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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)

### **INSIDE INFORMATION LATEST UPDATE ON THE PROPOSED RESTRUCTURING**

This announcement is made by AviChina Industry & Technology Company Limited\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the announcement of the Company dated 23 December 2022 and 9 January 2023 (collectively, the “**Announcements**”) in relation to, among others, the Proposed Restructuring. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

#### **BACKGROUND**

Recently, the CSRC revised the applicable regulations in respect of the Acquisition of Assets by Issue of Shares. In view of this, the parties to the Agreement on the Acquisition of Assets by Issue of Shares intended to amend certain terms in such agreement. On 15 March 2023, the parties to the Agreement on the Acquisition of Assets by Issue of Shares entered into a supplemental agreement (the “**Supplemental Agreement**”) to, among others, adjust the issue price of the consideration shares under the Acquisition of Assets by Issue of Shares.

#### **THE SUPPLEMENTAL AGREEMENT**

Pursuant to the Supplemental Agreement, the principal amendments (which are underlined for ease of reference) to the Agreement on the Acquisition of Assets by Issue of Shares are set out as follows:

- (A) As disclosed in the Announcements, the market reference price shall be one of the average trading prices of the shares of AVICOPTER in the 20 trading days, 60 trading

days or 120 trading days prior to the Market Reference Date and the issue price of the shares under the Acquisition of Assets by Issue of Shares shall be RMB39.53 per share, which is not lower than 90% of the average trading price of AVICOPTER in the 60 trading days prior to the Market Reference Date and the final issue price shall be subject to shareholders' approval in a general meeting of AVICOPTER and approval of the CSRC. Pursuant to the Supplemental Agreement, *the market reference price shall be one of the average trading prices of the shares of AVICOPTER in the 20 trading days, 60 trading days or 120 trading days (whichever is lower) prior to the Market Reference Date (being 16 March 2023, which is the date of the announcement of the 23rd board resolutions of the eighth session of the board of AVICOPTER) and the issue price of the shares under the Acquisition of Assets by Issue of Shares shall be 80% of market reference price, and the final issue price shall be subject to shareholders' approval in a general meeting of AVICOPTER, the vetting and approval of the Shanghai Stock Exchange and the registration with the CSRC. The issue price of the shares shall be RMB35.92 per share, which is not lower than 80% of the average trading price of AVICOPTER in the 120 trading days prior to the Market Reference Date.*

- (B) As disclosed in the Announcements, the issue price could be adjusted once by the board of directors of AVICOPTER as authorised by the general meeting of AVICOPTER and after obtaining the shareholders' approval in relation to the Acquisition of Assets by Issue of Shares at the general meeting of AVICOPTER as well as prior to obtaining the approval of the CSRC in relation to the Acquisition of Assets by Issue of Shares, provided that the consideration of the Target Assets shall remain unchanged. The number of shares to be issued shall be adjusted accordingly based on the adjusted issue price.

*Pursuant to the Supplemental Agreement, the issue price could be adjusted once by the board of directors of AVICOPTER as authorised by the general meeting of AVICOPTER and after obtaining the shareholders' approval in relation to the Acquisition of Assets by Issue of Shares at the general meeting of AVICOPTER as well as prior to the vetting and approval of the Shanghai Stock Exchange and the registration with the CSRC in relation to the Acquisition of Assets by Issue of Shares, provided that the adjusted issue price shall be 80% of the average trading prices of the shares of AVICOPTER in the 20 trading days, 60 trading days or 120 trading days prior to the relevant reference date (as defined in the Agreement on the Acquisition of Assets by Issue of Shares), and the adjusted issue price shall not be lower than the latest net asset value per share of AVICOPTER, and the consideration of the Target Assets shall remain unchanged. The number of shares to be issued shall be adjusted accordingly based on the adjusted issue price.*

- (C) As disclosed in the Announcements, the Agreement on the Acquisition of Assets by Issue of Shares will take effect upon fulfillment of certain conditions. Pursuant to the Supplemental Agreement, the Agreement on the Acquisition of Assets by Issue of Shares will take effect upon fulfillment of all of the following conditions:

- 1. the Acquisition of Assets by Issue of Shares has been effectively approved by the board of directors of AVICOPTER and the shareholders in a general meeting of AVICOPTER in accordance with the articles of association of AVICOPTER;*
- 2. the Company and AVIC have performed their necessary internal decision-making procedures in relation to the Acquisition of Assets by Issue of Shares in accordance with their articles of association;*

3. *the Acquisition of Assets by Issue of Shares has been approved by the competent industry governing authority(ies);*
4. *the valuation report in relation to the Acquisition of Assets by Issue of Shares has been filed with the competent state-owned assets supervision authority;*
5. *the Acquisition of Assets by Issue of Shares has been approved by the competent state-owned assets supervision authority;*
6. *the Acquisition of Assets by Issue of Shares has been vetted and approved by the Shanghai Stock Exchange; and*
7. *the Acquisition of Assets by Issue of Shares has been registered with the CSRC.*

Save as disclosed above, other material terms and conditions of the Agreement on the Acquisition of Assets by Issue of Shares shall remain unchanged.

## **WARNING**

**The Agreement on the Acquisition of Assets by Issue of Shares (as supplemented by the Supplemental Agreement) shall become effective after the fulfillment of all of the aforementioned conditions. Prior to the fulfillment of all the aforementioned conditions, the parties shall not be bound by the Agreement on the Acquisition of Assets by Issue of Shares (as supplemented by the Supplemental Agreement).**

Shareholders of the Company should be aware that the Proposed Restructuring is still at a preliminary stage, and the Agreement on the Acquisition of Assets by Issue of Shares (as supplemented by the Supplemental Agreement) and the Share Subscription Agreements are not yet effective, they shall only become effective after all the relevant conditions to effectiveness have been fulfilled, and the parties shall enter into further definitive agreements in relation to the Proposed Restructuring according to its progress. The parties to the Agreement on the Acquisition of Assets by Issue of Shares (as supplemented by the Supplemental Agreement) and the Share Subscription Agreements shall not be bound by the respective agreements before the respective agreements have become effective. The implementation of the transactions under the Proposed Restructuring shall be subject to, among other things, approval by the competent regulatory authorities and fulfillment of applicable requirements under the Listing Rules. There are still uncertainties as to whether or not final definitive agreement(s) in relation to the Agreement on the Acquisition of Assets by Issue of Shares (as supplemented by the Supplemental Agreement), the Share Subscription Agreements or the Raising of Supporting Funds will be entered into, or whether or not these transactions will materialise or proceed to completion.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

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

Beijing, 15 March 2023

*As at the date of this announcement, the Board comprises executive Director Mr. Yan Lingxi, non-executive Directors Mr. Lian Dawei, Mr. Liu Bingjun, 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*