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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)

#### VOLUNTARY ANNOUNCEMENT

#### ISSUANCE OF DOMESTIC CORPORATE BONDS BY JONHON OPTRONIC

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**”), proposes to issue Renminbi-denominated corporate bonds in the aggregate principal amount of RMB500 million (the “**Domestic Corporate Bonds**”). JONHON OPTRONIC has obtained the final approval from the China Securities Regulatory Commission for the issuance of the Domestic Corporate Bonds.

A summary of the key terms of the Domestic Corporate Bonds is set out as follows:

- |     |                                      |   |  |
|-----|--------------------------------------|---|--|
| (1) | Issuer                               | : | JONHON OPTRONIC  |
| (2) | Place of Issue                       | : | People's Republic of China (the “ <b>PRC</b> ”)                                      |
| (3) | Size of the Domestic Corporate Bonds | : | The aggregate principal amount of RMB500 million.                                    |
| (4) | Targets of Issue                     | : | The Domestic Corporate Bonds will be offered for subscription by the general public. |

For online public offering, issuance targets include A-share securities account holders of the Shenzhen Branch of the China Securities Depository and Clearing Co., Ltd. including

natural person, legal person, securities investment funds and other investors permitted by the applicable laws and regulations of the PRC.

For non-online public offering, issuance targets include institutional investors which are A-share securities account holders of the Shenzhen Branch of the China Securities Depository and Clearing Co., Ltd.

- (5) Arrangement for the issuance of the Domestic Corporate Bonds to shareholders of JONHON OPTRONIC : The Domestic Corporate Bonds will be offered for subscription by the general public and will not be preferentially placed to the existing shareholders of JONHON OPTRONIC.
- (6) Maturity of the Domestic Corporate Bonds : 5 years, and by the end of the 3<sup>rd</sup> year term of the Domestic Corporate Bonds, JONHON OPTRONIC has an option to increase the coupon rate of the Domestic Corporate Bonds and holders of the Domestic Corporate Bonds have options to sell the bonds back to JONHON OPTRONIC.
- (7) Guarantee Arrangement : The Company will provide a full, unconditional and irrevocable joint liability guarantee in respect of the issuance of the Domestic Corporate Bonds.
- (8) Use of Proceeds : The proceeds, after deducting the relevant expenses incurred in connection with the issuance, will be used to repay part of the debts of JONHON OPTRONIC and to supplement the working capital of JONHON OPTRONIC.
- (9) Listing of the Domestic Corporate Bonds : Subject to the final approval by the Shenzhen Stock Exchange, the Domestic Corporate Bonds will be listed on the Shenzhen Stock Exchange.

For further details relating to the issuance of the Domestic Corporate Bonds, please refer to the announcement dated 23 January 2013 and the relevant offering materials published by JONHON OPTRONIC on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)).

By Order of the Board  
**AviChina Industry & Technology Company Limited\***  
**Yan Lingxi**  
Company Secretary

Beijing, 23 January 2013

*As at the date of this announcement, the Board comprises 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.*