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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)

PROFIT WARNING AND INSIDE INFORMATION

This announcement is made by AVIC Joy Holdings (HK) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment on the unaudited management accounts of the Company for the year ended 31 December 2014, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a substantial increase in consolidated loss for the year ended 31 December 2014 as compared to that for the year ended 31 December 2013. The Board considers that such expected loss was mainly attributable to (i) the decrease in profit of approximately HK\$50 million of gas business as a result of increased direct cost and operating cost during the year; (ii) the increase in the direct cost and operating cost of light-emitting diode business was proportionately higher than the increase in its revenue in the second half of 2014; and (iii) the increase in finance costs of approximately HK\$26 million as a result of imputed interest expenses in respect of convertible bonds and convertible notes issued in the second half of 2014, and the increase in interest expenses due to increased borrowings during the year.

As the Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2014, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the consolidated management accounts of the Group, which have not been reviewed nor audited by the Company's auditors and are subject to possible adjustments arising from further review. Details of the audited consolidated annual results of the Group for the year ended 31 December 2014 are expected to be announced by the end of March 2015.

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

By order of the Board
AVIC Joy Holdings (HK) Limited
Ji Hui
Chief Executive Officer

Hong Kong, 16 March 2015

As of the date of this announcement, the Board comprises nine directors, of which Mr. Ji Guirong (Chairman) is the non-executive director; Mr. Ji Hui (Chief Executive Officer), Mr. Zang Zheng, Mr. Zhang Chuanjun, Mr. Xiao Wei and Mr. Wang Xiaowei are the executive directors; Mr. Hu Xiaowen, Mr. Gong Changhui and Mr. Wu Meng are the independent non-executive directors.