



CHINA'S SUNWARD BUYS CANADA'S AVMAX FOR \$347.24M TO DIVERSIFY INTO AVIATION

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Chinese construction equipment maker **Sunward** Intelligent Equipment Co said it has bought Canadian aviation services provider **Avmax** Group, which has assets of up to \$312 million, amid a sustained downturn in the construction machinery market. Sunward closed the deal with Avmax's biggest shareholder in mid-September, but the pricing has yet to be finalised based on Avmax's future performance, among other factors.

Sunward will raise up to 2.2 billion yuan (\$347.24 million) via a private placement arrangement of shares to fund the acquisition, it added.

The deal would give Sunward a share of China's fast growing aviation market, including regional aviation and jet leasing sectors, the statement said, by bringing Avmax's expertise to the country.

Avmax, based in Calgary, maintains facilities in Vancouver and Montreal, as well as in the United States, Kenya and Chad. Besides a leasing and operations business, Avmax also offers avionics, component repairs and engineering services.

Sunward's bigger rival Zoomlion Heavy Industry Science and Technology (000157.SZ) is also diversifying into farm machinery sector amid a supply glut of construction equipment at home and some overseas markets.

Sunward started making small drones as early as 2010. It also invested in the jet engine business.

Its shares, traded in Shenzhen, fell to the daily trading limit of 10 percent shortly after the market opened on Tuesday and remained at that level at the noon break.

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