Sanai Health Industry Group Company Limited
三愛健康産業集團有限公司
(formerly known as Wuyi International Pharmaceutical Company Limited
武夷國際藥業有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1889)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board hereby informs shareholders of the Company and potential investors that the Group expects to record a significant increase in its consolidated net loss for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016.

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

This announcement is made by Sanai Health Industry Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company hereby informs shareholders of the Company and potential investors that, based on the information currently available to the Group, the Group expects to record a significant increase in its consolidated net loss for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016.

The Board believes that the increase in the loss of the Group, which affected the Group's financial performance, was mainly due to the following reasons:

1. the turnover decreased while the fixed costs (including depreciation and salaries) did not decrease along with the turnover, thus affecting the overall results;

2. due to the decrease in the turnover and the gross profit margin, the Group and an independent valuer are now conducting assessments on the profitability and the impairment loss for the goodwill, intangible assets and fixed assets (e.g. factories and production equipment, etc.) of the Group in order to reflect the recoverable amount of the relevant assets; however, the Board would like to emphasize that the impairment loss (if any) of those relevant assets is a non-cash expense with no impact on the Group's cash flow and operations;

3. due to the change of the recoverability and impairment loss of an amount due from an associate which is currently being assessed by the Group.

Despite the fact that a substantial increase in loss may be recorded by the Group for the year ended 31 December 2017, the Board considers that the Group's overall financial position is still stable and the Board remains positive on the long-term prospect of the Group.

As the Company is still in the process of finalizing its annual results for the year ended 31 December 2017, the information contained in this announcement is a preliminary estimate by the management of the Group according to the latest unaudited management account of the Group and is not based on any figures or information that has been reviewed by the Company's independent auditor. Further details of the Group's performance will be disclosed when the Group's final results for the year ended 31 December 2017 are announced.

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

By order of the Board
Sanai Health Industry Group Company Limited
Chen Chengqing
Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the Board comprises 3 executive directors, namely, Mr. Chen Chengqing (Chairman), Ms. Hung Hoi Lan and Professor Zhang Rongqing, and 3 independent non-executive directors, namely, Mr. Wang Zihao, Mr. Tu Fangkui and Mr. Long Jun.