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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)

CONNECTED TRANSACTION
ACQUISITION OF INTEREST IN AIC YUHUA

THE ACQUISITION

In order to further enhance the airborne business chain of the Group and strengthen the synergistic effects within the airborne business, on 12 December 2025, AVIC Airborne, a non-wholly owned subsidiary of the Company, and AVIC Industry Investment, a non-wholly owned subsidiary of AVIC, the controlling Shareholder of the Company, entered into the Partnership Interest Transfer Agreement, pursuant to which AVIC Airborne agreed to acquire and AVIC Industry Investment agreed to sell 59.1816% of the partnership interest in AIC Yuhua at a preliminary Consideration of RMB202,105,702.57.

LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC Airborne is a non-wholly owned subsidiary of the Company, AVIC is the controlling Shareholder of the Company, AVIC Industry Investment is a non-wholly owned subsidiary of AVIC. Therefore, AVIC Industry Investment is a connected person of the Company, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profit ratio) in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The principal terms of the Partnership Interest Transfer Agreement are summarised as follows:

Date	: 12 December 2025
Parties	: (i) AVIC Industry Investment (as the seller) (ii) AVIC Airborne (as the buyer)
Target Partnership Interest	the 59.1816% of the partnership interest in AIC Yuhua
Consideration and Payment Terms	: The preliminary Consideration is RMB202,105,702.57, which was determined after arm's length negotiation between the parties and with reference to the appraisal value of the Target Partnership Interest of RMB202,105,702.57 as at the Valuation Base Date set forth in the valuation report issued by a professional independent PRC valuer Shanghai Orient Appraisal Co., Ltd.* (上海東洲資產評估有限公司) using asset-based approach (the final Consideration shall be subject to the appraised value filed with and approved by the state-owned assets supervision and administration authority, the filing process has not been completed yet).

Initial Payment

The initial payment of RMB40 million shall be made in two installments, as detailed below:

- (i) Prior to the entering of the Partnership Interest Transfer Agreement, AVIC Industry Investment and AVIC Airborne Systems jointly convened a partners' meeting and passed a resolution, agreeing to partially distribute the book cash of AIC Yuhua after the Valuation Base Date. The amount allocated to AVIC Industry Investment is RMB16,216,326.53. AVIC Industry Investment and AVIC Airborne mutually agree that such book cash distribution shall be recognized as the first installment of the initial payment on the date of entering of the Partnership Interest Transfer

Agreement.

- (ii) AVIC Airborne agrees to pay AVIC Industry Investment the second installment of initial payment of RMB23,783,673.47 on the date of entering of the Partnership Interest Transfer Agreement. As at the date of this announcement, AVIC Industry Investment has pledged its 7.172% equity interest in Beijing Kotec Technology Co., Ltd.*(北京科泰克科技有限责任公司) to AVIC Airborne to secure AVIC Industry Investment's obligations to refund the initial payment and the relevant interests to AVIC Airborne pursuant to the Partnership Interest Transfer Agreement, as well as other obligations related to refunding the initial payment.
- (iii) Within 5 business days after the completion of industrial and commercial registration procedures related to the transfer of the Target Partnership Interest, AVIC Airborne shall cooperate with AVIC Industry Investment to conduct deregistration procedures for the aforementioned pledge registration.

The arrangement in relation to the initial payment takes effect on the date of the Partnership Interest Transfer Agreement.

Payment of the remaining Consideration

AVIC Airborne shall pay the remaining Consideration (being the Consideration less the initial payment) in a lump sum within 10 business days after the Partnership Interest Transfer Agreement takes effect.

AVIC Airborne will use its own funds to settle its payment obligations under the Partnership Interest Transfer Agreement.

- Conditions Precedent** : The Partnership Interest Transfer Agreement shall take effect on the date when all the following conditions precedent are satisfied or waived in writing by AVIC Airborne:
- (i) AIC Yuhua having completed the relevant industrial and commercial registration procedures;
 - (ii) the fund status deregistration process for AIC Yuhua with the Asset Management Association of China being completed;
 - (iii) both AVIC Industry Investment and AVIC Airborne having completed their respective internal decision-making procedures for the transfer of the Target Partnership Interest;
 - (iv) AIC Yuhua having completed its decision-making procedures stipulated in the Partnership Interest Transfer Agreement;
 - (v) the economic activity of this transaction involving the Target Partnership

Interest having received the formal approval document from AVIC;

- (vi) the valuation report having been issued by qualified appraisal institutions and having completed filing with the competent state-owned assets supervision authority; and
- (vii) the Company having completed its internal decision-making procedures regarding the Partnership Interest Transfer Agreement.

If, within 150 days after the entering into of the Partnership Interest Transfer Agreement, the conditions precedent as set out above have not been satisfied or have not been waived in writing by AVIC Airborne, the Partnership Interest Transfer Agreement shall be deemed not to have taken effect. AVIC Industry Investment shall, within 30 days after the Partnership Interest Transfer Agreement is deemed not to have taken effect, refund to AVIC Airborne the initial payment paid by AVIC Airborne on its own (excluding the portion of cash distributed to AVIC Industry Investment from AIC Yuhua) and pay interest on the use of funds calculated at the 1-year Loan Prime Rate published by the National Interbank Funding Center authorized by the People's Bank of China (based on the most recently published rate proximate to the refund date), upon which AVIC Industry Investment and AVIC Airborne shall promptly complete the deregistration procedures for the pledge guarantee stipulated in the paragraph "Consideration and Payment Terms" of this announcement.

Completion : AVIC Industry Investment shall ensure the completion of the industrial and commercial registration procedures for the transfer of the Target Partnership Interest take place within 30 business days after AVIC Airborne pays the Consideration in full. Upon Completion, AVIC Industry Investment will hold RMB10,000 capital contribution in AIC Yuhua and will remain as the executing partner and general partner of AIC Yuhua (only for the purpose of preserving the limited partnership nature of AIC Yuhua).

Upon Completion, AVIC Airborne holds a majority of the voting rights in AIC Yuhua, thereby constitutes actual control over AIC Yuhua. AIC Yuhua will become a subsidiary of AVIC Airborne.

**Arrangement
for Profits
and Losses
after the
Valuation
Base Date**

After the Valuation Base Date, any profits of AIC Yuhua or increases in net assets arising from other reasons shall be assumed by AVIC Airborne and AVIC Airborne Systems in accordance with their respective relative actual contribution ratios after the Completion. Correspondingly, after the Valuation Base Date, any new losses incurred by the AIC Yuhua or decreases in net assets arising from other reasons during the period from Valuation Base Date to the date of Completion shall be borne by AVIC Airborne and AVIC Airborne Systems in accordance with their respective relative actual contribution ratios after the Completion.

If AIC Yuhua is dissolved and liquidated in the future (if applicable), AVIC Industry Investment shall only be entitled to receive liquidation distributions in respect of its RMB10,000 capital contribution and any distributable profits attributable to that RMB10,000 capital contribution which were accrued before the Valuation Base Date and remain undistributed as of the date of dissolution and liquidation.

Partnership Structure after the Completion : Upon Completion, the partnership structure of AIC Yuhua will be as follows:

Name of Partner	Partnership interest ratio (%)	Committed capital contribution (RMB0'000)	Nature of Partner
AVIC Industry Investment	0.0020%	1	General Partner
AVIC Airborne Systems	40.8163%	20,000	Limited Partner
AVIC Airborne	59.1816%	28,999	Limited Partner
Total	100%	49,000	--

ARRANGEMENT OF THE PARTNERSHIP UPON COMPLETION

From the date of Completion, the highest authority of AIC Yuhua shall be the partners' meeting. For matters discussed at the partners' meeting, any resolution concerning the partnership shall be passed with the approval of partner(s) representing more than half of the total capital contributions. The executing partner/general partner, AVIC Industry Investment, agrees to waive its right to participate in voting.

Prior to executing partnership matters, AVIC Industry Investment shall submit the relevant proposals and materials to each of the limited partners in advance. If partner(s) holding more than half of the total capital contributions consider that such matters require approval at a partners' meeting before they can be implemented, a partners' meeting of all partners shall be promptly convened. With respect to matters discussed at the partners' meeting, AVIC Industry Investment agrees to waive its right to participate in voting.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The equity interests held by the target of this transaction, AIC Yuhua, include enterprises engaged in products related to the aviation airborne industry chain. The Acquisition will contribute to improving and supplementing the aviation ancillary system industry chain of the Group, enhancing synergistic effects with research institutes related to aviation airborne systems, and strengthening the core competitiveness of the Group's aviation airborne products.

The Directors (including independent non-executive Directors) are of the view that although the Acquisition is not conducted in the ordinary and usual course of business of the Group, the Acquisition is on normal commercial terms or better, and are fair and reasonable and in the interests of the

Company and its Shareholders as a whole.

GENERAL INFORMATION

Information of AVIC

AVIC is controlled by the State Council of the PRC, and is principally engaged in the development and manufacture of aviation products and non-aviation products. AVIC is the controlling Shareholder of the Company, holding directly and indirectly 59.63% equity interest in the Company as at the date of this announcement.

Information of the Company

The Company is a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange. The Company is principally engaged in the research and development, manufacture and sales of aviation products, and relevant engineering services.

Information of AVIC Airborne

AVIC Airborne is a joint stock limited liability company incorporated in the PRC, whose A shares are listed on the Shanghai Stock Exchange. As at the date of this announcement, AVIC Airborne is a non-wholly owned subsidiary of the Company directly held as to 16.50%. It is mainly engaged in the manufacture and sales of products of avionics systems and aviation electromechanical systems.

Information of AVIC Industry Investment

AVIC Industry Investment is a limited liability company established in the PRC. As at the date of this announcement, AVIC Industry Investment is a wholly-owned subsidiary of AVIC Industry Finance Co., Ltd.* (中航工業產融控股股份有限公司), which in turn is a non-wholly owned subsidiary of AVIC. AVIC Industry Investment is mainly engaged in projects investment and investment consultation.

Information of AIC Yuhua

AIC Yuhua is a limited partnership established in the PRC. AIC Yuhua is principally engaged in venture capital business and investment in airborne system industry. As at the date of this announcement, AIC Yuhua is held by AVIC Industry Investment, AVIC Airborne Systems, and Beijing Yuhua with partnership interests of 59.1825%, 40.8155%, and 0.0020%, respectively.

The audited net profit (before and after taxation) of AIC Yuhua prepared under the China Accounting Standards for Business Enterprises for the financial years ended 31 December 2023 and 31 December 2024 are set out below:

	For the year ended 31 December 2023	For the year ended 31 December 2024
	<i>(RMB)</i>	<i>(RMB)</i>
Net profit before taxation	57,372,550.01	9,754,082.92
Net profit after taxation	57,372,550.01	9,754,082.92

As at 30 June 2025, the unaudited net assets of AIC Yuhua prepared under the China Accounting Standards for Business Enterprises amounted to RMB341.3929 million. The original cost of AVIC Industry Investment in the Target Partnership Interest is RMB154.5592 million.

For further details on the valuation of AIC Yuhua, please refer to the Appendix of this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC Airborne is a non-wholly owned subsidiary of the Company, AVIC is the controlling Shareholder of the Company, AVIC Industry Investment is a non-wholly owned subsidiary of AVIC. Therefore, AVIC Industry Investment is a connected person of the Company, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio(s) (other than the profit ratio) in respect of the Acquisition is more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Acquisition has been approved by the Board. Pursuant to the Company Law of the PRC and the Listing Rules, non-executive Directors Mr. Xu Dongsheng, Mr. Zhou Xunwen and Ms. Hu Shiwei, all of whom hold positions in AVIC, have abstained from voting on the relevant Board resolution approving the Acquisition. Save as disclosed above, no other Directors have or are deemed to have any material interest in such transactions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Target Partnership Interest by AVIC Airborne from AVIC Industry Investment pursuant to the Partnership Interest Transfer Agreement
“AIC Yuhua”	AIC Yuhua (Shenzhen) Airborne Systems Industry Investment

	Partnership (Limited Partnership)* (航投譽華(深圳)機載系統產業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“AVIC”	Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司), the controlling Shareholder of the Company holding directly and indirectly 59.63% equity interest of the Company at the date of this announcement
“AVIC Airborne”	AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司), a joint stock limited liability company whose shares are listed on the Shanghai Stock Exchange and a non-wholly owned subsidiary of the Company as at the date of this announcement
“AVIC Airborne Systems”	AVIC Airborne Systems Company Limited* (中航機載系統有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of AVIC as at the date of this announcement
“AVIC Industry Investment”	AVIC Aviation Industry Investment Co., Ltd.* (中航航空產業投資有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of AVIC as at the date of this announcement
“Beijing Yuhua”	Beijing Yuhua Equity Fund Management Co., Ltd.* (北京譽華私募基金管理有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of AVIC as at the date of this announcement
“Board”	the board of directors of the Company
“Company”	AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司), a joint stock limited company established in the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“Completion”	the completion of the Acquisition
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules

“Consideration”	the total consideration of the Acquisition, preliminary set at RMB202,105,702.57 (the final Consideration shall be subject to the appraised value filed with and approved by the state-owned assets supervision and administration authority, the filing process has not been completed yet)
“controlling Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Partnership Interest Transfer Agreement”	the partnership interest transfer agreement entered into between AVIC Industry Investment and AVIC Airborne on 12 December 2025 in relation to the Acquisition
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Target Partnership Interest”	the 59.1816% of the partnership interest in AIC Yuhua purchased by AVIC Airborne from AVIC Industry Investment under the Partnership Interest Transfer Agreement
“Valuation Base Date”	30 June 2025
“Withdrawal”	on 1 December 2025, Beijing Yuhua, AVIC Industry Investment, AVIC Airborne Systems and AIC Yuhua have entered into a written agreement, stipulating that Beijing

Yuhua shall withdraw from AIC Yuhua and shall no longer serve as the general partner, executing partner, and manager of the AIC Yuhua, and AVIC Industry Investment shall be appointed as the new executing partner and general partner of AIC Yuhua. The total subscribed capital contribution of AIC Yuhua has been reduced from RMB490.01 million to RMB 490.00 million. As at the date of this announcement, the industrial and commercial registration of the Withdrawal has not been completed yet

By Order of the Board
AviChina Industry & Technology Company Limited*
Company Secretary
Wu Yun

Beijing, 12 December 2025

As at the date of this announcement, the Board comprises executive Directors Mr. Yan Lingxi and Mr. Sun Jizhong, non-executive Directors Mr. Xu Dongsheng, Mr. Zhou Xunwen, Ms. Hu Shiwei and Mr. Gao Jiming as well as independent non-executive Directors Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping.

** For identification purpose only*

APPENDIX—FURTHER DETAILS ON THE VALUATION OF AIC YUHUA

Valuation Approach

The fundamental approach of the asset-based approach is to reconstruct or replace the asset being valued under current conditions. A potential investor, when deciding to invest in a certain asset, would not be willing to pay a price exceeding the current acquisition or construction cost of that asset. This valuation project satisfies the conditions required for applying the asset-based approach, namely that the asset being valued is in a state of continued use or is assumed to be in a state of continued use and possesses available historical operational data. Adopting the asset-based approach can fulfill the requirements of the value type for this valuation.

Valuation Assumptions

(I) Basic Assumptions

1. Transaction Assumption

The transaction assumption presumes that the assets subject to valuation are already in the process of a transaction. Valuation personnel simulate the market to estimate value based on the transaction conditions of these assets. The transaction assumption is the most fundamental prerequisite for conducting a valuation.

2. Open Market Assumption

The open market assumption is a premise regarding the market conditions the asset is intended to enter and the potential impact on the asset under such conditions. An open market refers to a fully developed and well-functioning market environment—a competitive market with willing buyers and sellers. In this market, buyers and sellers have equal standing, with sufficient opportunity and time to obtain adequate market information. Transactions are conducted voluntarily, rationally, and without coercion or undue constraints. The open market assumption is based on the premise that the asset can be bought and sold publicly.

3. Going Concern Assumption

The going concern assumption presumes that, given its existing asset resources, the enterprise being valued will continue its production and business operations legally in their current state for the foreseeable future, without significant adverse changes to its operational condition.

4. Assumption of Continued Use in Existing Capacity

This assumption presumes the asset will continue to be used for its current purpose. It first assumes the assets within the valuation scope are in use, and secondly, that they will continue to be used in their present manner and for their present purpose. It does not consider potential changes in use or optimal utilization conditions.

(II) General Assumptions

1. This valuation assumes no unforeseen significant adverse changes will occur in the external economic environment after the Valuation Base Date, including current national laws, macroeconomic conditions, financial and industrial policies, nor any major impacts caused by other force majeure or unforeseen factors.
2. This valuation does not consider the potential impact on the valuation conclusion from future mortgages, guarantees the enterprise or its assets might undertake, or additional costs potentially incurred due to special transaction methods.
3. It is assumed there will be no significant changes in the socio-economic environment where the enterprise is located, nor in the fiscal and tax policies, tax rates, etc. Financial policies regarding credit, interest rates, exchange rates, etc., are assumed to remain largely stable.
4. The enterprise's current and future business operations are assumed to be lawful, compliant, and in accordance with the stipulations of its business license and partnership agreement.
5. No significant adverse changes in the labor environment are assumed. The impact of abnormal factors on the valuation, such as strikes due to labor disputes or other work accidents, has not been considered.

Valuation Conclusion

The valuation of AIC Yuhua as at the Valuation Base Date is as follows:

Unit: RMB0'000

Item	Book Value	Appraisal Value	Increase	Increase Rate (%)
	A	B	C=B-A	D=C/A×100%
Current Assets	2,478.75	2,490.24	11.48	0.46
Non-current Assets	31,667.21	31,667.21	0.00	0.00
Total Assets	34,145.97	34,157.45	11.48	0.03
Current Liabilities	6.68	6.68	0.00	0.00
Total Liabilities	6.68	6.68	0.00	0.00
Net Assets	34,139.29	34,150.77	11.48	0.03

As of the Valuation Base Date (i.e. 30 June 2025), the valuation of 100.00% interest in AIC Yuhua was RMB341.5077 million. On the basis of this valuation and after deducting the market value of RMB0.0069694 million for all the general partnership interests held by the partner Beijing Yuhua, which is proposed to withdraw from the partnership, the market value of the 59.1816% of the partnership interest in AIC Yuhua purchased by AVIC Airborne from AVIC Industry Investment under the Partnership Interest Transfer Agreement was calculated as follows: (RMB341.5077 - RMB0.0069694) million × 59.1816% = RMB202.1057 million.