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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 YEAR 2013

The major financial data and indicators of China Aviation Optical-Electrical Technology Co., Ltd. (中航光電科技股份有限公司), a non wholly-owned subsidiary of AviChina Industry & Technology Company Limited (the “**Company**”) whose shares are listed on the Shenzhen Stock Exchange (“**JONHON OPTRONIC**”) for the year 2013 (the “**Reporting Period**”) as set out in this announcement 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 YEAR 2013 (UNAUDITED)

Unit: In RMB dollar

Item	The Reporting Period	For the same reporting period of last year	Increase/Decrease (%)
Total operating revenue	2,601,763,184.78	2,203,478,363.61	18.08%
Operating profits	299,686,383.03	234,656,931.44	27.71%
Gross profits	304,202,217.15	240,988,267.03	26.23%
Net profits attributable to the shareholders of JONHON OPTRONIC	244,760,902.23	202,783,952.93	20.70%
Basic earnings per share (RMB dollar)	0.5463	0.5049	8.19%

Weighted average return on equity	10.77%	13.86%	-3.09%
	As at the end of the Reporting Period	As at the beginning of the Reporting Period	Increase/Decrease (%)
Total assets	5,327,704,638.44	3,363,712,995.67	58.39%
Owner's equity attributable to the shareholders of JONHON OPTRONIC	2,572,703,091.37	1,553,232,290.55	65.64%
Share Capital	463,472,988.00	401,625,000.00	15.40%
Net assets per share attributable to the shareholders of JONHON OPTRONIC (RMB dollar)	5.55	3.87	43.41%

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

During the Reporting Period, JONHON OPTRONIC achieved an operating revenue of approximately RMB2,601,763,200, representing an increase of 18.08% as compared to RMB2,203,478,400 in the same period of last year and a gross profit of RMB304,202,200, representing an increase of 26.23% as compared to RMB240,988,300. The growth in gross profits was mainly attributable to the increase of sales revenue, implementation of the management and control of costs and expenses and the increase of RMB19 million in gross profit of AVIC Shenyang Xinghua Aero-Electric Appliance Co., Ltd., a controlling subsidiary of JONHON OPTRONIC. During the Reporting Period, JONHON OPTRONIC upheld to the philosophy of “market driven, R&D first”, continued to strengthen market development and R&D investment in products, and overcame the difficulties such as weak recovery of the macro economy and intensified competition, to realize the stable increase in sales revenue. At the same time, cost management and control projects such as target cost management and new process promotion were carried out, and comprehensive budget management was implemented, which resulted in the 1.31% decrease of the proportion of costs and expenses in sales revenue as compared with that of last year.

As at the end of the Reporting Period, the total assets of JONHON OPTRONIC amounted to RMB5,327,704,600, representing an increase of 58.39% as compared with

RMB3,363,713,000 last year. The increase was mainly attributable to the capital operation including RMB500 million raised from the issuance of corporate bonds, RMB830 million raised from the private placement of shares and the acquisition of Xi'an Forstar S&T Co., Ltd, which contributed to the increase in the assets.

During the Reporting Period, the increase of owner's equity attributable to the shareholders of JONHON OPTRONIC and net assets per share attributable to the shareholders of JONHON OPTRONIC were both over 30%, which were mainly attributable to the increase of the net assets and operating results accumulation resulting from private placement of shares.

Investors are reminded that the final major financial data and indicators of JONHON OPTRONIC for the year 2013 shall be those audited financial data to be formally disclosed in the annual report of JONHON OPTRONIC for the year 2013. Investors should also note that JONHON OPTRONIC has prepared its financial statements under the IFRS and therefore, the financial data disclosed herein may be significantly different if prepared under the IFRS. 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 year 2013, please refer to the announcement dated 25 February 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 February 2014

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