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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 Joy Holdings (HK) Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee 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 Joy Holdings (HK) Limited

幸福控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

**MAJOR AND CONNECTED TRANSACTION INVOLVING THE
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
CRYSTAL CONCEPT INVESTMENTS LIMITED
AND
NOTICE OF GENERAL MEETING**

A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the GM to be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong, on Thursday, 12 September 2019 at 9:30 a.m. is set out on pages GM-1 to GM-2 of this circular. A form of proxy for use at the GM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you propose to attend the meeting, you are requested to read the notice of GM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish.

28 August 2019

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial information of the Group	I-1
Appendix II — General information	II-1
Notice of GM	GM-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 12 July 2019 in respect of the Disposal
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks in Hong Kong and the PRC are open for business
“BVI”	the British Virgin Islands
“Chengdu Sheng Yuan”	Chengdu Sheng Yuan Natural Gas Company Limited* (成都盛源天然氣有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Chengdu Sinogas”	Chengdu Sinogas Company Limited* (成都潔能環保科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Chuang Jie Ran Qi”	Chuang Jie Ran Qi (Chengdu) Company Limited* (創潔燃氣(成都)有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“close associates”	has the meaning ascribed to this term under the Listing Rules
“Company”	AVIC Joy Holdings (HK) Limited, a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Share Transfer Agreement
“Completion Date”	the date of the Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal pursuant to the Share Transfer Agreement
“Crystal Concept”	Crystal Concept Investments Limited, a company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of the Company

DEFINITIONS

“Debts”	the debts at the amount of RMB20,340,000 (equivalent to approximately HK\$23,188,000) owed by the Remaining Group to the Target Group as at 7 December 2018
“Director(s)”	the director(s) of the Company
“Disposal”	the conditional disposal of the Sale Shares by the Company to Favour King pursuant to the Share Transfer Agreement
“Favour King”	Favour King Holdings Limited, a company incorporated in Hong Kong with limited liability
“GM”	a general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Share Transfer Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 August 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2019, or such other date as agreed by the parties to the Share Transfer Agreement in writing
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Remaining Group”	the Group, excluding the Target Group
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	all issued shares of Crystal Concept, representing the entire issued share capital of Crystal Concept
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share Transfer Agreement”	the share transfer agreement dated 12 July 2019 entered into among the Company, Crystal Concept, Favour King and Winfield Innovations in respect of the Disposal
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Sichuan Sinogas”	Sichuan Sinogas Transportation Company Limited* (四川潔能運輸有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Crystal Concept and its subsidiary
“Winfield Innovations”	Winfield Innovations Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	percent

For the purpose of this circular, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.14 has been used, where applicable, for the purpose of illustration only and not constitute a representation that any amount have been, could have been or may be exchanged.

** For identification purpose only*

LETTER FROM THE BOARD



AVIC Joy Holdings (HK) Limited

幸福控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

Executive Directors:

Mr. GUAN Liqun (*Chairman and Chief Executive Officer*)
Mr. ZHANG Zhibiao
Ms. WANG Ying
Mr. MU Yan

*Registered office and
principal place of business:*
Room A02, 35/F
United Centre
No. 95 Queensway
Hong Kong

Independent non-executive Directors:

Mr. JIANG Ping
Ms. WU Rui
Mr. GUO Wei

28 August 2019

To the Shareholders

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION INVOLVING THE
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
CRYSTAL CONCEPT INVESTMENTS LIMITED
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. On 12 July 2019, the Company, Crystal Concept, Favour King and Winfield Innovations entered into the Share Transfer Agreement, pursuant to which, the Company conditionally agreed to sell and Favour King conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of Crystal Concept, at the Consideration of RMB35,840,000 (equivalent to approximately HK\$40,858,000).

The purpose of this circular is to provide you with, among other things, details of the Share Transfer Agreement and the transactions contemplated thereunder and a notice convening the GM.

LETTER FROM THE BOARD

THE SHARE TRANSFER AGREEMENT

The salient terms of the Share Transfer Agreement are set out as follows:

Date

12 July 2019

Parties

- (i) the Company;
- (ii) Crystal Concept;
- (iii) Favour King; and
- (iv) Winfield Innovations

Favour King is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the equity interest of Chengdu Sinogas (an indirect non-wholly owned subsidiary of the Company) is held as to 15% by Favour King. Hence, Favour King, as a substantial shareholder of Chengdu Sinogas, is a connected person of the Company at the subsidiary level.

Assets to be disposed of

Pursuant to the Share Transfer Agreement, the Company conditionally agreed to sell and Favour King conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of Crystal Concept, at the Consideration of RMB35,840,000 (equivalent to approximately HK\$40,858,000).

As at the Latest Practicable Date, Crystal Concept holds the entire issued share capital of Winfield Innovations, which in turn holds 70% equity interest of Chuang Jie Ran Qi and 70% equity interest of Chengdu Sinogas. Chengdu Sinogas holds 100% equity interest in Sichuan Sinogas, 55% equity interest in Chengdu Sheng Yuan and 30% equity interest in Chuang Jie Ran Qi.

Consideration and settlement terms

Pursuant to the Share Transfer Agreement, the Consideration of RMB35,840,000 (equivalent to approximately HK\$40,858,000) is payable in the following manner:

- (1) RMB2,200,000 (equivalent to approximately HK\$2,508,000), RMB4,000,000 (equivalent to approximately HK\$4,560,000) and RMB4,650,000 (equivalent to approximately HK\$5,301,000) (the “**Prepaid Consideration**”) were paid to the Company by Favour King on 10 December 2018, 11 December 2018 and 20 March 2019, respectively, pursuant to a non-legally binding letter of intent dated 7 December 2018 (the “**Letter of Intent**”) entered into among the Company, Winfield Innovations and Favour King in relation to the Disposal;

LETTER FROM THE BOARD

- (2) RMB20,340,000 (equivalent to approximately HK\$23,188,000) was satisfied by way of assumption of the obligations to repay the Debts by Favour King in replacement of the Remaining Group pursuant to the Letter of Intent and the Novation Agreement (as defined in the paragraph below); and
- (3) RMB4,650,000 (equivalent to approximately HK\$5,301,000) (being the balance of the Consideration) shall be payable by Favour King to the Company (or its nominated subsidiary) prior to the Completion Date.

As at 7 December 2018, the Debts owed by the Remaining Group to the Target Group amounted to RMB20,340,000 (equivalent to approximately HK\$23,188,000). As part of the settlement of the Consideration in relation to the Disposal, upon entering into the novation agreement (the “**Novation Agreement**”) among Shenzhen Sinogas Environmental Protection Technology Limited* (深圳中油潔能環保科技有限公司), an indirect wholly-owned subsidiary of the Company, the Target Group and Favour King on 7 December 2018, Favour King shall become the legal debtor to the Debts. The Remaining Group shall be released from all obligations and liabilities in respect of the Debts.

The Consideration has been arrived at after arm’s length negotiations between the Company and Favour King after taking into account, among other things, (i) the historical financial performance and conditions of the Target Group, especially that the four operating subsidiaries of the Target Group (i.e. Chengdu Sinogas, Chengdu Sheng Yuan, Chuang Jie Ran Qi and Sichuan Sinogas) (the “**Four Operating Subsidiaries**”) recorded a loss of RMB5,534,000, RMB9,800,000 and RMB3,637,000, respectively, for the three years ended 31 December 2016, 2017 and 2018, based on the management accounts of the Company; (ii) the appraised value of the Target Group as at 31 December 2018, which was approximately RMB35,727,000 based on a valuation report (the “**Valuation Report**”) issued by an independent professional valuer (the “**Valuer**”), China Alliance Appraisal Co., Ltd* (中同華資產評估有限公司), using the asset-based approach; and (iii) the balance of the Debts as at 7 December 2018 whereby Favour King has agreed to assume the obligations to repay such Debts in replacement of the Remaining Group.

It is understood by the Board from the Valuer that among the different valuation approaches, the selection of the valuation approach in valuing the Target Group is based on, among others, the quantity and quality of the information provided, accessibility to available data, availability of relevant market information, uniqueness of the Target Group’s business and the nature of the industry in which the Target Group involved. Given that (i) the market approach is not suitable due to the lack of relevant market information caused by the absence of a mature, active and open trading market in the PRC for the companies with similar business operations of the Target Group; (ii) the income approach is not suitable due to the unpredictability of the future business model and earning potential of the Target Company caused by the combined loss making results of the Target Group in the recent financial years, the increased price regulation by PRC government and the intensified competition in the gas market in the PRC; and (iii) the asset-based approach is a valuation approach based on the appropriate valuation of respective value of assets and

LETTER FROM THE BOARD

liabilities recorded, taking into account the available historical financial information recorded by the Target Group, the asset-based approach was considered to be the most appropriate and cost effective valuation approach and was adopted by the Valuer.

Key assumptions made in the Valuation Report include, among others, (i) the Target Group fully complies with all relevant laws and regulations and will continue to operate for the foreseeable future; (ii) there is no material change in the interest rates, exchange rates, taxation benchmarks and tax rates and the existing national laws, regulations, systems and social, political and economic policies; (iii) all key assets of the Target Group are functional and used according to the current usage scale and frequency; (iv) based on the existing management methods and management levels, there are no other unforeseen factors that have a significant detrimental impact on the Target Group; and (v) all documents and financial information provided by the Target Group and the Company are true, accurate and complete.

Based on the site inspection on the operation status of the Four Operating Subsidiaries carried out by the Directors, the internal analysis on the available historical financial information of the Target Group and the overall market conditions, the discussion with the Valuer and the review on the Valuation Report, the Directors are of the view that the assumptions made therein and the methodology adopted by the Valuer are fair and reasonable and are considered to be appropriate to fairly reflect the appraised value of the Target Group.

In light of the foregoing, in particular, (i) the combined loss making results of the Target Group in the recent financial years; (ii) the operating environment of the gas market in the PRC would remain difficult and the Directors do not foresee that the business of the Target Group could turnaround in the near future; and (iii) the appraised value of the Target Group as at 31 December 2018 conducted by the Valuer, the Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Agreement are fair and reasonable and the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Completion shall be conditional upon fulfillment of the following conditions:

- (1) the Company having obtained the Shareholders' approval at the GM in respect of the Share Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, and obtained all necessary approvals and consents from the relevant governmental and regulatory authorities required for the transactions contemplated under the Share Transfer Agreement;
- (2) in order to satisfy the condition (1) above, which includes completion of due diligence of the Disposal, preparation of all necessary announcement(s) and circular(s) by the Company, Favour King shall provide the Company with all information requested by the Company, including but not limited to the background information and the ultimate beneficial owner(s) of Favour King; and

LETTER FROM THE BOARD

- (3) prior to the Completion Date, RMB4,650,000 (equivalent to HK\$5,301,000) (being the balance of the Consideration) shall be paid by Favour King to the Company (or its nominated subsidiary).

None of the above conditions precedent can be waived by the Company or parties of the Disposal. In the event that the above conditions precedent cannot be fulfilled on or before the Long Stop Date, the Share Transfer Agreement shall be terminated automatically and be of no further effect save for certain clauses as specified under the Share Transfer Agreement. The Company shall return the Prepaid Consideration to Favour King within five (5) Business Days from the date of termination.

As at the Latest Practicable Date, save for condition (2) above which has been satisfied, the other conditions have not yet been fulfilled.

Completion

Completion shall take place after all the above-mentioned conditions precedent have been fulfilled, or such other date as the parties to the Share Transfer Agreement may agree in writing.

Upon Completion, the Company will cease to hold any interest in the companies comprising the Target Group and their financial results will no longer be consolidated into the financial statements of the Group.

INFORMATION ABOUT THE GROUP

The Company is a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 260). The principal business activities of the Group comprise (i) operation of compressed natural gas stations; (ii) provision of finance lease and loan services and property investment; and (iii) PPP Class 1 land development business in the PRC. The Group also manages and operates light-emitting diode energy management contracts through a 45% owned joint venture of the Company.

INFORMATION ABOUT FAVOUR KING

Favour King is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding.

As at the Latest Practicable Date, the equity interest of Chengdu Sinogas (an indirect non-wholly owned subsidiary of the Company) is held as to 15% by Favour King. Hence, Favour King, as a substantial shareholder of Chengdu Sinogas, is a connected person of the Company at the subsidiary level.

LETTER FROM THE BOARD

INFORMATION ABOUT THE TARGET GROUP

Crystal Concept

Crystal Concept is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company, and its principal activity is investment holding.

Winfield Innovations

Winfield Innovations is a limited liability company incorporated in Hong Kong and its principal activity is investment holding.

Chengdu Sinogas

Chengdu Sinogas is a company established in the PRC with limited liability and its principal business is the operation of compressed natural gas refueling stations in Sichuan Province of the PRC.

Chuang Jie Ran Qi

Chuang Jie Ran Qi is a company established in the PRC with limited liability and its principal business is the operation of compressed natural gas refueling stations in Sichuan Province of the PRC.

Chengdu Sheng Yuan

Chengdu Sheng Yuan is a company established in the PRC with limited liability and its principal business is the operation of compressed natural gas refueling stations in Sichuan Province of the PRC.

Sichuan Sinogas

Sichuan Sinogas is a company established in the PRC with limited liability and its principal business is natural gas transportation in Sichuan Province of the PRC.

As at the Latest Practicable Date, Crystal Concept holds the entire issued share capital of Winfield Innovations, which in turn holds 70% equity interest of Chuang Jie Ran Qi and 70% equity interest of Chengdu Sinogas. Chengdu Sinogas holds 100% equity interest in Sichuan Sinogas, 55% equity interest in Chengdu Sheng Yuan and 30% equity interest in Chuang Jie Ran Qi.

LETTER FROM THE BOARD

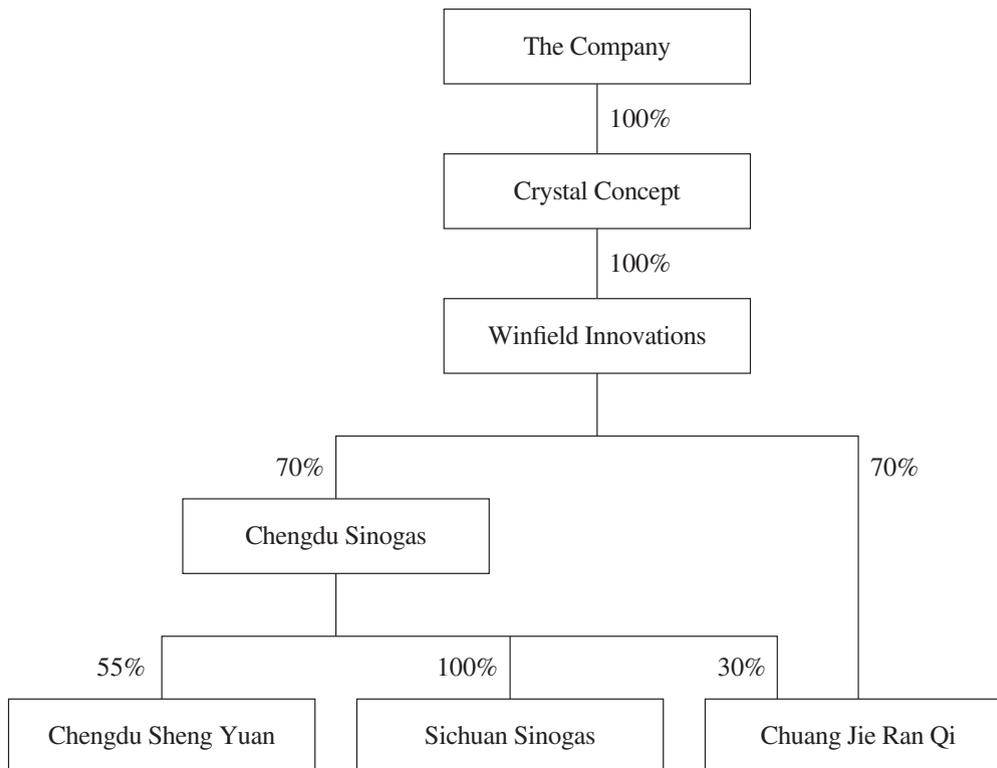
Set out below is the summary of the unaudited financial information of the Target Group for each of the two years ended 31 December 2017 and 2018 prepared according to Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	(19,519)	(3,276)
Net loss after taxation	(19,603)	(4,355)

As at 31 December 2018, the Target Group had unaudited consolidated net asset value of approximately HK\$38,558,000.

GROUP STRUCTURE

Set out below is the extract of the Group's structure as at the Latest Practicable Date illustrating the companies comprising the Target Group to be disposed of pursuant to the Share Transfer Agreement:



Note: Crystal Concept is the subject of the Disposal.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to have any interests in each member of the Target Group. As such, Crystal Concept and its subsidiaries shall cease to be subsidiaries of the Company, their respective financial results and conditions will also be deconsolidated from the consolidated accounts of the Company.

Upon Completion, the Company expects to record a gain on the Disposal of approximately HK\$4,912,000, being the Consideration deducted by, among others, the amount of the goodwill of the Target Group, the unaudited net asset value of the Target Group as at 31 May 2019, the professional fees and other relevant expenses.

The Company expects that the Group will realise an estimated gain of approximately HK\$4,912,000 on the Disposal. The estimated gain on the Disposal is calculated by comparing the estimated net proceeds (after deduction of professional fees and other relevant expenses) of the Disposal of approximately RMB15,219,000 (equivalent to approximately HK\$17,350,000) and the novation of Debts of approximately RMB20,340,000 (equivalent to approximately HK\$23,188,000) against (i) the combined net asset value of the Target Group in aggregate of approximately HK\$37,188,000 as at 31 May 2019; (ii) the transfer of the Debts from the Remaining Group to Favour King; and (iii) the derecognition of goodwill of the Target Group of approximately HK\$7,229,000.

As the Four Operating Subsidiaries have been loss making for the three years ended 31 December 2016, 2017 and 2018, and the Board does not expect its business to turnaround in the near future. Notwithstanding that the turnover of the Group will decrease upon Completion, the Disposal can loss and avoid further deficit to the Company. It is expected that the Group's earnings will improve as a result of the Disposal. The Disposal will also result in a decrease in total assets and total liabilities of the Group by approximately HK\$40,282,000 and HK\$36,766,000 respectively, whereas the net asset value of the Group is expected to decrease by approximately HK\$3,516,000 upon Completion.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain/loss eventually to be recognised in the consolidated financial statements of the Company, depends on, among other things, the consolidated net asset value of each member of the Target Group on the Completion Date and the review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Group is principally engaged in the operation of compressed natural gas vehicle refueling stations in Sichuan Province, the PRC. Given the increased public awareness on environmental issues and the PRC government's promotion on the use of electric vehicles, traditional gas consuming vehicles have been gradually replaced by electric vehicles. As a result, the popularization of electric vehicles has gradually reduced the demand of gas in the PRC market, the competition in gas market of PRC is increasingly intensified.

LETTER FROM THE BOARD

As the Four Operating Subsidiaries are principally engaged in the operation of compressed natural gas refueling stations in Sichuan Province of the PRC, the overall decreasing trend of gas demands in the PRC market has inevitably affected the operations of the Target Group, and according to the management accounts of the Company, for the three years ended 31 December 2016, 2017 and 2018, the Four Operating Subsidiaries in aggregate recorded a loss of RMB5,534,000, RMB9,800,000 and RMB3,637,000, respectively.

Having considered (i) the intensified competition in the gas market in the PRC; (ii) the combined loss making results of the Target Group in the recent financial years; and (iii) the Consideration represents a premium over the net asset value of the Target Group as at 31 May 2019, the Board is of the view that the Disposal is a good opportunity for the Company to realise a gain on the Disposal and enable the Group to reduce its liabilities and alleviate its financial position and/or reallocate the financial resources to other existing businesses of the Group. The Company is expected to receive net proceeds (after deduction of professional fees and other related expenses) of approximately RMB15,219,000 (equivalent to approximately HK\$17,350,000) from the Disposal and intends to apply the net proceeds as the general working capital of the Group.

In light of the foregoing, the Board is of the view that the terms of the Share Transfer Agreement are fair and reasonable, on normal commercial terms and the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the Disposal is/are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the equity interest of Chengdu Sinogas (an indirect non-wholly owned subsidiary of the Company) is held as to 15% by Favour King. Hence, Favour King, as a substantial shareholder of Chengdu Sinogas, is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Share Transfer Agreement and the Disposal, and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Share Transfer Agreement and the Disposal are fair and reasonable, and that although the Disposal as contemplated under the Share Transfer Agreement is not in the ordinary and usual course of business of the Group, it is on normal commercial terms or better terms and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

GM

A notice convening the GM to be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong, on Thursday, 12 September 2019 at 9:30 a.m. is set out on pages GM-1 to GM-2 in this circular. Ordinary resolution(s) will be proposed at the GM for the purpose of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder. The voting on ordinary resolution(s) to be proposed at the GM will be taken by way of poll and an announcement will be made by the Company after the GM on the result of the GM with respect to whether or not the proposed ordinary resolution(s) have been passed by the Shareholders.

A form of proxy for use by the Shareholders at the GM is enclosed with this circular. Whether or not you are able to attend the GM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same to the share registrar of the Company, Tricor Tengis Limited at Level 54, 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 GM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM or any adjournment thereof should you so wish.

No Director has a material interest in the Disposal and the transactions contemplated thereunder. No Shareholder has a material interest in the Disposal and the transactions contemplated thereunder. Hence, none of the Shareholders is required to abstain from voting at the GM for the approval of the Share Transfer Agreement and the Disposal.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Hence, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the GM.

ADDITIONAL INFORMATION

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

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

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 have been contained in the annual reports of the Company, all of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.avicjoyhk.com) as follows:

- (i) the financial information of the Group for the year ended 31 December 2018 is disclosed in the annual report of the Company for the year ended 31 December 2018 published on 18 April 2019, from pages 41 to 144 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0418/ltn201904181002.pdf>);
- (ii) the financial information of the Group for the year ended 31 December 2017 is disclosed in the annual report of the Company for the year ended 31 December 2017 published on 25 April 2018, from pages 59 to 194 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0425/ltn20180425599.pdf>); and
- (iii) the financial information of the Group for the year ended 31 December 2016 is disclosed in the annual report of the Company for the year ended 31 December 2016 published on 13 April 2017, from pages 43 to 188 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0413/ltn20170413733.pdf>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 June 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total indebtedness of the Group amounted to approximately HK\$2,581.2 million which comprised bank loans of approximately HK\$1,508.9 million, unsecured other loans of approximately HK\$112.0 million and unsecured loans from related companies and non-controlling shareholders of approximately HK\$960.3 million. The Group's bank facilities were secured by pledges of the Group's properties, plant and machinery and finance lease receivables.

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 30 June 2019, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance creditors, guarantees, or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

4. WORKING CAPITAL

After taking into account the financial resources and banking facilities available to the Group and its internally generated funds, the Directors are of the opinion that the Group has sufficient working capital for its present requirement for at least the next twelve months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS

The principal business activities of the Group comprise (i) operation of compressed natural gas stations; (ii) provision of finance lease and loan services and property investment; and (iii) PPP class 1 land development business in the PRC. The Group also manages and operates light-emitting diode energy management contracts through a 45% owned joint venture of the Company.

Chengdu Sinogas, Chengdu Sheng Yuan and Chuang Jie Ran Qi are principally engaged in the operation of compressed natural gas vehicle refueling stations in Sichuan Province of the PRC. Sichuan Sinogas is principally engaged in gas transportation in Sichuan Province of the PRC.

Upon Completion, the Group will continue to principally engage in the provision of finance lease and loan services, properties investments and PPP class 1 land development business.

PPP class 1 land development business

The land development business in Fuqing City, Fujian Province of the PRC comprise class 1 land development of New Central Coastal City (中部濱海新城) (the “**Project Land**”) and the construction of Ronggang Boulevard (融港大道) (collectively referred to as the “**Project**”). The Project Land is located within the vicinity of Fuqing City Central Baigeshanken District (福清市中部白鶴山墾區) of approximately 7,300 mu, with an aggregate developable commercial and residential land of approximately 3,990 mu. In order to have more control of the development of the Project Land, the Company has completed the restructuring plan that the main operational management of AVIC International (Fujian) Industrial Co., Ltd. (“**AVIC Fujian**”), a subsidiary of the Company to operate the Project, has been appointed by the Company to monitor the Project directly and to develop business strategy, so that the Company could improve the efficiency of the development of the Project Land.

The Group’s business in Fuqing City, Fujian Province did not record sales revenue for the year ended 31 December 2018 (2017: approximately HK\$79.7 million). The revenue record in 2017 was mainly derived from sales of construction materials which was an one-off transaction to sell all scrap construction materials generated from the land development business in 2017, while the Group suspended the business of sales of construction materials to effectively prevent business risks due to the low gross profit margin.

The loss of this segment increased to approximately HK\$464.5 million for the year ended 31 December 2018 (2017: approximately HK\$57.8 million), mainly due to the impairment of intangible assets during the year.

The contract for service cost of approximately HK\$289.9 million, the intangible asset of approximately HK\$540.1 million, and the trade and other receivable and prepayments of approximately HK\$131.3 million constituted the major assets of this segment as at 31 December 2018. Interest-bearing bank loan(s) of approximately HK\$280.4 million constituted major liabilities of this segment as at 31 December 2018.

Reference is made to note 18 to the financial statements of the annual report of the Company for the year ended 31 December 2018 published on 18 April 2019 in relation to the dispute of the execution of the master investment and construction co-operation agreement (the “**MICCA**”) entered into between AVIC Fujian and Fuqing City Municipal Government (the “**Fuqing Government**”). In relation to the appeal filing made by the Group in May 2018 (the “**Appeal**”) to the Intermediate People’s Court of Putian Municipality (莆田市中級人民法院) (the “**Putian Court**”), there was one hearing in May 2019 where the parties delivered evidence and provided statements to the Putian Court. Taking into account of the possible outcome of the appeal and the estimated shorten period of the Project due to the delay of the Project, the Group has already recognised an impairment of HK\$423,816,000 in the consolidated statement of profit or loss for the year ended 31 December 2018, and based on a preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2019, the Company is of a view that there is no continues financial impact on the Group in relation to the said legal proceeding. As at the Latest Practicable Date, the land development business is still suspended, and the legal proceeding has not yet come up with final conclusion and there is no specific timeline for the resolution of such legal proceeding. The main operational management of the Company will continue to communicate with the PRC government for restarting and promoting the land development business. The Company will make additional disclosures, including other possible impact of the legal proceeding on the Company’s operations, in accordance with the requirements of the Listing Rules where appropriate.

Finance lease and loan services and property investment

The Group’s finance lease and loan services and properties investment segment recorded a total revenue of approximately HK\$11.1 million for the year ended 31 December 2018 (2017: approximately HK\$16.8 million), representing a decrease of 34% as a result of the decrease of interest income.

Guangdong Zi Yu Tai Finance Leasing Co. Ltd. (廣東資雨泰融資租賃有限公司) (“**Guangdong Zi Yu Tai**”), the Group’s finance leasing subsidiary, has 20 employees who are keen on exploring business opportunities. In 2018, it started negotiations with various sizeable state-owned enterprises/entities and high-quality public hospitals in the PRC in exploring potential cooperation in the finance lease business. During the first half of 2019, Guangdong Zi Yu Tai has entered into finance lease arrangements with two PRC public hospitals. There are two types of finance lease arrangements provided by the Group, namely direct-lease arrangement and equipment leaseback arrangement. The finance lease

arrangements generally cover various types of underlying equipment according to the specific needs of the customers. While high-quality public hospitals in the PRC are the major types of the target customers under the finance lease business segment, other sizeable state-owned enterprises/entities will also be considered. Save as disclosed above, the Group does not provide any other loan services during the years. Guangdong Zi Yu Tai is in the course of negotiating for various new finance lease projects located in Sichuan Province, Guangdong Province, Guizhou Province, Shenzhen and Shanghai of the PRC, which can reflect the potential market coverage of the Group in the finance lease market. The Company will continue to support the aforesaid cooperation in the future. Based on the positive business prospect, the Group will strive to expand the finance leasing market for other business sectors and value-added customers.

During the year ended 31 December 2018, the Group's commercial property in Shanghai has not been leased out as the Group is still in the process of formulating plans based on market conditions, including but not limited to leasing the property or realising the property at an enhanced capital value. The loss of this segment increased to approximately HK\$333.0 million during the year ended 31 December 2018 (2017: approximately HK\$96.3 million), mainly due to fair value loss on investment properties during the year ended 31 December 2018.

The finance lease receivables, prepayments, cash and bank balance of approximately HK\$122.4 million constituted the major assets of the finance lease and loan services segment as at 31 December 2018. As the Company's finance lease and loan services segment is mainly financed by bank borrowings, the interest-bearing bank loan(s) of approximately HK\$89.8 million constituted major liabilities of the finance lease and loan services segment as at 31 December 2018.

The investment properties' fair value of approximately HK\$1,707.3 million constituted the major assets of the properties investment segment as at 31 December 2018. The interest-bearing bank loan(s)/mortgage of approximately HK\$1,173.0 million and loan from related company of approximately HK\$55.0 million constituted major liabilities of the property investment segment as at 31 December 2018.

With the steady promotion of the national policies as supply-side reform, "Belt and Road Initiatives" and "Made in China 2025", the finance lease industry will embrace huge development potential in the future. Benefiting from favorable conditions brought by economic structure transformation, consumption upgrading and the development of the free trade zone, business such as rental of automobile, airplane and medical is expected to enjoy rapid growth. In view of such good business prospect, the Group will be dedicated to other business segments and value-added customers in a bid to expand the market of finance lease market and focus on the promotion of the development of the business of medical device financing and leasing. The Group will continue to search for suitable investment opportunities and look for more effective ways to deploy its resources.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

(i) Long positions in the Shares

Name of Director	Capacity in which interests are held	Number of Shares held	Approximate percentage of the Company's share capital (Note [#])
Guan Liqun	Beneficial owner	6,170,000	0.10%

[#] Number of total issued Shares as at the Latest Practicable Date is 5,943,745,741 Shares.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and the chief executives of the Company had registered an interest or a short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' Interest

As at the Latest Practicable Date, so far as is known to any Directors or the chief executive of the Company, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Long/short position	Capacity and nature of interest	Number of ordinary Shares held	Percentage of the Company's issued Shares
Billirich Investment Limited (“ Billirich ”) <i>(Note 1)</i>	Long	Beneficial owner	1,031,595,000	17.36%
AVIC International Holding (HK) Limited (“ AVIC Int'l (HK) ”) <i>(Note 1)</i>	Long	Interest of controlled corporation	1,031,595,000	17.36%
Tacko International Limited <i>(Note 1)</i>	Long	Interest of controlled corporation	1,031,595,000	17.36%
AVIC International (HK) Group Limited <i>(Note 1)</i>	Long	Beneficial owner and interest of controlled corporation	1,535,618,891	25.84%
AVIC Joy Air Holdings Limited <i>(Note 2)</i>	Long	Beneficial owner	60,810,000	1.02%
AVIC Joy Air (HK) Group Limited <i>(Note 2)</i>	Long	Interest of controlled corporation	60,810,000	1.02%
幸福航空控股有限公司 <i>(Note 2)</i>	Long	Interest of controlled corporation	60,810,000	1.02%
AVIC International Holding Corporation <i>(Notes 1 & 2)</i>	Long	Interest of controlled corporation	1,596,428,891	26.86%
Aviation Industry Corporation of China, Ltd. (“ AVIC ”) <i>(Notes 1 & 2)</i>	Long	Interest of controlled corporation	1,596,428,891	26.86%
Grand Win Overseas Ltd. (“ Grand Win ”) <i>(Note 3)</i>	Long	Beneficial owner	313,965,000	5.28%

Name	Long/short position	Capacity and nature of interest	Number of ordinary Shares held	Percentage of the Company's issued Shares
Sun Shining Investment Corp. (Note 3)	Long	Interest of controlled corporation	313,965,000	5.28%
Tai Yuen Textile Company Ltd. (Note 3)	Long	Interest of controlled corporation	313,965,000	5.28%

Notes:

- (1) Billirich is a wholly-owned subsidiary of AVIC Int'l (HK). Tacko International Limited, together with its wholly-owned subsidiary, hold in aggregate approximately 20.37% of the issued share capital of AVIC Int'l (HK). Tacko International Limited is a wholly-owned subsidiary of AVIC International (HK) Group Limited, which in turn is a wholly-owned subsidiary of AVIC International Holding Corporation. AVIC International Holding Corporation is a 76.82% owned subsidiary of AVIC. Accordingly, all these corporations are deemed to be interested in the Shares held by Billirich.
- (2) AVIC Joy Air Holdings Limited is a wholly-owned subsidiary of AVIC Joy Air (HK) Group Limited, which in turn is a wholly-owned subsidiary of 幸福航空控股有限公司. 幸福航空控股有限公司 is owned as to approximately 57.14% by AVIC and as to approximately 42.86% by AVIC International Holding Corporation, which is a 76.82% owned subsidiary of AVIC. Accordingly, all these corporations are deemed to be interested in the Shares held by AVIC Joy Air Holdings Limited.
- (3) Grand Win is a wholly-owned subsidiary of Sun Shining Investment Corp. Tai Yuen Textile Company Ltd. beneficially owns 82.85% equity interest in Sun Shining Investment Corp. and therefore, these corporations are deemed to be interested in the Shares held by Grand Win.

Save as disclosed above, as at the Latest Practicable Date, so far as known to any Director or the chief executive of the Company, no other person (other than the Directors or the chief executives of the Company) had an interest or short position in the Shares or underlying shares of the Company which were recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' COMPETING INTEREST

As at the Latest Practicable Date, as far as the Directors are aware, none of the Directors nor their respective close associates is and was interested in any business which competes or may compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any asset which has since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the latest Practicable Date, no Director had a material interest, either directly or indirectly, in any subsisting contract or arrangement of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

- (i) an equity transfer agreement dated 10 October 2017 entered into among the Company, Sino Bloom Investments Limited (華輝投資有限公司) (“**Sino Bloom**”) and 南京德宸天宏新能源科技有限公司 (Nanjing De Chen Tianhong New Energy Technology Co., Ltd) (“**Nanjing De Chen**”), pursuant to which the Company conditionally agreed to procure Sino Bloom to sell and Nanjing De Chen conditionally agreed to purchase the entire equity interest in 安徽中油潔能燃氣有限公司 (Anhui Sinogas Company Limited) for the consideration of RMB32,684,649.54, as disclosed in the Company’s announcement dated 10 October 2017;

- (ii) an underwriting agreement dated 6 November 2017 entered into between the Company and Shun Heng Securities Limited, in relation to the underwriting arrangement in respect of the proposed issue of shares by way of open offer to the qualifying shareholders of the Company, which was terminated on 18 December 2017, as disclosed in the announcements of the Company dated 6 November 2017, 29 November 2017, 6 December 2017 and 18 December 2017;
- (iii) a loan agreement entered into between the Company and CATIC International Finance Limited (“**CATIC International**”), pursuant to which CATIC International agreed to provide the Company with an unsecured facility in the amount of RMB12,530,000 until 11 January 2019, as disclosed in the Company’s announcement dated 15 January 2018;
- (iv) a loan agreement entered into between the Company and CATIC International, pursuant to which CATIC International agreed to provide the Company with an unsecured facility in the amount of RMB52,293,630.72 until 4 November 2018, as disclosed in the Company’s announcement dated 5 March 2018;
- (v) an equity transfer agreement dated 11 April 2018 entered into among the Company, Jetco Innovations Limited (“**Jetco Innovations**”), 山東中油潔能天然氣有限公司 (Shandong Sinogas Company Limited) (“**Shandong Sinogas**”) and 山東瑞邦工程技術有限公司 (Shandong Rui Bang Technology Engineering Co., Ltd) (“**Shandong Rui Bang**”), pursuant to which the Company conditionally agreed to sell or procure its subsidiaries to sell and Shandong Rui Bang conditionally agreed to purchase (i) 100% of the issued share capital in Jetco Innovations, which held 50% of the equity interest in Shandong Sinogas; (ii) 50% of the equity interest in Shandong Sinogas held by Shenzhen Sinogas; and (iii) the debt for the consideration of RMB25,500,000, as disclosed in the Company’s announcement dated 11 April 2018;
- (vi) a deed of replacement dated 12 October 2018 entered into between Ontex Enterprises Limited (“**Ontex**”) and Kingfun Investment Limited (“**Kingfun**”), pursuant to which Kingfun issued a promissory note with a principal amount of HK\$89,000,000 to Ontex in replacement of the 2.15% promissory note in the principal amount of HK\$89,000,000 issued by Kingfun to Ontex due on 15 June 2018, as disclosed in the Company’s announcement dated 12 October 2018;
- (vii) an equity transfer agreement dated 25 October 2018 entered into among the Company, Winfield Innovations, 成都通能壓縮天然氣有限公司 (Chengdu Tongneng Compressed Natural Gas Company Limited) (“**Chengdu Tongneng**”) and 中油潔能(成都)環保科技有限公司 (Sinogas Chengdu Company Limited) (“**Sinogas Chengdu**”), pursuant to which Winfield Innovations has conditionally agreed to sell and Chengdu Tongneng has conditionally agreed to purchase, 52.51% of equity interest in Sinogas Chengdu and the debt for the consideration of RMB34,000,000, as disclosed in the Company’s announcement dated 25 October 2018;

- (viii) a share transfer agreement dated 15 November 2018 entered into among the Company, Dynamic Spring Limited (“**Dynamic Spring**”), Lucky Success Group Limited (“**Lucky Success**”) and Sino Gas Group Hong Kong Limited (中油潔能集團香港有限公司) (“**Sinogas Hong Kong**”), pursuant to which, (i) the Company conditionally agreed to sell and Dynamic Spring conditionally agreed to purchase the entire issued share capital of each of Sinogas Hong Kong and Lucky Success (collectively, the “**Target Companies**”), at the consideration of RMB14,000,000; and (ii) the debts owed by the Group to the subsidiaries of the Target Companies in the aggregate amount of RMB1,340,987.49 shall be waived, as disclosed in the Company’s announcement dated 15 November 2018;
- (ix) the transfer agreement dated 17 April 2019 entered into between Guangdong Zi Yu Tai and The People’s Hospital of Jizhou District, Tianjin (天津市薊州區人民醫院) (“**Tianjin Jizhou Hospital**”), pursuant to which Guangdong Zi Yu Tai agreed to purchase certain medical equipment and apparatus (the “**Equipment**”) from Tianjin Jizhou Hospital, at the consideration of RMB50,000,000, as disclosed in the Company’s announcement dated 17 April 2019;
- (x) the finance lease agreement dated 17 April 2019 entered into between Tianjin Jizhou Hospital and Guangdong Zi Yu Tai, pursuant to which Guangdong Zi Yu Tai agreed to lease back the Equipment to Tianjin Jizhou Hospital for a term of 3 years, to be payable in 12 quarterly installments, at a total lease payment in the amount of approximately RMB57,959,675.52, as disclosed in the Company’s announcement dated 17 April 2019; and
- (xi) the Share Transfer Agreement.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Ng Yu Ho, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office and the principal place of business of the Company is at Room A02, 35/F., United Centre, 95 Queensway, Hong Kong.
- (c) The share registrar of the Company is Tricor Tengis Limited.
- (d) The English text of this circular shall prevail over its respective Chinese text for the purpose of interpretation.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Room A02, 35/F., United Centre, 95 Queensway, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including the date of the GM:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2016, 2017 and 2018;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) a copy of each circular of the Company issued pursuant to Chapter 14 and/or Chapter 14A of the Listing Rules since the latest published audited accounts of the Company; and
- (e) this circular.



AVIC Joy Holdings (HK) Limited

幸福控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the general meeting (the “GM”) of AVIC Joy Holdings (HK) Limited (the “Company”) will be held at Unit 1804A, 18/F., Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 12 September 2019 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the share transfer agreement dated 12 July 2019 (the “**Share Transfer Agreement**”) entered into among the Company, Crystal Concept Investments Limited, Favour King Holdings Limited and Winfield Innovations Limited, in relation to the disposal of the entire issued share capital of Crystal Concept Investments Limited (a copy of the Share Transfer Agreement marked “A” and signed by the chairman of the GM for identification purpose having been produced to the GM), and the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised to do all such acts and things and execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or to give effect to any or all transactions contemplated under the Share Transfer Agreement.”

By order of the Board

AVIC Joy Holdings (HK) Limited

GUAN Liqun

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 28 August 2019

NOTICE OF GM

Registered office and principal place of business:

Room A02, 35/F., United Centre, 95 Queensway, Hong Kong.

Notes:

1. A member entitled to attend and vote at the GM is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the GM to represent the member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In the case of joint holders of a share of the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the share of the Company.
3. A form of proxy for use at the GM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, with the Company at the share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the GM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the GM or any adjournment thereof, should he so wish.
4. To ascertain the entitlements to attend and vote at the GM, members must lodge the relevant transfer document(s) and share certificates with the share registrar of the Company no later than 4:30 p.m. on Friday, 6 September 2019 for registration.
5. Any vote of members (attending in person or by proxy) at the GM shall be taken by poll.

As at the date of this notice, the Board comprises Mr. GUAN Liqun (Chairman and Chief Executive Officer), Mr. ZHANG Zhibiao, Ms. WANG Ying and Ms. MU Yan as executive Directors; Mr. JIANG Ping, Ms. WU Rui and Mr. GUO Wei as independent non-executive Directors.