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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)

REDEMPTION OF CONVERTIBLE NOTE

References are made to the announcement dated 9 November 2011 and the circular dated 16 December 2011 of AVIC Joy Holdings (HK) Limited (the “**Company**”) in relation to, among other things, the issue of the 2% coupon convertible note in the principal amount of HK\$51,775,872 (the “**Convertible Note**”) as well as the announcement dated 20 January 2015 and the circular dated 9 February 2015 of the Company in relation to the extension of maturity date of the Convertible Note.

The Convertible Note was issued to Billrich Investment Limited (“**Billrich**”), a wholly-owned subsidiary of AVIC International Holding (HK) Limited (a company whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited with stock code: 232) and a substantial shareholder of the Company, on 6 March 2012. Pursuant to the deed of amendment dated 20 January 2015 between the Company and Billrich, the maturity date of the Convertible Note was extended from 6 March 2015 to 6 March 2018 (the “**Maturity Date**”).

In accordance with the terms and conditions of the Convertible Note, the Company redeemed in full on the Maturity Date the outstanding Convertible Note in the principal amount of HK\$51,775,872 at the redemption price (together with accrued and unpaid interest of HK\$517,758.72 thereon) of HK\$52,293,630.72 (the “**Redemption**”). Following the Redemption, the Convertible Note will be cancelled and the Company will be discharged from all of its obligations under and in respect of the Convertible Note.

The Company considers that the Redemption does not have any material adverse effect on the business of the Group.

By Order of the Board
AVIC Joy Holdings (HK) Limited
Li Chengning
Chairman and Executive Director

Hong Kong, 6 March 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Chengning (Chairman), Mr. Zhang Zhibiao, Ms. Wang Ying, Mr. Fu Fangxing, Ms. Mu Yan and Ms. Fu Xiao as executive directors; and Mr. Jiang Ping, Ms. Wu Rui and Mr. Guo Wei as independent non-executive directors.