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

If you have sold or transferred all your shares in **AVIC International Holding (HK) Limited**, you should at once hand this circular, the 2015 annual report and proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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AVIC International Holding (HK) Limited **中國航空工業國際控股(香港)有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 232)

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of AVIC International Holding (HK) Limited to be held at Park Lane Room II-III, 27/F., The Park Lane Hong Kong, A Pullman Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Friday, 27 May 2016 at 10:00 a.m. is set out on pages 10 to 14 of this circular. Whether or not you are able to attend the meeting in person, you are requested to read the notice and to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, 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 holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting should you so wish.

Hong Kong, 11 April 2016

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Park Lane Room II-III, 27/F., The Park Lane Hong Kong, A Pullman Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Friday, 27 May 2016 at 10:00 a.m., notice of which is set out on pages 10 to 14 of this circular
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company as may be amended from time to time
“CG Code”	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules
“close associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Company”	AVIC International Holding (HK) Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Proposal”	the proposal to give a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase during the relevant period as set out in the Repurchase Resolution, Shares and up to a maximum number equal to 10% of the total number of issued Shares and securities, if any, which carry a right to subscribe or purchase Shares as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution no. 4A of the notice convening the AGM
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs



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)

Executive Directors:

Mr. Wu Guangquan (*Chairman*)
Mr. Pan Linwu (*Deputy Chairman*)
Mr. Lai Weixuan
Mr. Xu Hongge (*Chief Executive Officer*)
Mr. Xiao Nan

Non-executive Director:

Mr. Chow Wai Kam

Independent Non-executive Directors:

Mr. Chu Yu Lin, David
Mr. Li Ka Fai, David
Mr. Li Zhaoxi

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal

Place of Business:

Unit B, 15th Floor
United Centre
95 Queensway
Hong Kong

11 April 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The Directors will seek the approval of the Shareholders at the AGM for, among other things, (i) the renewal of the general mandate to issue, allot and dispose of the Shares and the general mandate to the Directors to exercise the powers of the Company to repurchase Shares and securities which carry a right to subscribe or purchase Shares; and (ii) the re-election of retiring Directors. The purpose of this Circular is to provide you with details of these proposals, the relevant information under the Listing Rules, and to give you notice of the AGM.

LETTER FROM THE BOARD

1. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 May 2015, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of an ordinary resolution to be proposed at the AGM to grant a new general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase on the Stock Exchange Shares up to a maximum number equal to 10% of the total number of issued Shares and securities, if any, which carry a right to subscribe or purchase Shares as at the date of the Repurchase Resolution. If the Company conducts a Share consolidation or subdivision after such mandate is granted, the maximum number of Shares that may be repurchased under the mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

The general and unconditional mandate granted pursuant to the Repurchase Resolution shall continue in force during the period from the passing of the Repurchase 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 applicable laws of Bermuda or Bye-laws to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

An explanatory statement in compliance with the Listing Rules provides the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Proposal is set out in Appendix I hereto.

2. GENERAL MANDATE TO ISSUE SHARES

The Directors will also propose at the AGM an ordinary resolution granting the Directors a general and unconditional mandate to allot, issue and deal with additional Shares up to a maximum number equal to 20% of the total number of issued Shares as at the date of the resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 5,519,591,000 Shares. Subject to the passing of the ordinary resolution approving the general mandate to issue Shares and assuming that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under such general mandate to issue not more than 1,103,918,200 additional Shares. In addition, a separate ordinary resolution will be proposed to extend such general mandate by adding to the number of Shares repurchased by the Company since the grant of the mandate (up to a maximum number equivalent to 10% of the number of issued Shares as at the date of the resolution). If the Company conducts a Share consolidation or subdivision after such mandate is granted, the maximum number of Shares that may be issued under the mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

LETTER FROM THE BOARD

The general mandate to allot, issue and deal with Shares shall continue in force during the period from the passing of the ordinary 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 applicable laws of Bermuda or Bye-laws to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Mr. Wu Guangquan, Mr. Pan Linwu, Mr. Lai Weixuan, Mr. Xu Hongge, Mr. Xiao Nan, Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi.

Mr. Pan Linwu and Mr. Chu Yu Lin, David will retire by rotation from office at the AGM. Mr. Lai Weixuan, Mr. Xu Hongge, Mr. Xiao Nan and Mr. Chow Wai Kam, the Directors appointed by the Board on 23 June 2015, shall hold office only until the AGM. All of them, being eligible, will offer themselves for re-election.

Mr. Chu Yu Lin, David has served as an independent non-executive Director for more than nine years since May 1999. Pursuant to the code provision A.4.3 of the CG Code, (a) having served the company for more than nine years could be relevant to the determination of an independent non-executive director's independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mr. Chu Yu Lin, David a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Chu Yu Lin, David has not engaged in any executive management of the Group. Taking into consideration his independent scope of works in the past years, the Directors consider Mr. Chu Yu Lin, David to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Chu Yu Lin, David shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders at the AGM.

Details of retiring Directors proposed for re-election at the AGM are set out in Appendix III to this circular.

4. ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Repurchase Proposal, granting of the general mandate for Directors to issue new Shares and extension of such general mandate, is set out in Appendix II on pages 10 to 14 of this circular.

LETTER FROM THE BOARD

5. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not preclude you from attending and voting at AGM should you so wish.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in accordance with Rule 13.39(5) of the Listing Rules.

7. RECOMMENDATION

The Directors believe that the Repurchase Proposal, granting of the general mandate for Directors to issue new Shares and extension of such general mandate, and re-election of the retiring Directors are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM. So far as the Directors are aware, as at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
AVIC International Holding (HK) Limited
Wu Guangquan
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to enable the Shareholders to make an informed decision on whether to vote for or against the Repurchase Resolution.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 5,519,591,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 551,959,100 Shares representing 10% of the total number of issued Shares as at the Latest Practicable Date. If the Company conducts a Share consolidation or subdivision after such mandate is granted, the maximum number of Shares that may be repurchased under the mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

REASON FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Such repurchases 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 of the Company and share repurchase will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Companies Act 1981 of Bermuda provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. Further, the Company cannot purchase its own shares if on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2015 in the event that the Repurchase Proposal were to be carried out in full. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2015	1.37	0.71
May 2015	1.88	1.21
June 2015	1.84	1.04
July 2015	1.34	0.44
August 2015	1.21	0.69
September 2015	0.92	0.77
October 2015	1.01	0.84
November 2015	0.96	0.85
December 2015	0.91	0.75
January 2016	0.80	0.57
February 2016	0.69	0.57
March 2016	0.73	0.61
April 2016 (up to the Latest Practicable Date)	0.66	0.63

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to sell any of the Shares to the Company or its subsidiaries, in the event that the Repurchase Proposal is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, 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 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.

As at the Latest Practicable Date, Aviation Industry Corporation of China (“AVIC”), the ultimate holding company of the Company, and its associates are interested in 1,895,559,000 Shares, representing approximately 34.34% of the issued share capital of the Company. Based on such shareholding and in the event that the Repurchase Proposal is exercised in full, the interests of AVIC and its associates will be increased to approximately 38.15% of the issued Shares and an obligation to make a general offer to Shareholders in accordance with Rule 26 of the Takeovers Code may arise. However, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to the extent that would trigger such obligation.

In the event that the power to repurchase Shares pursuant to the Repurchase Resolution is exercised in full, the number of Shares held by the public would not fall below 25%.

SHARES REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of AVIC International Holding (HK) Limited (the “Company”) will be held at Park Lane Room II-III, 27/F., The Park Lane Hong Kong, A Pullman Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Friday, 27 May 2016 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and the independent auditors’ report of the Company for the year ended 31 December 2015.
2.
 - (a) To re-elect Mr. Pan Linwu as director of the Company;
 - (b) To re-elect Mr. Chu Yu Lin, David as director of the Company;
 - (c) To re-elect Mr. Lai Weixuan as director of the Company;
 - (d) To re-elect Mr. Xu Hongge as director of the Company;
 - (e) To re-elect Mr. Xiao Nan as director of the Company;
 - (f) To re-elect Mr. Chow Wai Kam as director of the Company; and
 - (g) To authorize the board of directors of the Company to fix the remuneration of directors.
3. To re-appoint auditors and to authorize the board of directors of the Company to fix the remuneration of auditors.

4. As a special business, to consider and, if thought fit, pass with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its ordinary shares (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Directors are authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue and securities, if any, which carry a right to subscribe or purchase Shares as at the date of this Resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be purchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and such maximum number of Shares, and powers granted under such approval shall be adjusted to such extent accordingly; and
- (c) for the purposes of this Resolution,

“Relevant Period” means the period from 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 applicable laws of Bermuda or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

references to purchase of Shares include purchases by agents or nominees on behalf of the Company or subsidiary of the Company.”

B. **“THAT:**

- (a) subject to paragraphs (b) and (c) below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and dispose of additional (i) ordinary shares of the Company (the **“Shares”**); (ii) securities convertible into Shares; or (iii) options, warrants or similar rights to subscribe for Shares or such convertible securities, and to make or grant offers, agreements and options which would or might require such securities to be issued, allotted or disposed of, in exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares, shall not exceed 20% of the total number of issued Shares as at the date of passing this Resolution;
- (c) if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as may be extended by Resolution No. 4C set out in the notice convening this meeting if so passed, as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and such maximum number of Shares, and powers granted under such approval, shall be adjusted to such extent accordingly; and
- (d) the approval in this Resolution shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers to allot, issue or dispose of such securities as referred to in paragraph (a) above after the end of the Relevant Period and to make such allotment, issue and disposal under such offers, agreements and options;

(e) for the purpose of this Resolution,

“Relevant Period” means the period from 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 applicable laws of Bermuda or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (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 recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of Resolutions No. 4A and No. 4B set out in the notice convening this meeting, the powers granted to the directors of the Company to allot, issue and dispose of additional shares and other securities of the Company pursuant to Resolution No. 4B set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number of shares of the Company repurchased under the powers granted pursuant to Resolution No. 4A set out in the notice convening this meeting, provided that the maximum number of shares of the Company so repurchased shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of the said Resolution No. 4A.”

By order of the Board
AVIC International Holding (HK) Limited
Tsui Choi Yee, Connie
Company Secretary

Hong Kong, 11 April 2016

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, 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 holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting if the member so desires.
3. With regard to item 2 in this notice, the particulars of all retiring directors of the Company are set out in Appendix III of the circular to shareholders of the Company dated 11 April 2016.
4. With regard to item 4 in this notice, an explanatory statement containing details of Resolution No. 4 above is set out in Appendix I of the circular to shareholders of the Company dated 11 April 2016.
5. Where there are joint registered holders of any share(s), any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
6. The voting on the above resolutions at the meeting will be conducted by way of a poll.
7. As at the date hereof, the Board comprises Mr. Wu Guangquan, Mr. Pan Linwu, Mr. Lai Weixuan, Mr. Xu Hongge and Mr. Xiao Nan as executive directors; Mr. Chow Wai Kam as non-executive director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi as independent non-executive directors.

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

(a) Mr. Pan Linwu

Mr. Pan Linwu, aged 51, has been an Executive Director of the Company since February 2008 and a Deputy Chairman of the Company since January 2013. He holds a Master's degree in Aeronautical Engineering, a Bachelor's degree in Engineering and a Postgraduate Diploma in Financial Accounting, and is a professional senior accountant. Mr. Pan served at the Ministry of Aviation Industry and the audit department of the Ministry of Aero-Space Industry. In 1993, he was transferred to AVIC International Holding Corporation ("**AVIC International**") and served as deputy director and director of the audit division. Mr. Pan is an executive vice president and the chief financial officer of AVIC International, and a director of AVIC International (HK) Group Limited ("**AVIC International (HK) Group**") and Tacko International Limited, all being substantial Shareholders. He is also a director of a subsidiary of the Group. Mr. Pan has many years' experience in financial management, supervision and audit, and has substantial experience in the area of finance, capital operation and risk management. Mr. Pan is also an executive director of AVIC International Holdings Limited ("**AVIC IHL**"), a company listed on the Stock Exchange.

The Company has entered into a letter of appointment with Mr. Pan. There is no length of service specified in the said letter of appointment. Mr. Pan is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Pan's emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. The director's fee currently received by Mr. Pan annually amounts to HK\$36,000.

Mr. Pan is a director of certain companies controlled by certain substantial Shareholders. Save as disclosed above, Mr. Pan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Pan does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Pan did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**").

Save as set out above, there is no other matter regarding the re-election of Mr. Pan which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(b) Mr. Chu Yu Lin, David, JP, SBS

Mr. Chu Yu Lin, David, aged 72, has been an Independent Non-executive Director of the Company since May 1999. He is also a member and the Chairman of the Audit Committee and the Remuneration Committee of the Company. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited. Mr. Chu is an independent non-executive director of Chuang's China Investments Limited, Chuang's Consortium International Limited and Zhuhai Holdings Investment Group Limited, all being listed on the Stock Exchange.

The Company has entered into a letter of appointment with Mr. Chu. There is no length of service specified in the said letter of appointment. Mr. Chu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Chu's emolument consists of a director's fee determined in consideration of his duties, experience and responsibilities and is subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company. The director's fee currently received by Mr. Chu annually amounts to HK\$240,000.

Save as disclosed above, Mr. Chu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Chu does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Chu did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Chu which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(c) **Mr. Lai Weixuan**

Mr. Lai Weixuan, aged 51, was appointed as an Executive Director of the Company on 23 June 2015. He is a senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University. Mr. Lai is now the Chief Executive Officer of AVIC International and a director of AVIC International (HK) Group. Mr. Lai joined AVIC International Shenzhen Company Limited (“**AVIC Shenzhen**”, a wholly owned subsidiary of AVIC International) in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the Chairman of Fiyta Holdings Limited (“**Fiyta**”), the deputy chairman of Tianma Microelectronics Co., Ltd. (“**Tianma**”) and the chairman of Rainbow Department Store Co., Ltd. (“**Rainbow Department Store**”). Fiyta, Tianma and Rainbow Department Store are companies listed on Shenzhen Stock Exchange. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC IHL from 2004 to 2012 and was appointed as an executive director again in 2014.

The Company has entered into a letter of appointment with Mr. Lai. There is no length of service specified in the said letter of appointment. Mr. Lai is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Lai’s emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company’s remuneration policy in consideration of his duties and responsibilities within the Group, the Group’s performance and profitability and the market benchmark, comprising a director’s fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Lai is entitled to receive a director’s fee of HK\$36,000 annually.

Save as disclosed above, Mr. Lai does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Lai does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Lai did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Lai which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(d) Mr. Xu Hongge

Mr. Xu Hongge, aged 44, was appointed as an Executive Director and the Chief Executive Officer of the Company on 23 June 2015. He holds a Bachelor's degree in architecture from Southeast University. He also completed the Post-EMBA program from Cheung Kong Graduate School of Business in 2010. Mr. Xu previously served as an executive vice president of China Vanke Co., Ltd, a company listed on the Stock Exchange and the Shenzhen Stock Exchange. He has over 22 years of experience in property development industry.

The Company has entered into a letter of appointment with Mr. Xu. There is no length of service specified in the said letter of appointment. Mr. Xu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Xu's emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Xu is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Mr. Xu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Xu does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Xu did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Xu which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(e) Mr. Xiao Nan

Mr. Xiao Nan, aged 50, was appointed as an Executive Director of the Company on 23 June 2015. He holds a Bachelor's degree in architecture from Tianjin University. He also completed the EMBA program from Cheung Kong Graduate School of Business in 2010. He previously served as a vice president of China Vanke Co., Ltd. Mr. Xiao has over 29 years of experience in property development industry.

The Company has entered into a letter of appointment with Mr. Xiao. There is no length of service specified in the said letter of appointment. Mr. Xiao is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Xiao's emoluments, which are reviewed and approved by the Remuneration Committee of the Company in accordance with the Company's remuneration policy in consideration of his duties and responsibilities within the Group, the Group's performance and profitability and the market benchmark, comprising a director's fee subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company and discretionary share options. Mr. Xiao is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Mr. Xiao does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Xiao does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Xiao did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Xiao which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

(f) Mr. Chow Wai Kam, JP

Mr. Chow Wai Kam, aged 68, was appointed as a Non-Executive Director of the Company on 23 June 2015. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001. He is currently an Executive Director of Cheung Kong Property Holdings Limited (“CKPH”), a company listed on the Stock Exchange. Mr. Chow joined the Hutchison Group in July 1995 and was the Group Managing Director of the property and hotels divisions of the Hutchison Group since 2000. He is now the Group Managing Director of Hutchison Property Group Limited, a wholly-owned subsidiary of CKPH. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland China and overseas.

The Company has entered into a letter of appointment with Mr. Chow for a term of 3 years commencing from 23 June 2015. Mr. Chow is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Chow’s emoluments consists of a director’s fee determined in consideration of his duties, experience and responsibilities and is subject to review by the Board from time to time pursuant to the power conferred on it at annual general meetings of the Company. Mr. Chow is entitled to receive a director’s fee of HK\$120,000 annually.

Save as disclosed above, Mr. Chow does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he did not hold any directorship in other listed public companies in the last three years. Mr. Chow does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Chow did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as set out above, there is no other matter regarding the re-election of Mr. Chow which needs to be brought to the attention of the Shareholders and there is no other information needs to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.