



**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 first quarter (“**1Q 17**”) of the financial period ended 31 March 2017.

The Board is of the view that the Company’s consolidated financial results for 1Q 17 will show a net loss as compared to a profit recorded in the respective corresponding period of the previous financial year.

The expected net loss for 1Q 17 was mainly attributable to:

- the continued decline in the overall sales revenue of our products;
- lower gross profits and gross profit margins generated;
- an increase in selling and distribution expenses; and
- an increase in finance costs.

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 1Q 17, on or before 14 May 2017.

**BY ORDER OF THE BOARD**

Chen Xizhong

Executive Chairman

3 May 2017