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HNA Aviation Investment Holding Company Ltd
(Incorporated in the Cayman Islands with limited liability)

KTL International Holdings Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 442)

JOINT ANNOUNCEMENT

(1) CLOSE OF THE MANDATORY UNCONDITIONAL CASH OFFER BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF KTL INTERNATIONAL HOLDINGS GROUP LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY HNA AVIATION INVESTMENT HOLDING COMPANY LTD);
(2) RESULTS OF THE OFFER; AND
(3) WAIVER OF RESTORATION OF PUBLIC FLOAT

Co-financial adviser to
the Offeror



CCB International Capital Limited

Co-financial adviser to
the Offeror



Hong Kong International Capital
Management Limited

Financial adviser to KTL International
Holdings Group Limited



China Galaxy International securities
(Hong Kong) Co., Limited

Independent Financial Adviser to the Independent Board Committee

VEDA | CAPITAL
智 略 資 本
Veda Capital Limited

CLOSE OF THE OFFER

The Offeror and the Company jointly announced that the Offer was closed at 4:00 p.m. on Friday, 17 February 2017 and the Offeror did not revise or extend the Offer.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 17 February 2017, being the latest time for acceptance of the Offer as set out in the Composite Offer Document, the Offeror had received valid acceptances in respect of a total of 31,068,478 Offer Shares under the Offer, representing approximately 19.42% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer have been or will be despatched to the relevant Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible but in any event within seven Business Days from the date of receipt of all relevant documents by the Registrar to render such acceptances complete and valid in accordance with the Takeovers Code.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately after the close of the Offer, taking into account the valid acceptances in respect of 31,068,478 Offer Shares under the Offer, the Offeror and parties acting in concert with it were interested in 129,372,494 Shares, representing approximately 80.86% of the entire issued share capital of the Company as at the date of this joint announcement.

WAIVER OF RESTORATION OF PUBLIC FLOAT

Immediately after the close of the Offer and as at the date of this joint announcement, subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received, 30,627,506 Shares, representing approximately 19.14% of the entire issued share capital of the Company, are held by the public (within the meaning under the Listing Rules).

Accordingly, the minimum public float requirement of 25% as set out under Rule 8.08(1)(a) of the Listing Rules is not satisfied.

The Company has made an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

INTRODUCTION

References are made to the composite offer document (the "**Composite Offer Document**") jointly issued by the Offeror and the Company dated 27 January 2017 in relation to, among other things, the Offer. Capitalised terms used herein have the same meaning as those defined in the Composite Offer Document unless the context otherwise requires.

CLOSE OF THE OFFER

The Offeror and the Company jointly announced that the Offer was closed at 4:00 p.m. on Friday, 17 February 2017 and the Offeror did not revise or extend the Offer.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 17 February 2017, being the latest time and date for acceptance of the Offer as set out in the Composite Offer Document, the Offeror had received valid acceptances in respect of a total of 31,068,478 Offer Shares under the Offer, representing approximately 19.42% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptance of the Offer) payable for the Offer Shares tendered under the Offer have been or will be despatched to the relevant Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible but in any event within seven Business Days after the date of receipt of all relevant documents by the Registrar to render such acceptances complete and valid in accordance with the Takeovers Code.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the commencement of the Offer Period on 21 December 2016, the Offeror and parties acting in concert with it did not hold, control or have direction over any Shares or any rights over the Shares. Upon Completion but prior to making of the Offer, the Offeror and parties acting in concert with it were interested in 98,304,016 Shares, representing approximately 61.44% of the entire issued share capital of the Company.

Immediately after the close of the Offer, taking into account the valid acceptances in respect of 31,068,478 Offer Shares under the Offer, the Offeror and parties acting in concert with it were interested in an aggregate of 129,372,494 Shares, representing approximately 80.86% of the entire issued share capital of the Company as at the date of this joint announcement.

Save for (i) the acquisition of the Sale Shares by the Offeror pursuant to the Sale and Purchase Agreement which was completed on 29 December 2016; and (ii) the valid acceptances under the Offer as disclosed in this joint announcement, none of the Offeror or any of the parties acting in concert with it has acquired or agreed to acquire any Shares or rights over the Shares before and during the Offer Period up to and including the date of this joint announcement. The Offeror and parties acting in concert with it have not borrowed or lent any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to and including the date of this joint announcement.

Set out below is the shareholding structure of the Company (i) immediately after Completion and before the making of the Offer; and (ii) immediately after the close of the Offer (subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received):

	Immediately after Completion and before the making of the Offer		Immediately after the close of the Offer (subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders				
The Offeror and parties acting in concert with it	98,304,016	61.44	129,372,494	80.86
Other public Shareholders	<u>61,695,984</u>	<u>38.56</u>	<u>30,627,506</u>	<u>19.14</u>
Total	<u>160,000,000</u>	<u>100</u>	<u>160,000,000</u>	<u>100</u>

WAIVER OF RESTORATION OF PUBLIC FLOAT

Immediately after the close of the Offer and as at the date of this joint announcement, subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received, 30,627,506 Shares, representing approximately 19.14% of the entire issued share capital of the Company, are held by the public (within the meaning under the Listing Rules).

Accordingly, the minimum public float requirement of 25% as set out under Rule 8.08(1)(a) of the Listing Rules is not satisfied.

The Company has made an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

By order of the board of directors of the Offeror
**HNA Aviation Investment Holding
Company Ltd**
Wu Hao
Director

By order of the Board
**KTL International Holdings Group
Limited**
Kei York Pang Victor
Co-Chairman and Executive Director

Hong Kong, 17 February 2017

As at the date of this joint announcement, the executive Directors are Mr. Kei York Pang Victor, Mr. Li Man Chun, Mr. Kei Yeuk Lun Calan (each of Mr. Kei York Pang Victor, Mr. Li Man Chun, Mr. Kei Yeuk Lun Calan has resigned with effect from close of the Offer), Mr. Nang Qi, Mr. Chen Peiliang and Mr. Xue Qiang; and the independent non-executive Directors are Mr. Ting Tit Cheung, Mr. Chan Chi Kuen and Mr. Lo Chun Pong.

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

As at the date of this joint announcement, the directors of the HNA Aviation Investment are Mr. Li Rui and Mr. Wu Hao.

The directors of HNA Aviation Investment jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and the Guarantors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and the Guarantors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of HNA Group are Mr. Chen Feng, Mr. Wang Jian, Mr. Tan Xiangdong, Mr. Li Xianhua, Mr. Chen Wenli, Mr. Lu Ying, Mr. Zhang Ling, Mr. Huang Qijun, Mr. Xin Di, Mr. Tang Liang and Mr. Tong Fu.

The directors of HNA Group jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and the Guarantors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and the Guarantors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.