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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)

(I) RESIGNATION OF DEPUTY CHAIRMAN; (II) CHANGE OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND AUTHORISED REPRESENTATIVE; AND (III) ESTABLISHMENT OF A NOMINATION COMMITTEE; AND APPOINTMENTS TO THE NOMINATION COMMITTEE

The Board announces that with effect from 24 August 2018:

- (1) Mr. Pan Linwu has resigned as the Deputy Chairman, an executive Director and the Authorised Representative;
- (2) Ms. Zhou Chunhua has resigned as an executive Director;
- (3) Mr. Xu Hongge has resigned as the Chief Executive Officer and an executive Director;
- (4) Mr. Lai Weixuan has been appointed as the Chief Executive Officer;
- (5) Mr. Fu Fangxing has been appointed as an executive Director and the Authorised Representative;
- (6) Mr. Yu Xiaodong has been appointed as an executive Director;
- (7) Mr. Zhang Zhibiao has been appointed as an executive Director; and
- (8) A Nomination Committee with written terms of reference has been established and Mr. Zhang Ping, Mr. Chu Yu Lin, David and Mr. Lai Weixuan have been appointed as the members of the Nomination Committee. Mr. Zhang Ping has been appointed as the chairman of the Nomination Committee.

RESIGNATION OF DEPUTY CHAIRMAN, CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND AUTHORISED REPRESENTATIVE

The board (the “**Board**”) of directors (the “**Directors**”) of AVIC International Holding (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 24 August 2018, (i) Mr. Pan Linwu (“**Mr. Pan**”) has tendered his resignation as the deputy chairman of the Board (the “**Deputy Chairman**”), the authorised representative (the “**Authorised Representative**”) of the Company under Rule 3.05 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the executive Director; (ii) Ms. Zhou Chunhua (“**Ms. Zhou**”) has tendered her resignation as the executive Director; and (iii) Mr. Xu Hongge (“**Mr. Xu**”) has tendered his resignation as the chief executive officer of the Company (the “**Chief Executive Officer**”) and the executive Director due to their other commitments.

Each of Mr. Pan, Ms. Zhou and Mr. Xu has confirmed that he/she has no disagreement with the Board and there are no other matters in relation to his/her resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) and the Stock Exchange.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Xu, the Board announces that Mr. Lai Weixuan, an executive Director, has been appointed as the Chief Executive Officer with effect from 24 August 2018.

APPOINTMENT OF EXECUTIVE DIRECTORS

The Board is pleased to announce that Mr. Fu Fangxing (“**Mr. Fu**”) has been appointed as an executive Director and the Authorised Representative and each of Mr. Yu Xiaodong (“**Mr. Yu**”) and Mr. Zhang Zhibiao (“**Mr. Zhang**”) has been appointed as an executive Director with effect from 24 August 2018.

The biographical details of Mr. Fu are set out as follows:

Mr. Fu, aged 44, obtained a Bachelor’s Degree in Investment, Economics and Management from Central University of Finance and Economics in 1996 and a Master’s Degree in Accountancy from Shanghai University of Finance and Economics in 2005. Mr. Fu is currently the executive director of AVIC Joy Holdings (HK) Limited (stock code: 0260) and the head of financial management department of AVIC International Holding Corporation (“**AVIC International**”), a substantial shareholder of the Company. He previously served as the deputy head of the financial management department of AVIC International, the deputy chief accountant of AVIC-INTL Project Engineering Company and the chief accountant of AVIC International Aero-Development Corporation. Mr. Fu is a senior accountant and has extensive experience in financial management, investment and financing management, mergers and acquisitions, as well as aviation manufacturing and aviation operation areas.

The Company has entered into a service agreement with Mr. Fu for a term of three years commencing from 24 August 2018, which may be terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Fu is entitled to a director's fee of HK\$36,000 per annum which was determined by the Board with recommendation of the remuneration committee of the Company (the "**Remuneration Committee**") after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market. His directorship is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the bye-laws of the Company (the "**Bye-laws**").

Mr. Fu did not hold any other directorship in the last three years in other public company the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company and does not hold any position of the Company and other companies within the Group. As at the date of this announcement, he does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

Save as disclosed in this announcement, Mr. Fu has confirmed that there is no other information which requires to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor is there any other matter regarding his appointment that needs to be brought to the attention of the Shareholders.

The biographical details of Mr. Yu are set out as follows:

Mr. Yu, aged 46, obtained a Master's Degree in International Trade from University of International Business and Economics in 1997. He has been the director and executive vice president of Continental Motors Group Limited, an indirect wholly owned subsidiary of the Company, the general manager of Continental Motors (Beijing) Co., Ltd, an indirect wholly owned subsidiary of the Company and the managing director of Technify Motor GmbH since 2016. In 1997, Mr. Yu joined AVIC International as a project manager. He joined AVIC International Harbin Company* (中航國際哈爾濱公司) as an assistant general manager in 2001. In 2004, Mr. Yu was appointed as the operations management vice director of the international cooperation department of AVIC International. He was then appointed as the organisational performance director of the human resources department of AVIC International in 2005. In 2007, he served as the vice general manager of the human resources department of AVIC International. Subsequently in 2010, Mr. Yu was appointed as the general manager of the auditing department of AVIC International.

The Company has entered into a service agreement with Mr. Yu for a term of three years commencing from 24 August 2018, which may be terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Yu is entitled to a director's fee of HK\$36,000 per annum which was determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market. His directorship is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the Bye-laws.

Mr. Yu did not hold any other directorship in the last three years in other public company the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company and does not hold any position of the Company and other companies within the Group. As at the date of this announcement, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed in this announcement, Mr. Yu has confirmed that there is no other information which requires to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor is there any other matter regarding his appointment that needs to be brought to the attention of the Shareholders.

The biographical details of Mr. Zhang are set out as follows:

Mr. Zhang, aged 44, obtained a postgraduate degree in 2003. Mr. Zhang is currently the head of the operations management department of AVIC International and an executive director of AVIC Joy Holdings (HK) Limited (stock code: 0260). Mr. Zhang previously served as the president assistant of AVIC Securities Co., Ltd (中航證券有限公司) (formerly known as SouthChina Securities Co., Ltd.* (江南證券有限責任公司)), the head of SouthChina Financial Research Institute* (江南金融研究所), the head of AVIC Securities Finance Research Institute* (中航證券金融研究所) and the deputy office manager of the capital operation office of AVIC International. Mr. Zhang was also the office manager of international aviation business, the deputy head of the strategic development department, the head of the administrative management department and the head of the planning and development department of AVIC International. Mr. Zhang has over 21 years of working experience in the areas of management, aviation business, strategic development, industries research, securities, investment and initial public offerings.

The Company has entered into a service agreement with Mr. Zhang for a term of three years commencing from 24 August 2018, which may be terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Zhang is entitled to a director's fee of HK\$36,000 per annum which was determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market. His directorship is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the Bye-laws.

Mr. Zhang did not hold any other directorship in the last three years in other public company the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company and does not hold any position of the Company and other companies within the Group. As at the date of this announcement, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed in this announcement, Mr. Zhang has confirmed that there is no other information which requires to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor is there any other matter regarding his appointment that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Pan, Ms. Zhou and Mr. Xu for their contributions towards the Company during their tenure of office and express its warmest welcome to Mr. Fu, Mr. Yu and Mr. Zhang for joining the Board.

ESTABLISHMENT OF A NOMINATION COMMITTEE AND APPOINTMENTS TO THE NOMINATION COMMITTEE

The Board further announces that on 24 August 2018, the Board had resolved to establish a nomination committee (the “**Nomination Committee**”) with written terms of reference which is available on the Company’s website and the website of the Stock Exchange.

The members of the Nomination Committee shall comprise such Directors appointed by the Board. The Board has appointed Mr. Zhang Ping, Mr. Chu Yu Lin, David and Mr. Lai Weixuan as members of the Nomination Committee. Mr. Zhang Ping has also been appointed as the chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are, among other things, review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes; identify candidates with suitable qualifications as directors, select and make recommendations to the Board; assess the independence of independent non-executive Directors; and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

By order of the Board
AVIC International Holding (HK) Limited
Liu Hongde
Chairman

Hong Kong, 24 August 2018

As at the date of this announcement, the Board comprises of Mr. Liu Hongde, Mr. Lai Weixuan, Mr. Fu Fangxing, Mr. Yu Xiaodong and Mr. Zhang Zhibiao as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors.

* *For identification purpose only*