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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)*

**(Stock Code: 00161)**

## **DISCLOSEABLE TRANSACTION CONSTRUCTION FRAMEWORK AGREEMENT**

### **CONSTRUCTION FRAMEWORK AGREEMENT**

On 24 November 2016, Wuhan Tianma (a non-wholly-owned subsidiary of the Company) and Yaxiang System entered into the Construction Framework Agreement, pursuant to which the parties agreed to collaborate in relation to the Construction Project according to the terms set out therein. The term of the Construction Cooperation commences from the date of the Construction Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB400,000,000.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Construction Framework Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the Construction Framework Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **CONSTRUCTION FRAMEWORK AGREEMENT**

### **Date:**

24 November 2016

### **Parties:**

1. Wuhan Tianma (a non-wholly-owned subsidiary of the Company); and
2. Yaxiang System.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yaxiang System and its ultimate beneficial owners are Independent Third Parties.

### **Subject matter**

Wuhan Tianma and Yaxiang System shall collaborate in relation to the Construction Project.

Pursuant to the Construction Framework Agreement, Wuhan Tianma shall treat Yaxiang System as one of its cooperation units and include Yaxiang System into its list of eligible construction contractors.

Upon the satisfaction of the Construction Cooperation Conditions (as defined below), if Yaxiang System participates in the bidding for the construction works of Wuhan Tianma and wins the bidding, Wuhan Tianma and Yaxiang System shall enter into specific construction contracts and perform their respective obligations in accordance with the schedule and quality requirements set out in the specific construction contracts and the applicable laws.

### **Term**

The term of the Construction Cooperation shall commence from the date of the Construction Framework Agreement to 31 December 2017 (the "**Construction Cooperation Period**").

## **Cooperation Conditions**

During the Construction Cooperation Period, Yaxiang System shall possess valid construction enterprise qualifications which can satisfy the needs of the construction projects of Wuhan Tianma, safety production permits and other qualifications (if any) and possess good contractual performance capability and integrity (collectively, the “**Construction Cooperation Conditions**”).

## **Consideration and basis of determination**

The aggregate amount of consideration in respect of the Construction Cooperation shall not exceed RMB400,000,000, which is determined with reference to (i) the coordination of the human resources, financial resources and materials of Construction Project’s needs; (ii) the amount proposed to be invested by Yaxiang System in the construction projects tendered by Wuhan Tianma which are within the scope of the Construction Framework Agreement; and (iii) the market price of the related construction service projects. The aforesaid consideration shall be payable in accordance with the specific construction contracts to be entered into between Wuhan Tianma and Yaxiang System.

The fees of various services to be provided by Yaxiang System to Wuhan Tianma under the Construction Framework Agreement will be determined on the principles of fairness and reasonableness and based on fair market rate through bidding procedure, and in principle, it will not deviate from the fees and terms offered by independent third parties.

## **INFORMATION OF THE GROUP**

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

Wuhan Tianma, a company established in the PRC with limited liability, is principally engaged in the design, manufacturing and sales of materials, equipment and products related to LCD display and the provision of related technology development, technology consultation, technology service and technology transfer, import and export of goods and technology (excluding goods and technology that are prohibited and restricted to be imported or exported by the applicable laws and regulations of the PRC). As at the date of this announcement, Wuhan Tianma is an indirect non-wholly-owned subsidiary of the Company.

## **INFORMATION OF YAXIANG SYSTEM**

Yaxiang System is a company established in the PRC with limited liability and is principally engaged in (i) design, construction and consultation of clean engineering; and (ii) construction and installation of mechanical/electric engineering and intelligent architecture engineering.

## **REASONS FOR AND BENEFITS OF THE CONSTRUCTION FRAMEWORK AGREEMENT**

Wuhan Tianma is investing to construct the Sixth Generation of LTPS AMOLED production line project (hereinafter referred to as the “**G6 Project**”). Through bidding and tendering process, Yaxiang System, being a construction company with legal qualifications and good reputation, can provide Wuhan Tianma with the construction services set out in the Construction Framework Agreement in order to satisfy the needs of the construction of G6 Project.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Construction Framework Agreement is on normal commercial terms and the terms thereof are fair and reasonable and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Construction Framework Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the Construction Framework Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

The following words and phrases used in this announcement have the same meanings assigned:

“Board”   the board of Directors

“Company”	AVIC International Holdings Limited (中航國際控股股份有限公司) (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 PRC with limited liability, whose H shares are listed on the Stock Exchange
“Construction Cooperation”	the cooperation between Wuhan Tianma and Yaxiang System in relation to the Construction Project under the Construction Framework Agreement
“Construction Framework Agreement”	the construction framework agreement dated 24 November 2016 entered into between Wuhan Tianma and Yaxiang System in relation to the Construction Cooperation
“Construction Project”	construction and installation works of clean rooms, CDA system, vacuum system and general electricity of G6 Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	holder(s) of shares (including domestic shares and H shares) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Tianma”	Wuhan Tian Ma Microelectronics Co., Ltd. (武漢天馬微電子有限公司), a company established with limited liability under the laws of the PRC, a non-wholly-owned subsidiary of the Company
“Yixiang System”	Yixiang System Jicheng Technology (Suzhou) Holdings Limited* (亞翔系統集成科技(蘇州)股份有限公司), a company established in the PRC with limited liability.

*In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

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

Shenzhen, the PRC, 24 November 2016

*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.*

\* *for identification purposes only*