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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**

The announcement is made by AviChina Industry & Technology Company Limited\* (中國航空科技工業股份有限公司)(the “**Company**”) on a voluntary basis.

As at the date of this announcement, AVIC Chengdu CAIC Electronics Co., Ltd.\* (成都凱天電子股份有限公司) (“**AVIC CAIC**”) is held as to 88.30% by China Avionics Systems Co., Ltd.\* (中航航空電子系統股份有限公司) (“**AVIC Avionics**”, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600372) and a non-wholly-owned subsidiary of the Company), as to 5.07% by AVIC Investment Holding Ltd.\* (中航投資控股有限公司), as to 5.07% by AVIC Chengdu Aircraft Design Institute\* (中國航空工業集團公司成都飛機設計研究所), and as to 1.56% by AVIC Chengdu Aircraft Industrial (Group) Co., Ltd.\* (航空工業成都飛機工業(集團)有限責任公司) (“**Chengdu Aircraft**”, a wholly-owned subsidiary of AVIC). The above shareholders are ultimately controlled by Aviation Industry Corporation of China, Ltd.\* (中國航空工業集團有限公司) (“**AVIC**”), the controlling Shareholder of the Company, holding 61.60% equity interest in the Company directly and indirectly as at the date of this announcement.

To carry out its mixed ownership reform, AVIC CAIC proposed to increase its share capital and raise a total amount of approximately RMB500,000,000, among which (i) RMB50,000,000 will be contributed by Chengdu Aircraft, (ii) RMB100,000,000 will be contributed by a newly introduced employee stock ownership platform, and (iii) RMB350,000,000 will be contributed by six to seven newly introduced strategic investors. In addition, AVIC CAIC proposed to convert its exclusively state-owned capital reserve of RMB109,782,202.62 into its share capital to be held by AVIC.

The price for the capital increase will be based on the appraisal value of the assets of AVIC CAIC as at 31 December 2020 prepared by a professional valuer, being RMB1,586.80 million, which is subject to public bidding process on the property rights trading institutions recognized by State-owned Assets Supervision and Administration Commission (the “SASAC”).

After the capital increase and the conversion of exclusively state-owned capital reserve, it is estimated that AVIC CAIC will be indirectly held as to 62.50% by the Company through AVIC Avionics and will continue to be a subsidiary of the Company.

As at the date of this announcement, no formal agreement for the aforesaid capital increase and the conversion of exclusively state-owned capital reserve (the “**Proposed Transactions**”) has been executed.

As AVIC is the controlling shareholder of the Company, Chengdu Aircraft is a wholly-owned subsidiary of AVIC and some of the strategic investors (which will be determined through the public bidding process on the property rights trading institutions recognized by the SASAC) could potentially be connected persons of the Company, the Proposed Transactions will constitute connected transactions of the Company when materialized. The Company will make further announcement(s) in connection with the above as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

AVIC CAIC is a joint stock limited liability company incorporated in the PRC and a non-wholly-owned subsidiary of the Company. AVIC CAIC is mainly engaged in the business of R&D, manufacturing, selling, maintenance, testing and technology services of avionics, aviation instruments, engine controlling systems, aviation ground testing equipment, avionic mechanical equipment, energy saving and safety equipment, automobile accessories, sensor and testing systems, data chain systems, communication systems, communication terminal equipment and aircraft ground support equipment, etc.

By Order of the Board  
**AviChina Industry & Technology Company Limited\***  
**Xu Bin**  
*Company Secretary*

Beijing, 10 December 2021

*As at the date of this announcement, the Board comprises executive Director Mr. Wang Xuejun, non-executive Directors Mr. Lian Dawei, Mr. Li Xichuan, Mr. Xu Gang and Mr. Wang Jun as well as independent non-executive Directors Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping.*

*\* For identification purposes only*