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**百信集團**

PASHUN GROUP

**Pa Shun International Holdings Limited**

**百信國際控股有限公司**

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

**(Stock Code: 574)**

## **PROFIT WARNING**

This announcement is made by Pa Shun International Holdings 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).

References are made to the announcement of the Company dated 30 September 2019 (the “**First Announcement**”), the announcement of the Company dated 3 October 2019 (the “**Rule 3.7 Announcement**”) and the monthly progress update announcements of the Company dated 1 November 2019, 2 December 2019, 2 January 2020, 3 February 2020, 3 March 2020, 3 April 2020, 4 May 2020, 4 June 2020, 6 July 2020, 6 August 2020, 7 September 2020, 7 October 2020, 9 November 2020, 9 December 2020, 11 January 2021, 11 February 2021 and 11 March 2021 (the “**Monthly Update Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as set out in the First Announcement, the Rule 3.7 Announcement and the Monthly Update Announcements.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, the Group is expected to record a net loss of not less than RMB400.0 million in the consolidated statement of profit or loss for the year ended 31 December 2020 (the “**Year**”), as compared to the net loss of approximately RMB193.4 million for the year ended 31 December 2019 (the “**Profit Warning**”). The expected increase in net loss for the Year was mainly attributable to the following:

- (i) the deteriorated operating performance of the Group in the Year, leading to a decrease in gross profit of the Group for the Year (approximately RMB41.9 million for the year ended 31 December 2019); and
- (ii) recognition of impairment loss on receivables of approximately RMB328.9 million in the consolidated statement of profit or loss for the Year (approximately RMB125.7 million for the year ended 31 December 2019), taking into account that it is currently expected that the Group would not be able to receive the overdue trade receivables of the Company from some of its customers in the PRC which businesses have been adversely affected by the outbreak of the COVID-19 pandemic in the PRC.

The Group may record additional impairment losses on interests in associates, property development project and receivables, subject to further information and valuations being made available to the Group.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Year, which are subject to adjustments as appropriate and final review by the Company and its auditor.

The Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Year for further details, which will be published by the Company on 31 March 2021.

As set out in the Rule 3.7 Announcement, the offer period commenced on the date of the First Announcement, being 30 September 2019. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning constitutes a profit forecast and is required to be reported on by the Company's auditor or accountant and its financial advisers (if applicable). In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Profit Warning will be reported on as soon as practicable and the relevant reports will be contained in the next documents sent to the Shareholders but following the publication of the audited final results of the Group for the year ended 31 December 2020 on 31 March 2021, the requirement to report on the Profit Warning under Rule 10 of the Takeovers Code will no longer apply.

**The Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning and in assessing the merits/demerits of the Possible Transaction in dealing with the securities of the Company.**

On behalf of the Board  
**Pa Shun International Holdings Limited**  
**Professor Xiao Kai**  
*Chairman and Executive Director*

Hong Kong, 23 March 2021

*As at the date of this announcement, the executive Directors are Professor Xiao Kai, Mr. Shen Shun and Mr. Yangbo; the non-executive Directors are Mr. Zhang Xiongfeng, Mr. Hu Haisong and Mr. Wu Guohua; and the independent non-executive Directors are Mr. Cao Lei, Mr. Ng Wai Tsan and Mr. Chen Yongsheng.*

*All Directors jointly and severally accept full responsibility for the accuracy of information contained in the announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other facts not contained in the announcement, the omission of which would make any statement in the announcement misleading.*