

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**PuraPharm**

**PURAPHARM CORPORATION LIMITED**

**培力控股有限公司**

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

**(Stock Code: 1498)**

### **PROFIT WARNING**

This announcement is made by PuraPharm Corporation 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 of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 and other information currently available to the Board, although the overall revenue of the Group for the year ended 31 December 2017 was higher than last year, it is expected that the Group’s profit for the year ended 31 December 2017 will decline significantly by more than 90% and may even record a loss, as compared to its profit of approximately HK\$32.2 million for the year ended 31 December 2016. Such significant decline was mainly attributable to:

- (1) the decline in sales of the Group’s China Concentrated Chinese Medicine Granules (“**CCMG**”) segment resulted from the decrease in sales quantity to the Group’s distributors mainly in the fourth quarter of 2017, which normally is the peak season for the Group’s China CCMG segment. Such decline is mainly due to the political uncertainties arising from the potential liberalisation of the CCMG market in China to other manufacturers and competition from the existing competitors. As a result, the Group’s distributors reduced their purchase of CCMG products from the Group and kept their inventories of the Group’s CCMG products at a low level.

- (2) the increase in the selling and distribution expenses for launching more marketing and promotional activities to strengthen the promotion of the Group's products and brands in China. Such increase in marketing expenses was aimed to increase the competitiveness of our distributors to promote and increase the sales of the Group's CCMG products in China to the end customers in response to the decrease in distributors sales.

The Company has yet to finalise the audited annual results of the Group for the year ended 31 December 2017. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditor or the audit committee of the Company and are subject to adjustment. The actual annual results of the Group for the year ended 31 December 2017 may be different from what is disclosed in this announcement. Shareholders of the Company 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 published before the end of March 2018.

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

By order of the Board  
**PuraPharm Corporation Limited**  
**Chan Yu Ling, Abraham**  
*Chairman*

Hong Kong, 24 January 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Chan Yu Ling, Abraham, Dr. Tsoi Kam Biu, Alvin, Mr. Chan Kin Man, Eddie, Mr. Chan Lung Sang and Ms. Man Yee Wai, Viola; and the independent non-executive directors of the Company are Dr. Chan Kin Keung, Eugene, Mr. Ho Kwok Wah, George, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.*