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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)

CHANGE OF EXECUTIVE DIRECTORS, CHAIRMAN OF THE COMPANY AND MEMBER OF THE REMUNERATION COMMITTEE

The board (the “**Board**”) of directors (the “**Directors**”) of AVIC International Holding (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that:

- (1) Mr. Liu Hongde (“**Mr. Liu**”) has been appointed as an executive Director, the chairman of the Company (“**Chairman**”), and member of the Remuneration Committee of the Company with effect from 30 December 2016;
- (2) Ms. Zhou Chunhua (“**Ms. Zhou**”) has been appointed as an executive Director with effect from 30 December 2016;
- (3) Mr. Wu Guangquan (“**Mr. Wu**”) has resigned as an executive Director, Chairman and member of the Remuneration Committee of the Company with effect from 30 December 2016 due to change of job assignments; and
- (4) Mr. Xiao Nan (“**Mr. Xiao**”) has resigned as an executive Director with effect from 30 December 2016 due to change of job assignments.

RESIGNATION OF EXECUTIVE DIRECTORS, CHAIRMAN OF THE COMPANY AND MEMBER OF THE REMUNERATION COMMITTEE

Each of Mr. Wu and Mr. Xiao has confirmed that there is no disagreement with the Board and there is no other matter in respect of their resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Wu and Mr. Xiao for their valuable contributions to the Company during their tenure of office.

APPOINTMENT OF EXECUTIVE DIRECTORS, CHAIRMAN OF THE COMPANY AND MEMBER OF THE REMUNERATION COMMITTEE

The respective biographical details of Mr. Liu and Ms. Zhou are set out below:

Mr. Liu Hongde

Mr. Liu, aged 56, a PhD in Management Science and Engineering of Harbin Engineering University (哈爾濱工程大學) and a professoriate senior engineer. He enjoys the special government allowances of the State Council. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu is currently the chairman of the board of directors of AVIC International Holding Corporation (中國航空技術國際控股有限公司) (“**AVIC International**”) and the supervisor of Aviation Industry Corporation of China (中國航空工業集團公司) (“**AVIC**”), both of which are substantial shareholders of the Company. Mr. Liu has been nominated in December 2016 as an executive director of AVIC International Holdings Limited (中航國際控股股份有限公司) (“**AVIC IHL**”), which shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to the approval by the shareholders of AVIC IHL at its extraordinary general meeting. Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dongan Engine Corporation* (哈爾濱東安發動機公司), the general manager and chairman of Harbin Dongan Auto Engine Co., Ltd.* (哈爾濱東安汽車動力股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Co., Ltd.* (哈爾濱航空工業(集團)有限公司), the chairman of Jiangxi Changhe Automobile Co., Ltd.* (江西昌河汽車股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the general manager of AVIC Automobile Industry Corporation* (中國航空汽車工業總公司), the deputy general manager of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司, which shares are listed and traded on the Stock Exchange), the head of the corporate cultural departments of the China Aviation Industry Corporation II* (中國航空工業第二集團公司) and AVIC, and the vice executive chairman of the trade union of AVIC.

The Company has entered into a letter of appointment with Mr. Liu. There is no length of service specified in the said letter of appointment. Mr. Liu is subject to retirement and re-election at the forthcoming annual general meeting and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Liu’s emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company’s remuneration policy in consideration of his duties and responsibilities within the Group, the Group’s performance and profitability and the market benchmark, comprising a director’s fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company, and discretionary share options. Mr. Liu is entitled to receive a director’s fee of HK\$36,000 annually.

Save as disclosed above, Mr. Liu did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years before the date of this announcement and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Liu does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”).

Save as disclosed above, there are also no other matters relating to Mr. Liu’s appointment that need to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to paragraph 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Ms. Zhou Chunhua

Ms. Zhou, aged 51, a professoriate senior accountant, EMBA of Cheung Kong Graduate School of Business (長江商學院). Ms. Zhou has extensive working experience in the areas of financial management, capital operation, audit supervision and risk management. Ms. Zhou was appointed as the deputy general manager and the chief accountant of AVIC International in December 2016. Before that, she was the assistant to manager and vice chief accountant of Shenyang Liming Aero-Engine Group Corporation Ltd.* (瀋陽黎明航空發動機集團有限公司), the director, deputy general manager and chief accountant of AVIC Beijing Keeven Aviation Instrument Co., Ltd.* (中航工業北京青雲航空儀錶有限公司), the deputy manager of the audit department of AVIC and the deputy general manager and chief accountant of AVIC Electromechanical Systems Company Limited* (中航機電系統有限公司) as well as the deputy general manager and chief accountant of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司, which shares are listed and traded on the Shenzhen Stock Exchange). Ms. Zhou has also been nominated as a candidate for election at the extraordinary general meeting of AVIC IHL as an executive director of AVIC IHL, subject to the approval by its shareholders.

The Company has entered into a letter of appointment with Ms. Zhou. There is no length of service specified in the said letter of appointment. Ms. Zhou is subject to retirement and re-election at the forthcoming annual general meeting and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. Ms. Zhou's emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company's remuneration policy in consideration of her duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company, and discretionary share options. Ms. Zhou is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Ms. Zhou did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years before the date of this announcement and she does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Ms. Zhou does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are also no other matters relating to Ms. Zhou's appointment that need to be brought to the attention of the Shareholders of the Company and there is no other information that should be disclosed pursuant to paragraph 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Liu and Ms. Zhou to join the Board.

By order of the Board of
AVIC International Holding (HK) Limited
Liu Hongde
Chairman

Hong Kong, 30 December 2016

As at the date of this announcement and after the above changes in the Board's composition, the Board comprises of Mr. Liu Hongde, Mr. Lai Weixuan, Mr. Pan Linwu, Ms. Zhou Chunhua and Mr. Xu Hongge 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.

* for identification purposes only