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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;**
- (2) FURTHER DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS AND DESPATCH OF THE 2022 ANNUAL REPORT;**
- (3) FURTHER POSTPONEMENT OF BOARD MEETING;**
- (4) POSTPONEMENT OF ANNUAL GENERAL MEETING; AND**
- (5) CONTINUED SUSPENSION OF TRADING**

This announcement is made by AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 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).

References 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 (the “**Voluntary Announcement**”) dated 24 February 2023 in relation to the development regarding the LED Business; (iv) the announcement of the Company dated 28 February 2023 (the “**Quarterly Update Announcement**”) in relation to the quarterly update on suspension of trading; and (v) the announcements of the Company dated 29 March 2023 and 14 April 2023 (the “**Delay in Publication of 2022 Annual Results Announcements**”), respectively, in relation to, among others, the delay in publication of the annual results of the Group (the “**2022 Annual Results**”) for the year ended 31 December 2022 (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) Finance Lease Business; (ii) the Land Development Business; (iii) the LED Business; and (iv) the Gas and Petroleum Products Business.

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:

Land Development Business

As disclosed in the Quarterly Update Announcement 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 Announcement and the Voluntary Announcement, on 9 September 2022, Zi Yu Tai, an indirect wholly-owned subsidiary of the Company, filed property preservation applications to the People’s Court of Yuexiu District, Guangzhou City, Guangdong Province* (廣東省廣州市越秀區人民法院) (the “**Yuexiu Court**”) to seal, freeze and detain the property of AVIC Tianxu, a subsidiary of Jia Lian, a joint venture of the Group, in the total amount of approximately RMB19,000,000. Please refer to the Quarterly Update Announcement and the Voluntary Announcement for further details.

The Company was informed that the Yuexiu Court had handed down judgments in relation to the litigations on 24 March 2023 (the “**March Judgment**”) and 15 May 2023 (the “**May Judgment**”) respectively, ruling that AVIC Tianxu shall compensate Zi Yu Tai for the arrears of RMB15,620,000 and RMB4,200,000, respectively, within 10 days from the date on which each of the judgments take effect. The Yuexiu Court also (a) ruled that AVIC Tianxu shall compensate Zi Yu Tai liquidated damages of not more than RMB4,200,000 for the breach of finance lease contracts; and (b) rejected the other claims of AVIC Tianxu in the May Judgment.

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.

The Company is currently seeking legal advice regarding the relevant proceedings. The Company will closely monitor the development of the legal proceedings and issue further announcement(s) to inform its Shareholders as soon as reasonably practicable.

(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 Announcement 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 Announcement and the Voluntary Announcement for further details. On 27 February 2023, the Company filed an acknowledgment of service of writ of summons indicating that the Company intends to contest the proceedings.

The Company is currently seeking legal advice regarding the relevant proceedings. The Company will closely monitor the development of the legal proceedings and issue further announcement(s) to inform its Shareholders as soon as reasonably practicable.

Other update on business operations

The Group will continue to review its existing business from time to time and strive 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, in particular the Gas and Petroleum Products Business, to explore and consider different options and future opportunities in order to prepare a viable resumption proposal to resolve the issues leading to the trading suspension and address the Resumption Guidance, and to work on the resumption of the trading in the shares of the Company 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

Further delay in publication of the 2022 Annual Results and despatch of the 2022 Annual Report

As stated in the Delay in Publication of 2022 Annual Results Announcements, the publication of the 2022 Annual Results and the despatch of the 2022 Annual Report have been delayed as the Group has been dealing with the said litigation issues of Jia Lian and AVIC Fujian, and the financial statements of (i) Jia Lian with the other party of the aforesaid joint venture and (ii) AVIC Fujian have yet been finalised.

As at the date of this announcement, due to the reasons as disclosed above, the audit of the 2022 Annual Results has not been completed. The Company is using its best endeavours to assist the Auditors to complete and finalise the audit of the 2022 Annual Results. The Company expected that the publication of 2022 Annual Results will be postponed to on or before 30 June 2023.

The Board is of the view that it would be inappropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 December 2022 at this stage as it may not reflect the financial performance and position of the Group accurately.

As a result of the above delay, there will be a further delay in the despatch of the 2022 Annual Report.

The Company will make further announcement(s) in relation to the publication of the 2022 Annual Results and the despatch of the 2022 Annual Report as and when appropriate.

Further postponement of Board Meeting

Due to the reasons as disclosed above, the Board meeting for the purpose of, among other things, considering and approving the 2022 Annual Results will be further postponed to a date to be determined by the Board.

The Company will publish further announcement in due course to inform the Shareholders of the date of the Board meeting to approve the 2022 Annual Results and/or other update of the Company as and when appropriate.

Postponement of annual general meeting

As a result of the above delay, it is expected that the convening of the annual general meeting of the Company for the year ended 31 December 2022 will be postponed.

Other update on resumption progress

The Company is devising its resumption plan and working with its professional advisors to fulfill the Resumption Guidance as soon as practicable.

The Company remains committed to the Resumption Guidance and will publish further announcement(s) to keep its Shareholders and potential investors of the Company informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development of the resumption status pursuant to Rule 13.24A of the Listing Rules.

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
AVIC Joy Holdings (HK) Limited
CHANG Chien
Chairman and Executive Director

Hong Kong, 25 May 2023

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*