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# **AVIC International Holding (HK) Limited** **中國航空工業國際控股(香港)有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 232)**

## **VOLUNTARY ANNOUNCEMENT COMPLETION OF THE DISPOSAL**

Reference is made to the announcement and circular (the “**Circular**”) of the Company dated 10 April 2013 and 6 May 2013 respectively relating to the Disposal and the Possible Conversion. As announced by the Company on 22 May 2013, resolutions of the Shareholders approving the Disposal and the Possible Conversion have been duly passed at the SGM. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

Pursuant to the Sale and Purchase Agreement, the total consideration for the Sale Shares is HK\$1,500,000,000 (subject to adjustment), which shall be satisfied as to (i) HK\$600,000,000 by way of cash (of which HK\$150,000,000 shall be paid to Broadlink as deposit (the “**Deposit**”) on the first Business Day following the MIG Shares resume trading on the Main Board of the Stock Exchange after signing of the Sale and Purchase Agreement and the balance of HK\$450,000,000 shall be settled at Completion); (ii) HK\$520,000,000 by the issue of the Tranche A Convertible Notes; (iii) HK\$300,000,000 by the issue of the Tranche B Convertible Notes; and (iv) HK\$80,000,000 (subject to adjustment) by the issue of the Deferred Convertible Notes.

The Board would like to announce that completion of the MIG Placing by MIG, being one of the conditions precedent of the Completion pursuant to the Sale and Purchase Agreement, has not been fulfilled and waiver in writing has been given by the Vendors to waive the requirement to fulfill such condition precedent. As a result, pursuant to the terms of the Sale and Purchase Agreement, the Purchaser and MIG have elected to settle the cash consideration of HK\$600,000,000 as follows:

- (a) no request would be made for the refund of all or any part of the Deposit paid to Broadlink on 30 April 2013; and
- (b) the balance of HK\$450,000,000 has been paid and settled as follows:
  - (i) HK\$100,000,000 has been paid to the Vendors in cash; and

(ii) HK\$350,000,000 has been settled by the issue by MIG of additional Tranche A Convertible Notes,

in each case, in the corresponding aggregate principal amount to each relevant Vendor pro rata to the respective numbers of Sale Shares legally and beneficially owned by them at Completion (but in the case of the payment in cash, after having deducted the Deposit already paid to Broadlink).

The aggregate consideration of HK\$339,900,000 (subject to adjustment) receivable by Kingspot under the Disposal has been satisfied as to (i) HK\$56,650,000 (instead of HK\$135,960,000) by way of cash; (ii) HK\$117,832,000 by the issue of the Tranche A Convertible Notes; (iii) HK\$79,310,000 by the issue of additional Tranche A Convertible Notes; (iv) HK\$67,980,000 by the issue of the Tranche B Convertible Notes; and shall be satisfied as to (v) HK\$18,128,000 (subject to adjustment) by the issue of the Deferred Convertible Notes.

Save for the MIG Placing, which has not been completed by MIG and waiver of such condition has been given by the Vendors, all the conditions precedent of the Completion have been fulfilled. The Completion took place on 2 August 2013.

By order of the Board  
**AVIC International Holding (HK) Limited**  
**Wu Guangquan**  
*Chairman*

Hong Kong, 2 August 2013

*As at the date of this announcement, the Board comprises Mr. Wu Guangquan, Mr. Pan Linwu, Mr. You Lei, Mr. Ji Guirong and Mr. Zhang Chuanjun as executive directors; Mr. Ip Tak Chuen, Edmond as non-executive director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi as independent non-executive directors.*