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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)

MAJOR TRANSACTION

IN RELATION TO THE DISPOSAL OF ENTIRE EQUITY INTERESTS IN

(I) SHANDONG SINO GAS COMPANY LIMITED;

(II) WINFIELD INNOVATIONS LIMITED; AND

(III) ANHUI SINO GAS COMPANY LIMITED

Financial adviser to AVIC Joy Holdings (HK) Limited



On 10 October 2016, the Company entered into the Share Transfer Agreement with the Purchaser, pursuant to which, the Company has conditionally agreed to procure its subsidiaries to sell and the Purchaser has conditionally agreed to purchase the Sale Shares for the Consideration of RMB175,818,678.25 (equivalent to approximately HK\$203.9 million).

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Transfer Agreement exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements and the Shareholders' approval, by way of poll, at the EGM under the Listing Rules.

In connection with the EGM, the Company will prepare a circular containing, among other things, further details of the Share Transfer Agreement and the transactions contemplated thereunder, the notice of EGM and other information as required under the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 26 October 2016.

THE SHARE TRANSFER AGREEMENT

On 10 October 2016, the Company entered into the Share Transfer Agreement with the Purchaser, pursuant to which, the Company has conditionally agreed to procure its subsidiaries to sell and the Purchaser has conditionally agreed to purchase the Sale Shares for the Consideration of RMB175,818,678.25 (equivalent to approximately HK\$203.9 million).

Date: 10 October 2016

Parties: (i) the Company; and
(ii) the Purchaser.

The Purchaser is a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matters

Pursuant to the Share Transfer Agreement, the Company conditionally agreed to procure (i) Shenzhen Sinogas and Jetco Innovations to sell and the Purchaser (or its nominated subsidiary) conditionally agreed to purchase the respective Domestic Shandong Sinogas Sale Shares and Offshore Shandong Sinogas Sale Shares, representing 50% and 50% of the equity interest in Shandong Sinogas held by Shenzhen Sinogas and Jetco Innovations respectively; (ii) Sino Bloom to sell and the Purchaser (or its nominated subsidiary) conditionally agreed to purchase the Anhui Sinogas Sale Shares, representing 100% of the equity interest in Anhui Sinogas held by Sino Bloom; and (iii) Crystal Concept to sell and the Purchaser (or its nominated subsidiary) conditionally agreed to purchase the Winfield Innovations Sale Shares, representing 100% of the equity interest in Winfield Innovations held by Crystal Concept.

Subject to the Completion, the rights and profit or loss attributable to the Domestic Shandong Sinogas Sale Shares, Offshore Shandong Sinogas Sale Shares, Anhui Sinogas Sale Shares and Winfield Innovations Sale Shares since the date of the Share Transfer Agreement shall be attributable to the Purchaser (or its nominated subsidiary).

Consideration and settlement terms

Pursuant to the Share Transfer Agreement, the Consideration in aggregate amount of RMB175,818,678.25 (equivalent to approximately HK\$203.9 million) shall be satisfied in the following manner:

- (1) as to RMB80,000,000 (equivalent to approximately HK\$92.8 million), or such equivalent amount in HK\$ based on the middle exchange rate published by the People's Bank of China as of the previous Business Day of the payment as agreed by the Company and the Purchaser, to be satisfied by the Purchaser in cash payable to the Company (or its nominated subsidiary) within three Business Days after the date of the Share Transfer Agreement (the "**Cash Consideration**");
- (2) as to RMB25,818,678.25 (equivalent to approximately HK\$29.9 million) to be satisfied by way of delivery of the Novation Deed (as defined below and details of which are set out in the paragraph headed "The novation deed" below) by the Purchaser to the Company (or its nominated subsidiary) within three Business Days after the Company having obtained the Shareholders' approval at the EGM and having received the Cash Consideration; and
- (3) as to RMB70,000,000 (equivalent to approximately HK\$81.2 million) (being the balance of the Consideration) to be satisfied by way of delivery of the Promissory Note by the Purchaser to the Company or its nominated subsidiary (details of which are set out in the paragraph headed "The Promissory Note" below) within three Business Days after the Company having obtained the Shareholders' approval at the EGM and having received the Cash Consideration.

The Consideration has been arrived at after arm's length negotiations between the Company and the Purchaser after taking into account, among other things, (i) the historical financial performance and conditions of the Target Group; (ii) the future prospects of the Target Group; (iii) the balance of the Debt as at the date of the Share Transfer Agreement; and (iv) the combined net asset value based on the unaudited management accounts of the Target Group as at 30 June 2016 of approximately HK\$127.8 million.

The novation deed

As at the date of the Share Transfer Agreement, the Debt owned by the Group (excluding the Target Group) to the Target Group amounted to RMB25,818,678.25 (equivalent to approximately HK\$29.9 million). Pursuant to the Share Transfer Agreement, as part of the settlement of the Consideration, the Purchaser shall deliver a novation deed (the "**Novation Deed**") to the Company within three Business Days after the Company having obtained the Shareholders' approval at the EGM and having received the Cash Consideration. Pursuant to the Novation Deed, the Purchaser agreed to assume the obligations to repay the Debt in replacement of the Group such that the Purchaser shall become the legal debtor to the Debt. Any difference between the amount of the Debt as at the date of the Share Transfer Agreement and the Completion Date shall be settled by the relevant company(ies) on the Completion Date. The Company shall be released from all obligations and liabilities in respect of the Debt upon Completion.

Conditions precedent

Completion shall be conditional upon fulfillment of the following conditions:

- (1) the Company having obtained the Shareholders' approval at the EGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (2) the Purchaser having settled the Cash Consideration;
- (3) in respect of the transfers of (i) the Shandong Sinogas Sale Shares; and (ii) the Anhui Sinogas Sale Shares (collectively, the "**PRC Transfers**"), the relevant parties having executed the relevant share transfer agreements to be delivered to the competent authorities in the PRC for approval;
- (4) all necessary approvals and consents from the relevant governmental and regulatory authorities required for the transactions contemplated under the Share Transfer Agreement (including but not limited to those required for the transfer of the PRC Transfers) having been obtained in accordance with the applicable laws and regulations; and
- (5) the Shandong Sinogas Equity Pledge and Anhui Sinogas Equity Pledge having been duly executed and all applicable approval and/or registration procedures having been completed in accordance with the applicable laws.

If any of the conditions above are not fulfilled on or before the Long Stop Date, the Share Transfer Agreement shall automatically terminate, provided however that the surviving provisions shall continue in force following the termination of the Share Transfer Agreement without any liability to any party. The Company (or its nominated subsidiary) shall return the monies already received by the Company to the Purchaser with an interest payment calculated based on RMB or HK\$ (depending on the settlement currency to be agreed) saving rate as quoted by a licensed bank in Hong Kong within five Business Days from the date of the termination of the Share Transfer Agreement.

Completion

Completion shall take place on the third Business Day after all conditions precedent to Completion have been fulfilled, or such other date as the parties to the Share Transfer Agreement may agree in writing.

Guarantee arrangement

Shenzhen Sinogas, a wholly-owned subsidiary of the Company, is currently providing the Corporate Guarantee up to a maximum of RMB18,378,500 (equivalent to approximately HK\$21.3 million) in favour of China Minsheng Banking Corp., Ltd. (Chengdu branch) (“**China Minsheng**”) in respect of a loan in the principal amount of RMB35,000,000 (equivalent to approximately HK\$40.6 million) granted by China Minsheng to Chengdu Sinogas (the “**Chengdu Sinogas Bank Loan**”). As at the date of this announcement, the outstanding amount due by Chengdu Sinogas to China Minsheng amounted to approximately RMB18,378,500 (equivalent to approximately HK\$21.3 million). Pursuant to the Share Transfer Agreement, following the date of this announcement, the Company shall procure Shenzhen Sinogas to terminate the Corporate Guarantee with China Minsheng.

Upon fulfilment of condition (4) which is set out in the paragraph headed “Conditions precedent” above and China Minsheng having agreed to change the guarantor(s) to the Purchaser or its nominated company in respect of the Chengdu Sinogas Bank Loan, and the Purchaser or its nominated company shall enter into a new agreement with China Minsheng such that the Purchaser or its nominated company shall provide guarantee in respect of the Chengdu Sinogas Bank Loan, and Shenzhen Sinogas shall release from the Corporate Guarantee and discharge all obligations under the relevant agreement.

In the event that China Minsheng fails to agree the change of the guarantor(s) to the Purchaser or its nominated company in respect of the Chengdu Sinogas Bank Loan prior to the Completion, the Purchaser shall or procure its nominated subsidiary to, settle the outstanding money owing under the Chengdu Sinogas Bank Loan so that the Corporate Guarantee shall be terminated and Shenzhen Sinogas shall be released and discharged from any obligations thereunder.

The Promissory Note

Pursuant to the Share Transfer Agreement, as part payment of the Consideration, the Purchaser will issue to the Company the Promissory Note in an aggregate principal amount of RMB70,000,000 (equivalent to approximately HK\$81.2 million) within three Business Days after the Company having obtained the Shareholders’ approval at the EGM and having received the Cash Consideration.

The principal terms of the Promissory Note are summarised as follows:

Issuer: the Purchaser

Principal amount: RMB70,000,000 (equivalent to approximately HK\$81.2 million)

Maturity date: being the first anniversary of the date of issuance of the Promissory Note (the “**Maturity Date**”)

- Security: the payment obligations under the Promissory Note is secured by the charged assets under the Security Documents
- Interest: 1.5% per annum, calculated on a daily basis and, as agreed between the issuer and the promissory note holders, payable on the Maturity Date or early redemption date (whichever earlier)
- Payment: all payments under the Promissory Note by the issuer shall be made in RMB, or, as agreed between the issuer and the promissory note holders, such equivalent amount in HK\$ based on the middle exchange rate published by the People's Bank of China for the previous Business Day of the payment
- Redemption: the issuer may redeem any part (in the multiples of RMB1,000,000) of the principal amount of the Promissory Note together with the interest accrued by giving prior notice of at least five Business Days to the holder of the Promissory Note

SECURITY

On the date of Completion, the Security Documents (including Shandong Sinogas Equity Pledge, Anhui Sinogas Equity Pledge and Winfield Share Charge) will be entered into by the Purchaser (or its nominated subsidiary) in favour of the Company (or its nominated subsidiary), pursuant to which (i) the Purchaser (or its nominated subsidiary) shall charge in favour of the Company by way of a first fixed charge of all the rights, title and interest in the Winfield Innovations Sale Shares; (ii) the Purchaser (or its nominated subsidiary) shall pledge all the equity interest in Shandong Sinogas following the completion of the transfer of Shandong Sinogas Sale Shares in favour of the Company (or its nominated subsidiary); and (iii) the Purchaser (or its nominated subsidiary) shall pledge all the equity interest in Anhui Sinogas following the completion of the transfer of Anhui Sinogas Sale Shares in favour of the Company (or its nominated subsidiary), to secure the payment and performance of all obligations and liabilities under the Transaction Documents.

INFORMATION ON THE PURCHASER

Based on the information provided by the Purchaser, the Purchaser is a company established in PRC with limited liability. The Purchaser is principally engaged in refined oil merchandising including gasoline, diesel and kerosene; gas business (end-users); gas storage; wholesale oil crops; and asphalt products sales; petroleum products wholesale and fuel oil sales.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ON THE TARGET GROUP

The Target Group comprises Shandong Sinogas Group, Winfield Innovations Group and Anhui Sinogas Group.

Shandong Sinogas Group

Shandong Sinogas is a company established in the PRC with limited liability. As at the date of the Share Transfer Agreement, it has registered capital of RMB40,000,000 (equivalent to approximately HK\$46.4 million). Shandong Sinogas is currently an indirect wholly-owned subsidiary of the Company and is owned as to 50% by Shenzhen Sinogas and as to 50% by Jetco Innovations, and is registered as a co-operative joint venture under the laws of the PRC. The principal business of Shandong Sinogas Group are the operation of compressed natural gas vehicle refueling stations in the Shandong Province of the PRC.

Set out below is the summary of the unaudited financial information of Shandong Sinogas Group for each of the years ended 31 December 2014 and 2015 as extracted from its consolidated management accounts based on Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2014	2015
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	157,260	107,240
Net loss before taxation	6,568	9,401
Net loss after taxation	6,702	11,749

As at 30 June 2016, Shandong Sinogas Group had unaudited consolidated net asset value of approximately HK\$29.6 million.

Winfield Innovations Group

Winfield Innovations is incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. Winfield Innovations is principally engaged in investment holding and Winfield Innovations Group is principally engaged in the operation of compressed natural gas vehicle refueling stations in the Sichuan Province of the PRC.

Set out below is the summary of the unaudited financial information of Winfield Innovations Group for each of the years ended 31 December 2014 and 2015 as extracted from its consolidated management accounts based on Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2014	2015
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	85,768	61,875
Net profit/(loss) before taxation	(14,600)	2,893
Net profit/(loss) after taxation	(14,661)	1,933

As at 30 June 2016, Winfield Innovations Group had unaudited consolidated net asset value of approximately HK\$71.0 million.

Anhui Sinogas Group

Anhui Sinogas is incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal business of Anhui Sinogas Group are the operation of the operation of compressed natural gas vehicle refueling stations in the Anhui Province of the PRC.

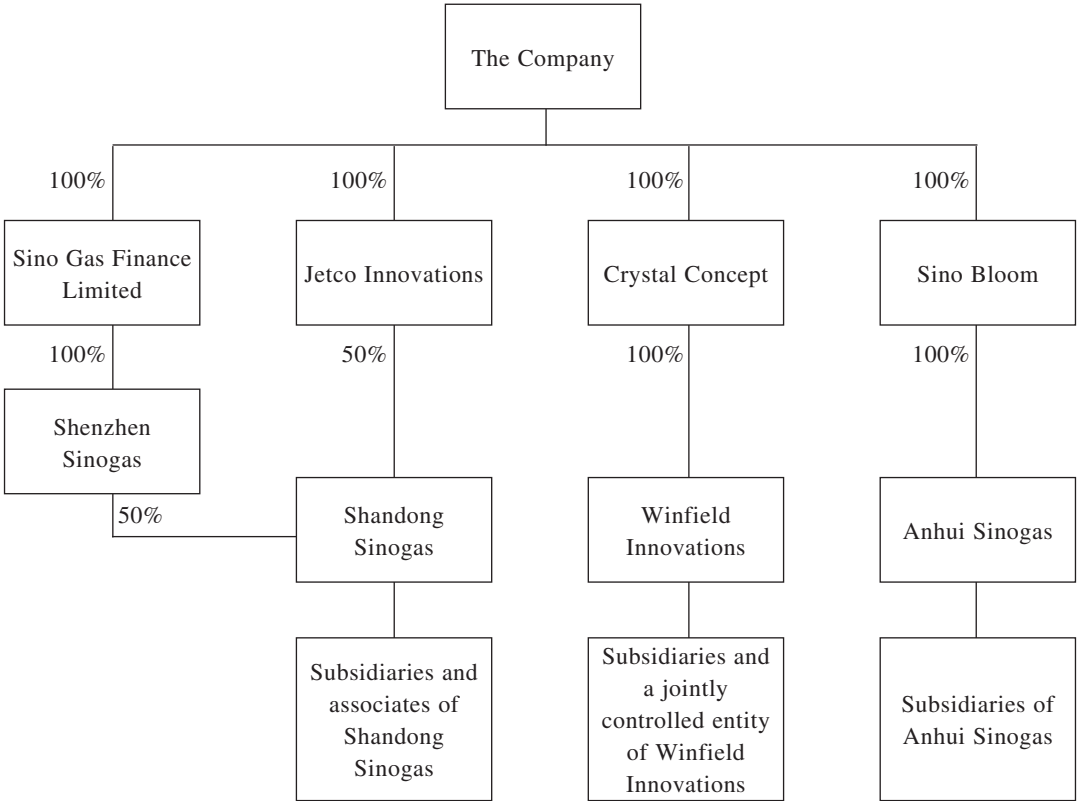
Set out below is the summary of the unaudited financial information of Anhui Sinogas Group for each of the years ended 31 December 2014 and 2015 as extracted from its management accounts based on Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2014	2015
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	122,247	110,200
Net profit/(loss) before taxation	(6,622)	3,825
Net profit/(loss) after taxation	(6,742)	3,825

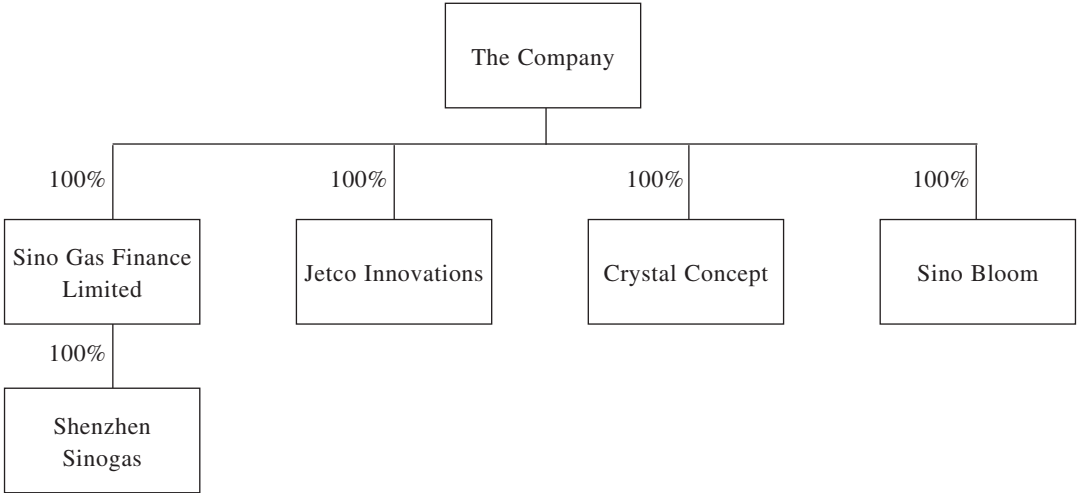
As at 30 June 2016, Anhui Sinogas Group had unaudited consolidated net asset value of approximately HK\$27.2 million.

GROUP STRUCTURE

Set out below is the extracts of the Group’s structure as at the date of this announcement:



Set out below is the extracts of the Group’s structure upon Completion:



FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to have any interests in each member of the Target Group. As such, each of Shandong Sinogas, Winfield Innovations and Anhui Sinogas and their respective subsidiaries shall cease to be subsidiaries of the Company and accordingly, their respective financial results and conditions will also be deconsolidated from the consolidated accounts of the Company.

The Company expects that the Group will realise an estimated gain of approximately HK\$72.2 million on the Disposal. The estimated gain on the Disposal is calculated by comparing the estimated net proceeds (after deduction of professional fees and other relevant expenses) of the Disposal of approximately RMB148.7 million (equivalent to approximately HK\$172.5 million) and the novation of Debt of approximately RMB25.8 million (equivalent to approximately HK\$29.9 million) against (i) the combined net asset value of the Target Group in aggregate of approximately HK\$127.8 million as at 30 June 2016; (ii) the transfer of the Debt from the Company to the Purchaser; and (iii) the derecognition of goodwill of the Target Group of approximately HK\$16.3 million and adding back the non-controlling interests of the Target Group of approximately HK\$13.9 million assuming the Disposal took place on 30 June 2016.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain/loss eventually to be recognised in the consolidated financial statements of the Company, depends on, among other things, the consolidated net asset value of each members of the Target Group on the Completion Date and the review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the operation of compressed natural gas and liquefied petroleum gas vehicle refueling stations, management and operation of light-emitting diode energy management contracts, provision of finance lease and loan financing services and properties investment, and class 1 land development in the PRC.

Shandong Sinogas Group, Winfield Innovations Group and Anhui Sinogas Group are principally engaged in the operation of compressed natural gas vehicle refueling stations in the Shandong Province, Sichuan Province and Anhui Province of the PRC. Having considered (i) the intensified competition in the gas market in the Shandong Province, Sichuan Province and Anhui Province; (ii) the combined loss making results of the Target Group in the recent financial years; and (iii) the Consideration represents a premium over the combined net asset value of the Target Group as at 30 June 2016, the Directors are of the view that the Disposal is a good opportunity for the Company to realise a gain on disposal and enable the Group to reallocate the financial resources on any suitable investment opportunities which would enhance Shareholders' value. The Company intends to apply the net proceeds (after deduction of professional fees and other related expenses) from the Disposal of approximately RMB148.7 million (equivalent to approximately HK\$172.5 million) for general working capital of the Group.

In light of the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Agreement are fair and reasonable and the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Transfer Agreement exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements and the Shareholders' approval, by way of poll, at the EGM under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and thus, no Shareholder is required to abstain from voting at the EGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder.

In connection with the EGM, the Company will prepare a circular containing, among other things, further details of the Share Transfer Agreement and the transactions contemplated thereunder, the notice of EGM and other information as required under the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 26 October 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Anhui Sinogas”	安徽中油潔能燃氣有限公司 (Anhui Sinogas Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Anhui Sinogas Equity Pledge”	the equity pledge over all the equity interest in Anhui Sinogas following the completion of the transfer of Anhui Sinogas Sale Shares to be executed by the Purchaser (or its nominated subsidiary) and Anhui Sinogas in favour of the Company (or its nominated subsidiary)
“Anhui Sinogas Group”	Anhui Sinogas and its subsidiaries

“Anhui Sinogas Sale Shares”	100% of the equity interest in Anhui Sinogas as at the date of the Share Transfer Agreement
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks in Hong Kong and the PRC are open for business
“BVI”	the British Virgin Islands
“Chengdu Sinogas”	中油潔能(成都)環保科技有限公司(Sinogas Chengdu Company Limited*), a company established in the PRC with limited liability which is owned as to 52.5% by Winfield Innovations and a joint controlled entity of the Company as at the date of this announcement
“Company”	AVIC Joy Holdings (HK) Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 260)
“Completion”	completion of the Share Transfer Agreement pursuant to the terms and conditions thereof
“Completion Date”	the date falling on the third Business Day from the satisfaction of all relevant conditions precedent in the Share Transfer Agreement or such other date as may be mutually agreed between the parties
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares payable by the Purchaser to the Company pursuant to the Share Transfer Agreement
“Corporate Guarantee”	a guarantee executed by Shenzhen Sinogas on 5 November 2014 in favour of China Minsheng Banking Corp., Ltd. (Chengdu branch) in respect of a loan in the principal amount up to RMB18,378,500 (equivalent to approximately HK\$21.3 million) granted by China Minsheng Banking Corp., Ltd. (Chengdu branch) to Chengdu Sinogas

“Crystal Concept”	Crystal Concept Investments Limited, a company incorporated in the BVI with limited liability, and is a direct wholly-owned subsidiary of the Company
“Debt”	the aggregate amount of debts owed by the Group (excluding the Target Group) to the Target Group as at the date of the Share Transfer Agreement, which amounted to RMB25,818,678.25 (equivalent to approximately HK\$29.9 million)
“Director(s)”	the director(s) of the Company
“Disposal”	the conditional disposal of the Sale Shares by the Group to the Purchaser (or its nominated subsidiary) pursuant to the Share Transfer Agreement
“Domestic Shandong Sinogas Sale Share”	50% of the equity interest in Shandong Sinogas, which is directly owned by Shenzhen Sinogas, an indirect wholly-owned subsidiary of the Company as at the date of the Share Transfer Agreement
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, among other things, the Share Transfer Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jetco Innovations”	Jetco Innovations Limited, a company incorporated in the BVI with limited liability, and is a direct wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2016, or such other date as agreed by the parties to the Share Transfer Agreement in writing

“Offshore Shandong Sinogas Sale Shares”	50% of the equity interest in Shandong Sinogas, which is directly owned by Jetco Innovations, a direct wholly-owned subsidiary of the Company as at the date of the Share Transfer Agreement
“Promissory Note”	the promissory note in the principal amount of RMB70,000,000 (equivalent to approximately HK\$81.2 million) to be issued by the Purchaser (or its nominated subsidiary) to the Company (or its nominated subsidiary) to satisfy part of the Consideration, in the form attached to the Share Transfer Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	廣州佳聯能源有限公司 (Guangzhou Jialian Energy Company Limited*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of PRC
“Sale Shares”	Shandong Sinogas Sale Shares, Winfield Innovations Sale Shares and Anhui Sinogas Sale Shares
“Security Documents”	Shandong Sinogas Equity Pledge, Anhui Sinogas Equity Pledge and Winfield Share Charge
“Shandong Sinogas”	山東中油潔能天然氣有限公司 (Shandong Sinogas Company Limited*), a company established in the PRC with limited liability which is owned as to 50% by Jetco Innovations and as to 50% by Shenzhen Sinogas and is registered as a co-operative joint venture under the laws of the PRC
“Shandong Sinogas Equity Pledge”	the equity pledge over all the equity interest in Shandong Sinogas following the completion of the transfer of Shandong Sinogas Sale Shares to be executed by the Purchaser (or its nominated subsidiary) and Shandong Sinogas in favour of the Company (or its nominated subsidiary)
“Shandong Sinogas Group”	Shandong Sinogas and its subsidiaries and associates

“Shandong Sinogas Sale Shares”	Domestic Shandong Sinogas Sale Share and Offshore Shandong Sinogas Sale Shares
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Transfer Agreement”	the share transfer agreement dated 10 October 2016 entered into between the Company and the Purchaser in respect of the Disposal
“Shenzhen Sinogas”	深圳中油潔能環保科技有限公司(Shenzhen Sinogas Environmental Protection Technology Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sino Bloom”	Sino Bloom Investments Limited, a company established in BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	collectively, Shandong Sinogas Group, Winfield Innovations Group and Anhui Sinogas Group
“Transaction Documents”	comprising the Share Transfer Agreement and the Promissory Note and any other document designated as such by the Company and the Purchaser
“Winfield Innovations”	Winfield Innovations Limited (永輝創建有限公司), a company established in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Winfield Innovations Group”	Winfield Innovations and its subsidiaries and a jointly controlled entity
“Winfield Innovations Sale Shares”	100% of the equity interest in Winfield Innovations as at the date of the Share Transfer Agreement

“Winfield Share Charge” the share charge over all the issued share capital of Winfield Innovations upon Completion by the Purchaser (or its nominated subsidiary) in favour of the Company (or its nominated subsidiary) to be entered into on the Completion Date

“%” per cent

For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1 = HK\$1.16. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates or at all.

By order of the Board
AVIC Joy Holdings (HK) Limited
Wang Xiaowei
Chief Executive Officer and Executive Director

Hong Kong, 10 October 2016

As of the date of this announcement, the Board of the Company comprises Mr. Zhu Dong (Chairman), Mr. Wang Xiaowei (Chief Executive Officer), Mr. Zang Zheng and Mr. Xiao Wei as executive Directors; and Mr. Hu Xiaowen, Mr. Gong Changhui and Mr. Wu Meng as independent non-executive Directors.

* *For identification purpose only*