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AVIC International Holding (HK) Limited **中國航空工業國際控股(香港)有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 232)

DISCLOSEABLE TRANSACTION

From 21 August 2013 to the date of this announcement (both dates inclusive), the Company has indirectly disposed of, in aggregate, 3,350,000 NavInfo Shares for a total consideration of RMB50,372,900 (approximately HK\$64,580,641), exclusive of transaction costs, through a series of on-market transactions on the Shenzhen Stock Exchange at an average selling price of approximately RMB15.04 per Sale Share.

As one of the percentage ratios as defined in Rule 14.07 of the Listing Rules in relation to the Disposals (which are aggregated pursuant to Rule 14.22 of the Listing Rules) exceeds 5% but each of them is less than 25%, the Disposals collectively constitute a discloseable transaction of the Company and therefore are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSALS

From 21 August 2013 to the date of this announcement (both dates inclusive), the Company has indirectly disposed of, in aggregate, 3,350,000 NavInfo Shares (representing approximately 0.48% of a total of 691,596,710 NavInfo Shares in issue as of 30 September 2013 as shown on the website of the Shenzhen Stock Exchange) for a total consideration of RMB50,372,900 (approximately HK\$64,580,641), exclusive of transaction costs, through a series of on-market transactions on the Shenzhen Stock Exchange at an average selling price of approximately RMB15.04 per Sale Share.

The total consideration of RMB50,372,900 (approximately HK\$64,580,641), exclusive of transaction costs, represented the then prevailing market prices of the Sale Shares.

As the Sale Shares were disposed of in the open market through the Shenzhen Stock Exchange, the Company is not aware of the identities of the purchasers of the Sale Shares and accordingly, to the best of the knowledge of the Directors having made all reasonable enquiries, the purchasers of the Sale Shares are third parties independent of and not connected with the Company or its connected persons.

As the Sale Shares were disposed of through the Shenzhen Stock Exchange, the consideration for

the Sale Shares has been settled in accordance with the relevant standard market practice.

The Sale Shares were classified as available-for-sale investments of the Group in its financial statements. The fair value of the Sale Shares as at 30 June 2013 as recorded in the unaudited interim financial statements of the Group for the six months ended 30 June 2013 amounted to approximately HK\$59,282,278. It is expected that the Group will record an unaudited gain after tax and transaction costs of approximately HK\$36,726,746 as a result of the Disposals, which is calculated by reference to the cost of the Sale Shares.

According to the published financial statements of NavInfo, the unaudited net asset value of NavInfo as at 30 September 2013 amounted to RMB2,531,186,548 (approximately HK\$3,245,110,959). The audited consolidated net profits before and after tax of NavInfo for the two years immediately preceding the Disposals are as follows:

	For the year ended 31 December	
	2011	2012
	(audited)	(audited)
Net profits before taxation and extraordinary items	RMB372,411,096 (approximately HK\$477,450,123)	RMB201,004,932 (approximately HK\$257,698,631)
Net profits after taxation and extraordinary items	RMB308,114,770 (approximately HK\$395,018,936)	RMB155,736,344 (approximately HK\$199,661,979)

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company and its subsidiaries are principally engaged in the aero-technology related business, including the share of profit from the development, manufacturing and distribution of helicopters, as well as knitting and textile business.

NavInfo is a PRC incorporated company listed on the Shenzhen Stock Exchange. NavInfo is one of China's leading providers of digital map, dynamic traffic information and vehicle network service. It is a company committed to offer professional and high-quality geographical information products and services to global customers.

The Company indirectly disposed of the Sale Shares for the purpose of realisation of investment gain efficiently. It is expected that the net proceeds of the Disposals available to the Group will be utilised as its additional working capital.

Given the Disposals were made in the open market of the Shenzhen Stock Exchange, the Directors (including the independent non-executive Directors) consider that the Sale Shares were sold at the then prevailing market prices and the terms of the Disposals are normal commercial terms and are fair and reasonable. The Directors (including the independent non-executive Directors) are also of the view that the Disposals are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the percentage ratios as defined in Rule 14.07 of the Listing Rules in relation to the Disposals (which are aggregated pursuant to Rule 14.22 of the Listing Rules) exceeds 5% but

each of them is less than 25%, the Disposals collectively constitute a discloseable transaction of the Company and therefore are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of the Directors
“Company”	AVIC International Holding (HK) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposals”	the indirect on-market disposals of a total number of 3,350,000 NavInfo Shares by the Company during the period from 21 August 2013 up to the date of this announcement (both dates inclusive)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“NavInfo”	北京四維圖新科技股份有限公司 (NavInfo Co., Ltd.), a PRC incorporated company listed on the small and medium-sized enterprise board (SME Board) of the Shenzhen Stock Exchange
“NavInfo Shares”	ordinary share(s) with nominal value of RMB1.00 each of NavInfo which are listed on the Shenzhen Stock Exchange
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of PRC
“Sale Shares”	3,350,000 NavInfo Shares, being the shares of NavInfo that the Company indirectly disposed of under the Disposals

“%”

per cent

By order of the Board
AVIC International Holding (HK) Limited
Wu Guangquan
Chairman

Hong Kong, 12 November 2013

As at the date of this announcement, the Board of the Company comprises Mr. Wu Guangquan, Mr. Pan Linwu, Mr. You Lei, Mr. Ji Guirong and Mr. Zhang Chuanjun as executive directors; Mr. Ip Tak Chuen, Edmond as non-executive director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi as independent non-executive directors.

In this announcement, the HK\$ amounts have been converted from RMB amounts at the rate of HK\$1.00 to RMB0.78. Such conversions are for the convenience of the readers only. No representation is made that the RMB amounts have been, could have been or could be, converted into the HK\$, or vice versa, at such rate or at any other rates on any relevant dates.