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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 EQUITY INTERESTS IN AVIC JIERUI

THE ACQUISITION

In order to further strengthen the airborne industry chain and enhance the synergy of product research and development of the Group, on 6 February 2026, (i) Keeven Aviation Instrument (a non-wholly owned subsidiary of the Company), Aviation Industrial Fund, and AVIC Jierui entered into the Equity Transfer Agreement I; and (ii) Keeven Aviation Instrument, Ruitexin, and AVIC Jierui entered into the Equity Transfer Agreement II. Pursuant to the Equity Transfer Agreements, Keeven Aviation Instrument agreed to acquire, and Aviation Industrial Fund agreed to sell 3.7805% of the equity interests in AVIC Jierui at the consideration of RMB21.9269 million; and Keeven Aviation Instrument agreed to acquire, and Ruitexin agreed to sell 6.2195% of the equity interests in AVIC Jierui at the consideration of RMB36.0731 million.

Upon the Completion, Keeven Aviation Instrument will hold 10% of the equity interests of AVIC Jierui, and AVIC Jierui will remain as a non-wholly owned subsidiary of AVIC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Keeven Aviation Instrument is a non-wholly owned subsidiary of the Company; AVIC is the controlling Shareholder of the Company; the sole general partner and executive partner of Aviation Industrial Fund, namely, AVIC Rongfu Private Equity Co., Ltd. is a non-wholly owned subsidiary of AVIC; and the substantial shareholders of AVIC Jierui are subsidiaries of AVIC. Therefore, 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 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.

THE ACQUISITION

In order to further strengthen the airborne industry chain and enhance the synergy of product research and development of the Group, on 6 February 2026, (i) Keeven Aviation Instrument (a non-wholly owned subsidiary of the Company), Aviation Industrial Fund, and AVIC Jierui entered into the Equity Transfer Agreement I; and (ii) Keeven Aviation Instrument, Ruitexin, and AVIC Jierui entered into the Equity Transfer Agreement II. Pursuant to the Equity Transfer Agreements, Keeven Aviation Instrument agreed to acquire, and Aviation Industrial Fund agreed to sell 3.7805% of the equity interests in AVIC Jierui at the consideration of RMB21.9269 million; and Keeven Aviation Instrument agreed to acquire, and Ruitexin agreed to sell 6.2195% of the equity interests in AVIC Jierui at the consideration of RMB36.0731 million.

Principal terms of the Equity Transfer Agreements are summarised as follows:

- Date** : 6 February 2026
- Parties** :
1. Equity Transfer Agreement I
 - (i) Aviation Industrial Fund (as the seller)
 - (ii) Keeven Aviation Instrument (as the buyer)
 - (iii) AVIC Jierui (as the target company)
 2. Equity Transfer Agreement II
 - (i) Ruitexin (as the seller)
 - (ii) Keeven Aviation Instrument (as the buyer)
 - (iii) AVIC Jierui (as the target company)
- Target Equity** :
1. Equity Transfer Agreement I
3.7805% of the equity interests in AVIC Jierui held by Aviation Industrial Fund
 2. Equity Transfer Agreement II
6.2195% of the equity interests in AVIC Jierui held by Ruitexin
- Consideration and Payment Terms** : The total consideration under the Equity Transfer Agreements (“**Total Consideration**”) is RMB58 million, among which, the consideration under Equity Transfer Agreement I (“**Consideration I**”) and the consideration under Equity Transfer Agreement II (“**Consideration II**”) are RMB21.9269 million and RMB36.0731 million, respectively. Consideration I and Consideration II were determined after arm’s length negotiation between all parties with reference to (i) the appraisal value of total shareholders’ equity of AVIC Jierui of RMB619 million as at the Valuation Base Date based on the income approach as set forth in the valuation report (“**Asset Valuation Report**”) issued by

China Alliance Appraisal Co., Ltd. * (北京中同華資產評估有限公司), a professional independent PRC valuer (“**Asset Valuer**”); and (ii) the respective portion of equity interests in AVIC Jierui to be transferred by Aviation Industrial Fund and Ruitexin.

The one-off payment of Consideration I and Consideration II by Keeven Aviation Instrument is subject to the fulfillment of, among others, the following conditions precedent, unless waived in writing by Keeven Aviation Instrument, and shall be made within 10 working days thereafter:

- (i) AVIC Jierui has completed its internal approval procedures for the Acquisition;
- (ii) Aviation Industrial Fund, Ruitexin, and Keeven Aviation Instrument have obtained all internal approvals required for signing and performing the Equity Transfer Agreements and for the Acquisition; and
- (iii) AVIC Jierui has completed the market entity change registration and filing procedures for the change of its entity interests resulting from the Acquisition.

Keeven Aviation Instrument intends to use its own funds to pay the Total Consideration.

Completion : The Completion shall take place upon the full payment of the Total Consideration by Keeven Aviation Instrument.

Upon the Completion, Keeven Aviation Instrument will hold 10% of equity interest in AVIC Jierui, and AVIC Jierui will remain a non-wholly owned subsidiary of AVIC.

Other Arrangement : From the Valuation Base Date to the date of Completion, any increase in net assets due to factors such as profits realized by AVIC Jierui, or any decrease in net assets due to factors such as operating losses, which correspondingly affect the value of the Target Equity, shall be for the benefit or account of Keeven Aviation Instrument.

After the Completion, AVIC Jierui shall complete the election of one director nominated by Keeven Aviation Instrument by 31 March 2026, and shall complete the market entity change registration and filing procedures for the change of its entity interests resulting from the Acquisition by 31 March 2026.

REASONS FOR AND BENEFITS OF THE ACQUISITION

AVIC Jierui possesses core technological advantages in the fiber optic gyroscope field, with a

comprehensive technology spectrum and product line. The Acquisition will strengthen the airborne industry chain and enhance the synergy of product research and development of the Group.

Having considered the factors above, the Directors (including independent non-executive Directors) are of the view that although the Acquisition is not conducted in the ordinary or usual course of business of the Group, the Acquisition is conducted on an arm's length basis, on normal commercial terms or better, and is 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 Keeven Aviation Instrument

Keeven Aviation Instrument is a limited liability company established in the PRC. As at the date of this announcement, Keeven Aviation Instrument is a wholly-owned subsidiary of AVIC Airborne Systems Co., Ltd.* (中航機載系統股份有限公司, a non-wholly owned subsidiary of the Company directly held as to 16.50% therein and a company listed on the Shanghai Stock Exchange). Keeven Aviation Instrument is mainly engaged in research and development, and manufacturing of aviation products such as automatic flight control systems and aviation gyroscopic instruments within the field of aviation airborne equipment.

Information of Aviation Industrial Fund

Aviation Industrial Fund is a limited partnership established in the PRC, whose partnership interest is held as to 12% by the Company, 8% by AVIC, 12% by AVIC Industry-Finance Holdings Co., Ltd.* (中航工業產融控股股份有限公司), 1% by AVIC Rongfu Private Equity Co., Ltd.* (中航融富基金管理有限公司), 40% by China Life Guangde (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (國壽廣德(天津)股權投資基金合夥企業(有限合夥)), 7% by Zhenjiang Dingqiang Intelligent Manufacturing Investment Partnership (Limited Partnership)* (鎮江鼎強智能製造投資合夥企業(有限合夥)) and 20% by National Military-civilian Integration Industrial Investment Fund Co., Ltd.* (國家軍民融

合產業投資基金有限責任公司) as at the date of this announcement. Aviation Industrial Fund is mainly engaged in investment in non-securities business, investment management, and investment consulting. The sole general partner and executive partner of Aviation Industrial Fund is AVIC Rongfu Private Equity Co., Ltd., which is an associate of the Company and is held as to 50% by the Company, 35.7143% by AVIC Industry-Finance Holdings Co., Ltd and 14.2857% by AVIC, as at the date of this announcement. AVIC Industry-Finance Holdings Co., Ltd. is a non-wholly owned subsidiary of AVIC.

China Life Guangde (Tianjin) Equity Investment Fund Partnership (Limited Partnership) is a limited partnership established in the PRC and is beneficially owned as to 99.95% by China Life Insurance Company Limited* (中國人壽保險股份有限公司) and 0.05% by China Life Real Estate Investment Management Co., Ltd.* (國壽置業投資管理有限公司) as at the date of this announcement. China Life Insurance Company Limited is a joint stock limited company incorporated in the PRC with its A shares listed on the Shanghai Stock Exchange (stock code: 601628) and its H shares listed on the Hong Kong Stock Exchange (stock code: 2628) as at the date of this announcement. Zhenjiang Dingqiang Intelligent Manufacturing Investment Partnership (Limited Partnership) is held as to 90% by Jiangsu Jinxin Financial Holding Group Co., Ltd.* (江蘇金信金融控股集團有限公司) and 10% by Zhenjiang State Investment Venture Capital Co., Ltd.* (鎮江國投創業投資有限公司) as at the date of this announcement, both of which are ultimately controlled by the State-owned Assets Supervision and Administration Commission of Zhenjiang Municipal People's Government (鎮江市人民政府國有資產監督管理委員會). National Military-Civilian Integration Industrial Investment Fund Co., Ltd. is a limited liability company established in the PRC, whose largest shareholder is the Ministry of Finance of the PRC, which holds 15.6863% of its equity interest as at the date of this announcement.

Information of Ruitexin

Ruitexin is a limited partnership established in the PRC, whose partnership interests are held as to 25.2308% by Song Ningfang (宋凝芳), 17.2308% by Zhang Xi (張晞), 14.7692% by Wang Xiaoxiao (王夏霄) and 8.0000% by Jin Jing (金靖), and none of the other 16 individual partners holds more than 5% of the partnership interests in Ruitexin as at the date of this announcement. Ruitexin is mainly engaged in software development, basic software services, and application software services (excluding medical software). The sole general partner and executive partner of Ruitexin is Song Ningfang.

To the best of the knowledge, information, and belief of the Directors after having made all reasonable enquiries, Ruitexin and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Information of AVIC Jierui

AVIC Jierui is a limited liability company established in the PRC. AVIC Jierui is principally engaged in the research and development, production, and sale of sensor products, primarily based on fibre optic gyroscopes. As at the date of this announcement, AVIC Jierui is held as

to 53.5897% by AVIC Xi'an Flight Automatic Control Technology Co., Ltd.* (中航西安飛行自動控制技術有限公司, a wholly-owned subsidiary of AVIC), 23.4481% by Aviation Industrial Fund, 11.7427% by Shaanxi Huayan Aviation Instrument Company* (陝西華燕航空儀錶有限公司, a non-wholly-owned subsidiary of the Company), 6.2195% by Ruitexin, and 5% by Shaanxi Baocheng Aviation Instrument Co., Ltd.* (陝西寶成航空儀錶有限責任公司).

The audited net profit (before and after taxation) of AVIC Jierui under the China Accounting Standards for Business Enterprises, for the financial years ended 31 December 2024 and 31 December 2023 and for the three months ended 31 March 2025 are set out below:

	For the three months ended 31 March 2025 <i>(RMB)</i>	For the year ended 31 December 2024 <i>(RMB)</i>	For the year ended 31 December 2023 <i>(RMB)</i>
Net profit before taxation	4,748,120.14	54,429,781.16	53,550,164.46
Net profit after taxation	4,802,191.01	53,884,524.58	47,196,998.07

As at 31 March 2025, the audited book value of net assets of AVIC Jierui under the China Accounting Standards for Business Enterprises amounted to RMB369,908,715.19.

The cost of Aviation Industrial Fund in acquiring the 3.7805% of the equity interests in AVIC Jierui is RMB16,994,168, and the cost of Ruitexin in acquiring the 6.2195% of the equity interests in AVIC Jierui is RMB1,243,900.

For further details on the valuation of AVIC Jierui, please refer to the Appendix of this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Keeven Aviation Instrument is a non-wholly owned subsidiary of the Company; AVIC is the controlling Shareholder of the Company; the sole general partner and executive partner of Aviation Industrial Fund, namely, AVIC Rongfu Private Equity Co., Ltd., is a non-wholly owned subsidiary of AVIC; and the substantial shareholders of AVIC Jierui are subsidiaries of AVIC. Therefore, 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 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.

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, had 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 a total of 10% equity interests of AVIC Jierui by Keeven Aviation Instrument from Aviation Industrial Fund and Ruitexin pursuant to the Equity Transfer Agreements
“Aviation Industrial Fund”	Beijing Avichina Phase I Aviation Industrial Investment Fund (Limited Partnership)*(北京中航一期航空工業產業投資基金) (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 Jierui”	AVIC Jierui (Xi’an) Optoelectronic Technology Co., Ltd.* (中航捷銳(西安)光電技術有限公司), 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
“controlling Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer	Equity Transfer Agreement I and Equity Transfer Agreement

Agreements”	II
“Equity Transfer Agreement I”	the equity transfer agreement entered into between Keeven Aviation Instrument, Aviation Industrial Fund, and AVIC Jierui on 6 February 2026 in relation to the Acquisition
“Equity Transfer Agreement II”	the equity transfer agreement entered into between Keeven Aviation Instrument, Ruitexin and AVIC Jierui on 6 February 2026 in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Keeven Aviation Instrument”	Beijing Keeven Aviation Instrument Co., Ltd.* (北京青雲航空儀錶有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Ruitexin”	Ruitexin (Beijing) Technology Center (Limited Partnership)* (瑞特新 (北京) 科技中心 (有限合夥)), a limited partnership established in 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 Equity”	the 3.7805% of the equity interests in AVIC Jierui held by Aviation Industrial Fund and the 6.2195% of the equity interests in AVIC Jierui held by Ruitexin
“Valuation Base Date”	31 March 2025

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

Beijing, 6 February 2026

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 purposes only*

APPENDIX: FURTHER DETAILS ON THE VALUATION OF AVIC JIERUI

Valuation Approaches

In the valuation, both the income approach and the asset-based approach were used to assess the value of all shareholders' equity of AVIC Jierui.

The valuation results under the income approach and the asset-based approach amount to RMB 619.00 million and RMB 420.9333 million, respectively. The significant variance between the two valuation outcomes is primarily attributable to the fact that AVIC Jierui is a light-asset technology enterprise with a low proportion of fixed assets, whose core value lies in its technology, talent team, and market potential. The income approach, by projecting and discounting future cash flows, reflects the enterprise's overall profitability, including intangible assets such as customer resources, human resources, qualifications, and research and development capability, which are not fully captured in the book value. In contrast, the asset-based approach only reflects the intrinsic value of existing assets and does not provide a comprehensive or reasonable representation of the enterprise's overall value.

Taking into account the above factors, the income approach has been adopted as the final valuation conclusion for this engagement, and the appraised value of all shareholders' equity of AVIC Jierui is determined to be RMB 619.00 million.

Valuation Assumptions

General Assumptions

1. Transaction Assumption: it is assumed that all assets to be appraised are already in the process of a transaction. The Asset Valuer simulates the market to estimate value based on the transaction conditions of these assets to be appraised.
2. Open Market Assumption: it is assumed that assets traded or intended to be traded on the market involve parties of equal standing. Parties have sufficient opportunity and time to obtain adequate market information, enabling them to make informed judgments regarding the assets' functions, uses, and transaction price.
3. Going Concern Assumption: it is assumed that AVIC Jierui will fully comply with all relevant laws and regulations and will continue to operate continuously in the foreseeable future.

Special Assumptions

1. The valuation is based on the fundamental assumption of the specific valuation purpose stated in the Asset Valuation Report.
2. No significant unforeseeable changes will occur in the current national laws and regulations, the national macroeconomic situation, or the external economic environment, such as interest rates, exchange rates, tax bases and rates, and policy-related levies.
3. The valuation assumes that the future management team of AVIC Jierui will be diligent and will continue the existing business management model, maintaining

- consistency in business scope and methods with the current direction.
4. The valuation assumes the appraised asset will continue to be used according to its current purpose, method, scale, frequency, and environment. The optimal use of each asset has not been considered.
 5. It is assumed that, based on the existing management methods and standards of AVIC Jierui, no other force majeure factors or unforeseeable events will have a significant adverse impact on the Company.
 6. The relevant basic information and financial information provided by AVIC Jierui and the client are true, accurate, and complete.
 7. The financial reports and transaction data of comparable companies relied upon by the Asset Valuer are authentic and reliable.
 8. The valuation scope is strictly based on the valuation declaration forms provided by the client and AVIC Jierui. Potential contingent assets or liabilities of the client and AVIC Jierui not in the list provided have not been considered.
 9. The valuation assumes that AVIC Jierui generates net cash flow evenly throughout the year.

Selection of Valuation Model

For the valuation, the enterprise free cash flow discounting model has been selected.

The basic formula is:

$$E = B - D$$

In the formula, E represents the market value of the total shareholders' equity of AVIC Jierui, D represents the market value of interest-bearing debt, B represents the total market value of the enterprise.

$$B = P + \sum C_i$$

In the formula, P represents the value of operating assets, $\sum C_i$ represents the value of non-operating assets and liabilities (including surplus assets) existing as at the Valuation Base Date.

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{P_n}{(1+r)^n}$$

In the formula, R_i represents the expected enterprise free cash flow for the i-th year after the Valuation Base Date, r represents the discount rate, P_n represents the terminal value, n represents the forecast period.

Each parameter is determined as follows:

1. Determination of Free Cash Flow (R_i)

$R_i = \text{Net Profit} + \text{Depreciation \& Amortization} + \text{After-Tax Interest Expense} - \text{Increase in Working Capital} - \text{Capital Expenditure}$

2. The discount rate (r) is determined using the weighted average cost of capital (WACC), with the formula as follows:

$$WACC = R_e \frac{E}{D+E} + R_d \frac{D}{D+E} (1-T)$$

In the formula, E and D are as previously described; R_e is the cost of equity; R_d is the expected rate of return on debts; T is the income tax rate.

3. R_e is calculated using the capital asset pricing model (CAPM), with the formula as follows:

$$R_e = R_f + \beta \times ERP + R_s.$$

In the formula, R_e is the cost of equity; R_f is the risk-free interest rate (For Shanghai and Shenzhen markets, select government bonds with a remaining term exceeding 10 years from the Valuation Base Date to the bond maturity date. The average yield to maturity of these bonds, 2.08%, is used as the risk-free rate.); β is the beta coefficient, the β in the valuation is 1.0856; ERP is the equity market risk premium (calculated as the geometric average return of the CSI 300 Index constituents over a rolling 10-year period from 2015 to 2024, minus the average risk-free rate of long-term government bonds during the same period, deriving as 6.12%); R_s is the specific risk premium rate (an additional 2.50% is added as the specific risk return rate due to factors such as a relatively concentrated customer base and significant operational impacts from policy orientation).

For the valuation, the loan prime rate (LPR) of 3.10% for the corresponding term, effective at the Valuation Base Date, is used as the debt investment return rate.

Based on the above calculations, the weighted average cost of capital (WACC) at a corporate income tax rate of 15% is 11.22%. The Asset Valuer uses this rate as the discount rate for AVJ.

4. Determination of Terminal Value (P_n)

According to the principles of business valuation, the Asset Valuer shall estimate the post-forecast period value by analyzing factors such as the post-stable period earnings trend and disposal methods after cessation of operations, and select an appropriate method. For the valuation, the perpetual annuity model is used to estimate the terminal value.

5. Forecast Period

The forecast period is divided into two stages: stage 1 is for the period from 1 April 2025 to 31 December 2030; and stage 2 is from 1 January 2031 to perpetuity.

6. Value of Non-Operating Assets and Liabilities (Including Surplus Assets) Σci

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operations of AVIC Jierui and not involved in the post-Valuation Base Date free cash flow forecasts. Surplus assets refer to assets exceeding the operational requirements of the entity as at the Valuation Base Date and not involved in the post-Valuation Base Date free cash flow forecasts. For non-operating assets and liabilities (including surplus assets), the cost approach is used in the valuation.

Valuation Conclusion

As at the Valuation Base Date (namely, 31 March 2025), the appraisal value of the total shareholders' equity of AVIC Jierui is RMB619.00 million, representing an appreciation rate of 67.34%. The appreciation is attributable to AVIC Jierui's strong research and development capabilities and favorable future development prospects, with the assessment results encompassing the value of intangible assets, such as technological accumulation, customer resources, human resources, and market expansion capabilities, which are not fully reflected in the book value.