
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AVIC Joy Holdings (HK) Limited (the “**Company**”), you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**(1) PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong on Friday, 19 May 2017 at 11:00 a.m. is set out on pages 12 to 16 of this circular. A proxy form for use at the annual general meeting is enclosed with this circular. Such proxy form is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying proxy form, in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

18 April 2017

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on Friday, 19 May 2017 at 11:00 a.m. at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong or any adjournment thereof, the notice of which is set out on pages 12 to 16 of this circular
“Article(s)”	the articles of association of the Company
“Board”	the board of Directors
“Buy-back Mandate”	the general mandate proposed to be granted to the Directors at the AGM to buy back up to 10% of the number of issued Shares as at the date of the passing of the relevant resolution
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Company”	AVIC Joy Holdings (HK) Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue new Shares not exceeding 20% of the number of issued Shares as at the date of the passing of the relevant resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. ZHU Dong (*Chairman*)
Mr. WANG Xiaowei (*Chief Executive Officer*)
Mr. ZANG Zheng
Mr. XIAO Wei

Registered office:

Room A02, 35/F
United Centre
No. 95 Queensway
Hong Kong

Independent Non-executive Directors:

Mr. HU Xiaowen
Mr. GONG Changhui

18 April 2017

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for, among other things, the granting of the General Mandate and the Buy-back Mandate, the re-election of Directors and the notice of the AGM.

GENERAL MANDATE AND BUY-BACK MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant the General Mandate and the Buy-back Mandate.

LETTER FROM THE BOARD

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with additional Shares (other than by way of rights offering or pursuant to a share option scheme for employees and/or directors of the Company and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate number of Shares not exceeding 20% of the total number of Shares in issue as at the date of the granting of the General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 5,943,745,741 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or bought back between the Latest Practicable Date and the date of the AGM, the Directors would be allowed under the General Mandate to allot, issue and deal with a maximum of 1,188,749,148 Shares.

Buy-back Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to buy back Shares (i.e. the Buy-back Mandate) on the Stock Exchange of an aggregate number of Shares not exceeding 10% of the total number of Shares in issue as at the date of the granting of the Buy-back Mandate.

Subject to the passing of the resolution for the approval of the Buy-back Mandate and on the basis that no further Shares are issued or bought back between the Latest Practicable Date and the date of the AGM, the Directors would be allowed under the Buy-back Mandate to buy back a maximum of 594,374,574 Shares.

The General Mandate and the Buy-back Mandate shall continue to be in force during the period from the date of the passing of the resolutions for the approval of the General Mandate and the Buy-back Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any other applicable laws to be held; or (iii) the revocation or variation of the General Mandate or the Buy-back Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Buy-back Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Buy-back Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Article 86(B) of the Articles, any Director appointed either to fill a casual vacancy or as an additional Director shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the number of Directors) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 87 of the Articles.

According to Article 87 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

In accordance with Article 87 of the Articles, Mr. Wang Xiaowei (“**Mr. Wang**”) and Mr. Gong Changhui (“**Mr. Gong**”) shall retire from office by rotation at the AGM and, being eligible, each of Mr. Wang and Mr. Gong will offer himself for re-election as executive Director and independent non-executive Director respectively at the AGM.

Taking into consideration of Mr. Gong’s independent scope of works in the past years and that his annual confirmation of independence to the Company was in full compliance with Rule 3.13 of the Listing Rules, the members of nomination committee of the Company were satisfied with his independence, which had no bearing on his independence. The Board, with the recommendation from the nomination committee of the Company, accepted and recommended Mr. Gong to stand for re-election by the Shareholders at the AGM.

At the AGM, separate ordinary resolutions will be proposed to re-elect each of Mr. Wang and Mr. Gong as executive Director and independent non-executive Director respectively (as the case may be).

The biographical details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong on Friday, 19 May 2017 at 11:00 a.m. is set out on pages 12 to 16 of this circular. Resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate and the Buy-back Mandate and the proposed re-election of Directors.

LETTER FROM THE BOARD

A proxy form for use at the AGM is enclosed with this circular and such proxy form is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 59(A) of the Articles, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

RECOMMENDATION

The Directors consider that the proposed grant of the General Mandate and the Buy-back Mandate and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolution to be proposed at the AGM.

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
AVIC Joy Holdings (HK) Limited
Wang Xiaowei
Chief Executive Officer and Executive Director

This Appendix serves as an explanatory statement which contains all the information required under Rule 10.06(1)(b) of the Listing Rules and also constitutes a memorandum required under section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, 5,943,745,741 Shares were in issue and outstanding.

Subject to the passing of the resolution for the approval of the Buy-back Mandate and on the basis that no further Shares are issued or bought back by the Company prior to the AGM, the Directors will be allowed under the Buy-back Mandate to buy back a maximum of 594,374,574 Shares, representing 10% of the total number of issued and outstanding Shares as at the Latest Practicable Date.

2. REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Buy-back Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that a buy-back will benefit the Company and the Shareholders as a whole.

3. FUNDING OF BUY-BACKS

Buy-backs would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the laws of Hong Kong and the Articles for such purpose. The Companies Ordinance provides that a company may make a payment in respect of a share buy-back out of the company's distributable profits and/or the proceeds of a fresh issue of shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

An exercise of the Buy-back Mandate in full may have a material adverse impact on the working capital and gearing position of the Company as compared with those as at 31 December 2016, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	0.206	0.190
May	0.209	0.182
June	0.197	0.176
July	0.205	0.170
August	0.181	0.143
September	0.158	0.120
October	0.190	0.133
November	0.170	0.132
December	0.160	0.138
2017		
January	0.166	0.145
February	0.177	0.148
March	0.157	0.131
April (up to the Latest Practicable Date)	0.140	0.128

5. BUY-BACK OF SECURITIES FROM DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, has any present intention to sell to the Company any of the Shares if the Buy-back Mandate is approved at the AGM.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Companies Ordinance and any other applicable laws of Hong Kong.

7. EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's buy-back of Shares pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any buy-back of Shares.

As at the Latest Practicable Date, the following Shareholders were interested in more than 10% of the Shares in issue:

Name	Number of Shares	Approximate percentage holding
Billirich Investment Limited	1,031,595,000	17.36%
AVIC International Holding (HK) Limited	1,031,595,000	17.36%
Tacko International Limited	1,031,595,000	17.36%
AVIC International (HK) Group Limited	1,535,618,891	25.84%
AVIC International Holding Corporation	1,596,428,891	26.86%
Aviation Industry Corporation of China	1,596,428,891	26.86%

In the event that the Directors exercise in full the power to buy back Shares in accordance with the Buy-back Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name	Approximate percentage holding
Billirich Investment Limited	19.28%
AVIC International Holding (HK) Limited	19.28%
Tacko International Limited	19.28%
AVIC International (HK) Group Limited	28.71%
AVIC International Holding Corporation	29.84%
Aviation Industry Corporation of China	29.84%

On the basis of the current shareholdings of the above Shareholders, an exercise of the Buy-back Mandate in full may not result in them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Buy-back Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

8. SHARE BUY-BACKS MADE BY THE COMPANY

The Company has not bought back any Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

This Appendix sets out details of the Directors who will retire from office at the AGM and, being eligible, will offer themselves for re-election at the AGM as below:

Mr. Wang Xiaowei (“Mr. Wang”)

Mr. Wang Xiaowei, aged 55, has been an executive director of the Company since June 2014 and became the chief executive officer of the Company in August 2015. Mr. Wang holds a Bachelor’s degree from Tianjin Armed Police Engineering College, the PRC. He has 15 years of management experiences in real estate, infrastructure, engineering and energy saving sectors. He is also the vice president of a subsidiary of the Company and a director of certain associates of the Company. Mr. Wang has served as the general manager of Fujian Huayuan Property Limited and a manager of AVIC International (HK) Group Limited.

Mr. Wang has not entered into any service contract with the Company. He is entitled to an annual emolument of HK\$36,000 and a discretionary bonus subject to review by the remuneration committee of the Company with reference to his duties and responsibilities with the Company and its remuneration policy. Although there is no specific term or proposed length of services for Mr. Wang’s appointment, he is subject to retirement by rotation (at least once every three years) and re-election at annual general meeting of the Company pursuant to the Articles.

As at the Latest Practicable Date, Mr. Wang held 8,980,000 share options of the Company which were granted to him by the Company on 13 June 2012 under the share option scheme of the Company adopted on 15 April 2005 and expired on 14 April 2015 entitling him to subscribe at an exercise price of HK\$0.236 per Share for (i) 4,490,000 Shares during the period from 13 June 2013 to 12 June 2022; and (ii) 4,490,000 Shares during the period from 13 June 2014 to 12 June 2022. Save as disclosed above, Mr. Wang did not have, and was not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Wang did not hold any other positions with the Company and other members of the Group and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries or any of their respective associates. Mr. Wang did not hold any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Gong Changhui (“Mr. Gong”)

Mr. Gong Changhui, aged 37, has been an independent non-executive director of the Company since August 2014. He is a member of each of the audit committee, the remuneration committee and the nomination committee of the Company. He holds a Bachelor’s degree in Computer Science and Technology from Harbin Institute of Technology, the PRC. Since March 2016, Mr. Gong served as the Software R&D Director and Supervisor of 博睿康科技(常州)股份有限公司 (Neuracle Technology Co., Ltd.*) (formerly known as 中國常州博睿康科技有限公司 Changzhou Neuracle Technology Ltd.*) in the PRC. From the end of 2011 to September 2015, he worked at Beijing Xinyueqi Technology and Trade Limited, responsible for project management and development. Mr. Gong had held positions of project manager and senior software engineer in several computer software companies and has over 13 years of experience in corporate operation, project management and computer software development.

Mr. Gong has not entered into any service contract with the Company. He is entitled to an annual emolument of HK\$60,000 and a discretionary bonus subject to review by the remuneration committee of the Company with reference to his duties and responsibilities with the Company and its remuneration policy. Although there is no specific term or proposed length of services for Mr. Gong’s appointment, he is subject to retirement by rotation (at least once every three years) and re-election at annual general meeting of the Company pursuant to the Articles.

Save as disclosed above, Mr. Gong did not have, and was not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Gong did not hold any other positions with the Company and other members of the Group and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries or any of their respective associates. Mr. Gong did not hold any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Save as disclosed herein, there is no other matter relating to each of Mr. Wang and Mr. Gong that needs to be brought to the attention of the Shareholders and the Stock Exchange, nor is there any information as required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

NOTICE OF AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of AVIC Joy Holdings (HK) Limited (the “**Company**”) will be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong on Friday, 19 May 2017 at 11:00 a.m. for the following purposes:

AS ORDINARY BUSINESS AND ORDINARY RESOLUTIONS:

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2016;
2. (a) To re-elect Mr. Wang Xiaowei as executive Director; and
(b) To re-elect Mr. Gong Changhui as independent non-executive Director.
3. To re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

AS ORDINARY RESOLUTIONS:

4. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”) and to grant rights to subscribe for, or convert any security into, the Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any

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Shares) and to make, or grant offers, agreements and options, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below); or
 - (ii) the grant of options or rights to acquire Shares or an issue of Shares upon exercise of options or rights granted under the existing share option scheme of the Company or similar arrangement for the time being adopted and approved by the shareholders of the Company; or
 - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time (the “**Articles**”); or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into Shares,

shall not exceed the aggregate of:

- (aa) 20% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) after the passing of this resolution); and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue as at the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Ordinance and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of this resolution) and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any other applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (iv)(bb) of paragraph (c) of such resolution.”

By Order of the Board
AVIC Joy Holdings (HK) Limited
Wang Xiaowei
Chief Executive Officer and Executive Director

Hong Kong, 18 April 2017

Registered office:
Room A02, 35/F., United Centre
No. 95 Queensway
Hong Kong

NOTICE OF AGM

Notes:

1. A member entitled to attend and vote at the annual general meeting of the Company convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles, vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In the case of joint holders of a Share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Shares.
3. To be valid, the completed proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish. In such event, the proxy form shall be deemed to be revoked.
4. The register of members of the Company will be closed from Tuesday, 16 May 2017 to Friday, 19 May 2017, both days inclusive, during which period no transfer of Shares will be registered. To be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 May 2017.
5. In relation to the proposed resolution no. 2 above, the details of all retiring Directors are set out in Appendix II to the circular of the Company dated 18 April 2017.
6. In relation to the proposed resolution no. 4 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules.
7. In relation to the proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to buy back Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of the Company dated 18 April 2017.
8. As of the date of this notice, the board of Directors comprises Mr. Zhu Dong (Chairman), Mr. Wang Xiaowei (Chief Executive Officer), Mr. Zang Zheng and Mr. Xiao Wei as executive Directors; and Mr. Hu Xiaowen and Mr. Gong Changhai as independent non-executive Directors.