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AVIC Joy Holdings (HK) Limited

幸福控股（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

RESIGNATION OF DIRECTORS AND APPOINTMENT OF DIRECTORS, CHAIRMAN OF THE BOARD AND BOARD COMMITTEE MEMBERS

RESIGNATION OF EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Board received from Mr. Wang Xiaowei (“**Mr. Wang**”) on 4 December 2017 a notification of resignation as an executive Director and chief executive officer of the Company. Mr. Wang noted in his notification of resignation that he resigned as a result of the requisition letters received by the Board from a shareholder of the Company, AVIC International (HK) Group Limited (the “**Shareholder**”) dated 14 November 2017 and 23 November 2017, requesting the Board to convene an extraordinary general meeting to consider the removal of, amongst others, Mr. Wang, Mr. Xiao Wei (“**Mr. Xiao**”), Mr. Wang Songhui, Mr. Hu Xiaowen (“**Mr. Hu**”) and Mr. Gong Changhui (“**Mr. Gong**”) as directors of the Company (the “**Requisition Letters**”). Mr. Wang also reiterated in his notification of resignation the issue of cash flow insufficiency of the Company as stated in the announcement of the Company dated 27 November 2017. The Board has not received a confirmation from Mr. Wang if he has any disagreement with the Board and if there is any other matter in relation to his resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board further announces that the Board received from Mr. Xiao on 4 December 2017 a notification of resignation as an executive Director due to the requests made by the Shareholder pursuant to the Requisition Letters. Mr. Xiao also reiterated in his notification of resignation the issue of cash flow insufficiency of the Company as stated in the announcement of the Company dated 27 November 2017. The Board has not received a confirmation from Mr. Xiao if he has any disagreement with the Board and if there is any other matter in relation to his resignation that needs to be brought to the attention of the Stock Exchange.

The Board further announces that the Board received from Mr. Wang Songhui on 4 December 2017 a notification of resignation as an executive Director due to the requests made by the Shareholder pursuant to the Requisition Letters. Mr. Wang Songhui also reiterated in his notification of resignation the issue of cash flow insufficiency of the Company as stated in the announcement of the Company dated 27 November 2017. The Board has not received a confirmation from Mr. Wang Songhui if he has any disagreement with the Board and if there is any other matter in relation to his resignation that needs to be brought to the attention of the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Mr. Wang, Mr. Xiao and Mr. Wang Songhui for their valuable contributions to the Company during their tenure of office.

RESIGNATION AND CLARIFICATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board received from Mr. Hu on 2 December 2017 a notification of resignation as an independent non-executive Director due to his disagreement with certain Director on issues regarding methods to solve the issue of cash flow insufficiency of the Company. The Board has not received a confirmation from Mr. Hu if there is any other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

As a result of the Mr. Hu's resignation as an independent non-executive Director, he also ceased to be the chairman of the audit committee of the Company (the "**Audit Committee**"), the nomination committee of the Company (the "**Nomination Committee**") and the remuneration committee of the Company (the "**Remuneration Committee**").

The Board further announces that the Board received from Mr. Gong on 4 December 2017 a notification of resignation as an independent non-executive Director due to the requests made by the Shareholder pursuant to the Requisition Letters. Mr. Gong also reiterated in his notification of resignation the issue of cash flow insufficiency of the Company as stated in the announcement of the Company dated 27 November 2017. The Board has not received a confirmation from Mr. Gong if he has any disagreement with the Board and if there is any other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

As a result of the Mr. Gong's resignation as an independent non-executive Director, he also ceased to be a member of the Audit Committee, the Nomination Committee and Remuneration Committee.

The Board would like to take this opportunity to express its gratitude to Mr. Hu and Mr. Gong for their valuable contributions to the Company during their tenure of office.

Reference is also made to the announcement of the Company dated 23 November 2017 in relation to the resignation of Mr. Huang Bo ("**Mr. Huang**") as an independent non-executive Director of the Company. The Board would like to clarify that as the Company received the resignation letter from Mr. Huang on 20 November 2017, the resignation of Mr. Huang should have taken effect on 20 November 2017.

APPOINTMENT OF DIRECTORS, CHAIRMAN OF THE BOARD AND BOARD COMMITTEE MEMBERS

Following the various Director resignations set out above, on 4 December 2017, the Board resolved to appoint each of Mr. Li Chengning ("**Mr. Li**"), Mr. Fu Fangxing ("**Mr. Fu**"), Ms Mu Yan ("**Ms. Mu**") and Ms. Fu Xiao ("**Ms. Fu**") as executive Director of the Company and each of Mr. Jiang Ping ("**Mr. Jiang**"), Ms. Wu Rui ("**Ms. Wu**") and Mr. Guo Wei ("**Mr. Guo**") as independent non-executive Director of the Company.

The Board has also resolved to appoint (i) Mr. Li as the Chairman to the Board, (ii) Mr. Jiang as the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee; (iii) Ms. Wu as the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee; and (iv) Mr. Guo as the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

The biographies of each of Mr. Li, Mr. Fu, Ms. Mu, Ms. Fu, Mr. Jiang, Ms. Wu and Mr. Guo (together, the “**New Directors**” and each, a “**New Director**”) are set out below:

BIOGRAPHICAL DETAILS

Mr. Li Chengning

Mr. Li Chengning (“**Mr. Li**”), aged 52, holds a Bachelor’s degree. Mr. Li has over 30 years of working experience in investment management and capital market sector. He is currently the chief investment officer of AVIC International (HK) Group Limited (“**AVIC Int’l Group**”), a substantial shareholder of the Company, and the general manager of AVIC International Capital Co., Limited. He previously served as the manager of enterprise management division and operation management division of China National Aero-Technology Import & Export Corporation. Mr. Li is an executive director of Peace Map Holding Limited (“**Peace Map**”), the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 402). The Company holds 6.79% issued share capital of Peace Map.

Mr. Fu Fangxing

Mr. Fu Fangxing (“**Mr. Fu**”), aged 44, holds a Master’s degree in accountancy from Shanghai University of Finance and Economics and a Bachelor’s degree in investment, economics and management from Central University of Finance and Economics. Mr. Fu is a senior accountant and has extensive experience in financial management, investment and financing management, as well as in mergers and acquisitions. Mr. Fu currently serves as the head of financial management department of AVIC International Holdings Corporation (“**AVIC International**”), a subsidiary of Aviation Industry Corporation of China (中國航空工業集團公司) (“**AVIC**”), which is a substantial shareholder of the Company. He previously served as the deputy head of the financial management department of AVIC International, deputy chief accountant of AVIC-INTL Project Engineering Company, as well as the chief accountant of AVIC International Aero-development Corporation.

Ms. Mu Yan

Ms. Mu Yan (“**Ms. Mu**”), aged 39, holds a Master’s degree in economics from University of California, Irvine, the United States and a Master’s degree in international business and finance from University of Reading, the United Kingdom. She also obtained a Bachelor’s degree in international finance from Beihang University. Ms. Mu has over 10 years of experience in capital operations and financial management. She is currently the officer of the capital operation office of AVIC International, a subsidiary of Aviation Industry Corporation of China (中國航空工業集團公司) (“**AVIC**”), which is a substantial shareholder of the Company. Ms. Mu is an executive director of Peace Map Holding Limited (“**Peace Map**”), the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 402). The Company holds 6.79% issued share capital of Peace Map.

Ms. Fu Xiao

Ms. Fu Xiao (“**Ms. Fu**”), aged 32, holds a Bachelor’s degree in arts from Jiangxi Agricultural University, and a Master’s degree in international economics law from Xiamen University. She has obtained legal professional qualification and corporate legal consultancy qualification. Ms. Fu has extensive working experience in corporate governance, mergers and acquisitions as well as in internal control. Ms. Fu currently serves as the assistant to the head of legal affairs department and legal consultant of AVIC International, a subsidiary of Aviation Industry Corporation of China (中國航空工業集團公司) (“**AVIC**”), which is a substantial shareholder of the Company. She previously served as the deputy chief legal consultant of AVIC International Steel Trade Co., Limited.

Mr. Jiang Ping

Mr. Jiang Ping (“**Mr. Jiang**”), aged 41, holds a Bachelor’s degree in Thermal Engineering from Tsinghua University, and a Master’s degree in Mechanical Engineering from University of California at Berkley. Mr. Jiang has extensive experiences in private equity investment and company operations. Currently, Mr. Jiang is a founding partner of iVision Ventures, a venture capital fund focused on AI investment, responsible for investment, fundraising and management matters including compliance, structuring, and investor relations. Previously he served as an Executive Director of Flamingo Capital, ERP Director of Xiaomi Group and product director of Best Logistics.

Ms. Wu Rui

Ms. Wu Rui (“**Ms. Wu Rui**”), aged 39, holds a Bachelor’s degree in International Finance from Peking University’s School of Economics, a Master’s degree in Economics from University of California at Los Angeles and a PhD degree from University of Southern California’s Marshall School of Business. Currently, Ms. Wu is an assistant professor at Tsinghua University’s School of Economics. She has extensive experience in education and research and has published a large number of papers. The area of Ms. Wu research mainly focuses on the relationship between corporations, corporate governance, non-marketing strategies and start-ups. She previously served as a research assistant in the headquarters of World Bank in the United States.

Mr. Guo Wei

Mr. Guo Wei (“**Mr. Guo**”), aged 39, holds a Bachelor’s degree in management from Beijing University of Technology. He is also a Fellow Chartered Certified Accountant awarded by the Association of Chartered Certified Accountants, United Kingdom. Currently, Mr. Guo is the senior finance manager in the SME and Channels Development Business Unit, Greater China Region of Microsoft (China) Co. Ltd. (“hereinafter referred to as “**Microsoft China**”). He is mainly responsible for the overall financial management of the SME and Channels Development Business Unit. Mr. Guo has 17 years of multinational experience in China, with comprehensive and in-depth understanding of business operations and financial/accounting management in the industries of energy, healthcare and IT.

There is no service contract entered into between each of Mr. Li, Mr. Fu, Ms. Mu and Ms. Fu, and the Company. Each of them is entitled to receive an annual emolument of HK\$36,000.

There is no service contract entered into between each of Mr. Jiang, Ms. Wu and Mr. Guo, and the Company. Each of them is entitled to receive an annual emolument of HK\$60,000.

The emoluments of the New Directors have been reviewed and approved by the Board in accordance with the Company's remuneration policy in consideration of their duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprise a director's fee which is subject to review by the remuneration committee of the Company from time to time pursuant to the power conferred on it by the Board. The New Directors are subject to retirement and re-election at the next following general meeting or annual general meeting and thereafter subject to retirement by rotation and re-election at general meeting or annual general meetings of the Company in accordance with the Company's articles of association.

As at the date of this announcement, save as disclosed above, each of the New Directors has not held any other directorships in any listed companies, and position in the Company or the subsidiaries of the Company in the last three years. In addition, save as disclosed above, each of them does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company, nor do they hold any interests in the shares of the Company within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance.

Save as disclosed above, there are no other matters relating to the appointment of each of the New Directors that need to be brought to the attention of the shareholders of the Company nor is there any other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

By Order of the Board
AVIC Joy Holdings (HK) Limited
Wang Ying
Executive Director

Hong Kong, 5 December 2017

As at the date of this announcement, the Board comprises Mr. Zhang Zhibiao, Ms. Wang Ying, Mr. Li Chengning (Chairman), Mr. Fu Fangxing, Ms. Mu Yan and Ms. Fu Xiao as executive Directors and Mr. Jiang Ping, Ms. Wu Rui and Mr. Guo Wei as independent non-executive Directors.