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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 INFORMATION OF JONHON OPTRONIC FOR THE FIRST HALF YEAR OF 2016

The major financial data and indicators of China Aviation Optical-Electrical 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 2016 (the “**First Half Year of 2016**”) 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 YEAR OF 2016 (UNAUDITED)

Unit: In RMB

Item	For the First Half Year of 2016	For the first half year of 2015	Increase/De crease
Total operating revenue	3,003,015,381.62	2,207,161,079.63	36.06%
Operating profits	475,417,471.60	306,319,390.88	55.20%
Gross profits	491,817,433.74	312,515,286.81	57.37%
Net profits attributable to the shareholders of JONHON OPTRONIC	396,660,160.92	255,654,431.38	55.15%
Basic earnings per share (RMB)	0.6583	0.4243	55.15%

Weighted average return on equity	11.04%	8.59%	2.45%
	As at the end of the First Half Year of 2016	As at the beginning of the First Half Year of 2016	Increase/Decrease
Total assets	8,055,736,349.58	7,463,742,521.74	7.93%
Owner's equity attributable to the shareholders of JONHON OPTRONIC	3,761,304,289.68	3,397,466,000.91	10.71%
Share capital	602,514,884.00	602,514,884.00	0.00%
Net assets per share attributable to the shareholders of JONHON OPTRONIC (RMB)	6.2427	5.6388	10.71%

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

During the First Half Year of 2016, JONHON OPTRONIC achieved a total operating revenue of approximately RMB3,003,015,400, representing an increase of 36.06% as compared to approximately RMB2,207,161,100 in the same period of last year. The increase was primarily attributable to the steady growth of the orders from the defense market of JONHON OPTRONIC, and the rapid growth of the orders of new energy vehicles and its ancillary charging facilities during this period.

During the First Half Year of 2016, the operating profits, gross profits and net profits attributable to the shareholders of JONHON OPTRONIC represent increase of 55.20%, 57.37% and 55.15% respectively as compared with the same period of last year. The increase was primarily attributable to the steady increase of the sales revenue, and the decrease in the cost and expense ratio as compared with the same period of last year.

Investors are reminded that the major financial data and indicators of JONHON OPTRONIC for the First Half Year of 2016 shall be those to be formally disclosed in the interim report of JONHON OPTRONIC for the First Half Year of 2016. 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 status 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 Year of 2016, please refer to the announcement to be published by JONHON OPTRONIC on 28 July 2016 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, 27 July 2016

As at the date of this announcement, the Board comprises executive Directors Mr. Lin Zuoming and Mr. Tan Ruisong and non-executive Directors Mr. Gu Huizhong, Mr. Gao Jianshe, Mr. Guo Chongqing and Mr. Kiran Rao as well as independent non-executive Directors Mr. Lau ChungMan, Louis, Mr. Liu Renhuai and Mr. Yeung Jason Chi Wai.

** For identification purposes only.*