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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 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 Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. is set out on pages 12 to 17 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 i.e. Wednesday, 20 May 2020 at 11:00 a.m. (Hong Kong time) 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, 16 April 2020

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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 Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 22 May 2020 at 11:00 a.m., notice of which is set out on pages 12 to 17 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
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new shares not exceeding 20% of the total number of issued shares as at the date of passing of the relevant resolution granting of such general mandate by the shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	7 April 2020, 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
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution no. 4A of the notice convening the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“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 Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



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. Lai Weixuan (*Chairman*)
Mr. Fu Fangxing
Mr. Zhang Zhibiao
Mr. Yu Xiaodong
Mr. Zhao Yang (*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. Zhang Ping

Registered office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head office and principal

place of business in Hong Kong:
Unit A, 20/F, Tower 2
Admiralty Centre, 18 Harcourt Road
Admiralty, Hong Kong

16 April 2020

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 granting of the General Mandate and the Repurchase Mandate to the Directors; and (ii) the re-election of Directors. The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the granting of the General Mandate and Repurchase Mandate, the re-election of Directors and the notice of the AGM.

LETTER FROM THE BOARD

1. REPURCHASE MANDATE

At the annual general meeting of the Company held on 24 May 2019, a repurchase 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 the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase on the Stock Exchange the Shares up to a maximum number equal to 10% of the total number of issued Shares as at the date of the Repurchase Resolution. If the Company conducts a Share consolidation or subdivision after the Repurchase Mandate is granted, the maximum number of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

As at the Latest Practicable Date, the Company has an aggregate of 9,303,374,783 Shares in issue. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 930,337,478 Shares.

The Repurchase Mandate shall continue in force during the period from the date of 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.

The explanatory statement required by the Listing Rules to provide the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the Repurchase Resolution to approve the Repurchase Mandate is set out in Appendix I hereto.

LETTER FROM THE BOARD

2. GENERAL MANDATE

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 new Shares of up to a maximum 20% of the total number of issued Shares as at the date of passing of the relevant resolution. Subject to the passing of the resolution approving the General Mandate and assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal not more than 1,860,674,956 new Shares.

In addition, a separate ordinary resolution will be proposed to extend the General Mandate by adding to the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

If the Company conducts a Share consolidation or subdivision after the General Mandate is granted, the maximum number of Shares that may be issued under the General Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

The General Mandate shall continue in force during the period from the date of passing of the resolution for the approval of the General Mandate 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.

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Mr. Lai Weixuan, Mr. Fu Fangxing, Mr. Zhang Zhibiao, Mr. Yu Xiaodong, Mr. Zhao Yang, Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping.

Pursuant to Bye-law 99(A), Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping will retire by rotation from office at the AGM. Each of Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping will offer themselves for re-election as independent non-executive Directors.

Mr. Chu Yu Lin, David and Mr. Li Ka Fai, David have served as an independent non-executive Director for more than nine years since their appointments in May 1999 and December 2007 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. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping confirmations of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping 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. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping to be independent under the Listing Rules despite the fact that Mr. Chu Yu Lin, David and Mr. Li Ka Fai, David have served the Company for more than nine years.

When identifying suitable candidates for directorship, the nomination committee of the Company carries out the selection process by making reference to the skills, experience, background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

LETTER FROM THE BOARD

In considering the re-election of Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Director, the Board, with the assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to gender, age, cultural and ethnic background, professional qualification, skills, knowledge and length of service. The Board considers that Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping possess rich experience in their industries and are able to provide valuable advices in areas of accounting, finance, legal and/or business to the Company, thus contributing to better corporate governance of the Company. The Board is also of the view that during the tenure of Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Director, they have made positive contributions to the Company's strategy, policies and performance with their independent advice, comments, judgment from the perspective of their background coupled with their general understanding of business of the Group. They contribute to the diversity of the Board in age and cultural background.

Each of Mr. Chu Yu Lin, David and Mr. Zhang Ping has not acted as directors of seven or more listed companies. Mr. Li Ka Fai, David is currently holding directorships in more than seven listed companies. However, as an independent non-executive Director with significant business experience and professional background, the Board is satisfied that the Mr. Li Ka Fai, David will continue to bring valuable business experience, professional knowledge and insight to the Board and contribute to its efficient and effective functioning. Mr. Li Ka Fai, David had an excellent track record in attending the Company's meetings in the past and had consistently and proactively gave valuable and constructive advice to the Board. As such, the Board believes that Mr. Li Ka Fai, David will continue to be able to devote sufficient time to the business of the Board, notwithstanding the fact that he is currently holding directorships in more than seven listed companies. The Board believes that each of Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping can commit sufficient time to assume their director's duties.

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

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both days inclusive, during which period no transfer of shares will be registered. 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 Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 18 May 2020.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Repurchase Mandate, the General Mandate and the re-election of Directors, is set out in Appendix II on pages 12 to 17 of this circular.

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 i.e. Wednesday, 20 May 2020 at 11:00a.m. (Hong Kong time) or any adjournment thereof. 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 after the AGM.

8. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the General Mandate and re-election of 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
Lai Weixuan
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 9,303,374,783 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 930,337,478 Shares representing approximately 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 at the date immediately before and after such consolidation or subdivision shall be the same.

REASON FOR REPURCHASE

The Directors believe that the Repurchase Mandate 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 2019 in the event that the Repurchase Mandate 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 2019	0.28	0.216
May 2019	0.252	0.183
June 2019	0.194	0.176
July 2019	0.212	0.18
August 2019	0.184	0.155
September 2019	0.187	0.157
October 2019	0.187	0.164
November 2019	0.177	0.159
December 2019	0.175	0.159
January 2020	0.182	0.146
February 2020	0.163	0.146
March 2020	0.156	0.086
April 2020 (up to the Latest Practicable Date)	0.095	0.09

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 Mandate 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 Mandate is approved by the Shareholders.

TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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, Ltd ("AVIC"), the ultimate holding company of the Company, and its associates are interested in 4,316,900,390 Shares, representing approximately 46.40% of the issued share capital of the Company. Based on such shareholding and in the event that the Repurchase Mandate is exercised in full, the interests of AVIC and its associates will be increased to approximately 51.55% of the issued Shares. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate 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 Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors (the “**Directors**”) and the independent auditor’s report of the Company for the year ended 31 December 2019.
2.
 - (a) To re-elect Mr. Chu Yu Lin, David as independent non-executive Director;
 - (b) To re-elect Mr. Li Ka Fai, David as independent non-executive Director;
 - (c) To re-elect Mr. Zhang Ping as independent non-executive Director;
 - (d) To authorize the board (the “**Board**”) of Directors to fix the remuneration of the Directors.
3. To re-appoint Deloitte as the auditor of the Company and to authorize the Board to fix remuneration of the auditor.

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 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 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 the 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 during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and dispose of additional (i) 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 the 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 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 at such number of Shares 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 the limits in the said Resolution No. 4A.”

By order of the Board
AVIC International Holding (HK) Limited
Kwok Chi Ho
Company Secretary

Hong Kong, 16 April 2020

As at the date hereof, the Board comprises Mr. Lai Weixuan, Mr. Fu Fangxing, Mr. Zhang Zhibiao, Mr. Yu Xiaodong and Mr. Zhao Yang as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors.

Notes:

1. For the purposes of holding the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, 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 Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 18 May 2020.
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 i.e. Wednesday, 20 May 2020 at 11:00 a.m. (Hong Kong time) 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 are set out in Appendix III of the circular to shareholders of the Company dated 16 April 2020.
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 16 April 2020.
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. **Arrangements for coronavirus disease**

Taking into account of the recent development of the epidemic caused by coronavirus disease COVID-19, the Company will implement the following prevention and control measures at the AGM against the epidemic to protect the shareholders from the risk of infection:–

- (i) **Compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.**
- (ii) **Every shareholder or proxy is required to wear surgical face mask throughout the meeting.**
- (iii) **No refreshment will be served.**

Furthermore, the Company wishes to advise the shareholders, particularly shareholders who are subject to quarantine in relation to the coronavirus disease COVID-19, that they may appoint any person or the chairman of the AGM as a proxy to vote on the resolutions, instead of attending the AGM in person.

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

(a) Mr. Chu Yu Lin, David

Mr. Chu Yu Lin, David, JP, SBS, aged 76, has been an independent non-executive Director since May 1999. He is also a member and the chairman of the nomination committee, 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 main board of the Stock Exchange.

The Company has entered into service agreement with Mr. Chu. There is no length of service specified in the said service agreement. 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 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. Chu is entitled to receive a director's fee of HK\$360,000 annually.

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 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.

(b) Mr. Li Ka Fai, David

Mr. Li Ka Fai, David, aged 64, 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) till 31 December 2019 and thereafter, he is the senior advisor of SHINEWING (HK) CPA Limited. Mr. Li is also a fellow of the Association of Chartered Certified Accountants, UK. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited, Wai Yuen Tong Medicine Holdings Limited and CR Construction Group Holdings Limited, all being listed on the main board of the Stock Exchange.

The Company has entered into service agreement with Mr. Li. There is no length of service specified in the said service agreement. 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 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. Li is entitled to receive a director's fee of HK\$360,000 annually.

Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Li did not hold any directorship in other listed public companies in the last three years and 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 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. Zhang Ping

Mr. Zhang Ping, aged 55, has been an independent non-executive Director since May 2017. He is also a chairman and member of the nomination committee and the member of audit committee of the Company. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organized key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC International Holdings Limited, the issued Shares of which are listed on the main board of the Stock Exchange, until December 2014. He is currently an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司).

The Company has entered into a letter of appointment with Mr. Zhang for a term of three years. Mr. Zhang is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Zhang's emoluments consist of a director's fee determined in consideration of his duties, experience and responsibilities and are 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. Zhang annually amounts to HK\$280,000.

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

As at the Latest Practicable Date, Mr. Zhang did not have any interest in the Shares 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. Zhang 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.