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百信集团
PASHUN GROUP

Pa Shun International Holdings Limited
百信國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 574)

PROFIT WARNING

This announcement is made by Pa Shun International Holdings 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net loss in consolidated statement of profit or loss for the year ended 31 December 2018 (the “**Year**”) as compared to the net profit of approximately RMB10.2 million for the year ended 31 December 2017. The expected turnaround from net profit to net loss for the Year was mainly attributable to the following:

- (i) the deteriorated operating performance of the Group, leading to a decrease in gross profit of the Group for the Year (approximately RMB89.4 million for the year ended 31 December 2017); and

- (ii) recognition of share option expenses of approximately RMB13 million in the consolidated statement of profit or loss for the Year as a result of the grant of share options by the Company to subscribe for an aggregate of 100,000,000 shares of the Company on 7 September 2018. Such share option expenses were absent for the year ended 31 December 2017.

The Group may record additional fair value changes on the convertible bonds issued by it and/or additional impairment losses on the goodwill and receivables, subject to further information and valuations being made available to the Group.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Year, which are subject to adjustments as appropriate and final review by the Company and its auditor.

The Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Year for further details, which is expected to be published on 29 March 2019.

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

By order of the Board
Pa Shun International Holdings Limited
Mr. Chen Yenfei
Chairman and Chief Executive Officer

Hong Kong, 25 March 2019

As at the date of this announcement, the executive Directors are Mr. Chen Yenfei, Mr. Shen Shun and Mr. Chen Rongxin; the non-executive Director is Mr. Zhang Xiongfeng; and the independent non-executive Directors are Mr. Liu Liangzhong, Mr. Wong Tak Shing and Mr. Lu Yongchao.