

# ***AVIC Electronics Shares Exchange to Merge & Acquisition AVIC Electromechanical***

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**Abstract:** Under the impact of China's and world economic conditions and development under the novel coronavirus pneumonia epidemic as the background, it is necessary to further extend its impact on the economic situation and development of the aviation industry, to introduce this article's research motif, that is, the development of aviation manufacturing industry after enterprise restructuring under the background of the novel coronavirus epidemic. This paper takes the share swap and merger of AVIC Electromechanical as a case study to conduct financial data analysis, market data analysis and performance analysis respectively, so as to compare the situation of AVIC Electronics before and after the restructuring. Subsequently, this paper will analyze the advantages and disadvantages brought by the restructuring to the enterprise. Then, one needs to put forward the suggestions for the future development of AVIC Electronics in the field of military aviation, civil aviation, and industrial manufacturing, and finally give a conclusion, pointing out the significance of this article and the areas that still need to be improved.

**Keywords:** corporate restructuring, airline, aviation manufacturing

## **1. Introduction**

Although the novel coronavirus pneumonia epidemic is not over, it is a "black swan" event for China and the world, which has an impact on short and long term economic conditions and development at home and abroad. It responds quickly to the highly sensitive international foreign exchange market. The uncertainty of the future will affect the future trend of gold prices to a certain extent, and gold prices will rise significantly with the increase of uncertainty. As the virus spreads, each country will take corresponding control measures, and if the virus continues to rage, it will exacerbate the impact of the new coronavirus pneumonia epidemic on international trade; For the real economy, from individual freelancers to major listed companies, the income is lower than in previous years, and the economic descend of enterprises or companies will lead to the income decline of their employees, which in turn will lead to a decline in monetary liquidity, and the uncertainty about the future will also affect the willingness of enterprises and individual investors to invest [1].

The external environment is highly related to the operating conditions of the aviation industry, which is vulnerable to the impact of epidemic, weather, season, war, and other factors. After the outbreak of the new crown epidemic, the aviation industry has encountered unprecedented difficulties. Airlines have experienced sharp declines in revenue, continued declines in stock prices, industry-wide losses, and cash flow disruptions [2].

The coronavirus pandemic, which has continued in recent years, has had an unprecedented impact on the aviation industry. Many countries and regions around the world have taken varying measures to control personnel flow so as to effectively control the COVID-19 outbreak, which has directly led to a significant decline in tourism and business activities, and the decline in business travel demand has directly impacted the aviation manufacturing industry [3]. In 2021, the load factor recovered to 67.2% of the pre-pandemic level in 2019, an enhancement of 4.4% compared to 2020, but still a decrease of 15.4% compared to 2019. The world's life has been influenced by the pandemic. The pandemic brought a heavy burden on societies, health, and economic systems. Of these industries that are affected, aviation is among the most impactful. Global passenger demand is expected to decline by 2.77 billion trips and revenues by \$371 billion. Demand from airlines has begun to regain from April 2020 lows in recent months, as precautionary measures, requirements of testing and mask at airports have encouraged people to travel by air. Nevertheless, the current state of operations highlights the magnitude of the challenges facing the aviation industry [4].

Zou used literature research method, case analysis method and empirical research method to analyze the influence of the COVID-19 epidemic on China's film and television industry [5], and came to the following conclusions: first, the passive influence of the COVID-19 epidemic on traditional industries has caused investor sentiment to fluctuate greatly, so the stock price deviates from a reasonable level, resulting in the company's value being affected; Secondly, to evaluate the value of the film and television industry, one needs to pay attention to its unique points and the main points and difficulties of evaluation. In addition, the fundamentals of the film and television industry have been extraordinary influenced by the COVID-19 epidemic, the development of the film and TV series industry has begun to show stagnant or even regression, the future online video industry shows strong investment potential, at the same time, the financial status of listed companies in the film and television industry has been negatively affected by the new crown epidemic, and many companies have cash flow problems. Finally, due to the impact of the COVID-19 epidemic, the value of listed companies in the film and television industry will show a "first falling and then rising" tendency in the short period, but in the long period development of the market is gradually reasonable, the company's value has fallen sharply.

Li used the literature analysis method, qualitative and quantitative comprehensive analysis method and case study method to analyze the financial risks and response problems of the cultural tourism industry affected by the new crown epidemic [6], and came to the following conclusions: taking HaiChang Ocean Park as an example, its financial risks under the COVID-19 pandemic are mainly due to the direct impact of the COVID-19 pandemic. Irrational financing planning in the early stage has buried hidden financial risks, while irrational investment was more obvious during the COVID-19 pandemic, and the single business model led to insufficient production capacity. Therefore, taking the park as an example, it should actively respond to the impact of the new crown epidemic, do a good job of fundraising planning, improve investment decisions, and optimize the business model.

Taking Air China's acquisition of Shenzhen Airlines as the research content, Song analyzed the following reasons for M&A, i.e., access to regional strategic resources, coping with competitive pressures, joining forces to achieve synergies, solving financial difficulties and government policy needs. In the M&A process, legal regulation, fair valuation and effective competition have a significant impact, as well as post-merger related issues and stock price changes. Afterwards, the short-term performance was described by stock price, and the long-term performance was analyzed by comparing the financial before and after with the 10-year financial statements, and the study found that the performance improved and made constructive recommendations at the end [7].

Liu et al. took the enlightenment of JAL's bankruptcy and restructuring to the development of China's aviation industry as the research content [8], and analyzed the conditions for JAL's restructuring as follows: reform the consciousness of employees, enhance cohesion and sense of unity, and

lay a personnel foundation for the restructuring. Abandoning routes that generate losses, reducing operating costs and improving risk resistance; Introduce a sub-departmental accounting system to increase the company's operational workpiece ratio and turn the enterprise into a profit. The enlightenment to China's aviation industry is as follows: it is necessary to clearly divide internal functions and powers; Internal open and transparent financial accounts; establish a unified business philosophy and strengthen the ideological shaping of employees as well as fully understand the operation project and flexibly adjust the business strategy [8].

Through research to understand the situation after the merger of aircraft manufacturing enterprises, the current mainstream research direction is the theoretical study of the motivation and performance of enterprise restructuring, and the company restructuring of the airborne system branch in the aircraft manufacturing industry is selected as a case study, which has some industry uniqueness. The company was chosen as a case study because AVIC Electromechanical Systems Co., Ltd. terminated its listing and delisted on March 17, 2023, which is relatively new, so there is more to be analyzed in depth. This article is divided into five chapters, each of which is detailed below. The first chapter is an introductory part, which is divided into a background introduction, a literature review, and the motivation and chapter arrangement of this article and research, which analyzes the impact of COVID-19 on the economy of the seven seas and the impact on the aviation industry, respectively, and the first paragraph of the literature review describes the methods used and conclusions obtained in the previous research on the influence of the epidemic on the film and television industry and the cultural and travel industry. The second chapter describes the case description, describing the whole process of the merger and reorganization of AVIC Avionics Systems Co., Ltd. to AVIC Electromechanical Systems Co., Ltd., as well as the methods of reorganization and the types of reorganization. The third chapter provides case studies and analyzes the drivers of restructuring and short-term and long-term performance after restructuring based on data charts. The fourth section contains the recommendations and lessons learned through this case study. The fifth chapter is the conclusion, which will summarize the full text, explain the limitations and prospects of the research in this paper, and the research significance of the full text.

## 2. Descriptions

Through the "AVIC Avionics Systems Co., Ltd. (hereinafter referred to as "AVIC Electronics") issued on March 17, 2023 "AVIC Electronics on the Company's Share Exchange and Absorption and Merger of AVIC Electromechanical Systems Co., Ltd.", it is learned that AVIC Electronics will exchange shares to absorb and merge AVIC Electromechanical Systems Co., Ltd. (hereinafter referred to as "AVIC Electromechanical"), AVIC Electronics is the absorbing and merging party, and AVIC Electromechanical is the absorbed and merged party.

After the completion of this share exchange and merger, AVIC Electromechanical will terminate the listing and revoke the legal person qualification, and all assets, liabilities, businesses, personnel, contracts and all other rights and obligations of AVIC Electromechanical will be inherited and undertaken by AVIC Electronics. As a result of this share exchange and merger, AVIC Electronics issued the A-shares will apply for tabbing and circulation on the major board of the Shanghai Stock Exchange. The exchange objects of this share exchange absorption and merger are all shareholders of AVIC Electromechanical registered after the close of the market on the implementation date of the merger, and all of them will be converted into A shares issued by AVIC Electronics as a result of this share exchange absorption and merger according to the share exchange ratio.

The medial transaction value of the stock in the 120 trading days before the pricing basis date of AVIC Electronics Swap Absorption and Consolidation was RMB 19.06 yuan per share, that is, the exchange price of AVIC Electronics was 19.06 yuan per share. On April 13, 2023, AVIC Avionics Systems Co., Ltd. obtained the "Certificate of Registration of Securities Change" issued by the

Shanghai Branch of China Securities Depository and Clearing Co., Ltd., and the company issued 2,567,240,755 new A shares with unlimited sale conditions due to the share exchange involved in this merger. The share exchange and merger has been completed, and the company's total share capital has aggrandized from 1,917,798,835 shares to 4,485,039,590 shares.

### 3. Analysis

#### 3.1. Financial Data Analysis

From Table 1, AVIC Electronics' operating income increased in 2022 compared with 2021 and 2021 compared with 2020, and increased by 13.69% in 2022 compared with 2021. Its net profit attributable to shareholders of listed companies increased in 2022 compared with 2021 and 2021 compared with 2020, and increased by 9.17% in 2022 compared with 2021. Its net profit attributable to shareholders of listed companies after deducing non-recurring gains and losses, increased in 2022 compared with 2021 and 2021 compared with 2020, and increased by 1.11% in 2022 compared with 2021. Net cash flow from its operating activities decreased in 2022 compared with 2021, increased in 2021 compared with 2020, and decreased by -151.21% in 2022 compared with 2021. Its net assets attributable to shareholders of listed companies increased in 2022 compared with 2021 and 2021 compared with 2020, and increased by 44% in 2022 compared with 2021. Finally, AVIC Electronics' total assets increased in 2022 compared with 2021 and 2021 compared with 2020, and increased by 8.15% in 2022 compared with 2021.

Table 1: Comparison of major accounting data.

ZKey account- ing data	Q1 of 2023	Q1 of 2022	In 2022	Late 2021	2022 com- pared to 2021 (%)	Late 2020
Opera- tion rev- enue	2,466,706,34 2.71	2,345,868,34 9.60	11,186,259,69 2.86	9,839,298,85 3.60	13.69%	8,746,614,18 1.92
Net profit attributa- ble to share- holders of listed compa- nies	210,791,017. 44	201,358,840. 99	871,912,569.2 7	798,697,071. 26	9.17%	630,777,488. 79
Above after de- ducting non- recurring gains and losses	181,504,027. 72	151,377,716. 33	694,965,929.7 5	687,342,615. 85	1.11%	547,812,147. 43

Table 1: (continued).

Net cash flow from operating activities	- 974,134,403.63	- 1,178,634,543.99	- 793,665,252.84	1,549,833,363.72	- 151.21%	809,572,495.70
Net assets attributable to shareholders of a listed company	12,416,227,002.57	12,185,483,311.23	12,185,471,305.13	11,236,846,294.54	8.44%	10,626,330,583.81
Total assets	28,551,729,415.60	28,402,587,203.52	28,402,468,058.97	26,262,648,705.02	8.15%	24,719,896,668.46

As can be seen from Table 2, AVIC Electronics' basic earnings per share and diluted earnings per share increased every year from 2020 to 2022, and increased by 9.15% in 2022 compared with 2021. Basic earnings per share excluding non-recurring gains and losses, increased annually from 2020 to 2022, and increased by 1.12% in 2022 compared to 2021. The weighted average return on equity decreased by 0.46 percentage points in 2021 from 2020 and increased by 0.13 percentage points in 2022 from 2021. The value after deducting non-recurring profit and loss decreased by 0.36 percentage points from 2022 to 2021. As given in Table 3, the operating income in the first quarter (January to March) was 2,345,868,349.60 yuan, the net profit attributable to shareholders of listed companies was 201,292,984.44, and the net profit attributable to the shareholders of the listed company after deducting non-recurring profits and losses was 151,311,859.78, net cash flow from operating activities was -1,178,634,543.99. In the second quarter (April-June), the operating income was 2,841,367,485.43 yuan, the net profit attributable to shareholders of the listed company was 318,688,513.70, the net profit attributable to the shareholders of the listed company after deducting non-recurring profit and loss was 285,055,024.56, and the net cash flow from operating activities was -196,727,203.96. Operating income for the third quarter (July-September) was 2,713,113,531.40 yuan, the net profit attributable to shareholders of the listed company is 175,055,846.92, net profit attributable to shareholders of listed companies after deducting non-recurring profits and damages was 150,560,016.61, net cash flow from operating activities was -535,219,363.84. Operating income for the fourth quarter (October-December) was 3,285,910,326.43 yuan, the net profit attributable to shareholders of the listed company is 176,875,224.21. The net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses was 102,747,419.03, net cash flow from operating activities was 1,116,915,858.95.

Table 2: Comparison of major financial indicators.

Major financial indicators	The Q1 of 2023	The Q1 if 2022	In 2022	In 2021	2022 compared to 2021(%)	In 2020
Basic earnings per share	0.1099	0.1044	0.4546	0.4165	9.15%	0.3501
Diluted earnings per share	0.1099	0.1044	0.4546	0.4165	9.15%	0.3501
Basic earnings per share excluding non-recurring gains and losses			0.3624	0.3584	1.12%	0.3041
Weighted average return on equity (%)	1.71	1.77	7.44	7.31	0.13%	7.77
Above after deducting non-recurring gains and losses (%)			5.93	6.29	-0.36%	6.75

According to Table 4, AVIC Electronics' operating income and net profit increased during the reporting period, and the debt pressure was high. Eventually, the company's total operating income was 11.186 billion yuan, annual increase of 13.69%, and the net profit attributable to the parent was 872 million yuan, annual increase of 9.17%. According to the data of a single quarter, the total operating income in the fourth quarter was 3.286 billion yuan, a year-on-year increase of 13.21%, and the net profit attributable to the parent in the fourth quarter was 177 million yuan, a year-on-year decrease of 20.88%. The performance of the data indicators released in this financial report is still good. Among them, the gross profit margin was 31.54%, a year-on-year growth of 8.42%, the net profit rate was 8.06%, a year-on-year growth of 2.99%, sales expenses, management expenses and financial expenses totaled 1.256 billion yuan, the three expenses accounted for 11.22% of the operating income, a year-on-year growth of 2.05%, the net assets per share were RMB 6.32 yuan, a year-on-year growth of 8.44%, the operating cash flow per share was -0.41 yuan, a year-on-year growth of 151.21%, and the earnings per share were RMB 0.45 yuan, a year-on-year increase of 9.15%.

Table 3: Major financial figures by quarter.

	The Q1 of 2022	The Q2 of 2022	The Q3 of 2022	The Q4 of 2022	The Q1 of 2023
Operating income	2,345,868,349.60	2,841,367,485.43	2,713,113,531.40	3,285,910,326.43	2,466,706,342.71
Net profit attributable to shareholders of listed companies	201,292,984.44	318,688,513.70	175,055,846.92	176,875,224.21	210,791,017.44

Table 3: (continued).

Net profit attributable to share-holders of listed companies after deducing non-recurring gains and losses	151, 311, 859.78	285,055,024.56	150, 560, 016. 61	102, 747, 419. 03	181,504,027.72
Net cash flow from operating activities	-1,178, 634, 543. 99	-196, 727, 203. 96	-535, 219, 363. 84	1, 116, 915, 858. 95	- 974,134,403.63

Judging from the company's 2022 financial statements, for the profitability aspect, the principal business was in an average position of the industrial chain, the profit percentage is average, and the marketing competition environment is good. Judging from historical financial statements of the enterprise over the last decade, the long-term profitability level is average. The transaction volume has grown slowly in the past five years, and has begun to grow at a moderate rate in recent years. Profits have grown at a moderate rate in the past five years, and have begun to grow rapidly in recent years. Its latest earnings forecast shows that profit growth will increase.

Analysis of the company's financial report data: accounts receivable data is worth paying attention to, and special attention needs to be paid to inventory data. The quality of the company's cash flow is average, and the operating cash flow received is of average relative profit quality. In terms of liabilities, the company's debt pressure is high, with an average annual net operating cash flow of 522 million yuan in the past three years, while current liabilities totaled 14.331 billion yuan.

Table 4: Specific financial indicators of AVIC Electronics.

project	First quarter 2023 report	First quarter 2022 report	Annual Report 2021	Annual Report 2022	Year-over-year increase
Total operating income (RMB)	2.467B	2.346B	9.839B	11.186B	13.69%
Net profit attributable to parent (RMB)	0.211B	0.201B	0.799B	0.872B	9.17%
Deduction of non-net profit (RMB)	0.182B	0.151B	0.687B	0.695B	1.11%
Gross margin	30.65%	27.78%	29.09%	31.54%	8.42%
Net profit margin	8.88%	8.86%	8.31%	8.06%	-2.99%
The ratio of three fees to revenue	11.87%	11.34%	11.46%	11.22%	-2.05%

Table 4: (continued).

Net assets per share (RMB)	6.47	5.95	5.83	6.32	8.44%
EPS (RMB)	0.11	0.1	0.42	0.45	9.15%
Operating cash flow per share (RMB)	-0.61	-0.61	0.8	-0.41	-151.21%

Table 5: Valuation data.

	Total market capitalization	P/E ratio (TTM)	P/E ratio (quiet)	P/B ratio	Present-to-market ratio
30th percentile	317.77	40.99	45.27	2.94	23.96
70th percentile	357.30	46.16	56.42	3.29	42.80
Industry average	228.0	66.0	11.5	3.4	83.0

Table 6: Industry rankings.

	Total market capitalization	P/E ratio (TTM)	P/E ratio (quiet)	P/B ratio	Present-to-market ratio
ranking	3	21	21	28	28

### 3.2. Market Analysis

At present, the aviation products business is the main revenue pillar of AVIC Electronics, and the revenue of this sector accounts for more than 80% all year round, achieving revenue of 9.843 billion yuan in 2022, increase of 13.80%, accounting for 87.99%, and a gross margin of 31.25%, an improvement of 1.75 percentage points over the last year. The AVIC's total revenue ranked fifth in the industry in 2022, an increase of 13.69% compared with 2021. Its total assets ranked fourth in the industry in 2022, an increase of 8.15% compared with 2021. Its total liabilities ranked fifth in the industry in 2022, up 7.99% compared with 2021. The total ownership equity of AVIC Electronics ranked fourth in the industry in 2022, an increase of 7.99% compared with 2021. From Table 5 and Table 6, it can be perceived that AVIC Electronics' total market capitalization ranks high, ranking 3rd in the industry, but its price-to-earnings ratio (TTM) and price-to-earnings ratio (quiet) industry ranking 21, and the price-to-book ratio and price-to-present ratio industry ranking 28, are all at the middle and lower levels.

Table 7: Performances summary.

project	In 2021	In 2022	Q1 of 2023
Liquidity ratio	1.61	1.52	1.64
Quick ratio	1.05	0.99	1.06
Asset-liability ratio	55.63%	55.55%	54.94%
Equity multiplier	2.25	2.25	2.33
Net operating margin	29.09%	31.54%	30.65%
Net interest rate on total assets	45.71%	46.19%	45.17%
Accounts receivable turnover rate (times)	1.41	1.46	0.26
Current asset turnover ratio (times)	0.52	0.54	0.11
Total Asset Turnover (times)	0.39	0.41	0.09



Table 7: (continued).

Growth rate of main business revenue	12.5%	18.69%	5.15%
Net profit growth rate	26.6%	9.17%	4.68%
Total asset growth rate	6.24%	8.15%	-

### 3.3. Performances Analysis

The performances are given in Table. 7. With regard to solvency, there was a decrease of the current ratio and quick ratio, the current ratio has not exceeded 2, the liquidity is poor, the asset-liability ratio has not changed much, the pressure of enterprises has basically not changed, and the equity multiplier is close to the level of the same industry. As for profitability, the net operating margin and the net profit margin of total assets have increased and are both positive, indicating that AVIC Electronics' profitability is relatively good at present. Regarding operating capacity, the data in the table are improving year by year, indicating that the market environment of AVIC Electronics is becoming increasingly clear and the prospects are promising. Regarding the development capacity, it can be preliminarily judged from the increase rate of major business income and total assets that AVIC Electronics' business performance may gradually increase in the future.

## 4. Suggestions & Implications

At present, China's economy has entered a new stage of high-quality development, the development of science and technology is changing every day, the addition of new competitors will gradually intensify industrial competition, and the original market pattern will be more complicated. Although the pace of country's macroeconomic growth become slowly in recent years, the adjustment of aviation industry policies is more favorable for AVIC Electronics.

The transformation of military strategy in the new era has a huge demand for new equipment construction. The successive development and small-batch production of a new generation of weapons and equipment have provided a huge market space for the sustainable development of AVIC Electronics and its members. A number of new models have been approved, and the coordinated operations of various arms have provided opportunities for the extension and development of equipment and led the development of a number of new products and technologies. The proportion of avionics system and its product value in the procurement expenditure of the new generation of aviation equipment has increased significantly, and the characteristics of high technology, high added value and high profit of the industry will be fully reflected in economic benefits. The enhancement of systematic, networked, informalization and intelligent combat requirements, and the development trend of changing manned aircraft models to UAV models, put forward higher requirements for avionics system technology innovation [9].

The country attaches more and more importance to the development of civil aircraft, which has been elevated as a national strategy. Since the "Twelfth Five-Year Plan", civil aircraft has been regarded as the main orientation and main task of the development of national strategic emerging industries, and special projects have been set up for key support and deployment. The Industry Ministry and Information Technology also issued China's first "Civil Aviation Industry Medium and Long-term Development Plan (2013-2020)", which carries out special planning from the national level to promote the civil aviation industry to a new progression phase [10]. Simultaneously, the "The 13th Five-Year Plan" for the development of strategic emerging industries has established a new generation of civil aircraft innovation projects, and a number of civil aircraft projects such as the national large aircraft major special project are being vigorously implemented, all of which demonstrate the country's attention and unprecedented determination to develop the civil aircraft industry.

According to the spirit of the relevant documents of the General Office of the State Council, 29 specific policies and measures to promote the in-depth development of national defense science and technology industry have been put forward from seven aspects, including strengthening the sharing and collaborative innovation of military and civilian resources, promoting the mutual support and effective transformation of military and civilian technology, and the strategies of "One Belt One Road" and "China-Africa Regional Aviation Cooperation" have provided new business opportunities for the whole industrial chain of China's civil aircraft products, technologies, standards and norms to go global. The issuance has made arrangements from five aspects, including cultivating the general air market, expediting the construction of general airports, and promoting industrial transformation and upgrading, and puts forward the 2020 goal of "There had an enormously advanced of the general aircraft's R&D and manufacturing level and autonomy rate, and had improved significantly of the proportion of domestic general aircraft in the general aviation fleet", creating rare policy opportunities for the progression of the general aviation industry. In the meanwhile, through the establishment of special support policies, it has provided strong support for the development of regional aviation.

While the outlook for the world economy in 2019 remains complex and volatile, positive optimism has also increased, which has helped the smooth operation of China's economy. Overall, China's development is still in the process of industrialization and urbanization, there is room for domestic demand, resilience in development, innovation and means, and the fundamentals of China's long-term optimism have not changed. In the favorable external environment of clear world economic recovery and rapid growth of global trade, China's economy will continue to be stable and good in 2020. Under the background of internal prevention and resolution of major risks and external response to Sino-US trade frictions, China's macroeconomic fundamentals have remained basically stable. The supply side of the economy continues to maintain a steady and progressive trend. Under the current development trend, the enterprise will continue to expand the investment in the core technology of the avionics system that it has mastered, give full play to the advantages of products, technologies, systems, talents, basic capabilities and other advantages accumulated for a long time, continue to promote and implement technological upgrading, cross-generation technological innovation and business innovation, and continue to consolidate and strengthen the enterprise's competitive advantage in the avionics market. In the meanwhile, the enterprise will continue to get the utmost out of the industrial structure, enhance resource allocation, adhere to innovation-driven, implement relevant development strategies, promote supply-side structural reform, and vigorously develop industrialization projects in military and civilian technology derivatives, strategic emerging fields and high-end intelligent industrial manufacturing business.

## 5. Conclusion

In summary, the outbreak of the new crown epidemic in January 2020 has now been raging around the world. From the perspective of the international situation, the downward pressure on the global economy brought about by the global spread of the novel coronavirus outbreak has brought more uncertainty to the aviation manufacturing industry. From the perspective of the domestic market, the new crown epidemic in 2020 has had a more serious impact on the domestic macroeconomy, although the current epidemic in China has been limited control, but affected by foreign factors, the country still maintains a state of unrelenting state. If the economic growth rate continues to decline and the growth of disposable income continues to slow down, it will directly lead to sluggish consumption, especially to the aviation industry, which is also a great challenge for enterprises. Although restructuring is a good medicine for AVIC Electronics, whether AVIC Electronics can continue to develop, there are many factors, of course, it is analogously related to the development ability of the company itself. By analyzing the restructuring and performance of AVIC Electronics, this

paper shows that the restructuring of enterprises has a series of impacts on corporate financial data, market data and performance, and has certain reference value for subsequent research on enterprise restructuring in the aviation industry. What needs to be improved is that AVIC Electronics' financial statements for the first quarter of 2023 were not released during this study, and data should be supplemented in subsequent releases, and more comparisons before and after the restructuring should be added.

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