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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This is a voluntary announcement made by AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest development in the management and operation of light-emitting diode (“**LED**”) energy management contracts (“**EMC**”) business of the Group.

A. LEGAL DISPUTES INVOLVING ZI YU TAI AND AVIC TIANXU

Guangdong Zi Yu Tai Finance Leasing Company* (廣東資雨泰融資租賃有限公司) (“**Zi Yu Tai**”), an indirect wholly-owned subsidiary of the Company, has filed two property preservation applications in respect of a claim relating to a default payment of approximately RMB19,000,000 in total against Guangdong AVIC Tianxu Hengyuan Energy Saving Technology Company Limited* (廣東中航天旭恒源節能科技有限公司) (“**AVIC Tianxu**”), a subsidiary of Jia Lian International Limited (“**Jia Lian**”), a joint venture of the Company, in the People’s Court of Yuexiu District, Guangzhou City, Guangdong Province* (廣東省廣州市越秀區人民法院) (the “**Yuexiu Court**”) on 9 September 2022.

Pursuant to the civil judgements* (民事裁定書) dated 28 September 2022 and 21 November 2022 respectively, the Yuexiu Court has officially accepted Zi Yu Tai’s property preservation applications and has sealed, frozen and detained the property of AVIC Tianxu in the total amount of approximately RMB19,000,000.

As at the date of this announcement, the legal proceedings are still in progress. The Company will make further announcement(s) in relation to the litigation proceedings as and when appropriate pursuant to the relevant requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

B. LEGAL DISPUTE INVOLVING TONGDA AND JIA LIAN

Tongda Environmental Technology Limited (“**Tongda**”), a direct wholly-owned subsidiary of the Company, has issued a writ of summons indorsed with a statement of claim (the “**Statement of Claim I**”) against Jia Lian, in the High Court of the Hong Kong Special Administrative Region (“**High Court**”) for breach of the loan agreement entered into between Tongda and Jia Lian on 30 September 2015 (the “**Loan Agreement I**”) by, *inter alia*, failing to repay the loan together with the interest stated therein.

In the Statement of Claim I, the orders sought by Tongda against Jia Lian are as follows:

- (1) payment of the sum of HK\$30,114,065.03;
- (2) interest on the principal sum of HK\$23,473,801.70 at the rate of 4% per annum pursuant to the Loan Agreement I from 25 October 2022 to the date of judgment;
- (3) costs; and
- (4) further and/or other relief.

As at the date of this announcement, the legal proceeding is still in progress. The Company will make further announcement(s) in relation to the litigation proceeding as and when appropriate pursuant to the relevant requirements of the Listing Rules.

C. LEGAL DISPUTE INVOLVING JIA LIAN AND THE COMPANY

On 14 February 2023, the Company received a writ of summons indorsed with a statement of claim (the “**Statement of Claim II**”) filed with the High Court issued by Jia Lian, in relation to an alleged breach of the loan agreement entered into between Jia Lian and the Company on 13 October 2016 (the “**Loan Agreement II**”) by, *inter alia*, failing to repay the loan together with the interest stated therein.

In the Statement of Claim II, the orders sought by Jia Lian against the Company are as follows:

- (1) the loan of HK\$11,527,776 pursuant to the Loan Agreement II;
- (2) interest accrued at the rate of 6% per annum pursuant to the Loan Agreement II from the date of advancement (i.e. 14 October 2016) to the date of judgment;
- (3) further reliefs; and
- (4) costs.

The Company is in the course of seeking legal advice in relation to the legal proceeding and would defend its position. The Company will keep the Shareholders and potential investors of the Company informed of any further material development in relation to the legal proceeding by way of announcement(s) as and when appropriate.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Company's shares or other securities of the Company.

By order of the Board
AVIC Joy Holdings (HK) Limited
CHANG Chien
Chairman and Executive Director

Hong Kong, 24 February 2023

As at the date of this announcement, the board of Directors comprises:

Executive Directors

Mr. Chang Chien (Chairman), Mr. Lam Toi Man and Mr. Zhu Chengye

Independent Non-Executive Directors

Mr. To Chun Kei, Mr. Lok Tze Bong and Mr. Cheung Ting Pong

* *For identification purposes only*