



DAPAI INTERNATIONAL HOLDINGS CO. LTD.
(THE 'COMPANY')
Company Registration No.: 41211

PROFIT WARNING

The Board of Directors (the "**Board**") of Dapai International Holdings Co. Ltd. (the '**Company**', together with its subsidiaries the '**Group**') wishes to announce that it considers it appropriate to issue a profit warning announcement after a preliminary assessment of the Group's draft financial results. The Group is expected to record net losses after tax for the financial performance for the third quarter ('**3Q 16**') and the nine months financial period ended 30 September 2016 ('**9M 16**').

The Board is of the view that the Company's consolidated financial results for 3Q 16 and 9M 16 will show a net loss as compared to a profit recorded in the respective corresponding periods of the financial year.

The expected net loss for 3Q 16 and 9M 16 was mainly attributable to:

- a continued decline in the sales of our backpacks products within the lacklustre domestic market and the sluggish global economy;
- an increase in selling and distribution expenses due mainly to advertising and exhibition costs;
- an increase in administrative expenses due mainly to provision for doubtful debts for several of the customers whom had defaulted on their remaining instalment repayments;

With the contraction in sales revenue, the gross profits generated were not sufficient to cover the operating expenses for the financial period under review.

Further details of the Group's financial performance will be disclosed when the Company announces its unaudited consolidated financial results for 3Q 16 and 9M 16, on or before 14 November 2016.

BY ORDER OF THE BOARD

Chen Xizhong
Executive Chairman

1 November 2016