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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)

**UPDATE ANNOUNCEMENT
CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF 21.30%
EQUITY INTEREST
IN AVIC RENEWABLE ENERGY**

Reference is made to the announcement of AviChina Industry & Technology Company Limited (the “**Company**”) dated 21 March 2022 (the “**Announcement**”) in relation to the entering into the Equity Transfer Agreement with (i) Xuneng Development; (ii) Jilin Zhongkai; and (iii) Anhui Zhongcheng in relation to the Disposal. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 22 April 2022 (after trading hours), AVIC (a controlling shareholder of the Company) and AVIC CAPDI (a wholly owned subsidiary of the Company) have entered into the Equity Transfer Agreement with (i) Xuneng Development; (ii) Jilin Zhongkai; and (iii) Anhui Zhongcheng, pursuant to which AVIC agreed to transfer its 30.70% equity interest in AVIC Renewable Energy at a consideration of approximately RMB226.64 million, and AVIC CAPDI agreed to transfer its 21.30% equity interest in AVIC Renewable Energy at a consideration of approximately RMB157.25 million (the “**Consideration**”). The principal terms of the Equity Transfer Agreement remain the same as those disclosed in the Announcement.

The Purchasers shall transfer an amount equivalent to the Consideration to the designated bank account within three working days of from the day after the date of the Equity Transfer Agreement all at once. The date of completion of the Equity Transfer Agreement shall be the date of completion of the registration procedures for the transfer of the equity interest in AVIC Renewable Energy and the issuance of the new business registration certificate of AVIC Renewable Energy.

Upon completion of the Equity Transfer Agreement, AVIC Renewable Energy will remain as a subsidiary of the Company and will be owned as to: (i) approximately 48.0% by AVIC CAPDI; (ii) approximately 36.40% by Xuneng Development; (iii) approximately 10.40% by Jilin Zhongkai; and (iv) approximately 5.20% by Anhui Zhongcheng, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Xuneng Development is a company owned as to 50% by AVIC Trust and 50% by Anhui Zhongcheng, respectively. AVIC Trust is owned as to approximately 73.56% by AVIC Industry-Finance, which is a non-wholly owned subsidiary of AVIC, a controlling shareholder of the Company. Therefore, Xuneng Development is a connected person to the Company pursuant to Chapter 14A of the Listing Rules and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) for the Disposal is more than 0.1% but less than 5%, it is expected that the Disposal is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

Beijing, 22 April 2022

As at the date of this announcement, the Board comprises executive Directors Mr. Zhang Minsheng and Mr. Yan Lingxi, 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*