing, 25 April 2014

As at the date of this announcement, the board of directors of the Company comprises executive directors Mr. Lin Zuoming and Mr. Tan Ruisong and non-executive directors Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. Sheng Mingchuan and 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.*