

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the “**Board**”) of directors (the “**Directors**”) of AVIC International Holding (HK) Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) makes this announcement further to its annual report for the year ended 31 December 2014 (the “**2014 Annual Report**”).

Reference is made to the 2014 Annual Report and the Company’s announcements dated 16, 18 and 29 December 2014 (the “**Announcements**”) in relation to, among other matters, the Placing of existing 900,000,000 Shares and the Subscription for the same number of new Shares under the general mandate granted to the Directors for the issue of new Shares at the annual general meeting held on 28 May 2014. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board would like to provide the following additional information to the 2014 Annual Report regarding the Placing and Subscription as contemplated under paragraph 11 of Appendix 16 to the Listing Rules and certain of which has previously been included in the Announcements:

1. The Company conducted the Placing and Subscription to raise funds for the Group because the Directors consider that this equity issue offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group.
2. After taking into account the share issue expenses of approximately HK\$5,396,580, the net price per Subscription Share issued is about HK\$0.594.
3. The Placing Shares were placed to not less than six placees who are professional, institutional and other investors selected by the Placing Agent. The placees and their respective 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.

4. The closing price of the Share as quoted on the Stock Exchange on 16 December 2014, being the date of the Placing and Subscription Agreement, was HK\$0.67 per Share.
5. Of the gross proceeds of approximately HK\$540,000,000 received from the Subscription on 29 December 2014, approximately HK\$5,396,580 was used to settle the related share issue expenses. The balance of approximately HK\$534,603,420 was then allocated to the general working capital of the Group. On 30 December 2014, the Group used approximately HK\$325,881,324 out of its general working capital to pay for the acquisition of a property development and sale business as disclosed in the 2014 Annual Report. The Group's remaining working capital is intended to be used for daily operations in its ordinary and usual course of business as well as for funding any potential investment opportunities that might be identified by the Company from time to time.

The Board confirmed that the above additional information does not affect other information contained in the 2014 Annual Report.

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

Hong Kong, 24 July 2015

As at the date of this announcement, the Board comprises Mr. Wu Guangquan, Mr. Pan Linwu, Mr. Lai Weixuan, Mr. Xu Hongge and Mr. Xiao Nan as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi as independent non-executive Directors.