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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)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER
EXISTING AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE
SUPPLY FRAMEWORK AGREEMENT**

**I. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER THE
EXISTING AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE SUPPLY
FRAMEWORK AGREEMENT**

References are made to the announcement of the Company dated 22 August 2023 and the circular dated 28 November 2023 in relation to, among other things, the continuing connected transactions of the Group with AVIC Airborne under the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement.

As the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement will expire on 31 December 2026 and the Group intends to continue to enter into the transactions of similar nature after expiry date, the Company entered into the AVIC Airborne Mutual Product and Service Supply Framework Agreement for a term of three years commencing from 1 January 2027 to continue the Group's continuing connected transactions. The principal terms of the AVIC Airborne Mutual Product and Service Supply Framework Agreement are generally consistent with those of the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement, with proposed annual caps for the relevant transactions for the three years ending 31 December 2029.

II. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC is a controlling shareholder of the Company holding directly and indirectly 59.63% of all issued Shares. AVIC Airborne is a connected subsidiary of the Company by virtue of being directly and indirectly owned as to over 10% by AVIC.

Accordingly, AVIC Airborne is a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. The transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement (including the respective proposed annual caps) therefore constitute continuing connected transactions.

Partly Exempt Transactions

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the three years ending 31 December 2029 of the revenue transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement exceed 0.1% but are less than 5%, such continuing connected transactions are subject to reporting, announcement and annual review requirements but are exempt from circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Non-exempt Transactions

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the three years ending 31 December 2029 of the expenditure transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement exceed 5%, such continuing connected transactions are subject to reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

III. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all of the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029.

Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

IV. EGM

The Company will convene an EGM in due course to obtain the approval of Independent Shareholders regarding, among other things, the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029.

AVIC and its associate(s), if any, will abstain from voting on these ordinary resolutions to be proposed at the EGM.

As more time is required to finalise the circular to the Shareholders, the Company expects to despatch to the Shareholders the circular containing, among other things:

- (a) details relating to the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029;
- (b) a letter of recommendation from the Independent Board Committee to the Independent Shareholders;
- (c) a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders; and
- (d) a notice of the EGM

on or before 26 October 2026.

I. THE RENEWAL OF CONTINUING CONNECTED TRANSACTIONS UNDER THE EXISTING AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE SUPPLY FRAMEWORK AGREEMENT

1. Background

References are made to the announcement of the Company dated 22 August 2023 and the circular dated 28 November 2023 in relation to, among other things, the continuing connected transactions of the Group with AVIC Airborne under the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement.

As the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement will expire on 31 December 2026 and the Group intends to continue to enter into transactions of similar nature after the expiry date, the Company entered into the AVIC Airborne Mutual Product and Service Supply Framework Agreement for a term of three years commencing from 1 January 2027 to continue the Group's continuing connected transactions. The principal terms of the AVIC Airborne Mutual Product and Service Supply Framework Agreement are generally consistent with those of the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement, with proposed annual caps for the relevant transactions for the three years ending 31 December 2029.

2. The AVIC Airborne Mutual Product and Service Supply Framework Agreement

The Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement entered into by the Company and AVIC Airborne is due to expire on 31 December 2026. As the Group continues to have the need to procure from and supply to AVIC Airborne Group various products and services in its business, the Company entered into the AVIC Airborne Mutual Product and Service Supply Framework Agreement with AVIC Airborne.

Principal terms of the AVIC Airborne Mutual Product and Service Supply Framework Agreement are summarised as follows:

Date	: 26 August 2026
Parties	: The Company (for itself and on behalf of its subsidiaries, excluding AVIC Airborne Group) AVIC Airborne (for itself and on behalf of its subsidiaries)
Term	: Three years from 1 January 2027 to 31 December 2029
Mutual supply of products and services	: The Group will supply to AVIC Airborne Group aviation parts and components, raw materials, related manufacturing, labour services, and engineering technology (including but not limited to planning, consultation, design and supervision), project engineering main contracting and equipment main contracting services, etc. AVIC Airborne Group will supply to the Group avionics products, electromechanical products, parts and components, related manufacturing and labour services, and engineering and equipment subcontracting services.
Pricing principles	: The price of products and/or services under the agreement will be determined as follows: (i) as most products under the AVIC Airborne Mutual Product and Service Supply Framework Agreement are designated aviation products, the Government-prescribed Price shall apply; (ii) if there is no Government-prescribed Price, the Market Price as determined by tender procedures or other means (as the case may be) shall apply; (iii) if there is no Market Price, the Contractual Price shall apply; (iv) for power supply services such as the provision of electricity, water, steam, etc., if such power was originally procured at the Government-prescribed Price or the Government-guidance Price, the Government-prescribed Price or the Government-guidance Price shall apply; if such power was not originally procured at Government-prescribed Price or Government-guidance Price, the Market Price as determined by tender procedures or other means (as the case may be) shall apply; if there is no Market Price, the Contractual Price shall apply; (v) for production and labour services where Market Price is available, the Market Price as determined through tender procedures or other

means (as the case may be) shall apply; if there is no Market Price, the Contractual Price shall apply; and

- (vi) for engineering technology services (including design, consultation and supervision services), project engineering main contracting and equipment main contracting services, and engineering and equipment subcontracting services, the Market Price and (if applicable) the Market Price as determined by tender procedures shall apply. The tender procedures mentioned above shall be in compliance with the relevant PRC laws and regulations relating to tender and bidding (which set out, among other things, specific requirements for the bidders and construction projects which require tender and bidding).

Note: please refer to detailed definitions of “Government-prescribed Price”, “Government-guidance Price”, “Market Price” and “Contractual Price” as set out in Section IX “Definitions” of this announcement.

Payment : The parties will collect payment according to the AVIC Airborne Mutual Product and Service Supply Framework Agreement and the specific contracts entered into by the relevant member of the Group and AVIC Airborne Group for the provision of products or services.

Other major terms : If any independent third party can supply the same type of products or services at a better price than AVIC Airborne Group or the Group (as the case may be) offers, the Group or AVIC Airborne Group (as the case may be) shall be entitled to opt for the products or services supplied by that independent third party.

Subject to the terms of the AVIC Airborne Mutual Product and Service Supply Framework Agreement, if the product or service supplied by and the terms and conditions of supply given by AVIC Airborne Group or the Group (as the case may be) does not satisfy the needs of the Group or AVIC Airborne Group (as the case may be) in any aspect, the latter can procure identical or similar products or services from an independent third party.

II. HISTORICAL AMOUNTS OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE EXISTING AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE SUPPLY FRAMEWORK AGREEMENT

Set out below are the historical amounts of the continuing connected transactions under the Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement for the two years ended 31 December 2025 and the six months ended 30 June 2026 and the annual caps for the year ending 31 December 2026.

	Actual amount for the year ended 31 December 2024 (RMB' million)	Actual amount for the year ended 31 December 2025 (RMB' million)	Actual amount for the six months ended 30 June 2026 (RMB' million)	Annual Caps for the year ending 31 December 2026 (RMB' million)
Expenditure transactions of the Group	2,079	2,115	768	3,100
Revenue transactions of the Group	609	519	366	1,200

III. PROPOSED ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS UNDER THE AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE SUPPLY FRAMEWORK AGREEMENT

1. Proposed annual caps for the continuing connected transactions under the AVIC Airborne Mutual Product and Service Supply Framework Agreement

Based on the factors set out in paragraph 2 under Section III of this announcement, the Directors have estimated the annual caps for the continuing connected transactions for each of the three years ending 31 December 2029 are set out below:

	Year ending 31 December 2027 (RMB' million)	Year ending 31 December 2028 (RMB' million)	Year ending 31 December 2029 (RMB' million)
Expenditure transactions of the Group	2,500	2,600	2,800
Revenue transactions of the Group	800	900	1,000

2. Basis of determination of the proposed annual caps

The proposed annual caps for the three years ending 31 December 2029 are determined with reference to, among other things, the following factors:

(i) Intra-group transactions of the Group

The transactions under the AVIC Airborne Mutual Product and Service Supply Framework Agreement are intra-group transactions of the Group, and are mostly product pairing transactions between the Group's airborne companies (i.e. AVIC Airborne Group) and the Group's entire aircraft companies (mainly the helicopters and trainers). Avionics products and electromechanical products are necessary aviation parts and components for the manufacturing of the aviation entire aircraft. AVIC Airborne Group is the major supplier for the related avionics products and electromechanical products in the Group's helicopters and trainers.

(ii) historical transaction amount and annual growth trend

The proposed annual caps for the expenditure and revenue transactions for the three years ending 31 December 2029 are determined after taking into account (i) the historical transaction amount of the expenditure of approximately RMB 2,079 million and RMB 2,115 million respectively for the year ended 31 December 2024 and 31 December 2025; (ii) the historical transaction amount of the revenue of approximately RMB 609 million and RMB 519 million respectively for the year ended 31 December 2024 and 31 December 2025; and (iii) based on the current operation plan, the Group expects an increase in the procurement of aviation components as well as an increase in sales to AVIC Airborne Group resulting from the growth of its aviation business.

(iii) adequate buffer for potential demands of the Group

The Company also sets a 10% buffer for the proposed annual caps to cover the potential demands of the Group and/or AVIC Airborne Group for relevant products and services. The 10% buffer is added based on the development in national economy and aviation industry and the potential business development and expansion of the Group and/or AVIC Airborne Group in the future.

IV. REASONS FOR AND BENEFITS OF RENEWAL OF THE EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE EXISTING AVIC AIRBORNE MUTUAL PRODUCT AND SERVICE SUPPLY FRAMEWORK AGREEMENT

The aviation industry is complex and technology intensive. The manufacturing of an entire aircraft (including the Group's helicopters and trainers) requires different products, parts and components from different enterprises.

The Group is an aviation manufacturing enterprise mainly engaged in the research, development, manufacture and sales of aviation entire aircraft (mainly helicopters and trainer aircraft) and aviation parts and components (mainly avionics products and electromechanical products), and the provision of aviation engineering services.

The transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement are intragroup transactions of the Group, and are mostly product pairing transactions between the Group's airborne companies (i.e. AVIC Airborne Group) and the Group's entire aircraft business.

AVIC Airborne's avionics products and electromechanical products are necessary aviation parts and components for the manufacturing of the entire aviation aircraft. AVIC Airborne Group is the major supplier for the related avionics products and electromechanical products in the Group's helicopters and trainers.

The Company considers that the mutual providing of products and services between the Group and AVIC Airborne are necessary for the business operation of the Company. Based on the following grounds, the Directors consider that it is beneficial to continue the relevant continuing connected transactions by way of entering into a new framework agreement as set out in Section I of this announcement:

- (a) the historical connection and long-standing business cooperation relationship between the Group and AVIC Airborne Group;
- (b) AVIC Airborne and its subsidiaries generally have a better understanding of the Group's business and can better ensure the standards of technology, quality, delivery and technical support of the products to meet the Group's requirements;
- (c) the continuing connected transactions between AVIC Airborne Group and the Group in relation to mutual supply of products and services have facilitated and will continue to facilitate the overall operations and growth of the Group's business; and
- (d) the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from Somerley in respect of the Non-exempt Transactions) consider that such continuing connected transactions are and will continue to be conducted on normal commercial terms or better to the Group and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and the terms and the proposed annual caps of such continuing connected transactions will continue to be fair and reasonable to the Company.

V. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, AVIC is a controlling shareholder of the Company holding directly and indirectly 59.63% of all issued Shares. AVIC Airborne is a connected subsidiary of the Company by virtue of being directly and indirectly owned as to over 10% by AVIC. Accordingly, each of AVIC and AVIC Airborne is a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. The transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement (including the respective proposed annual caps) therefore constitute continuing connected transactions.

Partly Exempt Transactions

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the three years ending 31 December 2029 of the revenue transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement exceed 0.1% but are less than 5%, such continuing connected transactions are subject to reporting, announcement and annual review requirements but are exempt from circular and Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Non-exempt Transactions

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the three years ending 31 December 2029 of the expenditure transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement exceed 5%, such continuing connected transactions are subject to reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

General

The non-executive Directors of Mr. Xu Dongsheng, Mr. Wang Rong and Ms. Hu Shiwei, all of whom hold positions in AVIC, had abstained from voting on the relevant Board resolution(s) approving the transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement and the proposed annual caps in accordance with the Company Law of the PRC and the Hong Kong Listing Rules. Save as disclosed above, none of the other Directors has or is deemed to have a material interest in the above-mentioned continuing connected transactions.

For the Partly Exempt Transactions, the Directors (including the independent non-executive Directors) consider that (i) the terms of the Partly Exempt Transactions and the proposed annual caps for those transactions for the three years ending 31 December 2029 are fair and reasonable; (ii) the Partly Exempt Transactions are on normal commercial terms or better, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

For the Non-exempt Transactions, the Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) consider that the terms of the Non-exempt Transactions and the proposed annual caps for those transactions for the three years ending 31 December 2029 are on normal commercial terms or better, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Shareholders should note that all the proposed annual caps as set out in this announcement should not be construed as an assurance or forecast by the Company of the future revenue of the Group.

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all of the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029.

Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

VII. GENERAL INFORMATION

1. Information relating to 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 mainly engaged in the research, development, manufacture and sales of aviation products, and relevant engineering services.

2. Information of AVIC

AVIC is controlled by the State Council of the PRC, and is mainly 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.

3. 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. AVIC Airborne is a 16.50% owned subsidiary of the Company, which is mainly engaged in the manufacture of avionics products, electromechanical products and related accessories.

VIII. EGM

The Company will convene an EGM in due course to obtain the approval of Independent Shareholders regarding, among other things, the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029.

AVIC and its associate(s), if any, will abstain from voting on these ordinary resolutions to be proposed at the EGM.

As more time is required to finalise the circular to the Shareholders, the Company expects to despatch to the Shareholders the circular containing, among other things:

- (1) details relating to the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029;

- (2) a letter of recommendation from the Independent Board Committee to the Independent Shareholders;
- (3) a letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders; and
- (4) a notice of the EGM

on or before 26 October 2026.

IX. DEFINITIONS

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

“associates”	has the same meaning ascribed to it under the Hong Kong Listing Rules
“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% of all issued Shares as 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) (previously known as China Avionics Systems Co., Ltd.* (中航航空電子系統股份有限公司)), a joint stock limited liability company whose A shares are listed on the Shanghai Stock Exchange and a connected subsidiary of the Company as at the date of this announcement
“AVIC Airborne Group”	AVIC Airborne and its subsidiaries
“AVIC Airborne Mutual Product and Service Supply Framework Agreement”	the AVIC Airborne mutual product and service supply framework agreement entered into between the Company and AVIC Airborne dated 26 August 2026, details of which are set out under Section I 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 liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed thereto under the Hong Kong Listing Rules

“Contractual Price”	the price to be agreed between the relevant parties for the supply of the aviation products, raw materials and related services (as the case may be), which shall be the reasonable costs incurred in supplying the same plus not more than 8% of such costs, which is determined after taking into account the average profit margin among the related industrial enterprises, the average profit margin in the aviation industry and the profits previously received by the Group for similar products, raw materials or services. The specified percentage used to determine the Contractual Price is the maximum profit margin under the AVIC Airborne Mutual Product and Service Supply Framework Agreement and specific prices will be determined under separate agreements in each transaction, and the profit margin is in line with industry practice. The above Contractual Price mechanism is applicable to not only the supply of products or services by the Group to the AVIC Airborne Group, but also vice versa by AVIC Airborne Group to the Group. Considering the above, the Directors are of the view that the Contractual Price mechanism is on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders
“connected subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purposes of considering and, if thought fit, approving, among other things, the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029
“Existing AVIC Airborne Mutual Product and Service Supply Framework Agreement”	the mutual product and service supply framework agreement entered into between the Company and AVIC Airborne and dated 22 August 2023, for a term of three years commencing from 1 January 2024
“Government-guidance Price”	the price determined by the parties within the range as provided under the laws, regulations, decisions or orders or in respect of particular types of services promulgated by the central government, provincial government or other regulatory authorities in the PRC
“Government-prescribed Price”	the price jointly determined by the relevant price control authorities, the industry regulators in the PRC and the relevant manufacturing

enterprises involved in the particular transactions, which mainly comprise the relevant costs plus profit margin. The relevant costs will be proposed by the relevant manufacturing enterprises, and confirmed by the relevant price control authorities and the industry regulators in the PRC

“Group”	the Company and its subsidiaries from time to time (in particular, in respect of the AVIC Airborne Mutual Product and Service Supply Framework Agreement, the Company and its subsidiaries (other than the AVIC Airborne Group) from time to time)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Liu Weiwu, Mr. Mao Fugen and Mr. Lin Guiping, to advise the Independent Shareholders on the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029
“Independent Shareholders”	Shareholders (other than AVIC and its associates) who are not required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the terms of the Non-exempt Transactions and the proposed annual caps for such transactions for the three years ending 31 December 2029
“Independent Third Parties”	independent third parties (to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry), including the ultimate beneficial owners of such party, not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates (within the meaning of the Hong Kong Listing Rules)

“Market Price”	the price as determined in the following sequence: (i) where there are comparable market prices or charging rates standards determined by independent third parties under normal commercial terms for the transaction, the transaction price shall be determined at such price or standard; or (ii) if there are no such comparable market prices of independent third parties, the transaction price shall be fixed by the price of non-connected transactions between the Company and independent third parties: (a) where the Company is the buyer, through tender procedures in accordance with the relevant PRC laws and regulations relating to tender and bidding or by choosing the most favourable price among at least two to three selected suppliers after taking into account the suppliers’ manufacturing qualifications and delivery time, and business relationship between the Company and suppliers according to the Company’s internal procurement policy; or (b) where the Company is the supplier, agreeing with the clients within prescribed price range after taking into account the transaction volumes and business relationship between the Company and purchasers according to the Company’s internal sales policy. The Market Price will be determined or approved by the authorised departments/persons of the specific entities within the Group in particular transactions
“Non-exempt Transactions”	the expenditure transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement, which are subject to reporting, announcement, annual review, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules
“Partly Exempt Transactions”	the revenue transactions contemplated under the AVIC Airborne Mutual Product and Service Supply Framework Agreement which are subject to reporting, announcement and annual review requirements but are exempt from circular and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules
“percentage ratio(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares of RMB1.00 each in the capital of the Company
“Shareholders”	the holders of Shares

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

Beijing, 26 August 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. Wang Rong, 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*