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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)

UPDATE ON PROFIT WARNING

This announcement is made by AVIC Joy Holdings (HK) Limited (the “**Company**”, 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 in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 27 November 2017 (the “**Profit Warning Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement unless the context requires otherwise.

As disclosed in the Profit Warning Announcement, the Group expected to record a net loss of approximately HK\$232 million for the year ended 31 December 2017. Since the date of the Profit Warning Announcement, the Board has further reviewed the unaudited management accounts of the Group for the twelve months ended 31 December 2017, including the figures for November and December 2017. The Board wishes to update the shareholders and potential investors of the Company that based on the latest assessment by the Board with reference to the information currently available, it is expected that the net loss for the year ended 31 December 2017 will further increase by 30 to 40% as compared to the figure previously announced. The further increase in net loss is mainly attributable to the recognition of an impairment loss of approximately HK\$48.2 million on the goodwill in relation to the Group’s gas and land development businesses.

Reference is also made to the announcement of the Company dated 10 October 2017 relating to the disposal of the entire equity interest in Anhui Sinogas Company Limited (“**Anhui Sinogas**”). The Board wishes to update the shareholders of the Company that the gain on disposal of Anhui Sinogas and its subsidiaries will be approximately HK\$27.7 million, which will be recorded in the annual results of the Group for the year ended 31 December 2017.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2017. The information contained in this announcement is only based on the latest assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2017, and is subject to finalisation and confirmation by the Company’s auditors and approval by the Board. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2017, which is expected to be released in late March 2017.

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
Li Chengning
Chairman and Executive Director

Hong Kong, 15 March 2018

As at the date of this announcement, the board of directors of the Company 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.