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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, 28 February 2024 and 28 May 2024 (the “**Quarterly Update Announcements**”), respectively, in relation to the quarterly update on suspension of trading; and (v) the announcements of the Company dated 17 June 2024, 20 June 2024 and 2 July 2024 in relation to the decision of the Listing Committee on cancellation of listing, 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

As stated in the announcement of the Company dated 28 May 2024, the Company, Tongda Environmental and the Purchaser have entered into the Sale and Purchase Agreement in respect of, among other things, the Disposal. For further details of the transaction, please refer to the announcement of the Company dated 28 June 2024 and the circular of the Company dated 31 July 2024. As disclosed in the announcement of the Company dated 19 August 2024, the Disposal was approved by the Shareholders at the extraordinary general meeting of the Company held on 19 August 2024. All the conditions precedent under the Sale and Purchase Agreement have been fulfilled and the Disposal has been completed on 20 August 2024 in accordance with the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, (i) Excellent Top has ceased to be the subsidiary of the Company; (ii) Jia Lian International has ceased to be the joint venture of the Company; (iii) the financial results of the Disposal Group will no longer be consolidated into the Company's financial statements.

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**”), the then 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 a result of the completion of the Disposal mentioned above, AVIC Fujian is no longer an indirect subsidiary of the Company and accordingly, no further actions will be taken by the Group in respect of the Administrative Judgment.

LED Business

(1) Legal disputes involving Zi Yu Tai

As stated in the Quarterly Update Announcements, on 31 March 2023, AVIC Tianxu, the then indirect subsidiary of the Company, 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 Environmental

On 26 October 2022, Tongda Environmental, a direct wholly-owned subsidiary of the Company, issued a writ of summons in the High Court claiming against Jia Lian, a then 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 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 and to work on the resumption of the trading in the Shares as soon as possible. Further announcement(s) in relation to the business operation of the Group will be made as and when appropriate.

UPDATE ON RESUMPTION PROGRESS

Publishing all outstanding financial results and reports and address any audit modifications

As stated in the Quarterly Update Announcements, on 28 May 2024, the Company has published all outstanding financial results, namely the 2022 Annual Results, the 2023 Interim Results and the 2023 Annual Results. The annual reports for the years ended 31 December 2022 and 2023 and the interim report for the six months ended 30 June 2023 were published on 28 June 2024.

Other update on resumption progress

As stated in the Quarterly Update Announcements, on 23 May 2024, the Company has submitted 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.

On 14 June 2024, the Company received a letter from the Stock Exchange stating that the Listing Committee has made the decision to cancel the listing of the Shares on the Stock Exchange under Rule 6.01A(1) of the Listing Rules as the Company had not fulfilled the Resumption Guidance (the "**Decision**").

On 24 June 2024, the Company submitted an application requesting the Decision be referred to the Listing Review Committee of the Stock Exchange (the "**Review Committee**") for review pursuant to requirements under Chapter 2B of the Listing Rules.

The Company wishes to inform the Shareholders that on 21 August 2024, the review hearing was held by the Review Committee at which the representatives of the Company attended and presented views on the fulfillment of the Resumption Guidance. As at the date of this announcement, the outcome of the review is uncertain. The Company will make further announcement(s) as and when appropriate on the outcome of the review.

In addition, the Company wishes to provide an update to the Shareholders that the Company and Sincere View International Limited (“**Sincere View**”), a substantial Shareholder holding approximately 26.86% of the issued share capital of the Company as at the date of this announcement, are considering and negotiating on a possible capitalisation of certain shareholder loans owing by the Group to Sincere View. As at the date of this announcement, the possible loan capitalisation has yet to materialise and no mutual agreement has been reached among or entered into between the parties. The Company will make further announcement(s) to notify the Shareholders and potential investors of the Company if there is any update or material development in respect of the said matter.

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, 29 August 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*