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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)

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent



華泰金控

HUATAI FINANCIAL
Wholly owned Subsidiary of Huatai Securities Company Ltd

Completion of the Placing and the Subscription

The Board is pleased to announce that all conditions set out in the Placing and Subscription Agreement have been fulfilled. The Placing was completed on 19 December 2014 and an aggregate of 900,000,000 Placing Shares have been successfully placed to not less than six independent places at the Placing Price of HK\$0.60 per Placing Share. The Subscription was completed on 29 December 2014 and an aggregate of 900,000,000 Subscription Shares, representing approximately 16.31% of the enlarged issued share capital of the Company immediately after the allotment and issue of such Subscription Shares, have been allotted and issued to the Vendor at the Subscription Price of HK\$0.60 per Subscription Share.

Completion of the Placing and the Subscription

Reference is made to the announcement of AVIC International Holding (HK) Limited (the “Company”) dated 16 December 2014 (the “Announcement”) and the announcement of the Company dated 18 December 2014 in relation to, among other matters, the Placing and the Subscription. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all conditions set out in the Placing and Subscription Agreement have been fulfilled. The Placing was completed on 19 December 2014 and an aggregate of 900,000,000 Placing Shares have been successfully placed to not less than six placees, who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), and independent of and not acting in concert (as defined in the Takeovers Code) with the Vendor and parties acting in concert with it, at the Placing Price of HK\$0.60 per Placing Share. None of the Placees became a substantial shareholder (as defined in the Listing Rules) as a result of the Placing and the Subscription. The Subscription was completed on 29 December 2014 and an aggregate of 900,000,000 Subscription Shares, representing approximately 16.31% of the enlarged issued share capital of the Company immediately after the allotment and issue of such Subscription Shares, have been allotted and issued to the Vendor at the Subscription Price of HK\$0.60 per Subscription Share.

The net proceeds from the Subscription amount to approximately HK\$534 million. The Company intends to apply the net proceeds for general working capital and to fund other potential investment opportunities that might be identified by the Company from time to time.

The table below sets out the shareholding structure of the Company before and after the Placing and the Subscription:

| | Immediately before the Placing | | Immediately after completion of the Placing but before the Subscription | | Immediately after completion of the Placing and the Subscription | |
|---|--------------------------------|--------------|---|--------------|--|--------------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Substantial Shareholders | | | | | | |
| Speed Profit Enterprises Limited (<i>Note 1</i>) | 508,616,000 | 11.01 | 508,616,000 | 11.01 | 508,616,000 | 9.21 |
| Vendor (<i>Note 1</i>) | 1,386,943,000 | 30.02 | 486,943,000 | 10.54 | 1,386,943,000 | 25.13 |
| <i>The Vendor together with parties acting in concert with it</i> | 1,895,559,000 | 41.03 | 995,559,000 | 21.55 | 1,895,559,000 | 34.34 |
| Public | | | | | | |
| Placees (<i>Note 2</i>) | Nil | Nil | 900,000,000 | 19.48 | 900,000,000 | 16.31 |
| Other public Shareholders | 2,724,032,000 | 58.97 | 2,724,032,000 | 58.97 | 2,724,032,000 | 49.35 |
| Total | 4,619,591,000 | 100 | 4,619,591,000 | 100 | 5,519,591,000 | 100 |

Notes:

- 1 *Speed Profit Enterprises Limited is a wholly-owned subsidiary of the Vendor, which in turn is a wholly-owned subsidiary of AVIC International (HK) Group Limited. AVIC International (HK) Group Limited is a wholly-owned subsidiary of AVIC International Holding Corporation, which in turn is a non wholly-owned subsidiary of AVIC Industry Corporation of China. Accordingly, the Vendor is deemed to be interested in the shares held by Speed Profit Enterprises Limited; and each of AVIC International (HK) Group Limited, AVIC International Holding Corporation and AVIC Industry Corporation of China is deemed to be interested in the aggregate shares directly held by Speed Profit Enterprises Limited and the Vendor.*
- 2 *To the best of the Directors' knowledge, the Placees and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). Therefore, the Placees are treated as public Shareholders.*

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

29 December 2014, Hong Kong

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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.