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中航國際控股股份有限公司 AVIC INTERNATIONAL HOLDINGS LIMITED

*(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 with limited liability)*
(Stock Code: 00161)

SUPPLEMENTAL XIAMEN TIAN MA ENTRUSTED MANAGEMENT AGREEMENT AND REVISION OF THE MANAGEMENT FEES

Reference is made to the announcement of the Company dated 4 March 2014 in relation to the Xiamen Tian Ma Entrusted Management Agreement.

On 21 August 2015, Shanghai Tian Ma and Xiamen Tian Ma entered into the Supplemental Xiamen Tian Ma Entrusted Management Agreement, pursuant to which the management fee payable by Xiamen Tian Ma to Shanghai Tian Ma for the provision of management services by Shanghai Tian Ma under the Xiamen Tian Ma Entrusted Management Agreement for the period from 5 March 2015 to 29 February 2016 will be increased.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Tian Ma is a non-wholly owned subsidiary of the Company. Xiamen Tian Ma is directly owned as to 15.3%, 14.7%, 6% and 64% by AVIC Shenzhen, AVIC International, Xiamen Company and Xiamen Jincai respectively. AVIC International is a controlling shareholder of the Company holding approximately 37.50% of the issued share capital of the Company, and it owns 100% equity interest in AVIC Shenzhen, which in turn is a controlling shareholder of the Company holding approximately 33.93% of the issued share capital of the Company. Accordingly, Xiamen Tian Ma is a connected person of the Company and the Supplemental Xiamen Tian Ma Entrusted Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the transactions contemplated under the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) are less than 5%, the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 4 March 2014 in relation to the Xiamen Tian Ma Entrusted Management Agreement. Unless otherwise stated, capitalized terms used in this announcement shall have same meaning as those defined the announcement of the Company dated 4 March 2014.

On 4 March 2014, Shanghai Tian Ma and Xiamen Tian Ma entered into the Xiamen Tian Ma Entrusted Management Agreement, pursuant to which Shanghai Tian Ma agreed to provide management services to Xiamen Tian Ma for a term commencing from 5 March 2014 and ending on 29 February 2016 under the terms of the Xiamen Tian Ma Entrusted Management Agreement.

SUPPLEMENTAL XIAMEN TIAN MA ENTRUSTED MANAGEMENT AGREEMENT

On 21 August 2015, Shanghai Tian Ma and Xiamen Tian Ma entered into a supplemental Xiamen Tian Ma entrusted management agreement (the “**Supplemental Xiamen Tian Ma Entrusted Management Agreement**”), pursuant to which the management fee payable by Xiamen Tian Ma to Shanghai Tian Ma for the provision of management services by Shanghai Tian Ma under the Xiamen Tian Ma Entrusted Management Agreement for the period from 5 March 2015 to 29 February 2016 will be increased from RMB15,000,000 to RMB35,000,000 (the “**Revised 2015-2016 Management Fee**”). The Revised 2015-2016 Management Fee shall be payable by Xiamen Tian Ma to Shanghai Tian Ma on or before 31 March 2016.

The Revised 2015-2016 Management Fee is determined between Shanghai Tian Ma and Xiamen Tian Ma with reference to the expected increase in the amount of management services to be provided by Shanghai Tian Ma to Xiamen Tian Ma for the period from 5 March 2015 to 29 February 2016 under the Supplemental Xiamen Tian Ma Entrusted Management Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL XIAMEN TIAN MA ENTRUSTED MANAGEMENT AGREEMENT

Due to the addition of a new production line by Xiamen Tian Ma, there is an increase in the amount of entrusted management work to be provided by Shanghai Tian Ma. Based on the estimates of the operating conditions of Xiamen Tian Ma, the Board considers that the existing management fee for the period from 5 March 2015 to 29 February 2016 will be insufficient to cover the increase in the amount of entrusted management work of Xiamen Tian Ma. Further, the Revised 2015-2016 Management Fee will increase the management income of Shanghai Tian Ma.

The Directors (including the independent non-executive Directors) believe that the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) is on normal commercial terms and in the ordinary and usual course of business of Shanghai Tian Ma and the Company, and the terms of the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) are fair and reasonable and are in the interests of the Company and the independent Shareholders as a whole.

Save for Mr. Wu Guang Quan, Mr. Lai Wei Xuan (who are also directors of AVIC International) and Mr. You Lei (who is also the Chairman of Xiamen Tian Ma and a director of AVIC International) who have abstained from voting on the Board resolutions relating to the Supplemental Xiamen Tian Ma Entrusted Management Agreement, none of the Directors have a material interest in the Supplemental Xiamen Tian Ma Entrusted Management Agreement or is required to abstain from voting on the Board resolutions relating to the Supplemental Xiamen Tian Ma Entrusted Management Agreement.

INFORMATION OF THE GROUP

The Company is an investment holding company. It is principally engaged in the business of high-tech electronic products, retails and high-end customer products, real estate and hotel, trading and logistics, resource investment and development.

INFORMATION OF SHANGHAI TIAN MA

Shanghai Tian Ma, a company established in the PRC, is principally engaged in the investment, construction and operation of production line in TFT-LCD. As at the date of this announcement, Shanghai Tian Ma is owned as to 100% by Tianma Micro-electronics Co., Ltd., a non-wholly owned subsidiary of the Company.

INFORMATION OF XIAMEN TIAN MA

Xiamen Tian Ma, a company established in the PRC, is principally engaged in the provision of liquid crystal displays and ancillary materials, equipment, products and design, production and sale, and providing related technology development, technology consultation, technology services and technology transfers; import and export business of various products and technology (excluding state-restricted items). As at the date of this announcement, Xiamen Tian Ma is directly owned as to 15.3%, 14.7%, 6% and 64% by AVIC Shenzhen, AVIC International, Xiamen Company and Xiamen Jincai, respectively.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the transactions contemplated under the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) are less than 5%, the Supplemental Xiamen Tian Ma Entrusted Management Agreement (including the Revised 2015-2016 Management Fee) is only subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

By Order of the Board
AVIC International Holdings Limited
Wu Guang Quan
Chairman

Shenzhen, the PRC, 21 August 2015

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