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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 ANNOUNCEMENT
ACQUISITION OF 100% OF THE EQUITY INTEREST OF AEROSPACE LIFE-SUPPORT AND
XI'AN AVIATION BRAKE**

This 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**”, together with its subsidiaries, collectively referred to the “**Group**”) under the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

In order to further improve the industrial chain and enhance the core competitiveness of the airborne business of the Company, on 8 January 2024, the Company, 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), AVIC Airborne Systems Company Limited* (中航機載系統有限公司) (“**AVIC Airborne Systems**”, a wholly-owned subsidiary of AVIC) and Xi'an Aircraft Asset Management Co., Ltd.* (西安飛機資產管理有限公司) (“**XAAM**”, a wholly-owned subsidiary of AVIC, together with the Company, AVIC and AVIC Airborne Systems, collectively referred to the “**Parties**”) entered into an equity transfer framework agreement (the “**Framework Agreement**”). Pursuant to the Framework Agreement, AVIC, AVIC Airborne Systems and XAAM proposed to sell 100% of the equity interest of Aerospace Life-Support Industries, Ltd.* (航宇救生裝備有限公司) (“**Aerospace Life-Support**”) and Xi'an Aviation Brake Technology Co., Ltd.* (西安航空制動科技有限公司) (“**Xi'an Aviation Brake**”) to the Company (the “**Proposed Equity Transfer(s)**”).

The respective consideration for the Proposed Equity Transfers is subject to the commercial negotiation of the Parties and will be determined in compliance with the requirements of the applicable PRC laws and regulations and the relevant rules of Hong Kong securities regulators, which is proposed to be settled by

shares of the Company and/or by cash or in any other manner permitted by laws and regulations. Upon execution of the Framework Agreement, the Parties will use their best endeavors to proceed with the Proposed Equity Transfers, perform the legal procedures where necessary and sign the relevant transaction documents in accordance with the relevant requirements of laws of the PRC and Hong Kong.

Aerospace Life-Support is a company established in the PRC which is principally engaged in the research and development of equipment in the field of specialties such as aviation ejection life-saving, personal protection of aircraft crew and airborne air-drop. As at the date of this announcement, Aerospace Life-Support is wholly owned by AVIC Airborne Systems.

Xi'an Aviation Brake is a company established in the PRC which is principally engaged in the research, development and production of aviation wheels, brake systems, brake materials and aviation hydraulic and pneumatic products. As at the date of this announcement, Xi'an Aviation Brake is wholly owned by XAAM.

As at the date of this announcement, AVIC is the controlling shareholder of the Company. The Proposed Equity Transfers, if proceeded with, will constitute connected transactions under Chapter 14A and/or transactions under Chapter 14 of the Hong Kong Listing Rules. As the terms of the Proposed Equity Transfers (including but not limited to the consideration, payment method and closing arrangement) are subject to the negotiation of the Parties and execution of formal agreement(s), the Company will make further announcement(s) on the Proposed Equity Transfers as and when appropriate in accordance with the requirements of the Hong Kong Listing Rules in due course.

The terms of the formal agreement of the Proposed Equity Transfers are subject to further negotiation by the Parties, and are subject to approval by Chinese regulatory authorities. Shareholders of the Company and potential investors are advised to exercise caution when dealing with the shares of the Company.

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

Beijing, 8 January 2024

As at the date of this announcement, the Board comprises executive Directors Mr. Yan Lingxi and Mr. Sun Jizhong, 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 purposes only*