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PuraPharm

PURAPHARM CORPORATION LIMITED

培力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

PROFIT ALERT

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 six months ended 30 June 2020 (“**2020 Interim Period**”) and other information currently available to the Board, it is expected that the Group’s will record a net profit of approximately HK\$10 million for 2020 Interim Period, as compared with the net loss of HK\$45.2 million during the corresponding period in 2019. Such net profit is mainly attributable to a significant increase in non-recurring People’s Republic of China (the “**PRC**”) Government subsidies income received by the Group in the 2020 Interim Period compared to the six months ended 30 June 2019. The increase in Government subsidies mainly consisted of the amounts received from relevant PRC authorities to reward the Group’s industrial investment in Guizhou province, and tax rebates subsidy.

Due to the adverse impact brought by the widespread outbreak of the COVID-19 pandemic in the PRC and Hong Kong since early 2020, which negatively affecting consumer sentiment and the demand for Chinese medicine services, the Group is expected to record an operating loss after deducting the non-recurring Government subsidies income, but such operating loss during the 2020 Interim Period will be materially less than the corresponding period in 2019, due to stringent control on the operating costs.

The Company is still in the process of finalising the interim results of the Group for 2020 Interim Period. 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 reviewed by the audit committee of the Company and are subject to adjustment. The actual interim results of the Group for 2020 Interim Period may be different from what is disclosed in this announcement. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for 2020 Interim Period, which is expected to be published by the end of August 2020 in accordance with the Listing Rules.

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, 23 July 2020

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, and Ms. Man Yee Wai, Viola; non-executive Directors of the Company are Mr. Chow, Stanley and Mr. Cheong Shin Keong; 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.