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**百信集团**  
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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Pa Shun International Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) announces that the annual consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for 2024 as follows:

**ANNUAL RESULTS HIGHLIGHTS**

- Revenue amounted to approximately RMB86,807,000 (2024: approximately RMB86,554,000).
- Loss for the year attributable to equity holders of the Company amounted to approximately RMB15,856,000 (2024: approximately RMB15,313,000).
- The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3	<b>86,807</b>	86,554
Cost of goods sold		<u>(74,793)</u>	<u>(69,496)</u>
<b>Gross profit</b>		<b>12,014</b>	17,058
Gain on restructuring of the financial liabilities		-	17,571
Other income, net	4	<b>1,344</b>	1,461
Selling and distribution expenses		<b>(4,620)</b>	(7,988)
Administrative and other operating expenses		<b>(14,573)</b>	(14,451)
Reversal of loss allowance for expected credit losses ("ECL") on trade receivables, net		<b>11,560</b>	3,805
Provision for loss allowance for ECL on other receivables		<b>(1,415)</b>	(4,999)
Impairment loss on property development project		<b>(3,600)</b>	(4,500)
Impairment loss on prepayments and deposits paid, net		<b>(1,345)</b>	(8,163)
Finance costs	5	<u>(15,034)</u>	<u>(14,800)</u>
<b>Loss before tax</b>	6	<b>(15,669)</b>	(15,006)
Income tax expenses	7	<u>(187)</u>	<u>(307)</u>
<b>Loss for the year attributable to equity holders of the Company</b>		<u><b>(15,856)</b></u>	<u>(15,313)</u>
<b>Loss per share</b>			
Basic and diluted (RMB cents)	9	<u><b>(1.07)</b></u>	<u>(1.04)</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
<b>Loss for the year</b>	<u>(15,856)</u>	<u>(15,313)</u>
<b>Other comprehensive income (loss):</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of the Company's financial statements to presentation currency	8,538	(2,779)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of functional currency to presentation currency	1,141	(1,845)
Reclassification of exchange reserve upon deregistration of subsidiaries	<u>(5,768)</u>	<u>-</u>
<b>Other comprehensive income (loss) for the year</b>	<u>3,911</u>	<u>(4,624)</u>
<b>Total comprehensive loss for the year attributable to the equity holders of the Company</b>	<u><u>(11,945)</u></u>	<u><u>(19,937)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		27,523	29,460
Right-of-use assets		1,770	1,821
Intangible assets		-	6
Property development project		39,900	43,500
		<u>69,193</u>	<u>74,787</u>
<b>Current assets</b>			
Inventories		19,651	37,834
Trade and other receivables	10	58,579	29,629
Prepayments and deposits paid		16,722	21,388
Amount due from a related party		36	36
Cash and cash equivalents		5,524	15,972
		<u>100,512</u>	<u>104,859</u>
<b>Current liabilities</b>			
Trade and other payables	11	81,657	79,744
Bank borrowings		18,984	11,380
Amounts due to shareholders		802	804
Amounts due to related parties		419	396
Deferred income – government grant		512	512
Other borrowings		6,700	3,700
Repayment obligations under the Scheme of Arrangement	12	8,767	6,894
Income tax payables		24	98
		<u>117,865</u>	<u>103,528</u>
<b>Net current (liabilities) assets</b>		<u>(17,353)</u>	<u>1,331</u>
<b>Total assets less current liabilities</b>		<u>51,840</u>	<u>76,118</u>
<b>Non-current liabilities</b>			
Deferred income – government grant		20,469	20,981
Deferred tax liabilities		2,253	2,125
Other payables	11	5,846	3,296
Other borrowings		19,776	28,947
Repayment obligations under the Scheme of Arrangement	12	151,477	156,805
		<u>199,821</u>	<u>212,154</u>
<b>NET LIABILITIES</b>		<u>(147,981)</u>	<u>(136,036)</u>
<b>Capital and reserves</b>			
Share capital		1,216	1,216
Reserves		(149,197)	(137,252)
<b>NET DEFICIT</b>		<u>(147,981)</u>	<u>(136,036)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1. GENERAL INFORMATION

Pa Shun International Holdings Limited (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) was incorporated in the Cayman Islands on 3 May 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 June 2015. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is Suites 2601-2603, 26/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. While its subsidiaries are principally engaged in pharmaceutical distribution and manufacturing of pharmaceutical products in the People’s Republic of China (the “**PRC**”).

### 2. PRINCIPAL ACCOUNTING POLICIES

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”). The consolidated financial statements of the Company are presented in Renminbi (“**RMB**”) as the functional currency of the Group’s major operating subsidiaries is RMB. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standard that are relevant to the Group and effective from the current year as set out below.

#### Adoption of revised HKFRS Accounting Standard

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21	Lack of Exchangeability
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#### Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### Future changes in HKFRS Accounting Standards

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new / revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>[1]</sup>
Annual Improvements to HKFRS Accounting Standards	Volume 11 <sup>[1]</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>[1]</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>[2]</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>[2]</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>[2]</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>[3]</sup>

<sup>[1]</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>[2]</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>[3]</sup> The effective date to be determined

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 may affect the presentation of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

Except for above, the directors of the Company do not anticipate that the adoption of the new / revised HKFRS Accounting Standards in future reporting periods will have any material impact on the financial performance and financial position of the Group.

### Going concern

In preparing the consolidated financial statements, the management of the Group have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of approximately RMB15,856,000 and had net cash used in operating activities of approximately RMB10,093,000 for the year ended 31 December 2025 and, at that date, the Group had net current liabilities and net liabilities of approximately RMB17,353,000 and RMB147,981,000, respectively. At 31 December 2025, the Group had repayment obligations under the Scheme of Arrangement of approximately RMB160,244,000 as disclosed in Note 12 to the consolidated financial statements. At 31 December 2025, the Group had cash and cash equivalents of approximately RMB5,524,000.

The above events and conditions indicate that the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern, and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the management of the Group has given careful consideration to the future liquidity and performance of the Group, the available sources of financing and has considered the Group’s cash flow projection that covered a period of not less than twelve months from 31 December 2025 and to assess whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group’s financial position which include, but are not limited to the followings:

1. The Group have completed the scheme of arrangement (the “**Scheme of Arrangement**”) for the restructuring of its overall indebtedness position (as detailed in Note 12 to the consolidated financial statements) in 2024 that is aimed at alleviating the liquidity pressure and improving financial position of the Group, which had successfully lower the liquidity burden on arrangement of loans. The details of the Scheme of Arrangement are set out in Note 12 to the consolidated financial statements.

The management of the Group understands from the Scheme Administrator (as defined in Note 12 to the consolidated financial statements) that the first annual cash payment of HK\$5,000,000 for the year 2024 was funded using the deposit seized by the Scheme Administrator for onward payment to the Scheme Creditors (as defined in Note 12 to the consolidated financial statements). The management of the Group is currently negotiating with the Scheme Administrator regarding the repayment of this first annual cash payment to the Scheme Administrator. Up to the date of approval of the consolidated financial statements, the management of the Group believes that the Scheme Creditors will not request immediate repayment of the entire outstanding obligations under the Scheme of Arrangement;

2. The management of the Group will continue to closely monitor the financial position of the Group and the directors of the Company will make every effort to (a) generate adequate cash flows from its operations; and (b) secure funds as may be necessary by pledge of the Group’s assets including but not limited to the right-of-use assets and the property development project, or issuing new shares, as may be necessary to finance the business operations of the Group and meet repayment obligations of the existing debts when they fall due in the foreseeable future;
3. the Group is implementing measures to tighten cost controls over various operating expenses and to identify and secure new business opportunities in order to enhance its profitability and to improve the cash flow from its operation in the future;
4. the Group continues to expand its product portfolio to meet new customer demands and to further enhance its Group’s market competitiveness; and
5. The Group continues to negotiate / seek opportunities with the financial institutions and / or individuals lenders for the renewal of existing / inception of the new financing arrangement to meet the Group’s future working capital and financial requirements.
  - a) During the year ended 31 December 2025, the Group has successfully extended other borrowings of approximately RMB19,000,000 for a further 1 to 1.5 years, renewed bank borrowings of approximately RMB12,000,000 for an additional 1 year, and obtained new bank and other borrowings totalling approximately RMB10,433,000, respectively;
  - b) Subsequent to the end of the reporting period, the Group has also successfully renewed bank and other borrowings totalling approximately RMB5,449,000 for a further 1 year; and
  - c) Subsequently to the end of the reporting period, the Group has obtained a commitment from an independent third party who has demonstrated its ability to provide continuous financial support of approximately RMB13,460,000, as necessary, to enable the Group to meet its day-to-day operations and its financial obligations as they fall due.

Based on the latest information available, the management of the Group is of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the management of the Group will be able to implement the abovementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the Group’s ability to obtain adequate extra financing and / or generate sufficient cash flows from operation.

Should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case, adjustments might have to be made to the carrying values of the Company’s assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

### 3. REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are pharmaceutical distribution and manufacture of pharmaceutical products in the PRC.

Revenue represents the sales value of goods supplied to customers (which is recognised on the basis of “at point in time”). The revenue of each significant segment is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within HKFRS 15</b>		
Pharmaceutical distribution	<b>71,689</b>	60,885
Pharmaceutical manufacturing	<b>15,118</b>	25,669
	<b>86,807</b>	86,554

#### (b) Segment reporting

The Group manages its business by business lines and distribution channels. In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Pharmaceutical distribution: this segment generates revenue primarily from the sales of pharmaceutical products to (i) wholesalers and (ii) hospitals and other medical institutions in rural areas.

Pharmaceutical manufacturing: this segment generates revenue primarily from the sales of pharmaceutical products manufactured by the Group.

The CODM assesses the performance of the operating segments based on a measure of revenue and gross profit. No analysis of the Group’s assets and liabilities by operating segments was regularly provided to the CODM for review during the years ended 31 December 2025 and 2024 for the purposes of resource allocation and assessment of segment performance.

(i) *Segment revenue and results*

Segment information regarding the Group's revenue and results as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

Year ended 31 December 2025					
Pharmaceutical distribution					
	Sales to wholesalers RMB'000	Sales to hospitals and other medical institutions in rural areas RMB'000	Sub-total RMB'000	Pharmaceutical manufacturing RMB'000	Total RMB'000
Revenue from external customers	42,427	29,262	71,689	15,118	86,807
Inter-segment revenue	-	-	-	1,149	1,149
Reportable segment revenue	<u>42,427</u>	<u>29,262</u>	<u>71,689</u>	<u>16,267</u>	<u>87,956</u>
Reportable segment profit	<u>1,806</u>	<u>4,001</u>	<u>5,807</u>	<u>6,207</u>	<u>12,014</u>

  

Year ended 31 December 2024					
Pharmaceutical distribution					
	Sales to wholesalers RMB'000	Sales to hospitals and other medical institutions in rural areas RMB'000	Sub-total RMB'000	Pharmaceutica l manufacturing RMB'000	Total RMB'000
Revenue from external customers	21,936	38,949	60,885	25,669	86,554
Inter-segment revenue	-	-	-	1,062	1,062
Reportable segment revenue	<u>21,936</u>	<u>38,949</u>	<u>60,885</u>	<u>26,731</u>	<u>87,616</u>
Reportable segment profit	<u>960</u>	<u>6,466</u>	<u>7,426</u>	<u>9,632</u>	<u>17,058</u>

Revenue and expenses are allocated to the reportable segments with reference to sales generated by and the expenses incurred by those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

(ii) Reconciliations of reportable segment revenue and segment profit

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Revenue</b>		
Reportable segment revenue	87,956	87,616
Elimination of inter-segment revenue	<u>(1,149)</u>	<u>(1,062)</u>
Consolidated revenue	<u><b>86,807</b></u>	<u><b>86,554</b></u>
<b>Profit / Loss</b>		
Reportable segment profit	12,014	17,058
Gain on restructuring of the financial liabilities	-	17,571
Other income, net	1,344	1,461
Reversal of loss allowance for ECL on trade receivables, net	11,560	3,805
Provision for loss allowance for ECL on other receivables, net	(1,415)	(4,999)
Impairment loss on property development project	(3,600)	(4,500)
Impairment loss on prepayments and deposits paid, net	(1,345)	(8,163)
Selling and distribution expenses	(4,620)	(7,988)
Administrative and other operating expenses	(14,573)	(14,451)
Finance costs	<u>(15,034)</u>	<u>(14,800)</u>
Consolidated loss before tax	<u><b>(15,669)</b></u>	<u><b>(15,006)</b></u>
<b>Other information:</b>		
<i>Pharmaceutical distribution segment:</i>		
Depreciation for property, plant and equipment	(47)	(44)
Reversal of loss allowance for ECL on trade receivables, net	15,316	3,002
(Provision for) Reversal of loss allowance for ECL on other receivables, net	(410)	458
Provision of impairment loss on prepayments and deposits paid, net	(2,204)	-
Selling and distribution expenses	<u>(3,605)</u>	<u>(7,038)</u>
<i>Pharmaceutical manufacturing segment:</i>		
Depreciation for property, plant and equipment	(1,974)	(2,983)
(Provision for) Reversal of loss allowance for ECL on trade receivables, net	(3,756)	803
Provision for loss allowance for ECL on other receivables, net	(905)	(5,457)
Reversal of (Provision for) impairment loss on prepayments and deposits paid, net	859	(8,163)
Selling and distribution expenses	(1,015)	(950)
Reversal of write-down of inventories	<u>392</u>	<u>1,891</u>

(iii) *Information about major customers*

Revenue from external customers contributing over 10% of the Group's total revenue are as follow:

	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
Customer A from pharmaceutical manufacturing segment	-	19,378
Customer B from pharmaceutical distribution segment	*	10,503
Customer C from pharmaceutical distribution segment	<b>12,119</b>	*
Customer D from pharmaceutical distribution segment	<b>9,470</b>	*

\* *The corresponding customers did not contribute over 10% of the total revenue of the Group.*

(iv) *Geographical Information*

The Group's segment revenue and segment profit were entirely derived from activities of pharmaceutical distribution and pharmaceutical manufacturing in the PRC for the years ended 31 December 2025 and 2024.

The principal assets employed by the Group were located in the PRC at 31 December 2025 and 2024. Accordingly, no analysis by geographical analysis on segment assets is provided.

**4. OTHER INCOME, NET**

	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
Bank interest income	<b>3</b>	11
Deferred income – government grant	<b>512</b>	512
Short-term lease rental income	<b>916</b>	897
Write-off of property, plant and equipment	<b>(18)</b>	(9)
Gain on deregistration of subsidiaries	<b>6</b>	-
Others	<b>(75)</b>	50
	<b>1,344</b>	1,461

**5. FINANCE COSTS**

	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
Interest on bank borrowings	<b>536</b>	377
Interest on corporate bonds payable	-	1,128
Interest on other borrowings	<b>3,108</b>	4,430
Imputed interest arising from repayment obligations under the Scheme of Arrangement ( <i>Note 12</i> )	<b>11,390</b>	8,865
	<b>15,034</b>	14,800

## 6. LOSS BEFORE TAX

Loss before tax is arrived at after charging (crediting):

	2025 RMB'000	2024 RMB'000
<b>Staff costs, including directors' emoluments</b>		
Salaries, allowances, discretionary bonus and other benefits in kinds	6,406	6,981
Retirement benefits scheme contributions	<u>1,588</u>	<u>1,617</u>
Total staff costs (included in "cost of goods sold", "selling and distribution expenses", and "administrative and other operating expenses") ( <i>Note (i)</i> )	<u><u>7,994</u></u>	<u><u>8,598</u></u>
<b>Other items:</b>		
Auditors' remuneration		
- Audit services	1,300	1,300
- Non-audit services	70	–
Cost of inventories	74,793	69,496
Reversal of write-down of inventories (included in "cost of goods sold")	(392)	(1,891)
Amortisation of intangible assets (included in "administrative and other operating expenses")	6	20
Depreciation of property, plant and equipment (included in "cost of goods sold" and "administrative and other operating expenses")	3,095	3,027
Depreciation of right-of-use assets (included in "cost of goods sold" and "administrative and other operating expenses")	51	51
Advertising expenses	734	2,607
Short-term lease rental expenses (included in "administrative and other operating expenses") ( <i>Note (ii)</i> )	<u>417</u>	<u>417</u>

### Notes:

- (i) For the years ended 31 December 2025 and 2024, there were no forfeited contributions in respect of contribution previously made which were available to reduce the Group's existing level of contributions to the relevant defined contribution retirement plans.
- (ii) At 31 December 2025, the Group was committed to pay approximately RMB83,000 (2024: approximately RMB355,000) for short-term lease.

## 7. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax	-	67
Under-provision in prior periods	<u>59</u>	<u>112</u>
	<b>59</b>	179
Deferred tax		
Origination of temporary differences	<u>128</u>	<u>128</u>
	<u><b>187</b></u>	<u><b>307</b></u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the group entities incorporated in the Cayman Islands and the BVI are not subject to any income tax.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for years ended 31 December 2025 and 2024.

In March 2018, the two-tiered profits tax rates regime was introduced into the laws of Hong Kong, under which the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25% (the “graduated tax rate”), and assessable profits above HK\$2 million will be taxed at 16.5% for the years ended 31 December 2025 and 2024. The profits of corporations in the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% of the estimated assessable profits for the years ended 31 December 2025 and 2024.

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the years ended 31 December 2025 and 2024.

## 8. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 December 2025 (2024: Nil) nor had any dividend been proposed since the end of the reporting period (2024: Nil).

## 9. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share attributable to the owners of the Company for the years ended 31 December 2025 and 2024 is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(15,856)</u>	<u>(15,313)</u>
	<b>2025</b>	<b>2024</b>
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u><b>1,474,993,000</b></u>	<u>1,474,993,000</u>

(b) **Diluted loss per share**

**Weighted average number of ordinary shares**

The calculation of diluted loss per share is the same as the basic loss per share as there were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024.

**10. TRADE AND OTHER RECEIVABLES**

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables from third parties		298,846	284,313
Less: Loss allowance for ECL		<u>(246,617)</u>	<u>(258,177)</u>
	(a)	52,229	26,136
Bank bills receivables	(b)	<u>2,378</u>	<u>1,633</u>
Trade and bill receivables, net		54,607	27,769
Other receivables		<u>3,972</u>	<u>1,860</u>
		<u><u>58,579</u></u>	<u><u>29,629</u></u>

Notes:

(a) **Trade receivables**

The Group normally grants credit terms of 30 to 180 days (2024: 30 to 180 days) to its customers, but a longer period can be granted on a discretionary basis. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management of the Group. The Group does not hold any collateral or other credit enhancements over its trade receivables balances.

At the end of the reporting period, the ageing analysis of the trade receivables presented based on dates of goods delivery and net of loss allowance for ECL is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	2,563	9,460
1 to 3 months	16,352	9,222
4 to 6 months	5,340	7,454
Over 6 months	<u>27,974</u>	<u>-</u>
	<u><u>52,229</u></u>	<u><u>26,136</u></u>

(b) **Bank bills receivables**

The bank bills receivables are due within 180 days (2024: 180 days) from the date of billing.

## 11. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade and bills payables (Note (i))	28,320	31,633
Contract liabilities (Note (ii))	13,221	14,522
Accrued interest for other borrowings	6,316	3,455
Accrued professional fees	3,637	3,414
Payables for staff related costs	9,893	9,827
Payable to Scheme Administrator (Note 12)	4,487	-
Other payables	<u>21,629</u>	<u>20,189</u>
	<u><b>87,503</b></u>	<u><b>83,040</b></u>
Analysed as:		
Non-current liabilities	5,846	3,296
Current liabilities	<u>81,657</u>	<u>79,744</u>
	<u><b>87,503</b></u>	<u><b>83,040</b></u>

### Notes:

- (i) At the end of the reporting period, the ageing analysis of trade and bills payables, based on dates of goods delivery / bills issue date is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	2,209	3,373
1 to 3 months	4,427	1,853
Over 3 months	<u>21,684</u>	<u>26,407</u>
	<u><b>28,320</b></u>	<u><b>31,633</b></u>

An average credit period of 30 to 180 days (2024: 30 to 180 days) is granted by the suppliers to the Group. The bank bills payables are due within 180 days (2024: 180 days) from the date of billing.

- (ii) The Group received deposits from customers for the sales of pharmaceutical products as provided in contracts which are regarded as contract liabilities.

## 12. REPAYMENT OBLIGATIONS UNDER THE SCHEME OF ARRANGEMENT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities	151,477	156,805
Current liabilities	<u>8,767</u>	<u>6,894</u>
	<u><b>160,244</b></u>	<u><b>163,699</b></u>
Within one year	8,767	6,894
After one year but within two years	8,169	8,790
After two years but within five years	<u>143,308</u>	<u>148,015</u>
	<u><b>160,244</b></u>	<u><b>163,699</b></u>

The Group initiated a restructuring of its overall indebtedness position in order to address the liquidity issue faced by the Group during the year ended 31 December 2023. All necessary statutory, regulatory, and creditors' approvals of the Scheme of Arrangement have been obtained during the year ended 31 December 2023. All admitted claims owed by the Group to those creditors would be discharged and released in full as against the Company on the effective date of the Scheme of Arrangement.

The details of the Scheme of Arrangement as set out below:

On 12 March 2024, the Scheme of Arrangement became effective for the restructuring of its overall indebtedness position, under which:

- (i) All unsecured and non-preferential claims (the "**Scheme Claims**") shall be discharged and released in full as against the Company on the date on which the Scheme of Arrangement becomes unconditional and comes into effect;
- (ii) The creditors with the Scheme Claims (the "**Scheme Creditors**"), which have been admitted by the administrators of the Scheme of Arrangement or the adjudicator (the "**Admitted Claims**"), will be entitled to the following in proportion to their admitted claims on a pari passu basis:
  - an initial cash payment representing 1% of the Admitted Claims (the "**Initial Cash Payment**"); and
  - annual cash payments from years 2024 to 2028 (the "**Yearly Payments**").
- (iii) The Scheme Claims carries zero-coupon interest rate.

The Yearly Payments comprise a cash amount which shall be the higher of (i) HK\$5 million for the year 2024 and HK\$10 million annually for the years 2025 to 2028; and (ii) a cash amount representing the relevant proportion of the consolidated net profits of the Company for the relevant financial year. The Yearly Payments shall be payable on yearly distribution date, which shall be no later than 30 business days upon the release of the relevant annual reports and in any event no later than 30 June following the end of the relevant financial year of the Company.

If the aggregate of the Initial Cash Payment and all the Yearly Payments are insufficient to settle all the Admitted Claims, the Company shall allot and issue new shares (the "**Scheme Shares**") to the Scheme Creditors through the special purpose company controlled by the administrators of the Scheme of Arrangement (the "**Scheme Administrators**"), subject to the approval of the shareholders of the Company (if applicable), the Stock Exchange, the requirements of the Listing Rules and the determination of the Scheme Administrators. The exact number of the Scheme Shares to be issued and the issue price per share are to be determined following of the settlement of the Initial Cash Payment and the Yearly Payments.

During the year ended 31 December 2024, upon the effect of the Scheme of Arrangement, an aggregate balance of approximately HK\$230,810,000 (equivalent to approximately RMB217,725,000) payable to creditors has been discharged and released in full. Upon the effect of the Scheme of Arrangement, the relevant Admitted Claims amounted to approximately HK\$163,938,000 (equivalent to approximately RMB154,658,000) have been recognised as repayment obligations under the Scheme of Arrangement. As a result, gain on restructuring of the financial liabilities of approximately RMB17,571,000 was recognised in the profit and loss for the year ended 31 December 2024.

The Initial Cash Payment and related scheme cost to be financed by an initial committed deposit of HK\$8,000,000 seized by the Scheme Administrators since year 2023. During the year ended 31 December 2025, the Initial Cash Payment of approximately HK\$2,308,000 (equivalent to approximately RMB2,129,000) was fully settled through an offset against the committed deposit under the Scheme of Arrangement. At 31 December 2025, the remaining committed deposit of approximately HK\$5,668,000 (equivalent to approximately RMB5,087,000) (2024: HK\$8,000,000 (equivalent to approximately RMB7,547,000)). The committed deposit continues to be held by the Scheme Administrators and is included in "Prepayments and deposits paid" in the consolidated financial statements.

In respect of the annual cash payments for year 2024 payment amounting to HK\$5,000,000 (equivalent to approximately RMB4,612,000) (the "2024 Yearly Payments"), the Company communicated with the Scheme Administrator that the 2024 Yearly Payments would be further financed by the initial deposit. Up to the date of approval of the consolidated financial statements, the Company is still negotiating with the Scheme Administrator regarding the repayment schedule of the 2024 Yearly Payments to the Scheme Administrator which is included in "Trade and other payables".

The repayment obligation under the Scheme of Arrangement was determined based on the present value of the future cash flows stated in Scheme of Arrangement discounted using the effective interest rate of 7.32% per annum on 12 March 2024. The imputed interest arising from the repayment obligation under the Scheme of Arrangement of approximately RMB11,390,000 (2024: approximately RMB8,865,000) was recognised in profit or loss during the year ended 31 December 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group continued to focus on the pharmaceutical distribution and pharmaceutical manufacturing businesses in the PRC during the year ended 31 December 2025 (“FY2025”).

### **Revenue**

For the FY2025, the Group reported a total revenue of approximately RMB86.8 million, representing a very slight increase from approximately RMB86.6 million for the year ended 31 December 2024 (“FY2024”).

### **Cost of Goods Sold, Gross Profit and Gross Profit Margin**

The Group’s cost of goods sold increased by approximately 7.6% from approximately RMB69.5 million for the FY2024 to approximately RMB74.8 million for the FY2025.

The Group’s gross profit decreased by approximately 29.6% from approximately RMB17.1 million for the FY2024 to approximately RMB12.0 million for the FY2025. The Group’s gross profit margin decreased from approximately 19.7% for the FY2024 to approximately 13.8% for the FY2025.

A substantial portion of the Group’s products was included in the National Centralised Drug Procurement programme launched by the government of the People’s Republic of China in 2025. The programme is a key national policy implemented to reduce drug prices and alleviate the burden of medical expenses of the general public. In line with the pricing mechanism of this national policy, the Group has adjusted the selling prices of the relevant procured products, which has led to a significant contraction in the gross profit margin of the affected products.

### **Gain on Restructuring of the Financial Liabilities**

A gain of restructuring of the financial liabilities was recognised during the FY2024 arising from the event in which the unsecured and non-referential claims payable to creditors were discharged and released in full in exchange for repayment obligations under the Scheme of Arrangement, which carry zero-coupon interest rate, effective on 12 March 2024. No such gain was noted during the FY2025.

### **Selling and Distribution Expenses**

The Group’s selling and distribution expenses decreased by approximately 42.2% from approximately RMB8.0 million for the FY2024 to approximately RMB4.6 million for the FY2025. The decrease was attributable to the cost control measures due to the net loss incurred by the Group in recent years.

### **Administrative and Other Operating Expenses**

The Group’s administrative and other operating expenses increased slightly from approximately RMB14.5 million for the FY2024 to approximately RMB14.6 million for the FY2025.

### **Other Income, net**

Other income recorded a slight decrease to approximately RMB1.3 million for the FY2025 (FY2024: approximately RMB1.5 million).

### **Loss allowance for expected credit loss (“ECL”) and impairment loss**

- (i) The management of the Group conducted impairment assessment of the property development project (the “**Project**”) using the residual method by reference to its estimated market value as at 31 December 2025 and 2024 as valued by an independent professional valuer. With reference to the results of valuation, an impairment loss on the Project amounted to approximately RMB3.6 million (FY2024: approximately RMB4.5 million) was recognised for the FY2025.
- (ii) The management of the Group conducted impairment assessment on the recoverability of prepayment and deposit paid by considering historical settlement records, past experience and both quantitative and qualitative information that is reasonable and supportive forward-looking information. From the view of the management of the Group, the recoverability of the advance payments made to certain suppliers could not be assured beyond reasonable doubt. Accordingly, an impairment loss of approximately RMB1.3 million was recognised for the FY2025 (FY2024: impairment loss amounted to approximately RMB8.2 million).
- (iii) The management of the Group conducted assessment on the loss allowance for ECL on trade and other receivables by taking into consideration the current and forward-looking information, to adjust the expected loss rates at 31 December 2025 and 2024. A reversal of loss allowance for ECL on trade receivables amounted to approximately RMB11.6 million (2024: approximately RMB3.8 million) and a provision for loss allowance for ECL on other receivables amounted to approximately RMB1.4 million (2024: provision for loss allowance for ECL amounted to RMB5.0 million) were recognised for the FY2025.

### **Finance Costs**

Finance costs increased to approximately RMB15.0 million for the FY2025 (FY2024: approximately RMB14.8 million). Finance costs of the Group mainly comprised interests accrued on bank and other borrowings of the Group and the imputed interests arising from the repayment obligations under the Scheme of Arrangement.

### **Loss for the Year**

As a result of the foregoing, the Group’s loss for the FY2025 was approximately RMB15.9 million as compared to approximately RMB15.3 million for the FY2024.

## **OUTLOOK**

During the FY2025, the economy of the PRC entered into new phase with slowdown and steady development. Accordingly, the Company expects that the wholesale and consumer market of pharmaceutical products would become more competitive and challenging. The management of the Group will focus its efforts on improving the production and distribution capabilities to seize the business opportunities arising from the market recovery.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

The Group had total cash and cash equivalents of approximately RMB5.5 million at 31 December 2025 as compared to approximately RMB16.0 million at 31 December 2024.

The Group recorded net current assets of approximately RMB1.3 million at 31 December 2024 and net current liabilities of approximately RMB17.4 million at 31 December 2025. The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was 1.01 as at 31 December 2024, as compared with 0.85 as at 31 December 2025.

As at 31 December 2025, the total amount of bank borrowings was approximately RMB19.0 million, as compared to approximately RMB11.4 million as at 31 December 2024. As at 31 December 2025, the total amount of other borrowings was approximately RMB26.5 million as compared to approximately RMB32.6 million as at 31 December 2024.

As at 31 December 2025, the total number of issued ordinary shares of the Company (“Shares”) was 1,474,992,908 Shares (2024: 1,474,992,908 Shares). In 2018, the Company has granted to certain eligible persons share options (the “Options”) to subscribe for an aggregate of 100,000,000 Shares under the share option scheme adopted by the Company by ordinary resolution of all shareholders of the Company passed on 26 May 2015. During the year ended 31 December 2025, 10,000,000 Options have expired and as at 31 December 2025, no Options remained outstanding. Please refer to the announcement of the Company dated 7 September 2018 for details of the grant of the Options. No Options were granted during the FY2025 and FY2024.

The Group reviews and manages its capital structure actively and regularly to enhance its financial strength for the Group’s long-term development. There were no changes in the Group’s approach to capital management during the FY2025.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liabilities.

## **FOREIGN EXCHANGE RISKS**

Most of the assets and transactions of the Group are denominated in Renminbi, and the Group mainly settles its operating expenses in the PRC with income generated from operations in Renminbi. Therefore, the Group is not exposed to any significant foreign exchange risks.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

During the FY2025, the Group did not make any significant investments, acquisitions or disposals that was required to be disclosed under the Listing Rules.

## **PLEDGED ASSETS**

As at 31 December 2025, the Group's leasehold land and buildings with aggregate net carrying amount of approximately RMB24.0 million (2024: approximately RMB26.5 million) were pledged to secure bank borrowings.

## **HUMAN RESOURCES**

As at 31 December 2025, the Group had a total of 108 (31 December 2024: 97) staff, primarily in the PRC. The total staff cost was approximately RMB8.0 million (2024: approximately RMB8.6 million) for the FY2025.

The Group believes its human resources are its valuable assets and maintains its firm commitment to attracting, developing and retaining talented employees, in addition to providing dynamic career opportunities and cultivating a favorable working environment. The Group constantly invests in training across diverse operational functions and offers competitive remuneration packages and incentives to all employees. The Group regularly reviews its human resources policies for addressing its corporate development needs.

## **DIVIDEND**

The Board does not recommend the payment of any final dividend for the FY2025 (FY2024: Nil).

## **CORPORATE GOVERNANCE**

The Group has committed to achieving high corporate governance standards in order to safeguard the interests of shareholders and enhance corporate value and accountability of the Company. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Listing Rules which was effective during the year as its own code of corporate governance. Save as disclosed below, during the year ended 31 December 2025, the Company has complied with the code provisions set out in the CG Code.

Under the code provision C.1.8 of the CG Code, an issuer should arrange appropriate insurance coverage in respect of legal action against its directors. Upon the expiry of previous directors and officers liability insurance on 6 December 2024, the Company has no insurance coverage in respect of potential legal actions against its Directors from 7 December 2024 until the date of this announcement. The management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual lawsuits against the Directors is remote.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions (the "Model Code"). Upon specific enquiries, all Directors confirmed that they have complied with the relevant provisions of the Model Code for the FY2025.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the FY2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no significant events subsequent to the end of reporting period.

## REVIEW OF RESULTS

The primary responsibilities of the Audit Committee include (but are not limited to) assisting the Board to provide an independent review and supervision of the Group's financial and accounting policies, to oversee the financial control, internal control and risk management systems of the Group, to oversee the audit process, and to perform other duties and responsibilities as delegated by the Board.

The Audit Committee comprises three independent non-executive Directors as at the date of this announcement, namely, Ms. Li Yan, Mr. Wong Tung Yuen and Dr. Lowe Chun Yip. The chairman of the Audit Committee is Ms. Li Yan. The Audit Committee has reviewed together with the management and auditor of the Company the accounting principles and practices adopted by the Group, and discussed the internal controls and financial reporting matters, including a review of the annual financial results for the FY2025.

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the FY2025 as set out in this announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited ("**Forvis Mazars**"), to the amounts set out in the Group's consolidated financial statements for the FY2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars on this announcement.

### **EXTRACT OF DRAFT INDEPENDENT AUDITOR'S REPORT ON THE DRAFT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The following is the extract of the draft independent auditor's report on the Company's draft consolidated financial statements for the year ended 31 December 2025.

#### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention in the “Going concern” section in Note 2 to the consolidated financial statements, the Group incurred a loss of approximately RMB15,856,000 and had net cash used in operating activities of approximately RMB10,093,000 for the year ended 31 December 2025 and, at that date, the Group had net current liabilities and net liabilities of approximately RMB17,353,000 and RMB147,981,000, respectively. At 31 December 2025, the Group had repayment obligations under the Scheme of Arrangement of approximately RMB160,244,000 as disclosed in Note 23 to the consolidated financial statements. At 31 December 2025, the Group had cash and cash equivalents of approximately RMB5,524,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. In light of all the measures and arrangements detailed in Note 2 to the consolidated financial statements, the directors of the Company are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our opinion is not modified in respect of this matter.

In view of above, the management of the Company has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The plans and measures undertaken to mitigate the liquidity pressure and to improve the financial position of the Group are summarised in Note 2 to the consolidated financial statements in this announcement.

On behalf of the Board  
**Pa Shun International Holdings Limited**  
**Yuan Hongbing**  
*Chairman and Executive Director*

Hong Kong, 30 March 2026

*As at the date of this announcement, the executive Directors are Mr. Ma Qinghai and Mr. Yuan Hongbing; the non-executive Directors are Mr. Chen Zhongzheng and Mr. Zhou Jinkai and the independent non-executive Directors are Ms. Li Yan, Dr. Lowe Chun Yip and Mr. Wong Tung Yuen.*

*This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.pashun.cn](http://www.pashun.cn) under the section of “Investor Relations/HKEx Filings” respectively. The annual report of the Company for the year ended 31 December 2025 will be dispatched to the shareholders of the Company and will be available on the same websites in due course.*