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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Pa Shun International Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and Inside Information Provisions (as defined in 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 announcements of the Company (i) dated 17 August 2022 regarding the resumption guidance; (ii) dated 11 August 2023 on the update on resumption progress; (iii) dated 26 October 2023 in relation to the independent forensic investigation report; (iv) dated 2 November 2023 in relation to the audited annual results for the years ended 31 December 2021 and 2022, and the unaudited interim results for the six months ended 30 June 2022 and 2023 respectively; (v) dated 6 November 2023 in relation to the independent internal control review report; (vi) dated 9 November 2023 in relation to the restructuring and scheme of arrangement; and (vii) other announcements as mentioned therein (“**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON BUSINESS OPERATION

The Group is principally engaged in pharmaceutical distribution and manufacture of pharmaceutical products in the PRC.

As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects notwithstanding the suspension of trading in the shares of the Company.

RESUMPTION PLAN AND PROGRESS

After taking the resumption plan into consideration, the Company has taken appropriate steps to comply with the Resumption Guidance and the Listing Rules in order to ensure the resumption of trading in the shares of the Company.

Restructuring and Scheme of Arrangement

As disclosed by the Company in its announcements dated 8 September 2023 and 15 September 2023 respectively, the Company intended to restructure its overall indebtedness position in order to address its liquidity issue.

On 20 July 2023, the Company, through its legal advisors, made an ex parte application to the High Court of Hong Kong to apply for leave to convene a Scheme Meeting for the purpose of considering and, if thought fit, approving the Scheme of Arrangement and related directions.

The Scheme Meeting was held on 18 October 2023. During the Scheme Meeting, over 50% in number of, and representing not less than 75% in value of the claims of, the creditors present and voting in person or by proxy at the Scheme Meeting, have voted in favour of the Scheme of Arrangement. The High Court of Hong Kong sanctioned the Scheme of Arrangement on 1 November 2023.

As disclosed in the Company's announcement dated 9 November 2023, the petitioner of the Re-Re Amended Petition has signed a consent summons on 9 November 2023, pursuant to which the petitioner has agreed the Re-Re-Amended Petition be dismissed. Under such circumstances, the Company believes that the High Court of Hong Kong will dismiss the Re-Re-Amended Petition on 20 November 2023, which is merely a procedural matter.

Internal Control Review Report

As disclosed in the Company's announcement dated 6 November 2023, the Internal Control Review Report was completed and the key findings of the Internal Control Review Report were disclosed in the Company's announcement dated 6 November 2023. Having considered the Internal Control Review Report and the rectification measures taken by the Group, in particular, the follow-up review conducted by SHINEWING Risk Services on the enhanced internal control measures adopted by the Group, the Board and the Independent Investigation Committee are of the view that (i) the major internal control deficiencies as disclosed have been remedied and the associated risks have been controlled at a reasonable level; and (ii) the rectification actions and improvement measures implemented by the Company are sufficient to address the key findings of the Internal Control Review Report. The Company will continue to implement rectification measures to further enhance its internal control system in order to fulfil its obligations under the Listing Rules.

Forensic Investigation Report

As disclosed in the Company's announcement dated 26 October 2023, the Forensic Investigation Report was completed and the key findings of the Forensic Investigation Report were disclosed in the Company's announcement dated 26 October 2023. The Independent Investigation Committee and the Board have reviewed the Forensic Investigation Report and consider that the contents and findings of the Forensic Investigation Report are reasonable and acceptable. Accordingly, the Independent Investigation Committee and the Board adopt the findings of the Forensic Investigation. The Board is of the view that the issues identified in the Forensic Investigation Report do not affect the business operation of the Group. The Group's business operation continues as usual despite the suspension of trading in the Shares since 12 May 2022. The Company has implemented the necessary internal control measures on investment management to prevent reoccurrence of any investments similar to those of the Acquisitions as disclosed in the Company's announcement dated 26 October 2023.

Financial Results

Since the suspension of trading, the Company has published all its outstanding financial results. On 2 November 2023, the Company has published the audited annual results for the years ended 31 December 2021 and 2022, and the unaudited interim results for the six months ended 30 June 2022 and 2023 respectively.

CCTH CPA Limited ("CCTH"), the auditors of the Company, does not express an opinion on the consolidated financial statements of the Group for each of the years ended 31 December 2021 and 2022. The basis for disclaimer of opinion and the detailed plan of the Company to address the disclaimer of opinion are set forth in the announcements both dated 2 November 2023 in relation to the audited annual results for the years ended 31 December 2021 and 2022 respectively.

The Company is currently actively liaising with the Stock Exchange for resumption of trading.

Further announcement(s) will be published in relation to the resumption matters as and when appropriate in order to keep the shareholders and potential investors of the Company informed.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1:18 p.m. on 12 May 2022 and will continue to be suspended until further notice.

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

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

Hong Kong, 11 November 2023

As at the date of this announcement, the executive Directors are Professor Xiao Kai, Mr. Yuan Hongbing and Mr. Feng Junzheng; the non-executive Directors are Mr. Zhang Tong and Mr. Chen Yunwei; and the independent non-executive Directors are Mr. Cao Lei, Ms. Li Yan and Mr. Khor Khie Liem Alex.