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**百信集团**  
PASHUN GROUP

**Pa Shun Pharmaceutical International Holdings Limited**

**百信藥業國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 574)**

## **PROFIT WARNING**

This announcement is made by Pa Shun Pharmaceutical International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2016 (the “Financial Year”) and information currently available to the Board, it is expected that the Group’s profit attributable to equity shareholders of the Company for the Financial Year will record a decline of more than 50% as compared to the year ended 31 December 2015, primarily due to (i) the net profit for the year ended 31 December 2015 including the one-time gain in the amount of approximately HKD37.5 million arising on changes of fair value of the convertible redeemable preferred shares as disclosed in the Company’s 2015 interim and annual reports; (ii) the “Two-Invoice” System to be implemented in the PRC, which aims to reduce the number of layers between drug manufacturers and medical institutions, caused distributors to reduce their inventory level, resulting in a drop in the sales of products; and (iii) the net profit for the year ended 31 December 2016 including expenses in the amount of approximately HKD12.0 million arising from the share options granted during the Financial Year. The Board considers that the significant decrease in the profit attributable to owners of the Company will not have any cash flow pressure to the ordinary course of business operation of the Company.

The Company is in the process of finalizing the annual results of the Group for the Financial Year. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Financial Year and the unaudited information currently available to the Company. Details of the Group's results for the Financial Year will be disclosed as and when the audited annual results of the Group for Financial Year is announced.

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

By order of the Board  
**Pa Shun Pharmaceutical International Holdings Limited**  
**Mr. Chen Yenfei**  
*Chairman*

Hong Kong, 15 March 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Yenfei, Mr. Shen Shun, Mr. Zhou Jian; the non-executive director of the Company is Mr. Li Ho Tan, Mr. Zhang Xiongfeng and Mr. Masahiro Honna; and the independent non-executive directors of the Company are Mr. Liu Liang Zhong, Mr. Wong Tak Shing and Mr. Min Feng.*