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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)**

**(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING;  
AND  
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference are made to (i) the announcements of the Company dated 7 September 2022, 9 September 2022, 19 September 2022, 17 November 2022 and 28 November 2022, respectively, in relation to, among others, the decision of the Listing Committee to suspend trading in the shares of the Company; (ii) the announcements of the Company dated 5 December 2022 and 4 April 2023, respectively, in relation to, among others, the Resumption Guidance; (iii) the announcement of the Company dated 24 February 2023 in relation to the development regarding the LED Business; (iv) the announcements of the Company dated 28 February 2023, 25 May 2023, 24 August 2023, 27 November 2023 and 28 February 2024 (the “**Quarterly Update Announcements**”), respectively, in relation to the quarterly update on suspension of trading; (v) the announcements of the Company dated 29 March 2023, 14 April 2023, 10 October 2023 and 8 April 2024, respectively, in relation to, among others, the delay in publication of the annual results of the Group for the years ended 31 December 2022 and 2023, respectively (collectively, the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

## UPDATE ON BUSINESS OPERATIONS

The Group is principally engaged in the (i) management and operation of light-emitting diode energy management contracts (i.e. LED EMC); (ii) supply and installation service for LED products; (iii) provision of finance lease and loan services and property investment; (iv) provision of land development services; and (v) the trading of gas and petroleum products.

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company that, as at the date of this announcement, the latest development of the Company are as follows:

### Disposal

On 28 May 2024, the Company, Tongda Environmental Technology Limited (“**Tongda Environmental**”), a wholly-owned subsidiary of the Company and Supreme Mode Limited (the “**Purchaser**”) have entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which, among others, (i) Tongda Environmental has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase 450 shares of Jia Lian International Limited (“**Jia Lian International**”); (ii) the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the 1 share of Excellent Top, representing the entire equity interests of Excellent Top; (iii) the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase any indebtedness, accounts receivable or obligations owing by Jia Lian International and its subsidiaries (the “**Jia Lian Group**”) to the Company and Zi Yu Tai; and (iv) Tongda Environmental has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase any indebtedness, accounts receivable or obligations owing by Jia Lian International to Tongda Environmental, by a total consideration of HK\$28,000,000 (the “**Disposal**”). As the highest applicable percentage ratio in respect of the Disposal under Rule 14.07 of the Listing Rules exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in relation to the Disposal as and when appropriate.

### Land Development Business

As disclosed in the Quarterly Update Announcements and the announcement of the Company dated 31 January 2023, AVIC International (Fujian) Industrial Co., Ltd.\* (中航國際(福建)實業有限公司) (“**AVIC Fujian**”), an indirect subsidiary of the Company, had received an Administrative Judgment\* (行政判決書) from the High People’s Court of Fujian Province\* (福建省高級人民法院) dated 30 May 2022.

As at the date of this announcement, the Company is still seeking legal advice in respect of the Administrative Judgement and appropriate actions will be taken if so advised. If there is further progress, the Company will make further announcement as soon as reasonably practicable.

## LED Business

### *(1) Legal disputes involving Zi Yu Tai and AVIC Tianxu*

As stated in the Quarterly Update Announcements, on 31 March 2023, AVIC Tianxu filed an appeal to the Intermediate People’s Court of Guangzhou City, Guangzhou Province\* (廣東省廣州市中級人民法院) (the “**Intermediate People’s Court**”), pursuant to which AVIC Tianxu requested the Intermediate People’s Court to (i) revoke the March Judgment and reject the counterclaim of Zi Yu Tai; and (ii) order Zi Yu Tai to bear the litigation costs of the first and second instance.

In respect of the arrears of RMB15,620,000, the Intermediate People’s Court dismissed the appeal on 29 June 2023 and the original judgment was upheld. On 11 July 2023, the Yuexiu Court issued the notification of acceptance of application of case\* (受理申請執行案件通知書) to Zi Yu Tai to commence the enforcement process.

In respect of the arrears of RMB4,200,000, the Intermediate People’s Court ruled that part of the original judgment be upheld, in particular, AVIC Tianxu shall repay Zi Yu Tai for the arrears of RMB4,200,000 and the liquidated damages for the period from 28 April 2020 to the date of actual repayment of default, which shall be calculated on the basis of 30% above the prevailing loan prime rate (貸款市場報價利率) announced by the National Interbank Funding Centre (全國銀行間同業拆借中心) and the total sum of which shall not exceed RMB4,200,000.

As at the date of this announcement, the legal procedures are still undergoing and the final assessment on profit or loss are unable to be determined or calculated at current stage. The Group is taking actions proactively to enforce the judgments against AVIC Tianxu. The Company will make further announcement(s) in relation to the litigation proceeding as and when appropriate.

### *(2) Legal dispute involving Tongda and Jia Lian*

On 26 October 2022, Tongda, a direct wholly-owned subsidiary of the Company, issued a writ of summons in the High Court claiming against Jia Lian, a joint venture of the Group, for breach of a loan agreement dated 30 September 2015. Please refer to the Voluntary Announcement and the Quarterly Update Announcements for further details.

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.

### **(3) *Legal dispute involving Jia Lian and the Company***

On 14 February 2023, the Company received a writ of summons dated 10 February 2023 in High Court issued by Jia Lian as plaintiff for alleged breach of a loan agreement dated 13 October 2016. Please refer to the Quarterly Update Announcements and the Voluntary Announcement for further details.

As at the date of this announcement, the legal proceeding is still in progress. The Company will closely monitor the development of the legal proceeding and issue further announcement(s) to inform its Shareholders as soon as reasonably practicable.

### **Other Update on Business Operations**

The existing business of the Group is being reviewed from time to time with the aim to improve the business operations and financial position of the Group. Since the suspension of trading in its Shares, the Company has been communicating with various potential business partners to explore and consider different options and opportunities. Taking into consideration of (i) the uncertainties of the domestic and overseas economy; (ii) the downward pressure on China's economy; and (iii) the cost and benefits to the Group for undertaking the Gas and Petroleum Products Business, the Board considered that the Group should focus in the provision of finance lease and loan services, the land development sector and undertake more LED projects, which enables the Group to generate stable income and cash flows to gradually improve its financial position. Nevertheless, the Group will continue to explore potential opportunities and will not rule out the possibility to develop the Gas and Petroleum Products Business if such opportunity arises.

### **UPDATE ON RESUMPTION PROGRESS**

#### **Publishing all outstanding financial results and address any audit modifications**

On 28 May 2024, the Company has published all outstanding financial results, namely (a) the audited annual results for the year ended 31 December 2022 (the “**2022 Annual Results**”); (b) the unaudited interim results for the six months ended 30 June 2023 (the “**2023 Interim Results**”); and (c) the audited annual results for the year ended 31 December 2023 (the “**2023 Annual Results**”).

#### **Other update on resumption progress**

The Company wishes to inform the Shareholders that on 23 May 2024, the Company has submitted a resumption proposal (the “**Resumption Proposal**”) to the Stock Exchange in support of the resumption of trading of the Shares. The Resumption Proposal sets out, among other things, (i) the Company's progress in fulfilling the Resumption Guidance, and (ii) a proposed timetable leading up to the resumption of trading of the Shares.

Further announcement(s) will be made by the Company to update the Shareholders and potential investors regarding the major development of the resumption progress as and when appropriate.

## CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 29 November 2022. Pending fulfilment of the Resumption Guidance, trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

**Please note that the above-mentioned development does not necessarily indicate that trading in the Company's Shares will be resumed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 28 May 2024

*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 purpose only*