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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)**

## **FURTHER DEVELOPMENT IN RELATION TO THE PROPOSED VERY SUBSTANTIAL DISPOSAL**

References are made to the announcement of the Company dated 14 November 2019, the circular (the “**Circular**”) of the Company dated 12 December 2019 and the poll results announcement of the general meeting of the Company dated 31 December 2019, respectively in relation to the proposed disposal of the Sale Equity, representing 100% equity interest in Shanghai Shangju, by way of public tender through an equity exchange. Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The transaction was arranged through a public tender process (listing-for-sale) conducted on SUAEE, which is an open exchange platform for the trading of assets and equities. The publication period of the public tender process ended on 22 January 2020. Through the process, two potential purchasers were identified who indicated their interest in the Proposed Disposal but only one of them provided the qualification documents as required by Guangdong Ziyutai in order to be eligible as the purchaser.

### **EQUITY TRANSACTION AGREEMENT**

The Board is pleased to announce that on 4 February 2020, Guangdong Ziyutai entered into the equity transaction agreement (the “**Equity Transaction Agreement**”) with Hongshang Industry Holding Group Co., Ltd.\* (鴻商產業控股集團有限公司) (the “**Purchaser**”) in respect of the disposal of 100% equity interest in Shanghai Shangju and the credit right in the amount of RMB337,000,000 at an aggregate consideration of RMB337,010,000. The transaction certificate was issued by SUAEE on 11 February 2020.

Upon completion of the Proposed Disposal, Shanghai Shangju will cease to be a subsidiary of the Company and the financial results of Shanghai Shangju Group will no longer be consolidated into the financial statements of the Group.

The principal terms of the Equity Transaction Agreement are summarised below:

**Date:** 4 February 2020

**Parties:** Guangdong Ziyutai (as vendor); and  
Hongshang Industry Holding Group Co., Ltd.\* (鴻商產業控股集團有限公司) (as purchaser)

**Subject matter:** The disposal of 100% equity interest in Shanghai Shangju and the credit right in the amount of RMB337,000,000

**Consideration:** RMB337,010,000

The consideration was based on the base price of public tender through SUAEE, comprising (i) RMB10,000, being the consideration for the Sale Equity; and (ii) RMB337.0 million, which is determined with reference to the latest appraised value of the Properties of approximately RMB1,360.0 million less the outstanding principal amount of the relevant mortgage loan of approximately RMB1,023.0 million (i.e. the Properties have realisable value of approximately RMB337.0 million) as at 31 December 2019.

**Completion:** There is no condition precedent to the completion of the Proposed Disposal under the Equity Transaction Agreement.

Both parties to the Equity Transaction Agreement shall cooperate to complete the equity transfer filings with the competent administration for industry and commerce within 30 days of the effective date of the Equity Transaction Agreement.

## INFORMATION OF THE PURCHASER

The Purchaser is a company established in the PRC with limited liability, which is principally engaged in industrial investment, investment management, investment consulting and assets management. According to public information, as at the date hereof, the Purchaser is held as to 99% by Mr. Yu Yong (于泳) and 1% by Wafangdian Wester Craft Textile Co., Ltd.\* (瓦房店維斯特工藝紡織品有限公司).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Company will make further announcement in respect of the Proposed Disposal as and when appropriate in accordance with the Listing Rules.

By order of the Board  
**AVIC Joy Holdings (HK) Limited**  
**WU Xiaodong**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 11 February 2020

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

\* *For identification purposes only*