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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 SHAREHOLDING INCREASE IN A SUBSIDIARY

With recognition in the long-term investment value in China Avionics Systems Co., Ltd.* (中航航空電子系統股份有限公司, “**AVIC Avionics**”) and confidence in its stable development in the future, the board of directors (the “**Board**”) of AviChina Industry & Technology Company Limited* (the “**Company**”) hereby announces that on 17 October 2022, the Company purchased 1,000,000 A shares of AVIC Avionics on the A share market of the Shanghai Stock Exchange with an average price of approximately RMB19.23 per share, representing approximately 0.05% of the total issued shares of AVIC Avionics as at the date of this announcement (the “**Shareholding Increase**”). Immediately before the Shareholding Increase, the Company held 760,323,599 A shares in AVIC Avionics, representing approximately 39.43% of the total issued shares of AVIC Avionics. Upon completion of the Shareholding Increase, the Company held 761,323,599 A shares of AVIC Avionics, representing approximately 39.48% of the total issued shares of AVIC Avionics.

At the same time, within 6 months from the date of the Shareholding Increase, the Company plans to continue to increase its shareholding in AVIC Avionics on the A share market of the Shanghai Stock Exchange, and the total amount (including the consideration paid for the Shareholding Increase) will range from RMB26 million to RMB40 million (the “**Subsequent Shareholding Increase**”).

As at the date of this announcement, AVIC Avionics is a subsidiary of the Company. Furthermore, it is also a connected subsidiary of the Company by virtue of being owned as to more than 10 % directly and indirectly by Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司), the controlling shareholder of the Company. The Shareholding Increase constitutes a connected transaction of the Company under Rule 14A.28 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). As the highest applicable percentage ratio (other than the profits ratio) for the Shareholding Increase is less than 0.1%, the Shareholding Increase constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Hong Kong Listing Rules and is fully exempted from the independent shareholders’ approval and all disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. This announcement is made voluntarily by the Company.

The Company will comply with all the applicable requirements under the Hong Kong Listing Rules for

Subsequent Shareholding Increase if necessary.

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

Beijing, 17 October 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 purpose only*