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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)

PRICE SENSITIVE INFORMATION

PROPOSED PLACING OF NEW JONHON OPTRONIC SHARES

AND

RESUMPTION OF TRADING

Proposed placing of new JONHON Optronics Shares by JONHON Optronics

Reference is made to the announcement of the Company dated 17 April 2012 in relation to the non-public placing of new shares in JONHON Optronics, a non wholly-owned subsidiary of the Company whose A shares are listed on the Shenzhen Stock Exchange.

On 2 May 2012, the board of directors of JONHON Optronics resolved to place not more than 68.5 million new JONHON Optronics Shares for subscription by not more than 10 target investors including the Company. The total proceeds of the Proposed Placing will not exceed RMB1 billion. All target investors will subscribe for the new JONHON Optronics Shares by cash. None of the target investors will be a connected person of the Company.

On 2 May 2012, the Company entered into the Subscription Agreement with JONHON Optronics for subscription, subject to certain conditions and adjustment (if any), of the new JONHON Optronics Shares at the Placing Price by cash in an aggregate amount of RMB250

million. The Placing Price will be finally determined by the board of directors of JONHON Optronic pursuant to the authorisation of its shareholders at the general meeting and after having been approved by the relevant PRC government authorities and taken into account the bidding prices offered by the target investors. Upon Completion, such new JONHON Optronic Shares will be listed on the Shenzhen Stock Exchange. The Proposed Placing is subject to approvals by the relevant PRC government authorities such as SASAC and CSRC.

Hong Kong Listing Rules Implications

Upon Completion, the equity interest held by the Company in JONHON Optronic will be diluted by approximately 2.68% from 43.34% to approximately 40.66% of the enlarged share capital of JONHON Optronic. JONHON Optronic will remain as a subsidiary of the Company after Completion. Such dilution will constitute a deemed disposal by the Company of 2.68% equity interest in JONHON Optronic. However, as the highest applicable size test percentage ratio in relation to the deemed disposal is lower than 5%, the proposed deemed disposal is exempt from announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

Resumption of trading

At the request of the Company, trading of H shares of the Company on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on 3 May 2012 pending the release of this announcement. The Company has made an application to the Hong Kong Stock Exchange for the resumption of trading of H shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 4 May 2012.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 17 April 2012 in relation to the non-public placing of new shares in JONHON Optronic, a non wholly-owned subsidiary of the Company whose A shares are listed on the Shenzhen Stock Exchange.

A. INTRODUCTION

On 2 May 2012, the board of directors of JONHON Optronics resolved to place not more than 68.5 million new JONHON Optronics Shares for subscription by not more than 10 target investors including the Company. All target investors will subscribe for the new JONHON Optronics Shares by cash. The total proceeds of the Proposed Placing will not exceed RMB1 billion. Upon Completion, such new JONHON Optronics Shares will be listed on the Shenzhen Stock Exchange. On 2 May 2012, the Company entered into the Subscription Agreement with JONHON Optronics for subscription, subject to certain conditions and adjustment (if any), of the new JONHON Optronics Shares at the Placing Price by cash in an aggregate amount of RMB250 million.

B. PROPOSED PLACING PLAN OF JONHON OPTRONICS

A summary of the principle terms of the Proposed Placing is set out as follows:

1. Nominal value of the new JONHON Optronics Shares:

RMB 1.00 per new JONHON Optronics Share.

2. Placing Methods:

Non-public placing of new JONHON Optronics Shares at an appropriate time within six months from the date of approval by CSRC.

3. Total number of JONHON Optronics Shares to be issued:

Not more than 68.5 million new JONHON Optronics Shares.

4. Placing Targets:

Not more than 10 target investors including the Company. None of the target investors will be a connected person of the Company.

5. Placing Price:

Not less than RMB14.63 per new JONHON Optronic Share, being 90% of the average trading price of JONHON Optronic Shares on the Shenzhen Stock Exchange in the last 20 trading days immediately preceding the Price Determination Date. The Placing Price will be finally determined by the board of directors of JONHON Optronic pursuant to the authorisation of its shareholders at the general meeting and after having been approved by the relevant PRC government authorities and taken into account the bidding prices offered by the target investors.

6. Subscription Method:

All target investors will subscribe for the new JONHON Optronic Shares by cash.

7. Lock-up period:

The new JONHON Optronic Shares to be subscribed by the Company shall be subject to a lock-up period of 36 months commencing from the date of Completion. The new JONHON Optronic Shares to be subscribed by other target investors shall be subject to a lock-up period of 12 months commencing from the date of Completion.

8. Use of proceeds:

The total proceeds, which will not exceed RMB1 billion, shall be used for the following purposes:

- (1) approximately RMB510 million on optoelectronic technology industry base projects (光電技術產業基地項目);

- (2) approximately RMB140 million on aircraft integration mount industrialization projects (飛機集成安裝架產業化項目);
- (3) approximately RMB250 million on new energy and electric vehicle cable assembly industry projects (新能源及電動車線纜總成產業化項目); and
- (4) approximately RMB100 million for general working capital purposes of JONHON Optronics.

C. THE SUBSCRIPTION AGREEMENT

- 1. Date:

2 May 2012

- 2. Parties:

(1) JONHON Optronics as the issuer; and

(2) The Company as the subscriber.

- 3. Subscription Method:

The Company will subscribe for the new JONHON Optronics Shares by cash.

- 4. Subscription Price:

The subscription price will be the same as the Placing Price.

- 5. The number of new JONHON Optronics Shares to be subscribed by the Company:

The Company will subscribe for the new JONHON Optronic Shares at the Placing Price by cash in an aggregate amount of RMB250 million. The total number of new JONHON Optronic Shares to be subscribed for by the Company will be determined according to the final Placing Price.

6. Lock-up period:

The new JONHON Optronic Shares to be subscribed for by the Company shall be subject to a lock-up period of 36 months commencing from the date of Completion .

7. Conditions on which the Subscription Agreement will become effective:

The Subscription Agreement is subject to, among other things, the following conditions:

- (1) that the Subscription Agreement is signed by the legal representative or authorized representative of each party and affixed with the official seal of each party;
- (2) that the Proposed Placing is approved by the board of directors and the shareholders of JONHON Optronic;
- (3) that the Company has completed its internal decision-making process according to the articles of association of the Company and the Hong Kong Listing Rules and the Proposed Placing is, if required, approved by the Board and/or the shareholders of the Company ;
- (4) that the Proposed Placing is approved by SASAC; and
- (5) that the Proposed Placing is approved by CSRC.

D. REASONS FOR THE PROPOSED PLACING

JONHON Optronic intends to use the proceeds of the Proposed Placing to invest in certain projects including, among others, the optoelectronic technology industry base project to construct, research, develop and produce middle to high-end connectors and the aircraft integration mount industrialization project. These projects may help JONHON Optronic to expand its production and sales scale, increase its comprehensive strength, enhance its competitiveness in the international market and improve its economic performances. In addition, JONHON Optronic also intends to use part of the proceeds of the Proposed Placing to supplement its working capital so as to improve its financial status.

E. HONG KONG LISTING RULES IMPLICATIONS

Upon Completion, the equity interest held by the Company in JONHON Optronic will be diluted by approximately 2.68% from 43.34% to approximately 40.66% of the enlarged share capital of JONHON Optronic. JONHON Optronic will remain as a subsidiary of the Company after Completion. Such dilution will constitute a deemed disposal by the Company of 2.68% equity interest in JONHON Optronic. However, as the highest applicable size test percentage ratio in relation to the deemed disposal is lower than 5%, the proposed deemed disposal is exempt from announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

The Proposed Placing is subject to, among other things, the shareholders' approval of JONHON Optronic and approvals of relevant PRC authorities, and may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

F. RESUMPTION OF TRADING

At the request of the Company, trading of H shares of the Company on the Hong Kong Stock Exchange was suspended with effect from 9:00 a.m. on 3 May 2012 pending the release of this announcement. The Company has made an application to

the Hong Kong Stock Exchange for the resumption of trading of H shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 4 May 2012.

DEFINITIONS

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| “Board” | the board of directors of the Company |
| “Company” | AviChina Industry & Technology Company Limited |
| “Completion” | completion of the Proposed Placing |
| “CSRC” | China Securities Regulatory Commission (中國證券監督管理委員會) |
| “Directors” | the director(s) of the Company |
| “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “JONHON Optronic” | China Aviation Optical-Electrical Technology Co., Ltd., (中航光電科技股份有限公司), a joint stock limited liability company whose shares are listed on the Shenzhen Stock Exchange which is held as to 43.34% by the Company at the date of the announcement |
| “JONHON Optronic Shares” | the A shares of JONHON Optronic which are listed on the Shenzhen Stock Exchange |
| “Placing Price” | not less than RMB14.63 per new JONHON Optronic Share, being 90% of the average trading price of JONHON Optronic Shares on the Shenzhen Stock Exchange in the 20 trading days immediately preceding the Price Determination Date. The placing price will be finally determined by the board of directors of JONHON Optronic pursuant to the authorisation of its shareholders at the general meeting and after being approved by the relevant PRC government authorities and taking into account the bidding prices offered by the targeted investors |
| “Proposed Placing” | the proposed placing of not more than 68.5 million new JONHON Optronic Shares to not more than 10 target |

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| | investors including the Company by JONHON Optronic at the Placing Price |
| “PRC” | the People’s Republic of China |
| “Price Determination Date” | the date on which the minimum Placing Price was determined, being 2 May 2012 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SASAC” | Stated-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) |
| “Subscription Agreement” | the subscription agreement entered into between the Company and JONHON Optronic on 2 May 2012 |

By Order of the Board

AviChina Industry & Technology Company Limited*

Yan Lingxi

Company Secretary

Hong Kong, 4 May 2012

As at the date of this announcement, the board of directors of the Company comprises executive directors Mr. Lin Zuoming, Mr. Tan Ruisong and Mr. Wu Xiandong and non-executive directors Mr. Gu Huizhong, Mr. Xu Zhanbin, Mr. Geng Ruguang, Mr. Zhang Xinguo, Mr. Gao Jianshe, Mr. Li Fangyong, Mr. Chen Yuanxian, Mr. Wang Yong, 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.*