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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 Thursday, 30 May 2019 at 9:30 a.m. is set out on pages 14 to 18 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 2019

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
General Mandate and Buy-back Mandate	4
Re-election of Directors	5
AGM	5
Responsibility statement	6
Recommendation	6
General	6
Appendix I — Explanatory statement	7
Appendix II — Details of Directors proposed to be re-elected at the AGM	11
Notice of AGM	14

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 Thursday, 30 May 2019 at 9:30 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 14 to 18 of this circular
“Article(s)”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Buy-back Mandate”	the general mandate proposed to be granted to the Directors at the AGM to buy back Shares 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”	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”	12 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	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”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“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. GUAN Liqun (*Chairman and Chief Executive Officer*)

Mr. ZHANG Zhibiao

Ms. WANG Ying

Ms. MU Yan

Ms. FU Xiao

Registered office:

Room A02, 35/F

United Centre

No. 95 Queensway

Hong Kong

Independent Non-executive Directors:

Mr. JIANG Ping

Ms. WU Rui

Mr. GUO Wei

18 April 2019

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.

LETTER FROM THE BOARD

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.

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.

LETTER FROM THE BOARD

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.

RE-ELECTION OF DIRECTORS

According to Article 87 of the Articles, at every 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, Ms. WANG Ying, Ms. MU Yan and Ms. FU Xiao shall retire from office by rotation at the AGM and, being eligible, each of Ms. WANG Ying, Ms. MU Yan and Ms. FU Xiao will offer herself for re-election as executive Director at the AGM.

At the AGM, separate ordinary resolutions will be proposed to re-elect each of Ms. WANG Ying, Ms. MU Yan and Ms. FU Xiao as executive Director.

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 Thursday, 30 May 2019 at 9:30 a.m. is set out on pages 14 to 18 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.

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.

LETTER FROM THE BOARD

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
GUAN Liqun
Chairman, Executive Director and Chief Executive Officer

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.

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 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 made pursuant to the Buy-back Mandate 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 the gearing position of the Company as compared with those as at 31 December 2018, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any buy-back to such extent as would, in the opinion of the Directors, have a material adverse impact on the working capital or the 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>
2018		
April	0.096	0.081
May	0.100	0.061
June	0.098	0.063
July	0.090	0.075
August	0.080	0.065
September	0.071	0.060
October	0.070	0.048
November	0.070	0.055
December	0.073	0.047
2019		
January	0.055	0.044
February	0.071	0.043
March	0.076	0.049
April (up to the Latest Practicable Date)	0.065	0.049

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of 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 (as defined in the Takeovers Code), 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 then 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, Ltd. (formerly known as 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, Ltd.	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:

Ms. WANG Ying (“Ms. Wang”)

Ms. Wang, aged 32, has been an executive Director since July 2017. Ms. Wang obtained a master’s degree in Supply Chain Management and Purchasing from the School of Knowledge Economy and Management (歐洲知識經濟與管理學院^{*}) in France, the second bachelor’s degree in Business Administration from Université de Lille 2 (法國里爾第二大學^{*}) in France, and the first bachelor’s degree from Wuhan University (武漢大學) in the PRC. In 2011, Ms. Wang joined AVIC International Holdings Limited (中航國際控股股份有限公司), whose shares are listed on the Main Board of the Stock Exchange (stock code: 161), a subsidiary of AVIC International Holding Corporation (中國航空技術國際控股有限公司) (“**AVIC International**”), and she was transferred to the strategy and capital department of Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司) (“**AVIC**”) from May 2016 to December 2016. She was responsible for planning and review in relation to reorganisation of AVIC’s subsidiaries, the securities of which are listed on the securities markets in Hong Kong, the PRC and overseas. Ms. Wang currently works in the assets and capital investment office of AVIC International, and is responsible for planning and review in relation to reorganisation of and refinancing of AVIC International’s subsidiaries, the securities of which are listed on the securities markets in Hong Kong, the PRC and overseas. Ms. Wang has extensive working experience in the areas of compliance management for listed companies, investor relations and capital management.

As at the Latest Practicable Date, save as disclosed above, Ms. Wang (i) had not held any position with the Company or any of its subsidiaries, and did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) did not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company; and (iii) did not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between Ms. Wang and the Company, and Ms. Wang is not appointed for any specific length of service. Ms. Wang is entitled to an annual emolument of HK\$36,000. The emoluments of Ms. Wang were determined by the remuneration committee of the Company (the “**Remuneration Committee**”) in accordance with the Company’s remuneration policy in consideration of her duties and responsibilities within the Group, the Group’s performance and profitability and the market benchmark. Ms. Wang is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor there are other matters relating to the standing for re-election of Ms. Wang that need to be brought to the attention of the Shareholders.

** For identification purposes only*

Ms. MU Yan (“Ms. Mu”)

Ms. Mu, aged 40, has been an executive Director since December 2017. Ms. Mu 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 11 years of experience in capital operations and financial management. She is currently the officer of the capital operation office of AVIC International. 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 554,080,000 shares, representing 6.8% of the issued share capital of Peace Map.

As at the Latest Practicable Date, save as disclosed above, Ms. Mu (i) had not held any position with the Company or any of its subsidiaries, and did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) did not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company; and (iii) did not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between Ms. Mu and the Company, and Ms. Mu is not appointed for any specific length of service. Ms. Mu is entitled to an annual emolument of HK\$36,000. The emoluments of Ms. Mu were determined by the Remuneration Committee of the Company in accordance with the Company’s remuneration policy in consideration of her duties and responsibilities within the Group, the Group’s performance and profitability and the market benchmark. Ms. Mu is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles.

Ms. Mu is an executive director of Peace Map with effect from 28 April 2017. On 10 August 2018, the Supreme Court of Bermuda ordered Peace Map be wound up under the provisions of section 161(e) of the Bermuda Companies Act 1981 and Mr. Keiran Hutchison of EY Bermuda Limited, together with Mr. David Yen Ching Wai and Ms. Anita So Kit Yee of Ernst & Young Transactions Limited be appointed as the joint provisional liquidators of Peace Map. Based on the information published by Peace Map, Peace Map is a holding company incorporated in the Cayman Islands and continued in Bermuda and listed on the Main Board of the Stock Exchange (stock code: 402). Its subsidiaries are principally engaged in the geographic information business in the PRC including aerial photography, and remote sensing image data collection, provision of geospatial data processing services, software and solutions and development and sales of high-end surveying and mapping equipment. The appointment of the joint provisional liquidators to Peace Map is in relation to an application made by Diamond Wealth Holdings Limited to the Supreme Court of Bermuda on 6 July 2018 in connection with its claim that an event of default has taken place under the terms of the convertible notes issued by Peace Map on 17 June 2010 with a five-year zero coupon, with the maturity date of the convertible note extended for another five years from 17 June 2015 to 17 June 2020 (the “**Convertible Notes**”).

due 2020”) and Peace Map has upon demand failed to pay the amount due under the Convertible Notes due 2020 issued to it, being HK\$405,850,000. Save as disclosed above, neither Peace Map nor any of its subsidiaries is related to the Company and its subsidiaries. According to Ms. Mu, she has no knowledge of the possible outcome of Peace Map’s provisional liquidation process as at the date of this circular.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor there are other matters relating to the standing for re-election of Ms. Mu that need to be brought to the attention of the Shareholders.

Ms. FU XIAO (“Ms. Fu”)

Ms. Fu, aged 33, has been an executive Director since December 2017. Ms. Fu 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. She previously served as the deputy chief legal consultant of AVIC International Steel Trade Co., Limited.

As at the Latest Practicable Date, save as disclosed above, Ms. Fu (i) had not previously held any position with the Company or any of its subsidiaries, and did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) did not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company; and (iii) did not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between Ms. Fu and the Company, and Ms. Fu is not appointed for any specific length of service. Ms. Fu is entitled to an annual emolument of HK\$36,000. The emoluments of Ms. Fu were determined by the Remuneration Committee of the Company in accordance with the Company’s remuneration policy in consideration of her duties and responsibilities within the Group, the Group’s performance and profitability and the market benchmark. Ms. Fu is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor there are other matters relating to the standing for re-election of Ms. Fu that need to be brought to the attention of the Shareholders.

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 Thursday, 30 May 2019 at 9:30 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 2018.
2.
 - (a) To re-elect Mr. WANG Ying as an executive Director;
 - (b) To re-elect Ms. MU Yan as an executive Director;
 - (c) To re-elect Ms. FU Xiao as an executive Director; and
 - (d) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu 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

NOTICE OF AGM

convertible into Shares, or options, warrants or similar rights to subscribe for any 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

NOTICE OF AGM

(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 issue of warrants, options or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions 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 any recognised regulatory body or any stock exchange in, any territory 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

NOTICE OF AGM

- (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
GUAN Liquan
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 18 April 2019

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

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.

NOTICE OF AGM

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 of attorney 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 and voting in person 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 Monday, 27 May 2019 to Thursday, 30 May 2019, 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 Friday, 24 May 2019.
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 2019.
6. In relation to the proposed resolutions nos. 4 and 6 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 2019.
8. As at the date of this notice, the board of Directors comprises Mr. GUAN Liqun (Chairman and Chief Executive Officer), Mr. ZHANG Zhibiao, Ms. WANG Ying, 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.