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Jia Yao Holdings Limited
嘉耀控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01626)

POSITIVE PROFIT ALERT

This announcement is made by Jia Yao Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the information currently available to the management of the Company, the Group is expected to record a substantial increase in net profit after tax for the six months ended 30 June 2017 as compared with that for the six months ended 30 June 2016. The net profit after tax for the six months ended 30 June 2017 is expected to range from approximately RMB2.0 million to approximately RMB5.0 million, representing an increase of approximately RMB1.5 million to RMB4.5 million, as compared to the net profit after tax of approximately RMB0.5 million for the six months ended 30 June 2016. The aforesaid expected increase in net profit after tax is mainly due to (1) increase in gross profit as a result of an increase in sales generated from paper cigarette packages segment during the six months ended 30 June 2017; and (2) decrease in finance costs arising from early redemption of note receivables during the six months ended 30 June 2017.

The Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the six months ended 30 June 2017. The information contained in this announcement is only based on the preliminary assessment by the Company's management of the financial information currently available to it which are subject to finalisation and other potential adjustments, if any, and is not based on any figures or information that has been reviewed or audited by the Company's auditor or the audit committee of the Company. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2017, which is expected to be published on 29 August 2017.

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

By order of the Board
JIA YAO HOLDINGS LIMITED
Li Tie
Chairman

Hong Kong, 11 August 2017

As at the date of this announcement, the Board comprises Mr. Li Tie (Chairman), Mr. Liu Daoqi and Mr. Huang Erwei as executive Directors, Mr. Yang Yoong An as non-executive Director and Mr. Gong Jinjun, Mr. Zeng Shiquan and Mr. Wang Ping as independent non-executive Directors.