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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 six months ended 30 June 2017 (the “**Financial Period**”) 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 Period will record a decline of more than 60% as compared to the corresponding period in 2016, primarily due to (i) the “Two-Invoice” System implemented in April 2017 in Sichuan, which only allows a single level of distributors for the sale of pharmaceutical products from drug manufacturers to medical institutions, has caused the competition among distributors to become more intense, resulting in a drop in the sales and gross margin of our pharmaceutical distribution segment; and (ii) the net profit for the six months ended 30 June 2017 including commission and interest expenses in the amount of no less than HKD7.0 million arising from convertible bonds issued in December 2016 and corporate bonds issued during the second half of 2016 and the Financial Period. 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 interim results of the Group for the Financial Period. 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 Period and the unaudited information currently available to the Company. Details of the Group's results for the Financial Period will be disclosed as and when the unaudited interim results of the Group for the Financial Period 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, 30 June 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 directors of the Company are Mr. Zhang Xiongfeng and Mr. Masahiro Honna; and the independent non-executive directors of the Company are Mr. Liu Liangzhong, Mr. Wong Tak Shing and Mr. Min Feng.