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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)**

## **PROFIT WARNING AND INCREASE IN VALUE OF INVESTMENTS**

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a loss for the six months ended 30 June 2010.

The Board further informs that the Group is expected to record a substantial increase in the value of the investments as at 30 June 2010.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

This announcement is made by AVIC International Holding (HK) Limited (the “Company”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### **PROFIT WARNING**

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Company and its subsidiaries (the “Group”) is expected to record a loss for the six months ended 30 June 2010 as compared to a profit for the same period in 2009 primarily due to change in the valuation in respect of the conversion options of the convertible bonds purchased by the Group.

## **INCREASE IN VALUE OF INVESTMENTS**

The Board further informs that the Group is expected to record a substantial increase in the value of the investments as at 30 June 2010 due to change in the fair value measurement of these investments upon their publicly listing. Such increase will have no impact on the condensed consolidated income statement.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the management accounts of the Group, which have not been confirmed nor audited by the Company's auditors. Details of the interim results of the Group for the six months ended 30 June 2010 are expected to be announced on 26 August 2010.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 19 August 2010

*As at the date of this announcement, the Board of the Company comprises Mr. Wu Guangquan, Mr. Jiang Wei, Mr. Ji Guirong, Mr. Liu Rongchun, Mr. Pan Linwu 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.*