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PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

PROFIT WARNING ANNOUNCEMENT

This announcement is made pursuant to Rule 17.10(2)(a) of the GEM Listing Rule and Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2013 and the information currently available to the Board, it is expected that a significant loss will be recorded in the Final Results.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Phoenix Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2013 and the information currently available to the Board, the Board expects that a significant loss will be recorded in the audited consolidated results (the “**Final Results**”) of the Group for the year ended 31 December 2013.

The Board considers that the anticipated loss of the Group for the year ended 31 December 2013 is mainly attributable to (i) a significant impairment loss on the fair value of the derivative portion of the preferred shares of a jointly controlled entity; and (ii) a potential impairment loss on the amount due from the jointly controlled entities. The business performance of Hota Auto Recycling Corporation was below expectation during the year due to the slowdown in China's economic growth which led to an excess supply in nonferrous metals and unfavorable metal and scrap price fluctuations both domestically and internationally. The Board believes that the impairment losses should be taken for prudence sake.

As at the date hereof, the Company is still in the process of finalising the Group's Final Results. The information as contained in this announcement is only the preliminary assessment by the Company based on the unaudited consolidated management financial statements of the Group for the year ended 31 December 2013 and the information currently available to the Board, and is not based on the information reviewed by the auditors of the Company.

Shareholders and potential investors of the Company should read the Final Results which is expected to be published on 26 March 2014.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Phoenitron Holdings Limited
Chang Wei Wen
Executive Director

Hong Kong, 14 March 2014

As at the date of this announcement, the Board comprises three executive Directors, Ms. Lily Wu (Chairman and Chief Executive Officer), Mr. Chang Wei Wen and Mr. Yang Meng Hsiu, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Leung Ka Kui, Johnny and Mr. Chan Siu Wing, Raymond.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of posting and the Company's website at www.phoenitron.com.