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*(formerly known as CATIC Shenzhen Holdings Limited (深圳中航集團股份有限公司))
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 00161)*

INSIDE INFORMATION

POTENTIAL DISPOSAL OF EQUITY INTEREST AND CREDITOR'S RIGHTS OF CHENGDU JUJIN BY CHENGDU RAISE THROUGH PUBLIC TENDER

The Board announces that Chengdu Raise, a non-wholly owned subsidiary of the Company, intends to conduct the Potential Disposal through the Public Tender to be conducted on the China Beijing Equity Exchange. The Pre-Listing Disclosure will be made on the website of the China Beijing Equity Exchange at <http://www.cbex.com.cn> on 15 June 2018 in compliance with the relevant regulatory requirements in the PRC. It is proposed that Chengdu Raise will, jointly with Beijing Raise, conduct the disposal of their respective 20% and 80% equity interest and their respective creditor's rights in Chengdu Jujin through China Beijing Equity Exchange.

This announcement is made by AVIC International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

THE POTENTIAL DISPOSAL THROUGH PUBLIC TENDER

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that Chengdu AVIC Raise Real Estate Company Limited (“**Chengdu Raise**”), a non-wholly owned subsidiary of the Company, intends to conduct the disposal (the “**Potential Disposal**”) of (i) its 20% equity interest (the “**Chengdu Jujin Equity Interest**”) in Chengdu Jujin Trading Co., Ltd.* (成都聚錦商貿有限公司) (“**Chengdu Jujin**”) and (ii) the creditor's rights in Chengdu Jujin (the “**Chengdu Jujin Creditor's Rights**”) held by it (collectively, the “**Chengdu Jujin Interest**”) through

a public tender process (the “**Public Tender**”) to be conducted on the China Beijing Equity Exchange* (北京產權交易所) (the “**China Beijing Equity Exchange**”). The minimum bidding price for transfer of Chengdu Jujin Interest including Chengdu Jujin Equity Interest and Chengdu Jujin Creditor’s Rights through the Public Tender will be determined based on (i) the asset appraisal on Chengdu Jujin to be conducted by a qualified appraisal institution and (ii) the audited results on creditor’s rights in Chengdu Jujin to be conducted by a qualified audit institution. The minimum bidding price for transfer of Chengdu Jujin Interest will also be subject to the approvals from relevant regulatory authorities of State-owned assets in the People’s Republic of China (the “**PRC**”). It is proposed that Chengdu Raise will, jointly with Beijing Raise Science Co., Ltd. (“**Beijing Raise**”), conduct the disposal of their respective 20% and 80% equity interest and their respective creditor’s rights in Chengdu Jujin through China Beijing Equity Exchange.

According to the requirements under the relevant PRC laws and regulations, preliminary disclosure of information relating to the Potential Disposal is required to be made to the public (the “**Pre-Listing Disclosure**”) for not less than 20 working days prior to the commencement of the formal disclosure of the Public Tender. In compliance with such requirements, the Pre-Listing Disclosure will be made on 15 June 2018 on the website of the China Beijing Equity Exchange at <http://www.cbex.com.cn>.

INFORMATION OF CHENGDU JUJIN

Chengdu Jujin is a limited liability company established on 20 August 2004 in the PRC and is held as to 80% and 20% by Beijing Raise and Chengdu Raise. It has a registered capital of RMB112,342,600 and is principally engaged in sales of construction machinery, construction and building auxiliary decoration materials (excluding hazardous chemicals) and real estate development and management.

The audited financial information of Chengdu Jujin for the two years ended 31 December 2016 and 2017 prepared in accordance with the accounting standards of PRC is set out below.

	Year ended 31 December 2016 <i>(RMB)</i>	Year ended 31 December 2017 <i>(RMB)</i>
Profit/loss before tax	63,850,000	-25,071,000
Profit/loss after tax	65,106,000	-27,887,000

INFORMATION OF CHENGDU RAISE

Chengdu Raise is a limited liability company established on 18 October 2007 in the PRC and is a non-wholly owned subsidiary of the Company. It is held as to 60%, 30% and 10% by the Company, AVIC Chengdu Aircraft Design and Research Institute* (中國航空工業集團公司成都飛機設計研究所) and Chengdu Chengfei Enterprise Management Co., Ltd.* (成都成飛企業管理有限公司). It has a registered capital of RMB120,000,000 and is principally engaged in real estate development, property management, construction and municipal engineering construction, etc.

INFORMATION OF BEIJING RAISE

Beijing Raise is a limited liability company established on 20 June 1985 in the PRC. It is held as to 96% and 4% by Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司) (the “**Aviation Industry**”) and Catic Mechanical and Electrical Systems Co., Ltd.* (中航機電系統有限公司). It has a registered capital of RMB1,101,760,000 and is principally engaged in property development, property management and real estate brokerage business.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of flat panel displays and modules, printed circuit boards and watches, property development, logistic service relating to engineering and shipping building, engineering procurement and construction projects (EPC projects) in the PRC.

REASONS FOR THE POTENTIAL DISPOSAL

Due to the increasingly stringent real estate industry control policies issued by the government in the PRC, the performance of Chengdu Jujin has declined significantly and the Group was unable to obtain yield on its investment. Through the Potential Disposal, the Board would be able to obtain proceeds and optimise its resource allocation, and to further withdraw from the residential property development business, focus on its principal activities and improve the Group’s performance.

GENERAL

As at the date of this announcement, given that (i) Beijing Raise is directly and indirectly held as to 100% by Aviation Industry; and (ii) Aviation Industry holds approximately 62.52% of the equity interest in AVIC International Holding Corporation* (中國航空技術國際控股有限公司) (a controlling shareholder holding approximately 37.50% of the issued share capital of the Company) (“**AVIC International**”), which in turn owns 100% equity interest of AVIC International Shenzhen Company Limited* (中國航空技術深圳有限公司) (a controlling shareholder holding approximately 33.93% of the issued share capital of the Company), Beijing Raise is an associate of AVIC International and a connected person of the Company and the Potential Disposal, if materialised, will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

The Board wishes to emphasise that as at the date of this announcement, the Company is not under any obligation to proceed with the Public Tender and the Public Tender may or may not happen. No binding agreement with respect to the Potential Disposal has been entered into by the Group as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As the Group may or may not proceed with the Public Tender and it may or may not enter into a binding agreement with respect to the Potential Disposal, and even if it decides to do so, the Potential Disposal may or may not proceed to completion for various reasons and accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
AVIC International Holdings Limited
Liu Hong De
Chairman

Shenzhen, the PRC, 15 June 2018

As at the date of this announcement, the Board comprises a total of 9 Directors, Mr. Liu Hong De, Mr. Lai Wei Xuan, Mr. You Lei, Ms. Zhou Chun Hua, Mr. Chen Hong Liang, Mr. Liu Jun as executive Directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei as independent non-executive Directors.

** For identification purposes only*