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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 MASTER COOPERATION AGREEMENT

#### ULVAC MASTER COOPERATION AGREEMENT

On 7 December 2016, Wuhan Tianma and ULVAC, Inc. entered into the ULVAC Master Cooperation Agreement, pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The ULVAC Master Cooperation Agreement is for a term from the date of the ULVAC Master Cooperation Agreement to 30 June 2017 with the aggregate transaction amount not exceeding JPY17,200,000,000 (equivalent to approximately RMB1,032,000,000).

#### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the ULVAC Master Cooperation Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the ULVAC Master Cooperation 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.

## **ULVAC MASTER COOPERATION AGREEMENT**

### **Date:**

7 December 2016

### **Parties:**

1. Wuhan Tianma (a non wholly-owned subsidiary of the Company); and
2. ULVAC, Inc.

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

### **Subject matter**

Wuhan Tianma and ULVAC, Inc. shall collaborate on the purchase of evaporator (蒸鍍機), PVD Metal TP (觸摸屏磁控濺射成膜機) and related equipment, components and parts in relation to the G6 Project.

Pursuant to the ULVAC Master Cooperation Agreement, Wuhan Tianma shall treat ULVAC, Inc. as one of its cooperation units and include ULVAC, Inc. into its list of eligible suppliers.

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

### **Term**

The term of the ULVAC Master Cooperation Agreement shall commence on the date of the ULVAC Master Cooperation Agreement and end on 30 June 2017.

### **Cooperation conditions**

During the term of the ULVAC Master Cooperation Agreement, ULVAC, Inc. shall (i) continue to legally exist; (ii) satisfy the requirements of qualified suppliers of Wuhan Tianma; and (iii) possess good contractual performance capability and integrity (collectively, the "ULVAC Cooperation Conditions").

## **Consideration and basis of determination**

According to the ULVAC Master Cooperation Agreement, the price of the goods to be provided by ULVAC, Inc. under the specific purchase contracts will be determined through (i) bidding process; or (ii) arm's length negotiation on the basis of fair market rate.

The aggregate transaction amount under the ULVAC Master Cooperation Agreement shall not exceed JPY17,200,000,000 (equivalent to approximately RMB1,032,000,000), which is determined with reference to (i) the aforesaid pricing principle; and (ii) the production and operation demand of Wuhan Tianma.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company incorporated in the PRC with limited liability. The Group is principally engaged in the business of high-tech electronic products, retails and customer products, real estate 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 flat panel 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 ULVAC, INC.**

ULVAC, Inc. is a joint stock limited company established in Japan, and is principally engaged in the development, manufacturing, sales of displays, electronic products and semiconductors and technical service related to vacuum technology.

## **REASONS FOR AND BENEFITS OF THE ULVAC MASTER COOPERATION AGREEMENT**

Wuhan Tianma is investing to construct the G6 Project and is in needs of the production equipment in relation to the construction of G6 Project, whereas ULVAC, Inc. is a professional manufacturer and an authorised distributor which can provide Wuhan Tianma with the relevant equipment in order to satisfy the needs of the construction of the G6 Project. The fairness of the price of the purchased equipment can be ensured through the bidding process.

In view of the above, the Directors (including the independent non-executive Directors) consider that the ULVAC Master Cooperation 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 one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the ULVAC Master Cooperation Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, the ULVAC Master Cooperation 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), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“G6 Project”	the construction project of the Sixth Generation of LTPS AMOLED production line
“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)
“JPY”	Japanese Yen, the lawful currency of Japan
“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
“ULVAC Master Cooperation Agreement”	the master cooperation agreement dated 7 December 2016 entered into between Wuhan Tianma and ULVAC, Inc. in relation to the purchase of production equipment for the G6 Project
“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

*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.*

*For the purpose of this announcement, unless otherwise indicated, the conversion of JPY into RMB is based on the exchange rate of JPY1=RMB0.060. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in question in RMB or JPY has been or could have been or may be converted at such or another rate or at all.*

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

Shenzhen, the PRC, 7 December 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.*