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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this prospectus or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, together with the documents specified in the section headed “Documents Registered by the Registrar of Companies”, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.


**This prospectus and the accompanying Application Form and Excess Application Form do not constitute an invitation or offer to acquire, purchase or subscribe for securities of AVIC International Holding (HK) Limited in any jurisdiction where the offer or sale is not permitted.**

This prospectus and the accompanying Application Form and Excess Application Form shall not, and are not intended to, constitute an offer to sell or an invitation or solicitation of an offer to buy or subscribe for the securities of AVIC International Holding (HK) Limited and (or any holding company or any of its subsidiaries) in the United States or any other jurisdiction where such offer or sale is not permitted. Neither this prospectus, the accompanying Application Form and Excess Application Form nor any copy of them, in whole or in part, may be reproduced, transmitted or distributed, either directly or indirectly, into the United States or to any resident thereof or any other jurisdiction in which such reproduction, transmission or distribution is unlawful. This prospectus and the accompanying Application Form and Excess Application Form and the securities described therein have not been, and will not be, registered under the US Securities Act of 1933, as amended (“Securities Act”) or the securities laws of any state of the United States or other jurisdictions and may not be offered, sold, delivered or distributed, pledged or transferred, as the case may be, within the United States or to, or for the account or benefit of, US Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of the securities referred to herein will be made in the United States.

The Offer Shares are offered for sale by AVIC International (HK) Group Limited. AVIC International Holding (HK) Limited will not receive any proceeds from the Clawback Offer.

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**AVIC International (HK) Group Limited**  
*(Incorporated in Hong Kong with limited liability)*



**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)

### **CLAWBACK OFFER BY AVIC INTERNATIONAL (HK) GROUP LIMITED, THE CONTROLLING SHAREHOLDER OF AVIC INTERNATIONAL HOLDING (HK) LIMITED**

**Financial Adviser to AVIC International Holding (HK) Limited**

**ANGLO CHINESE** 英高  
CORPORATE FINANCE, LIMITED

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The latest time to lodge applications and payments for the Offer Shares is 4:00 p.m. on Wednesday, 28 February 2018. The procedures for application and payment are set out on pages 9 to 11 of this prospectus and in the Application Form and the Excess Application Form.

12 February 2018

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## NOTICE

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Shareholders whose names appear on the register of members of AVIC International (HK) as at the close of business on the Record Date, other than the Concert Group, will be entitled to apply for Offer Shares (subject to a minimum of 100 Offer Shares) under their Assured Entitlement.

Registered holders of Shares whose addresses on the register of members of AVIC International (HK) are outside Hong Kong as at the close of business on the Record Date are Overseas Shareholders and should refer to the paragraph headed “Overseas Shareholders” under the section headed “The Clawback Offer by AVIC HK” in this prospectus.

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## DEFINITIONS

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

“Acquisition”	the acquisition contemplated under the Acquisition Agreement;
“Acquisition Agreement”	the agreement dated 19 September 2017 entered into between AVIC HK, AVIC International and AVIC International (HK) relating to the acquisition of the entire issued share capital of the Target Company and the shareholder’s loan note(s) owing by the Target Company to AVIC HK as at Acquisition Completion, as amended by the Amendment Deed;
“Acquisition Completion”	completion of the sale and purchase of the entire share capital of the Target Company and the shareholder’s loan note(s) owing by the Target Company to AVIC HK in accordance with the provisions of the Acquisition Agreement;
“Application Form”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares under their Assured Entitlements;
“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Amendment Deed”	the amendment deed dated 27 October 2017 entered into between AVIC HK, AVIC International and AVIC International (HK) to amend the payment terms regarding the deferred consideration under the Acquisition Agreement which was announced on 19 September 2017;
“Assured Entitlement(s)”	the entitlement(s) of the Qualifying Shareholder(s) to apply for the Offer Shares under the Clawback Offer on the basis described in this prospectus;
“Aviation Industry”	Aviation Industry Corporation of China, Ltd (中國航空工業集團有限公司), a state-owned company (國有獨資公司) established in the PRC which holds 62.52% of the equity interest in AVIC International as at the Latest Practicable Date, a controlling shareholder of AVIC International (HK);
“AVIC HK”	AVIC International (HK) Group Limited (中航國際(香港)集團有限公司), a company incorporated in Hong Kong and a direct wholly owned subsidiary of AVIC International;
“AVIC International”	AVIC International Holding Corporation (中國航空技術國際控股有限公司), a company incorporated with limited liability in the PRC and owned as to 62.52% by Aviation Industry as at the Latest Practicable Date;

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## DEFINITIONS

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“AVIC International (HK)”	AVIC International Holding (HK) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 232);
“AVIC International (HK) Group”	AVIC International (HK) and its subsidiaries;
“Business Day”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general commercial business;
“BVI”	the British Virgin Islands;
“Circular”	the circular of AVIC International (HK) dated 29 December 2017 in relation to, among other things, the Acquisition and the Clawback Offer;
“Clawback Offer”	the offer to the Qualifying Shareholders to purchase the Offer Shares on and subject to the terms and conditions set out in this prospectus and the application form(s) to be despatched;
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);
“Concert Group”	AVIC HK and AVIC International and parties acting in concert with each of them;
“Consideration Shares”	a total of 3,783,783,783 new Shares issued at the issue price of HK\$0.37 per Share which were allotted and issued to AVIC HK as part of the consideration for the sale and purchase of the entire issued share capital of the Target Company and the shareholder’s loan note(s) owing by the Target Company to AVIC HK as at Acquisition Completion;
“Excess Application Form”	the excess application form for use by the Qualifying Shareholders to apply for excess Offer Shares over and above their Assured Entitlements;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	Tuesday, 6 February 2018, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein;

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer Share(s)”	2,484,166,998 Shares offered pursuant to the Clawback Offer;
“Overseas Shareholder(s)”	registered holder(s) of Shares whose addresses on the register of members of AVIC International (HK) are outside Hong Kong as at the close of business on the Record Date;
“PRC”	the People’s Republic of China;
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of AVIC International (HK) as at the close of business on the Record Date, other than the Concert Group;
“Record Date”	Tuesday, 6 February 2018, the record date for ascertaining the Assured Entitlements;
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of AVIC International (HK);
“Shareholder(s)”	registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Target Company”	Motto Investment Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of AVIC International as at the Latest Practicable Date;
“US”	United States of America;
“US Person(s)”	any person(s) or entity(ies) deemed to be a US person for purposes of Regulation S under the US Securities Act of 1933, as amended; and
“%”	per cent.

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## EXPECTED TIMETABLE

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An indicative timetable of the Clawback Offer is set out as follows:

Offer period. . . . .	From Tuesday, 13 February 2018 to Wednesday, 28 February 2018 (both days inclusive)
Latest time for lodging applications and payments for the Offer Shares . . . . .	4:00 p.m., Wednesday, 28 February 2018
Announcement of the results of the Clawback Offer . . . . .	Wednesday, 14 March 2018
Despatch share certificates of the Offer Shares and refund cheques (if any) . . . . .	Thursday, 22 March 2018
Dealings in the Offer Shares commence. . . . .	9:00 a.m., Friday, 23 March 2018

*Notes:*

- (1) All times in this prospectus refer to Hong Kong time.
- (2) Dates stated for events mentioned in the above timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Clawback Offer will be announced as appropriate.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal Number 8 or above:
  - (a) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Wednesday 28 February, 2018, the latest time for lodging applications and payments for the Offer Shares will be extended to 5:00 p.m. on the same day; or
  - (b) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Wednesday, 28 February 2018, the latest time for lodging applications and payments for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for lodging applications and payments for the Offer Shares is rescheduled in accordance with the above paragraphs, the dates mentioned in this section may be affected. In such event, an announcement will be made by AVIC HK and AVIC International (HK) as soon as practicable.

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## THE CLAWBACK OFFER BY AVIC HK

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### (I) INTRODUCTION

References are made to the announcements of the Company dated 19 September 2017, 27 October 2017, 22 November 2017, 22 December 2017 and 22 January 2018, respectively and the Circular dated 29 December 2017, in relation to, among others, the Acquisition and the Clawback Offer.

In order to provide the Qualifying Shareholders the opportunity to further participate in and share the growth of AVIC International (HK), AVIC HK will offer an aggregate of 2,484,166,998 Offer Shares to the Qualifying Shareholders on a pro rata basis of 0.6855 Offer Share for every one existing Share held as at the close of business on the Record Date at a price of HK\$0.37 per Offer Share. The Offer Shares represent approximately 45.01% of the total issued Shares of AVIC International (HK) on the Record Date and approximately 26.70% of the total issued Shares of AVIC International (HK) as enlarged by the allotment and issue of the Consideration Shares.

The Qualifying Shareholders should note that the Offer Shares will be offered by AVIC HK and AVIC International (HK) will not issue any other new Shares pursuant to the Clawback Offer. Accordingly, the transfer of the Offer Shares pursuant to the Clawback Offer shall be subject to seller's ad valorem stamp duty and buyer's ad valorem stamp duty at a rate of 0.1%, respectively.

### (II) THE CLAWBACK OFFER

#### A. Principal Terms of the Clawback Offer:

Number of Offer Shares:	2,484,166,998 Shares
Offer Price:	HK\$0.37 per Offer Share (being determined with reference to the average closing price of the Shares for the 30 trading days immediately preceding 19 September 2017, being the date of the announcement regarding the Acquisition Agreement) as quoted on the Stock Exchange, which is equal to the issue price of the Consideration Shares pursuant to the Acquisition Agreement, excluding applicable fees, levies and buyer's ad valorem stamp duty at a rate of 0.1% payable by the Qualifying Shareholders
Assured Entitlement:	Shareholders will be entitled to apply (subject to a minimum of 100 Offer Shares) on the basis of 0.6855 Offer Share for every one existing Share held as at the close of business on the Record Date.



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## THE CLAWBACK OFFER BY AVIC HK

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On the above basis, a Qualifying Shareholder holding 146 or more Shares will be entitled to apply for a number of Offer Shares which is equal to or less than or in excess of his or her Assured Entitlement (subject to a minimum of 100 Offer Shares). A Qualifying Shareholder holding between 1 and 145 Shares will not be entitled to any Assured Entitlement; however, such Qualifying Shareholders will be entitled to apply by way of an excess application (subject to a minimum of 100 Offer Shares) for Offer Shares offered but not taken up. The Assured Entitlement of each Qualifying Shareholder will be rounded down to the nearest whole number of Offer Shares, such that no fractional Share will be offered. No odd lot matching services will be provided by AVIC HK in respect of the Clawback Offer.

Transferability:

The Assured Entitlements of the Qualifying Shareholders to the Offer Shares are not transferable or capable of renunciation and there will be no trading in nil-paid entitlements on the Stock Exchange. Any Offer Share not purchased or taken up by the Qualifying Shareholders will be available for excess application by other Qualifying Shareholders.

Status of the Offer Shares:

The Offer Shares to be sold under the Clawback Offer shall be fully-paid and rank *pari passu* in all respects with the existing Shares, free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after completion of the Clawback Offer.

The Offer Shares are listed and tradable on the Stock Exchange, subject to applicable rules and regulations.

Excess Application:

Qualifying Shareholders are entitled to apply (subject to a minimum of 100 Offer Shares) for Offer Shares offered but not taken up. Application is made by completing the Excess Application Form accompanying this prospectus. The directors of AVIC HK will allocate the excess Offer Shares at their discretion on a fair and reasonable basis and as far as practicable on a pro rata basis by reference to the number of excess Offer Shares applied for under each application. No preference will be given to topping up odd lots to whole board lots.

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## THE CLAWBACK OFFER BY AVIC HK

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Qualifying Shareholders: All Shareholders whose names appear on the register of members of AVIC International (HK) as at the close of business on the Record Date, other than the Concert Group and the Overseas Shareholders whom the directors of AVIC International (HK) and AVIC HK, after making relevant enquiries, consider it necessary or expedient to exclude from the Clawback Offer on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.

### B. Overseas Shareholders

This prospectus and the accompanying Application Form and Excess Application Form will not be registered or filed in any jurisdiction other than Hong Kong. According to the register of members of AVIC International (HK) as at the Record Date, there was one Overseas Shareholder which held Shares in AVIC International (HK) and whose registered address was located in the United Kingdom. After having made due enquiries as to the applicable securities legislation and the requirements of any relevant regulatory body for extending the Clawback Offer to such Overseas Shareholder in the United Kingdom and having considered the circumstances, the directors of AVIC HK and AVIC International (HK) have formed the view that the Clawback Offer can be extended to the Overseas Shareholder in the United Kingdom with minimal compliance with local regulatory requirements. Accordingly, the Clawback Offer will be extended to such Overseas Shareholder in the United Kingdom. Save for the aforementioned Overseas Shareholder, all Shareholders on AVIC International (HK)'s register of members as at the Record Date have Hong Kong registered addresses.

**It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the related application forms outside Hong Kong and wishing to take up the Offer Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. If you are in any doubt as to your position, you should consult your professional advisers.**

**AVIC HK reserves the right to refuse to accept any application for Offer Shares if it believes, or has reason to believe, that such acceptance would violate the applicable securities or other laws or regulations of any territory. No application for Offer Shares will be accepted from any person other than a Qualifying Shareholder.**

**Any acceptance of the offer of the Offer Shares will constitute a representation and warranty by the applicant to AVIC HK and AVIC International (HK) that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong have been, or will be, duly complied with.**

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## THE CLAWBACK OFFER BY AVIC HK

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In relation to each member state of the European Economic Area (each, a “Relevant Member State”) no Offer Shares have been offered or will be offered pursuant to the Clawback Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any natural or legal person which is a “qualified investor” as defined under the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive); or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

Notwithstanding the above, a person who is not a qualified investor and who has notified AVIC International (HK) of such fact in writing may, with the prior consent of AVIC International (HK), be permitted to acquire or subscribe for Offer Shares in the Clawback Offer.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Clawback Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto), and includes any relevant implementing measure in each Relevant Member State.

### C. Stamp Duty

The transfer of Offer Shares pursuant to the Clawback Offer shall be subject to seller’s ad valorem stamp duty and buyer’s ad valorem stamp duty at a rate of 0.1%, respectively.

Buyer’s ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or the consideration payable by the Qualifying Shareholders who accept the Offer Shares, whichever is higher, will be payable by such Qualifying Shareholders together with the offer price of HK\$0.37 per Offer Share payable to AVIC HK. In the event that the market price of the Offer Shares is higher than HK\$0.435 per Offer Share, being the closing price of the Shares as quoted on the Stock Exchange on the the Record Date, AVIC HK will bear the difference between the market price of the Offer

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## THE CLAWBACK OFFER BY AVIC HK

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Shares and HK\$0.435 per Offer Share in the payment of the buyer's ad valorem stamp duty. In the event that the market price of the Offer Shares is lower than HK\$0.435 per Offer Share, being the closing price of the Shares as quoted on the Stock Exchange on the the Record Date, but higher than the offer price of HK\$0.37 per Offer Share, AVIC HK will refund the difference between the market price of the Offer Shares and HK\$0.435 per Offer Share in the payment of the buyer's ad valorem stamp duty. In the event that the market price of the Offer Shares is equal to or lower than the offer price of HK\$0.37 per Offer Share, AVIC HK will refund the difference between the offer price of HK\$0.37 and HK\$0.435 per Offer Share in the payment of the buyer's ad valorem stamp duty.

AVIC HK will arrange for payment of the buyer's ad valorem stamp duty on behalf of the accepting Qualifying Shareholders and will pay the seller's ad valorem stamp duty in connection with the transfer of the Offer Shares under the Clawback Offer.

### (III) HOW TO APPLY FOR THE OFFER SHARES AND EXCESS OFFER SHARES

#### A. Application for Offer Shares under Assured Entitlement

An Application Form entitles the Qualifying Shareholders holding 146 or more Shares to apply for up to the number of the Offer Shares as specified therein. Qualifying Shareholders should note that they may apply for a number of the Offer Shares equal to or less than the number set out in the Application Form.

A Qualifying Shareholder who wishes to apply for the Offer Shares under Assured Entitlement (subject to a minimum of 100 Offer Shares) MUST complete, sign and lodge the Application Form in accordance with the instructions printed therein, together with the remittance for the aggregate offer price and the buyer's ad valorem stamp duty payable by the Qualifying Shareholder in respect of such number of the Offer Shares applied for, with the branch share registrar and transfer office of AVIC International (HK) in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than **4:00 p.m. on Wednesday, 28 February 2018**. All remittances must be made in Hong Kong dollars and by way of cheques drawn on a bank account maintained with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "AVIC International (HK) Group Limited" and crossed "Account Payee Only". No acknowledgement of receipt of any Application Form and/or the accompanying payment will be given.

The total amount payable (including the buyer's ad valorem stamp duty) by a Qualifying Shareholder for any number of the Offer Shares (up to his or her Assured Entitlement) that he or she has applied for shall be calculated in accordance with the formula below:

$$\begin{array}{l} \text{The} \\ \text{aggregate} \\ \text{amount of} \\ \text{remittance} \\ \text{payable} \end{array} = \begin{array}{l} \text{Number of} \\ \text{the Offer} \\ \text{Shares} \\ \text{applied} \\ \text{for under} \\ \text{Assured} \\ \text{Entitlement} \\ \text{by a} \\ \text{Qualifying} \\ \text{Shareholder} \end{array} \times \text{HK\$0.37} + \begin{array}{l} \text{Number of} \\ \text{the Offer} \\ \text{Shares} \\ \text{applied} \\ \text{for under} \\ \text{Assured} \\ \text{Entitlement} \\ \text{by a} \\ \text{Qualifying} \\ \text{Shareholder} \end{array} \times \text{HK\$0.435} \times \begin{array}{l} \text{0.1\% (the} \\ \text{buyer's ad} \\ \text{valorem} \\ \text{stamp} \\ \text{duty)} \end{array}$$

(ROUND UP to the nearest cent) (ROUND UP to the nearest dollar)

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## THE CLAWBACK OFFER BY AVIC HK

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For illustration, if a Qualifying Shareholder wishes to apply for 137 Offer Shares under his or her Assured Entitlement, the total amount payable shall be HK\$51.69, being the sum of HK\$50.69 (137 Offer Shares x HK\$0.37) (round up to the nearest cent) and HK\$1.00 (137 Offer Shares x HK\$0.435 x 0.1%) (round up to the nearest dollar).

### B. Application for excess Offer Shares

An Excess Application Form entitles the Qualifying Shareholders holding one (1) or more Shares to apply for any Offer Shares offered but not accepted by other Qualifying Shareholders. The Qualifying Shareholder should take up the full Assured Entitlement, if any, under the Application Form before applying for excess Offer Shares.

A Qualifying Shareholder who wishes to apply for the excess Offer Shares (subject to a minimum of 100 Offer Shares) MUST complete, sign and lodge the Excess Application Form in accordance with the instructions printed therein, together with the remittance for the aggregate excess offer price and the buyer's ad valorem stamp duty payable by the Qualifying Shareholder in respect of such number of the excess Offer Shares applied for, with the branch share registrar and transfer office of AVIC International (HK) in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than **4:00 p.m. on Wednesday, 28 February 2018**. All remittances must be made in Hong Kong dollars and by way of cheques drawn on a bank account maintained with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "AVIC International (HK) Group Limited" and crossed "Account Payee Only". No acknowledgement of receipt of any Excess Application Form and/or the accompanying payment will be given.

If no excess Offer Shares are allotted to the Qualifying Shareholders, the amount tendered on application will be refunded to the relevant applicants or, in the case of joint applicants, to the first-named applicant, without interest, by sending cheque(s) made out to such applicant(s) and crossed "Account Payee Only" through ordinary post to the respective address specified in the Excess Application Form, at his or her own risk, on or around **Thursday, 22 March 2018**. If the number of excess Offer Shares transferred to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be refunded to such Qualifying Shareholders by ordinary post at their own risk to their respective address specified in the register of members of AVIC International (HK) on or around **Thursday, 22 March 2018**. All cheques or cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of AVIC HK.

The total amount payable (including the buyer's ad valorem stamp duty) by a Qualifying Shareholder for any number of the excess Offer Shares that he or she has applied for shall be calculated in accordance with the formula below:

$$\begin{array}{l}
 \text{The} \\
 \text{aggregate} \\
 \text{amount} \\
 \text{of} \\
 \text{remittance} \\
 \text{payable}
 \end{array}
 =
 \left(
 \begin{array}{l}
 \text{Number} \\
 \text{of the} \\
 \text{excess} \\
 \text{Offer} \\
 \text{Shares} \\
 \text{applied} \\
 \text{for by a} \\
 \text{Qualifying} \\
 \text{Shareholder}
 \end{array}
 \times
 \text{HK\$0.37}
 \right)
 +
 \left(
 \begin{array}{l}
 \text{Number} \\
 \text{of the} \\
 \text{excess} \\
 \text{Offer} \\
 \text{Shares} \\
 \text{applied} \\
 \text{for by a} \\
 \text{Qualifying} \\
 \text{Shareholder}
 \end{array}
 \times
 \text{HK\$0.435}
 \times
 \begin{array}{l}
 \text{0.1\%} \\
 \text{(the} \\
 \text{buyer's} \\
 \text{ad} \\
 \text{valorem} \\
 \text{stamp} \\
 \text{duty)}
 \end{array}
 \right)$$

(ROUND UP to the nearest cent)
(ROUND UP to the nearest dollar)

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## THE CLAWBACK OFFER BY AVIC HK

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For illustration, if a Qualifying Shareholder wishes to apply for 137 excess Offer Shares, the total amount payable shall be HK\$51.69, being the sum of HK\$50.69 (137 Offer Shares x HK\$0.37) (round up to the nearest cent) and HK\$1.00 (137 Offer Shares x HK\$0.435 x 0.1%) (round up to the nearest dollar).

**It is the responsibility of each Qualifying Shareholder who wishes to apply for any number of the Offer Shares under Assured Entitlement (up to his or her entitlement and subject to a minimum of 100 Offer Shares) or the excess Offer Shares (subject to a minimum of 100 Offer Shares) pursuant to the Clawback Offer to ensure that the amount of remittance to be made by him or her in connection with the application is equal to the exact aggregate sum as calculated pursuant to the above formulas. Any application in respect of which a lesser amount of remittance is made is liable to be rejected. In the event that a Qualifying Shareholder makes a remittance in excess of the total amount payable by him or her for the Offer Shares under Assured Entitlement or excess Offer Shares that he or she has applied for, no refund of the excess amount will be made by AVIC HK unless such excess amount is HK\$100.00 or more. The refund of such excess amount (if any) will be made to the relevant applicants or, in the case of joint applicants, to the first-named applicant, without interest, by sending cheque(s) made out to such applicant(s) and crossed “Account Payee Only” through ordinary post to the respective address specified in the Application Form and Excess Application Form, at his or her own risk, on or around Thursday, 22 March 2018.**

**It is strongly recommended that if you are in any doubt as to the exact amount payable in relation to the Offer Shares you have applied for, you should consult immediately the branch share registrar and transfer office of AVIC International (HK) in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in person or at its hotline (at 852—2862 8699) during its business hours from 9:00 a.m. on Tuesday, 13 February 2018 to 4:00 p.m. on Wednesday, 28 February 2018.**

**It should be noted that unless a Qualifying Shareholder has lodged the duly completed and signed Application Form and/or Excess Application Form, together with the appropriate remittance, with the branch share registrar and transfer office of AVIC International (HK) in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Wednesday, 28 February 2018, the entitlements of that Qualifying Shareholder under the Clawback Offer and all rights thereunder will be deemed to have been declined and be cancelled.**

All cheques or cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of AVIC HK. Any application in respect of which the cheque or cashier’s order is dishonoured on the first presentation is liable to be rejected, and in that event the entitlement of the Qualifying Shareholder who has tendered such cheque or cashier’s order and all rights thereunder will be deemed to have been declined and be cancelled.

The Application Form and the Excess Application Form are for the use by the person(s) named therein only and is not transferable.

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## THE CLAWBACK OFFER BY AVIC HK

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### (IV) DELIVERY OF SHARE CERTIFICATES

Provided that the Application Forms and Excess Application Forms are complete and in good order and have been received by Computershare Hong Kong Investor Services Limited together with full payment of the applicable amounts no later than the latest time for lodging such Application Forms and Excess Application Forms, certificates for the Offer Shares validly applied for will be sent by ordinary post to those entitled by Thursday, 22 March 2018.

### (V) CORPORATE INFORMATION

#### A. Information on AVIC International (HK)

AVIC International (HK) is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 232). The AVIC International (HK) Group's current principal business activities include: (a) property development and investment business; and (b) trading business. During the year ended 31 December 2016, the AVIC International (HK) Group disposed of a 51%-owned subsidiary to an independent third party and ceased its knitting and textile business because it had been loss-making in recent years.

#### B. Information on Aviation Industry, AVIC International and AVIC HK

Aviation Industry is a state-owned company (國有獨資公司) established in the PRC and is wholly-owned by the PRC State-owned Assets Supervision and Administration Commission. Aviation Industry's core businesses consist of defense, transport aircraft, helicopter, avionics and systems, general aviation, aviation research and development, flight testing, trade and logistics, assets management, finance services, engineering and construction, automobile etc.

AVIC International is controlled by Aviation Industry. As the comprehensive platform under Aviation Industry, AVIC International's core businesses consist of international aviation, electronic high technology, international business, modern services, trade and bulk commodities, real estate and property services. As at the Latest Practicable Date, AVIC International is owned as to 62.52% by Aviation Industry, 14.31% by National Council for Social Security Fund (全國社會保障基金理事會), 14.31% by Beijing Plateau Hanhua Equity Investment Fund (limited partnership) (北京普拓瀚華股權投資基金合夥企業(有限合夥)) and 8.86% by AVIC CCB Aviation Industry Equity Investment (Tianjin) Co., Ltd. (中航建銀航空產業股權投資(天津)有限公司). On 6 September 2016, Aviation Industry and China Poly Group Corporation reached a preliminary intention for cooperation in respect of the acquisition of Aviation Industry's real estate development business and assets by China Poly Group Corporation.

AVIC HK is an investment holding company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of AVIC International as at the Latest Practicable Date.

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## **GENERAL INFORMATION**

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### **1. RESPONSIBILITY STATEMENT**

The directors of AVIC International (HK) collectively and individually accept full responsibility for this prospectus (in relation to information on the AVIC International (HK) Group only). The directors of AVIC International (HK), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus (in relation to information on the AVIC International (HK) Group only) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus (in relation to information on the AVIC International (HK) Group only) misleading.

The directors of AVIC HK collectively and individually accept full responsibility for this prospectus (except for information in relation to the AVIC International (HK) Group). The directors of AVIC HK, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus (except for information in relation to the AVIC International (HK) Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus (except for information in relation to the AVIC International (HK) Group) misleading.

### **2. LEGAL EFFECT**

This prospectus, the accompanying Application Form and Excess Application Form, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance of the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance, so far as applicable.

### **3. COSTS AND EXPENSES**

The costs and expenses arising from the implementation of the Clawback Offer will be borne by AVIC HK.

### **4. PROFESSIONAL TAX ADVICE RECOMMENDED**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of purchasing, holding, disposing of or dealing in the Offer Shares. None of AVIC International (HK), AVIC HK, or any of their respective directors or any other person or party involved in the Clawback Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the purchase, holding, disposing of or dealing in the Offer Shares.



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## GENERAL INFORMATION

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### 5. DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration include:

- (a) a copy of the Application Form; and
- (b) a copy of the Excess Application Form.