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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 company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00161)*

FURTHER DEVELOPMENT IN RELATION TO THE POSSIBLE MAJOR TRANSACTION INVOLVING PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BONDS BY SCC: DEEMED DISPOSAL OF INTEREST IN SCC BY THE COMPANY

References are made to the announcements of AVIC International Holdings Limited (the “**Company**”) dated 8 April 2019, 24 April 2019, 29 April 2019, 30 May 2019, 6 June 2019, 26 June 2019, 26 July 2019, 19 August 2019, 20 October 2019 and 10 December 2019 and the circular of the Company dated 20 June 2019 (the “**Circular**”) respectively. Capitalised terms used in this announcement shall have the meanings as ascribed to them in the Circular unless the context otherwise requires.

The Board is pleased to announce that the board of directors of SCC has resolved to pass a resolution on the public issuance (the “**Public Issuance**”) of the SCC CB on 19 December 2019, the details of which are as follows:

1. The SCC CB under the Public Issuance is in an aggregate amount of RMB1,520,000,000, with a unit par value is RMB100 and a total of 15,200,000 units issued at par value.
2. The SCC CB bears a coupon rate of 0.3% for the first year, 0.5% for the second year, 1.0% for the third year, 1.5% for the fourth year, 1.8% for the fifth year, and 2.0% for the sixth year.
3. The initial conversion price of the SCC CB is RMB149.25 per share, which is not lower than the higher of the average trading price of the Company’s A Shares for the 20 trading days before the announcement date of its prospectus (if an adjustment is made to the share price due to the ex-rights and ex-dividend during the 20 trading days, the average trading price on the trading day before the adjustment should be calculated based on the price after the corresponding ex-rights and ex-dividend adjustment) and the average trading price of the Company’s A Shares for the previous trading day. Meanwhile, the initial conversion price should not be lower than the latest audited net asset value per share and the par value of the shares of the Company.

4. The SCC CB will be preferentially placed to the original shareholders of SCC whose names appeared on the register of members of SCC after the trading hours on the registration date (23 December 2019, the T-1 Day). The remaining of the SCC CB after the preferential allocation to the original shareholders of SCC (including those abandoned by the original shareholders) will be offered to the public investors for online purchase through the trading system of Shenzhen Stock Exchange, with the remaining to be underwritten by the joint sponsors (lead underwriters) of the SCC CB.
5. The date of preferential allocation of the SCC CB to the original shareholders of SCC will be the same as the online purchase date, i.e. 24 December 2019 (the T Day), and the time for subscription is 9:15-11:30 and 13:00-15:00 on the T Day. The original shareholders must pay the amount in full for the SCC CB under the preferential allocation in accordance with their quota when participating in the preferential allocation on 24 December 2019 (the T Day). The original shareholders and public investors do not have to pay the subscription fund when participating in the online purchase of the remaining of the SCC CB after the preferential allocation.

Details of the public offering and the relevant prospectus have been published on the website of Shenzhen Stock Exchange (<http://www.szse.cn>).

As at the date of this announcement, the Company was an existing shareholder who held approximately 69.05% of the issued share capital of SCC. The Company intended to subscribe for the SCC CB of not more than RMB300,000,000.

The Company will make further announcement in relation to the further development on the issuance of the SCC CB and the proposed acquisition as and when required in accordance with the Listing Rules.

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

Shenzhen, PRC, 19 December 2019

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, Mr. Liu Jun, Mr. Fu Fang Xing and Mr. Chen Hong Liang as executive Directors; and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei as independent non-executive Directors.