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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 2016 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**

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A notice convening the annual general meeting of AVIC International Holding (HK) Limited to be held at Forum Room II-III, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 26 May 2017 at 10:00 am is set out on pages 11 to 15 of this circular.

The register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017, both days inclusive, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 pm on Monday, 22 May 2017.

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, 10 April 2017

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## DEFINITIONS

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*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 Forum Room II-III, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 26 May 2017 at 10:00 am, notice of which is set out on pages 11 to 15 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”	31 March 2017, 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

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## DEFINITIONS

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“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)*

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*Executive Directors:*

Mr. Liu Hongde (*Chairman*)  
Mr. Pan Linwu (*Deputy Chairman*)  
Mr. Lai Weixuan  
Ms. Zhou Chunhua  
Mr. Xu Hongge (*Chief Executive Officer*)

*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

10 April 2017

*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.

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## LETTER FROM THE BOARD

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### 1. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 27 May 2016, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares and securities, if any, which carry a right to subscribe or purchase 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

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## LETTER FROM THE BOARD

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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.

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. Liu Hongde, Mr. Pan Linwu, Mr. Lai Weixuan, Ms. Zhou Chunhua, Mr. Xu Hongge, Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Li Zhaoxi.

Pursuant to the Bye-laws, Mr. Lai Weixuan, Mr. Li Ka Fai, David and Mr. Li Zhaoxi will retire by rotation from office at the AGM. Mr. Liu Hongde and Ms. Zhou Chunhua, the Directors appointed by the Board on 30 December 2016, shall hold office only until the AGM. All of them, being eligible, will offer themselves for re-election.

Mr. Li Ka Fai, David and Mr. Li Zhaoxi have served as independent non-executive Directors for more than nine years since December 2007 and September 2004 respectively. 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. Li Ka Fai, David and Mr. Li Zhaoxi a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Li Ka Fai, David and Mr. Li Zhaoxi have not engaged in any executive management of the Group. Taking into consideration their independent scope of work in the past years, the Directors consider Mr. Li Ka Fai, David and Mr. Li Zhaoxi to be independent under the Listing Rules despite the fact that they have served the Company for more than nine years. Accordingly, Mr. Li Ka Fai, David and Mr. Li Zhaoxi 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.

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## **LETTER FROM THE BOARD**

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### **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 11 to 15 of this circular.

### **5. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017, both days inclusive, during which period no transfer of shares will be registered, in order to determine the entitlement to attend and vote at the AGM. In order to be entitled to attend and vote at the AGM, unregistered holders of Shares should ensure that all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 pm on Monday, 22 May 2017.

### **6. 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.

### **7. 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.



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## LETTER FROM THE BOARD

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### 8. 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**  
**Liu Hongde**  
*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 2016 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2016	0.70	0.59
May 2016	0.62	0.55
June 2016	0.59	0.45
July 2016	0.58	0.50
August 2016	0.60	0.50
September 2016	0.60	0.50
October 2016	0.57	0.49
November 2016	0.52	0.48
December 2016	0.52	0.45
January 2017	0.55	0.45
February 2017	0.53	0.47
March 2017 (up to the Latest Practicable Date)	0.49	0.45

**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 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 have undertaken not to sell any of the Shares to the Company, 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 Forum Room II-III, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 26 May 2017 at 10:00 am for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and the independent auditor’s report of the Company for the year ended 31 December 2016.
2.
  - (a) To re-elect Mr. Lai Weixuan as director of the Company;
  - (b) To re-elect Mr. Li Ka Fai, David as director of the Company;
  - (c) To re-elect Mr. Li Zhaoxi as director of the Company;
  - (d) To re-elect Mr. Liu Hongde as director of the Company;
  - (e) To re-elect Ms. Zhou Chunhua as director of the Company; and
  - (f) 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 that may be repurchased pursuant to the 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.

references to repurchase Shares include buy-back or 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 that may be allotted or issued under the 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.

“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, 10 April 2017



*Notes:*

1. The register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017, both days inclusive, during which period no transfer of shares will be registered, in order to determine the entitlement to attend and vote at the AGM. In order to be entitled to attend and vote at the AGM, unregistered holders of Shares should ensure that all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 pm on Monday, 22 May 2017.
2. 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.
3. 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.
4. 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 10 April 2017.
5. 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 10 April 2017.
6. 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.
7. The voting on the above resolutions at the meeting will be conducted by way of a poll.
8. As at the date hereof, the Board comprises Mr. Liu Hongge, Mr. Pan Linwu, Mr. Lai Weixuan, Ms. Zhou Chunhua and Mr. Xu Hongge 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. Lai Weixuan**

**Mr. Lai Weixuan**, aged 52, has been an Executive Director of the Company since 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 Holding Corporation (“**AVIC International**”) and a director of AVIC International (HK) Group Limited (“**AVIC International (HK) Group**”), both of which are substantial Shareholders. 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. He is also a director of a subsidiary of the Group. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC International Holdings Limited (“**AVIC IHL**”), a company listed on the Stock Exchange, 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. The director’s fee currently received by Mr. Lai annually amounts to HK\$36,000.

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 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. 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.

**(b) Mr. Li Ka Fai, David**

**Mr. Li Ka Fai, David**, aged 62, has been an Independent Non-executive Director since December 2007. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). Mr. Li is also a fellow of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, UK, The Institute of Chartered Secretaries and Administrators, UK as well as The Institute of Chartered Accountants in England & Wales. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosomopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited and Wai Yuen Tong Medicine Holdings Limited, all being listed on the Stock Exchange.

The Company has entered into a letter of appointment with Mr. Li. There is no length of service specified in the said letter of appointment. Mr. Li is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Li'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. Li annually amounts to HK\$240,000.

Save as disclosed above, Mr. Li 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. Li does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Li 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. Li 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. Li Zhaoxi**

**Mr. Li Zhaoxi**, aged 69, has been an Independent Non-executive Director since September 2004. He is also a member of the Audit Committee of the Company. Mr. Li holds a Master's degree in Business Administration. He is a senior research fellow of and served as a deputy director at the Enterprise Research Institute of the Development Research Center under the State Council of the People's Republic of China. Mr. Li has carried out research on corporate reforms and management for over 32 years. He was an independent director of Liaoning Hongyang Energy Resource Invest Co., Ltd, a company listed on the Shanghai Stock Exchange, until 18 April 2014.

The Company has entered into a letter of appointment with Mr. Li. There is no length of service specified in the said letter of appointment. Mr. Li is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Li'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. Li annually amounts to HK\$60,000.

Save as disclosed above, Mr. Li 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. Li does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Mr. Li 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. Mr. Li 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. Liu Hongde**

**Mr. Liu Hongde**, aged 56, was appointed as an Executive Director, the Chairman of the Company, and member of the Remuneration Committee of the Company on 30 December 2016. He is a PhD in Management Science and Engineering of Harbin Engineering University (哈爾濱工程大學) and a professoriate senior engineer. He enjoys the special government allowances of the State Council. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu is currently the chairman of the board of directors of AVIC International, a director of AVIC International (HK) Group and the supervisor of AVIC. Mr. Liu was appointed in February 2017 as an executive director of AVIC IHL. Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dongan Engine Corporation (哈爾濱東安發動機公司), the general manager and chairman of Harbin Dongan Auto Engine Co., Ltd. (哈爾濱東安汽車動力股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Co., Ltd. (哈爾濱航空工業(集團)有限公司), the chairman of Jiangxi Changhe Automobile Co., Ltd. (江西昌河汽車股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the general manager of AVIC Automobile Industry Corporation (中國航空汽車工業總公司), the deputy general manager of AviChina Industry & Technology Company Limited, which shares are listed on the Stock Exchange, the head of the corporate cultural departments of the China Aviation Industry Corporation II (中國航空工業第二集團公司) and AVIC, and the vice executive chairman of the trade union of AVIC.

The Company has entered into a letter of appointment with Mr. Liu. There is no length of service specified in the said letter of appointment. Mr. Liu is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Liu'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. Liu is entitled to receive a director's fee of HK\$36,000 annually.

Save as disclosed above, Mr. Liu 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. Liu does not hold any other position with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. Liu 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. Liu 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) Ms. Zhou Chunhua**

**Ms. Zhou Chunhua**, aged 51, was appointed as an Executive Director of the Company on 30 December 2016. She is a professorate senior accountant, EMBA of Cheung Kong Graduate School of Business. Ms. Zhou has extensive working experience in the areas of financial management, capital operation, audit supervision and risk management. Ms. Zhou was appointed as the deputy general manager and the chief accountant of AVIC International in December 2016. She is currently an executive director of AVIC IHL, a director of AVIC International and AVIC International (HK) Group. Before that, she was the assistant to manager and vice chief accountant of Shenyang Liming Aero-Engine Group Corporation Ltd. (瀋陽黎明航空發動機集團有限公司), the director, deputy general manager and chief accountant of AVIC Beijing Keeven Aviation Instrument Co., Ltd. (中航工業北京青雲航空儀錶有限公司), the deputy manager of the audit department of AVIC and the deputy general manager and chief accountant of AVIC Electromechanical Systems Company Limited (中航機電系統有限公司) as well as a director, deputy general manager and chief accountant of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司, which shares are listed and traded on the Shenzhen Stock Exchange).

The Company has entered into a letter of appointment with Ms. Zhou. There is no length of service specified in the said letter of appointment. Ms. Zhou is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Ms. Zhou'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 her 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. Ms. Zhou is entitled to receive a director's fee of HK\$36,000 annually.

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

As at the Latest Practicable Date, Ms. Zhou 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 Ms. Zhou 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.