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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)

INSIDE INFORMATION

**DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER AND
CHANGE IN SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDER**

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that AVIC International (HK) Group Limited (“**AVIC HK Group**”), AVIC Joy Air (HK) Group Limited (“**AVIC Joy Air**”), AVIC International Holding (HK) Limited (“**AVIC Int’l (HK)**”), Billirich Investment Limited (“**Billirich**”) and AVIC Joy Air Holdings Limited (幸福航空控股有限公司) entered into a share purchase and loan transfer agreement (the “**Share Purchase and Loan Transfer Agreement**”) with Sincere View International Limited 信景國際有限公司 (the “**Purchaser**”) on 15 September 2020 in relation to, among other things, the transfers of the shares of the Company (the “**Change in Shareholdings**”).

Pursuant to the Share Purchase and Loan Transfer Agreement, among other things:

- (i) AVIC Int’l (HK) and Billirich agreed to sell and the Purchaser agreed to acquire 1,031,595,000 shares (representing approximately 17.36% of the total issued capital) of the Company;
- (ii) AVIC HK Group agreed to sell and the Purchaser agreed to acquire 504,023,891 shares (representing approximately 8.48% of the total issued capital) of the Company; and
- (iii) AVIC Joy Air agreed to sell and the Purchaser agreed to acquire 60,810,000 shares (representing approximately 1.02% of the total issued capital) of the Company.

Before the Change in Shareholdings, Billirich beneficially owns 1,031,595,000 shares (representing approximately 17.36% of the total issued capital) of the Company; AVIC HK Group (in addition to the interest held through its controlled incorporation) beneficially owns 504,023,891 shares (representing approximately 8.48% of the total issued capital) of the Company; and AVIC Joy Air beneficially owns 60,810,000 shares (representing approximately 1.02% of the total issued capital) of the Company.

Assuming there is no change in the issued capital of the Company from the date of this announcement to the date of completion of the Change in Shareholdings, immediately following the completion of Change in Shareholdings, Billirich, AVIC HK Group and AVIC Joy Air will no longer hold any shareholding in and cease to be shareholders of the Company. The Purchaser will hold in aggregate 1,596,428,891 shares (representing approximately 26.86% of the total issued capital) of the Company and become a substantial shareholder of the Company.

The Board considers that the Change in Shareholdings will not have any material impact on the financial position and operation of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AVIC Joy Holdings (HK) Limited
Wu Xiaodong
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 15 September 2020

As at the date of this announcement, the board of Directors 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.