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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)

VOLUNTARY ANNOUNCEMENT FINANCIAL ASSISTANCE FROM SUBSTANTIAL SHAREHOLDER

This announcement is made by AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

LOAN AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 5 March 2018, the Company entered into a loan agreement (the “**Loan Agreement**”) with CATIC International Finance Limited (“**CATIC International**”), pursuant to which CATIC International agreed to provide the Company with an unsecured facility in the amount of HK\$52,293,630.72 (the “**Loan**”) until 4 November 2018 (the “**Maturity Date**”). The Loan bears an interest rate of 5.6175% per annum which will be accrued from the drawdown date of the Loan until full repayment of the Loan. The interest accrued shall be paid on the 21st calendar day of the last month of each quarter. CATIC International is entitled to request immediate repayment of the Loan and the accrued interest from the Company before the Maturity Date upon occurrence of any one of the following events: (i) any change to the current composition of the Board; (ii) CATIC International and the parties acting in concert with it have ceased to be the single largest shareholder of the Company; and (iii) any debt default by the Company.

LISTING RULES IMPLICATION

As CATIC International is a wholly-owned subsidiary of AVIC International (HK) Group Limited, a substantial shareholder of the Company, the Loan, being financial assistance (the “**Financial Assistance**”) provided by CATIC International to the Company, constitutes a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Since (i) the Loan Agreement was entered into after arm’s length negotiations between the parties and conducted on normal commercial terms or better terms; (ii) the interest rate of the Loan is more favourable than the unsecured loans which could be obtained by the Group from the market; and (iii) the Financial Assistance is not secured by any asset of the Group, the Financial Assistance is fully exempt from shareholders’ approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

By Order of the Board
AVIC Joy Holdings (HK) Limited
Li Chengning
Chairman and Executive Director

Hong Kong, 5 March 2018

As at the date of this announcement, the Board comprises Mr. Li Chengning (Chairman), Mr. Zhang Zhibiao, Ms. Wang Ying, Mr. Fu Fangxing, Ms. Mu Yan and Ms. Fu Xiao as executive Directors; and Mr. Jiang Ping, Ms. Wu Rui and Mr. Guo Wei as independent non-executive Directors.