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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 2017

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 2017 (the “**First Half of 2017**”) 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 2017 (UNAUDITED)

Unit: RMB yuan

Item	For the First Half of 2017	For the first half of 2016	Increase/Decrease (%)
Total operating revenue	3,032,730,012.66	3,003,037,177.28	0.99%
Operating profits	506,561,511.39	474,813,976.49	6.69%
Gross profits	544,623,826.25	492,022,027.80	10.69%
Net profits attributable to the shareholders of JONHON OPTRONIC	441,772,762.93	396,575,440.45	11.40%
Basic earnings per share	0.5640	0.5063	11.40%

Weighted average return on equity	10.25%	11.04%	-0.79%
	As at the end of the First Half of 2017	As at the beginning of the First Half of 2017	Increase/Decrease (%)
Total assets	8,943,040,253.77	8,509,877,055.86	5.10%
Owner's equity attributable to the shareholders of JONHON OPTRONIC	4,501,228,533.31	4,107,090,737.17	9.60%
Share capital	791,013,709.00	602,514,884.00	31.29%
Net assets per share attributable to the shareholders of JONHON OPTRONIC	5.6905	6.8166	-16.52%

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

In the First Half of 2017, JONHON OPTRONIC achieved the total operating revenue of approximately RMB3,032.73 million, representing 0.99% increase as compared to approximately RMB3,003.04 million for the same period last year. Meanwhile, JONHON OPTRONIC continued to carry out quality and efficiency improvement projects. The cost and expense ratio decreased as compared to that of the same period last year, and the operating profits, gross profits and the net profits attributable to the shareholders of JONHON OPTRONIC achieved increase of 6.69%, 10.69% and 11.40% respectively as compared to those of the same period last year.

In the First Half of 2017, the decrease in net assets per share attributable to the shareholders of JONHON OPTRONIC was mainly due to the increase in share capital resulting from the completion of the grant of shares under the Restricted Stock Incentive Scheme (Phase I) and the implementation of the 2016 Scheme for Conversion of Capital Reserve into Share Capital.

Investors are reminded that the final major financial data and indicators of JONHON OPTRONIC for the First Half of 2017 shall be those data to be formally disclosed in the financial report of JONHON OPTRONIC for the First Half of 2017. 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 2017, please refer to the announcement dated 28 July 2017 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*

Xu Bin

Company Secretary

Beijing, 30 July 2017

As at the date of this announcement, the Board comprises executive Director Mr. Lin Zuoming, non-executive Directors Mr. Tan Ruisong, Mr. Wu Xiandong, Mr. Li Yao, Mr. He Zhiping and Mr. Patrick De Castelbajac as well as independent non-executive Directors Mr. Lau Chung Man, Louis, Mr. Liu Renhuai and Mr. Yeung Chi Wai.

** For identification purposes only.*