
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pa Shun International Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar Of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.



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)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent



Capitalised terms used in this cover page have the same meanings as those defined in this Prospectus, unless the context requires otherwise. The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 26 May 2026 (or such other time and date as may be determined by the Company). The procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares are set out on pages 16 to 17 of this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Thursday, 23 April 2026. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 13 May 2026 to Wednesday, 20 May 2026 (both days inclusive). Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/ her/its/their own professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent places under the Compensatory Arrangements. The Placing Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement of the Company dated 16 April 2026 in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Pa Shun International Holdings Limited 百信國際控股有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange (stock code: 574)
“Compensatory Arrangements”	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Share by the Placing Agent on a best effort basis to investors who (or as the case maybe, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.26A(1)(b) of the Listing Rules
“connected person”	has the same meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Company, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“FY2024”	financial year ended 31 December 2024
“FY2025”	financial year ended 31 December 2025
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Last Trading Day”	16 April 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	5 May 2026, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 26 May 2026 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares

DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on Wednesday, 10 June 2026 (or such later time or date as may be agreed between the Placing Agent and the Company), being the latest time to terminate the Placing Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 28 October 2023 entered into between 成都科訊藥業有限公司 (Chengdu Kexun Pharmaceutical Co., Ltd.), an indirect subsidiary of the Company, as borrower and Dongcai Jiashi Holdings (Hainan) Co., Ltd.* (東財嘉實控股(海南)有限責任公司), as lender, in relation to a loan in the principal amount of RMB35,000,000
“Net Gain”	any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Issue (whether partially or fully) (under the PAL or their renounces or such person who hold any nil-paid rights at the time such nil-paid rights are lapsed) or Excluded Shareholders (as the case may be)
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	arrangements to place the Unsubscribed Shares and NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement

DEFINITIONS

“Placing Agent”	Metaverse Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, which will place the Unsubscribed Shares and NQS Unsold Rights Shares to investors who are Independent Third Parties under the Compensatory Arrangements
“Placing Agreement”	the placing agreement dated 16 April 2026 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from the first (1st) Business Day immediately after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. 1 June 2026 under the current timetable) and ending at 4:00 p.m. on the fifth (5th) Business Day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. 9 June 2026 under the current timetable) (both days inclusive), or such later date as the Company and the Placing Agent may agree in writing
“Placing Price”	not less than HK\$0.01356 per Unsubscribed Share and NQS Unsold Rights Shares
“PRC”	The People’s Republic of China, for the purpose of this Prospectus, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	this prospectus (including any supplementary prospectus, if any) to be made available to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	this Prospectus and the PAL(s)
“Prospectus Posting Date”	Monday, 11 May 2026 (or such other date as may be determined by the Company), being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“PTL”	Praise Treasure Limited, a company incorporated in the British Virgin Islands with limited liability and is interested in 753,040,000 Shares, representing approximately 51.05% of the existing issued share capital of the Company as at the date of this Prospectus
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 4 May 2026, the record date for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the section headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this Prospectus
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue, being up to 737,496,454 Rights Shares (assuming no Shares are issued and repurchased on or before the Record Date)
“Scheme of Arrangement”	the scheme of arrangement sanctioned by the High Court of Hong Kong on 1 November 2023 and took effect on 12 March 2024
“SFC”	The Security and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares at par value of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.01356 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Supplemental Loan Agreement”	a loan extension agreement dated 1 July 2025 entered into between 成都科訊藥業有限公司 (Chengdu Kexun Pharmaceutical Co., Ltd.), an indirect subsidiary of the Company and Dongcai Jiashi Holdings (Hainan) Co., Ltd.* (東財嘉實控股(海南)有限公司) to, among others, extend the maturity date under the Loan Agreement to 31 December 2027
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Unsubscribed Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Excluded Shareholders (as the case may be)
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Event	Hong Kong Date and Time 2026
First day of dealings in nil-paid Rights Shares	Wednesday, 13 May
Latest time for splitting of PAL	4:30 p.m. on Friday, 15 May
Last day of dealings in nil-paid Rights Shares	Wednesday, 20 May
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain.	4:00 p.m. on Tuesday, 26 May
Latest Time for Acceptance	4:00 p.m. on Tuesday, 26 May
Announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 29 May
Commencement of the Placing (if there are any Unsubscribed Shares and NQS Unsold Rights Shares available), on best effort basis.	Monday, 1 June
Latest time for placing the Unsubscribed Shares and NQS Unsold Rights Shares.	4:00 p.m. on Tuesday, 9 June
Latest Time for Termination	4:00 p.m. on Wednesday, 10 June
Announcement of the results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Wednesday, 17 June
Despatch of share certificates for the fully-paid Rights Shares	Thursday, 18 June
Despatch of refund cheques, if any, if the Rights Issue is terminated.	Thursday, 18 June
Commencement of dealings in fully-paid Rights Shares	Monday, 22 June
Designated broker starts to stand in the market to provide matching service for odd lots of Shares	9:00 a.m. on Monday, 22 June

EXPECTED TIMETABLE

Payment of Net Gain to relevant No Action Shareholders (if any)
or Excluded Shareholders (if any) Friday, 3 July

Designated broker ceases to stand in the market to
provide matching service for odd lots of Shares 4:00 p.m. on Thursday, 9 July

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 4:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Tuesday, 26 May 2026, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yuan Hongbing (*Chairman*)
Mr. Ma Qinghai (*Chief Executive Officer*)

Non-executive Directors:

Mr. Chen Zhongzheng
Mr. Zhou Jinkai

Independent non-executive Directors:

Ms. Li Yan
Dr. Lowe Chun Yip
Mr. Wong Tung Yuen

*Registered office in the
Cayman Islands:*

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Suites 2601–2603, 26/F
Shui On Centre
6–8 Harbour Road
Wanchai
Hong Kong

11 May 2026

To the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to (i) the Announcement in relation to, among other things, the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.01356 per Rights Share; and (ii) the announcement of the Company dated 5 May 2026 regarding the revised timetable in relation to the Rights Issue.

The purpose of this Prospectus is to provide you with information relating to (i) the Rights Issue; (ii) the financial information of the Group; and (iii) general information of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

Details of the Rights Issue are set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.01356 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.01288 per Rights Share (assuming no Shares are issued and repurchased on or before the Record Date)
Number of Shares in issue as at the Latest Practicable Date and the Record Date	:	1,474,992,908 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 737,496,454 Rights Shares (assuming no Shares are issued and repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to approximately HK\$737,496.45 (assuming no Shares are issued or repurchased on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue assuming full subscription of the Rights Shares	:	2,212,489,362 Shares (assuming no Shares are issued and repurchased on or before the Record Date)
Gross proceeds from the Rights Issue	:	up to approximately HK\$10 million before deduction of costs and expenses (assuming no Shares are issued and repurchased on or before the Record Date)
Net proceeds from the Rights Issue	:	up to approximately HK\$9.5 million after deduction of costs and expenses (assuming no Shares are issued and repurchased on or before the Record Date)

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

Assuming no Shares are issued or repurchased on or before the Record Date, the 737,496,454 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50% of the total number of issued Shares and approximately 33.3% of the total number of issued Shares as enlarged by the issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Shares together with the NQS Unsold Rights Shares will be placed to independent places under the Compensatory Arrangements on a best efforts basis. Any Unsubscribed Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Irrevocable Undertaking

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

Subscription Price

The Subscription Price of HK\$0.01356 per Rights Shares is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 64.32% to the closing price of HK\$0.038 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 72.88% to the closing price of HK\$0.0500 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (iii) a discount of approximately 69.04% to the average closing price of HK\$0.0438 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 67.56% to the average closing price of HK\$0.0418 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 64.18% to the theoretical ex-rights price of approximately HK\$0.0379 per Share based on the closing price of HK\$0.0500 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 24.29% represented by the theoretical diluted price of approximately HK\$0.0379 to the benchmarked price of approximately HK\$0.0500 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.0500 per Share and the average closing price of the Shares in the five trading days immediately prior to the date of the Announcement of HK\$0.0412 per Share); and
- (vii) a premium of approximately HK\$0.02356 over the audited consolidated loss attributable to owners of the Company as at 31 December 2025 of approximately HK\$0.01 calculated based on the audited consolidated deficit of the Group attributable to the Shareholders of approximately RMB15,856,000 (equivalent to approximately HK\$18,049,027) as at 31 December 2025 as set out in the annual results of the Company for the financial year ended 31 December 2025 and 1,474,992,908 Shares in issue as the Latest Practicable Date.

The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined taking into consideration the following factors:

- (i) the recent market price of the Shares

The Board has considered the recent trading performance of the Shares over a reasonable period, rather than relying solely on the closing price on the Last Trading Day.

The closing price of HK\$0.0500 on the Last Trading Day reflected intra-day price fluctuations, with the Shares trading within a range of HK\$0.04 to HK\$0.06 on that day. For the 10 trading days immediately preceding the Last Trading Day, the closing prices ranged from HK\$0.04 to HK\$0.05. During the 60 trading days up to and including the Last Trading Day, the closing prices ranged from approximately HK\$0.04 to HK\$0.07, with the closing price on the Last Trading Day, the 5-day average and the 10-day average being HK\$0.0500, HK\$0.0438 and HK\$0.0418 respectively.

LETTER FROM THE BOARD

The Board noted that such short-term price movements, including the closing price on the Last Trading Day, may not fully reflect the underlying market trend, which has shown downward pressure.

The Board further took into account that:

- the Company published a profit warning announcement on 24 March 2026 indicating an expected significant increase in net loss for the year ended 31 December 2025, primarily attributable to the inclusion of certain of the Group’s products in the PRC National Centralised Drug Procurement programme. On or around the date of such announcement, the closing price of the Shares declined by approximately 13.04% and 12.50% on two consecutive trading days with increased trading volume, and the Shares have generally traded at lower levels relative to the closing price immediately preceding the profit warning thereafter, notwithstanding short-term price rebounds reflecting general market volatility;
- the Subscription Price of HK\$0.01356 represents a discount of approximately 64.18% to the theoretical ex-rights price of HK\$0.0379 and a theoretical dilution effect of approximately 24.29% under Rule 7.27B of the Listing Rules, which is within the prescribed 25% threshold; and
- the 52-week trading range of the Shares up to the Last Trading Day was between HK\$0.027 and HK\$0.097, indicating price volatility and the absence of a stable trading benchmark.

(ii) the prevailing market conditions

The Board has taken into account the prevailing market conditions, including:

- equity fund-raising exercises conducted by issuers of comparable size on the Stock Exchange are commonly priced at discounts to prevailing market prices during the 12 months preceding the Last Trading Day, particularly where such issuers have relatively small market capitalisation, limited trading liquidity and/or where the fund raising is conducted on a non-underwritten basis;
- the PRC pharmaceutical sector in which the Group operates has been subject to continued pricing pressure as a result of volume-based procurement reforms, including the PRC National Centralised Drug Procurement programme, which has adversely affected the Group’s financial performance as disclosed in the Company’s profit warning announcement dated 24 March 2026;
- the Rights Issue is offered to all Qualifying Shareholders on a pro rata basis at the same Subscription Price and is conducted on a non-underwritten basis. In the absence of underwriting support and any irrevocable undertakings from substantial Shareholders, the Subscription Price must be set at a level sufficient to encourage participation by Qualifying Shareholders and to attract independent placees to subscribe for any Unsubscribed Shares under the Compensatory Arrangements; and

LETTER FROM THE BOARD

- independent placees subscribing for Unsubscribed Shares assume the risk of potential market price fluctuations following completion of the Rights Issue and would generally require a discount to the prevailing market price as an incentive for participation.

(iii) the low trading volume of the Shares

During the 60 trading days up to and including the Last Trading Day, the average daily trading volume of the Shares was approximately 1,570,807 Shares, representing a daily turnover ratio of approximately 0.10% of the issued share capital of the Company. By way of comparison, the average daily trading turnover (by value) on the Stock Exchange (Main Board and Growth Enterprise Market combined) over a comparable period represented approximately 0.40% to 0.76% of the total market capitalisation of listed securities. The trading turnover ratio of the Shares was therefore approximately one-quarter to one-eighth of the broader market average.

The Board noted that such trading liquidity is relatively thin. During the same period, on more than 10 trading days, fewer than 200,000 Shares were traded, and on at least one trading day only 2,000 Shares were traded. The market capitalisation of the Company as at the Last Trading Day was approximately HK\$73.75 million.

In light of the thin trading liquidity, the Board considers that:

- the prevailing market price of the Shares may be susceptible to short-term volatility and may not be a reliable indicator of the fair market value of the Shares;
- Qualifying Shareholders may encounter difficulty in disposing of their Shares in the open market in significant volumes without exerting downward pressure on the market price. The Subscription Price therefore needed to embed a liquidity discount to compensate Qualifying Shareholders and independent placees for entering an illiquid security; and
- a meaningful discount to the prevailing market price is necessary to compensate investors for the liquidity risk associated with the Shares and to enhance the attractiveness of the Rights Issue.

(iv) the amount of funds the Company intends to raise under the Rights Issue for the purposes described in the section headed “Letter from the Board – Reasons for and benefits of the Rights Issue and use of proceeds” in this Prospectus.

The Directors consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e., Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.01288 per Rights Share.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect.

None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the above conditions had been fulfilled. All conditions set out above cannot be waived. If any of the conditions precedent are not satisfied by the Latest Time for Termination (or such other date as may be agreed between the Company and the Placing Agent), the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the securities of the Company.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares held by the Shareholders as at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required.

Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholders in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance (rounded up to the nearest cent) for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Tuesday, 26 May 2026 (or, under bad weather conditions and/or extreme conditions, such later time or date as mentioned in the section headed “Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” in “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “TRICOR INVESTOR SERVICES LIMITED – A/C NO. 098” and crossed “Account Payee Only”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 26 May 2026, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to but may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 15 May 2026 to the Registrar at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar’s address set out above after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If the Qualifying Shareholders wish to transfer all of their nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, they must complete and sign Form B in the PAL(s) and hand the PAL(s) to the person(s) to or through whom they are transferring their nil-paid rights. The transferee must then complete and sign Form C in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar so as to be received by no later than 4:00 p.m. on Tuesday, 26 May 2026 to effect the transfer. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

LETTER FROM THE BOARD

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable securities or other laws or regulations of any jurisdiction.

The PAL contains full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus is not fulfilled at or before 4:00 p.m. on Wednesday, 10 June 2026, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or about Thursday, 18 June 2026.

Cheques and banker’s cashier orders

All cheques or banker’s cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or banker’s cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right and is in its absolute discretion to reject any PAL in respect of which the cheque or banker’s cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights and all such assured entitlements thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners’ instructions to their intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their intermediary and provide their intermediary with instructions or make arrangements with their intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their intermediary in order to allow their intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other applicable requirements of HKSCC.

LETTER FROM THE BOARD

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd Lot Arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Monday, 22 June 2026 to Thursday, 9 July 2026 (both days inclusive). Shareholders who wish to take advantage of this service should contact Mr. Paul Lau of Metaverse Securities Limited at Suite 4806-07, 48/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong (telephone number: (852) 3102 2067) during office hours.

Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will make available and/or despatch (as the case may be) the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them. For the avoidance of doubt, unless the Qualifying Shareholders submit their requests in writing to the Company for printed form of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL, as actionable corporate communications, will be despatched in printed form.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not an Excluded Shareholder.

LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Friday, 24 April 2026.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company. Qualifying Shareholders who do not take up the Rights Shares to which they are entitled in full under the Rights Issue and the Excluded Shareholders should note that their shareholding in the Company will be diluted.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be sent on or about Thursday, 18 June 2026 by ordinary post to those entitled thereto, at their own risk, to their registered addresses. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Thursday, 18 June 2026 by ordinary post to the respective applicants, at their own risk. Shareholders, except HKSCC Nominees Limited, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued to those entitled.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing in nil-paid and fully-paid forms

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 2,000 Rights Shares.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the rights shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Since there was no Excluded Shareholder as shown on the register of members of the Company on the Record Date, no arrangements will need to be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders (if any) to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form.

In light of the above, as at the Latest Practicable Date, there was no Excluded Shareholders. Since the register of members has been closed from Monday, 27 April 2026 to Monday, 4 May 2026 (both dates inclusive), there will be no Excluded Shareholders as at the Record Date.

Nevertheless, it is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers.

The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

LETTER FROM THE BOARD

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares. The Company reserves the right to treat as invalid any acceptances of, or applications for, the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements.

Procedures in respect of the Unsubscribed Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements

The Company has made arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Shares and the NQS Unsold Rights Shares to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company appointed the Placing Agent to place the Unsubscribed Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing will be paid to the relevant No Action Shareholders and Excluded Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 9 June 2026, acquirers for all (or as many as possible) of those Unsubscribed Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price.

LETTER FROM THE BOARD

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Excluded Shareholders as set out below:

- (A) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (B) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Excluded Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

Closure of register of members for Rights Issue

The register of members of the Company has been closed from Monday, 27 April 2026 to Monday, 4 May 2026 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares has been registered.

THE PLACING AGREEMENT

Principal terms of the Placing Agreement are as follow:

Placing Agent : Metaverse Securities Limited

The Placing Agent is a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO.

Placing commission : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 1% of the gross proceeds (the “**Placing Commission**”) which is equal to the placing price multiplied by the number of the Unsubscribed Shares and the NQS Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

LETTER FROM THE BOARD

- Placing Price : Not less than HK\$0.01356 per Unsubscribed Share and the NQS Unsold Rights Shares.
- Placing Period : A period commencing from the first (1st) Business Day immediately after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. 1 June 2026 under the current timetable) and ending at 4:00 p.m. on the fifth (5th) Business Day after the date of announcement of the number of Unsubscribed Shares and NQS Unsold Rights Shares (i.e. 9 June 2026 under the current timetable) (both days inclusive), or such later date as the Company and the Placing Agent may agree in writing.
- Placees : The Unsubscribed Shares and NQS Unsold Rights Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties and not acting in concert with the Placing Agent and its concert parties.
- The Placing Agent undertakes to use its best endeavour to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Placing will not result in the Company's non-compliance with the Public Float Requirement upon completion of the Placing and the Rights Issue.
- Ranking of placed Unsubscribed Shares and the NQS Unsold Rights Shares : The placed Unsubscribed Shares and NQS Unsold Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

LETTER FROM THE BOARD

Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

- (i) the Listing Committee granting the approval for the listing of, and permission to deal in, the Rights Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the date of completion of the Placing; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

None of the above conditions can be waived.

Termination : In the event the any conditions precedent of the Placing Agreement is not fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the Placing Agent and the Company shall cease and terminate and neither the Placing Agent nor the Company shall have any claim against the other, save for any antecedent breach under the Placing Agreement prior to such termination.

The terms of the Placing Agreement (including the placing commission of 1% of gross proceeds and the Placing Price floor of not less than HK\$0.01356 per Unsubscribed Share and NQS Unsold Rights Share) were determined after arm's length negotiation between the Placing Agent and the Company, having regard to the following factors:

(a) Prevailing market rate for rights issues

The Company reviewed placing commissions charged by placing agents under compensatory arrangements (under Rule 7.21(1)(b) of the Listing Rules) for rights issues announced by issuers listed on the Main Board of the Stock Exchange during the three months immediately preceding the date of the Placing Agreement.

Based on such review, placing commissions for non-underwritten rights issues with compensatory arrangements during this period generally ranged from approximately 1% to 3% of gross proceeds.

LETTER FROM THE BOARD

The placing commission of 1% under the Placing Agreement is at the lower end of the prevailing market range. In addition, the Placing Agreement does not impose any minimum fixed-fee, which the Directors consider to be more favourable to the Company as compared to certain comparable transactions during the same period which included minimum fee arrangements.

(b) Existing financial position of the Group

As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB5,524,000, a net loss attributable to equity holders for the year of approximately RMB15,856,000 and a net deficit of approximately RMB147,981,000. In light of the Group's financial position and limited liquidity, the Board considered it appropriate to minimise transaction costs so as to maximise the net proceeds available for the intended use. The placing commission was therefore negotiated at a relatively low level within the prevailing market range.

(c) Size of the Rights Issue

The Rights Issue is expected to raise gross proceeds of up to approximately HK\$10 million. Given the relatively small fund-raising size of the Rights Issue, the overall scale of the Placing exercise and the Placing Agent's resource commitment are correspondingly limited, which supports a placing commission at the lower end of the prevailing market range.

The Placing Price floor was set equal to the Subscription Price (HK\$0.01356) to ensure that any premium realised on the Placing flows back to the No Action Shareholders and Excluded Shareholders by way of Net Gain, rather than being retained by the placees, consistent with Rule 7.21(1)(b) of the Listing Rules.

(d) Current and expected market conditions

The Board took into account that (i) the operating environment of the Group, in particular the challenges faced by the PRC pharmaceutical sector, which has been adversely affected by the PRC National Centralised Drug Procurement programme as disclosed in the Company's profit warning announcement dated 24 March 2026; (ii) the relatively thin liquidity of the Shares, with an average daily turnover ratio of approximately 0.10% during the 60 trading days preceding the Last Trading Day; (iii) the fact that the Rights Issue is being conducted on a non-underwritten basis and the Company has not received an irrevocable undertaking from any substantial Shareholder; and (iv) the placing of the Unsubscribed Shares and NQS Unsold Rights Shares is to be conducted on a best-efforts basis, under which the Placing Agent assumes execution risk in procuring places under prevailing market conditions, while the Company bears the risk that any Rights Shares not successfully placed will not be issued.

Having regard to the above, the Directors (including all the independent non-executive Directors) consider that the terms of the Placing Agreement, including the placing commission and the Placing Price floor, represents an appropriate balance between (i) providing sufficient incentive for the Placing Agent to undertake the placing on a best-efforts basis and (ii) minimising costs to the Company, and hence are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Placing Agent confirms that it is an Independent Third Party. The Placing Agent will, on a best efforts basis during the Placing Period, seek to procure subscribers who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) of the Unsubscribed Shares and NQS Unsold Rights Shares.

If all or any of the Unsubscribed Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Excluded Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Shares that are not placed by the Placing Agent will not be issued by the Company. As at the date of this Prospectus, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company. As such, the Company considers that the Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Company has put in place the above Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. In the event of an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly.

REASONS FOR AND THE BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The gross proceeds from the Rights Issue are expected to be approximately HK\$10 million. The net proceeds from the Rights Issue after deducting related costs and expenses are estimated to be approximately HK\$9.5 million. The Company intends to apply the entire net proceeds from the Rights Issue for partial repayment of an outstanding loan advanced to 成都科訊藥業有限公司 (Chengdu Kexun Pharmaceutical Co., Ltd.), an indirect subsidiary of the Company, by Dongcai Jiashi Holdings (Hainan) Co., Ltd.* (東財嘉實控股(海南)有限責任公司) (“**Dongcai**”), an Independent Third Party, which was initially advanced in the principal amount of RMB35,000,000 pursuant to a loan agreement dated 28 October 2023 (the “**Loan**”). The Loan is unsecured and was originally obtained for the Group’s general working capital purposes. As at 30 June 2025, the Group had repaid part of the principal and the outstanding principal amount of the Loan was reduced to RMB17,000,000 and the maturity date of the loan was extended to 31 December 2027 pursuant to a supplemental agreement dated 1 July 2025. The loan bears interest at a fixed interest rate of 8% per annum up to 30 June 2025 and 15% per annum thereafter up to 31 December 2027. Since drawdown of the Loan in October 2023, the Group has not made any interest payment and all accrued interest remains outstanding. As at the date of this announcement, the total accrued interest amounted to approximately RMB6,100,000.

LETTER FROM THE BOARD

In April 2026, the Company received a payment demand letter from Dongcai demanding payment of accrued and unpaid interest of approximately RMB6 million as at 31 March 2026 together with a partial repayment of the principal of RMB3 million by June 2026, failing which it reserves the right to pursue all legal remedies against the Group (the “**Payment Demand**”). The Payment Demand gives rise to an immediate and time-sensitive funding need for the Group. Given the Group does not have sufficient funds to fully satisfy the Payment Demand while maintaining normal operations, in the absence of the Rights Issue, the Group may not be able to meet the Payment Demand within the specified timeframe. As 成都科訊藥業有限公司 (Chengdu Kexun Pharmaceutical Co., Ltd.) is a major operating subsidiary of the Company, any failure to meet the Payment Demand may materially and adversely affect the Group’s operations and financial position.

In light of the relatively high interest rate of 15% per annum and the Payment Demand, and given that Dongcai had previously already accommodated the Group by extending the maturity of the Loan, the Directors consider that further extension or other accommodation cannot reasonably be expected if the Group fails to satisfy the Payment Demand. Subject to the Group satisfactorily meeting the Payment Demand, Dongcai may be willing to engage in further discussions with the Group regarding the provision of additional financing or other financial support, although no commitment has been made in this regard. The Directors therefore consider that the Rights Issue will enable the Group to partially repay the outstanding Loan, reduce its interest burden and finance costs, and improve the Group’s gearing position and financial flexibility. Accordingly, the Company intends to apply the entire net proceeds of the Rights Issue towards satisfying the Payment Demand, with any shortfall to be funded by the Group’s internal resources. The Directors consider that prioritising repayment of the amounts demanded under the Payment Demand represent the most appropriate use of the proceeds in the circumstances.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.01288.

As disclosed in the annual results of the Company for the year ended 31 December 2025, the Group recorded a net loss attributable to equity holders of the Company of approximately RMB15,856,000 and the Group recorded a net deficit of approximately RMB147,981,000 as at 31 December 2025. As at 31 December 2025, the Group had cash and cash balances of approximately RMB5,524,000. In view of (i) the current financial position of the Group, including its net liabilities position and limited cash resources; (ii) the relatively high interest rate of 15% per annum under the loan as set out above; and (iii) the Payment Demand, the Directors considered that the Group has an imminent and time-sensitive funding need to raise additional fund to strengthen the financial position as well as liquidity of the Group through the Rights Issue.

As the Rights Issue is on a non-underwritten basis with Compensatory Arrangements, the actual net proceeds will depend on the level of subscription by Qualifying Shareholders and the placing of any Unsubscribed Shares and NQS Unsold Rights Shares. If the level of subscription is materially lower than expected and the net proceeds are insufficient to meet the Payment Demand in full, the Group will seek to fund the shortfall from its internal resources and will continue its engagement with Dongcai with a view to managing the timing and quantum of the residual obligations under the Loan. There can be no assurance that Dongcai will agree to any extension, waiver, or other accommodation, and the Group may in such circumstances face an elevated risk of enforcement action.

LETTER FROM THE BOARD

As disclosed in the paragraph headed “3. Disclosure of interest” in Appendix III to this Prospectus, 753,040,000 Shares (representing approximately 51.05% of the issued share capital of the Company) (the “**Charged Shares**”) are registered in the name of PTL but were pledged by PTL in favour of the original chargee whose rights have been assigned to Zhongtai International Asset Management (Singapore) Pte. Limited (for the account and on behalf of Win Win Stable No.3 Fund SP). Joint and several receivers and managers have been appointed over the Charged Shares (the “**Receivers**”). The Receivers (acting on behalf of the secured creditor) will receive the same provisional allotment under the Rights Issue in respect of the Charged Shares as other Qualifying Shareholders, on the same terms, and will have a fair opportunity to consider whether to take up the provisional entitlement attaching to the Charged Shares. Whether or not to take up such entitlement is a matter for the Receivers (and the chargee on whose behalf they act) to determine, independently of the Company, having regard to their own circumstances and obligations.

The Directors confirm that, in structuring the Rights Issue, no specific or preferential consideration has been given to any particular Shareholder (including the holder(s) of the Charged Shares or the Receivers). The Rights Issue has been structured and is offered to all Qualifying Shareholders on a pro rata basis at the same Subscription Price and on the same terms. While the Directors have taken into account the existence of the Charged Shares and the uncertainty as to whether the Receivers will participate in the Rights Issue in respect of the Charged Shares, which represent a substantial portion of the issued share capital of the Company, such considerations did not result in any differential treatment as between Shareholders. In light of such uncertainty and the non-underwritten nature of the Rights Issue, the Directors consider that the Rights Issue is subject to heightened execution risk. Accordingly, the Subscription Price (and the discount represented thereby) and the current rights issue ratio have been determined at levels which the Directors consider necessary to enhance the attractiveness of the Rights Issue to Qualifying Shareholders and independent placees, and to increase the likelihood of achieving a sufficient level of subscription. For further details on factors taken into consideration in the determination of the Subscription price, please refer to the section headed “Subscription Price” above.

The Directors further consider that the Rights Issue represents an appropriate fund-raising method under the circumstances as it allows the Company to raise equity without incurring additional interest burden, while providing all Qualifying Shareholders (including the Receivers in respect of the Charged Shares) with an equal opportunity to participate in the fund raising on a pro rata basis and to maintain their respective shareholding interest.

For other factors considered by the Directors in other fund raising alternatives, please refer to the “Other Fund-raising Alternative” below.

Accordingly, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Other Fund-raising Alternatives

Other than the Rights Issue, the Company has considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. However, the Board considers that debt financing will result in an additional interest burden and a higher gearing ratio of the Group. In addition, debt financing may not be achievable on favourable terms or may require pledge of other kind of assets or securities which may reduce the Group's flexibility. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing the overall working capital to fulfil the development plan of the Group without further increase the financial burden to the Group. The Rights Issue also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid shareholding dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

Having considered the above-mentioned alternatives, the Directors consider raising funds by way of the Rights Issue is more appropriate as the Rights Issue will enable the Company to partially repay the outstanding loan, reduce its interest burden and finance costs, and improve the Group's gearing position and financial flexibility, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company, and thus, in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company did not conduct any equity fund raising activities during the 12 months immediately before the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming full acceptance by all Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue, assuming no acceptance by any Qualifying Shareholders:

	(i) As at the Latest Practicable Date		(ii) Immediately after completion of the Rights Issue, assuming full acceptance by all Qualifying Shareholders		(iii) Immediately after completion of the Rights Issue, assuming no acceptance by any Qualifying Shareholders and all Unsubscribed Shares and NQS Unsold Rights Shares have been placed by the Placing Agent	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
PTL ^(Note 1)	753,040,000	51.05	1,129,560,000	51.05	753,040,000	34.04
Mr. Chen Yenfei	766,600,000	51.97	1,149,900,000	51.97	766,600,000	34.65
Win Win Stable No. 3 Fund SP ^(Note 2)	753,040,000	51.05	1,129,560,000	51.05	753,040,000	34.04
Zhongtai Innovation Capital Management Limited ^(Note 2)	753,040,000	51.05	1,129,560,000	51.05	753,040,000	34.04
Osman Mohammed Arab ^(Note 2)	753,040,000	51.05	1,129,560,000	51.05	753,040,000	34.04
Lai Wing Lun ^(Note 2)	753,040,000	51.05	1,129,560,000	51.05	753,040,000	34.04
Placees	–	–	–	–	737,496,454	33.33
Other public Shareholders	708,392,908	48.03	1,062,589,362	48.03	708,392,908	32.02
Total	1,474,992,908	100	2,212,489,362	100	2,212,489,362	100

Notes:

- Mr. Chen Yenfei beneficially owns 766,600,000 Shares, of which (i) 13,560,000 Shares are held directly by him; and (ii) 753,040,000 Shares are held by PTL, a company which is controlled by Mr. Chen Yenfei.
- 753,040,000 Shares (the “Charged Shares”) were pledged by PTL in favour of an original chargee whose rights have been assigned to Zhongtai International Asset Management (Singapore) Pte. Limited (for the account and on behalf of Win Win Stable No. 3 Fund SP), and on 27 July 2022, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited were appointed as joint and several receivers and managers over the Charged Shares. The Charged Shares represent approximately 51.05% of the issued share capital of the Company as at the Latest Practicable Date.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Company has not conducted any other rights issue or open offer within the 12-month period prior to the date of the Announcement, the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and the Rights Issue is not underwritten by a Director, chief executive or substantial Shareholder of the Company (or any of their respective close associates), therefore the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed “Conditions of the Rights Issue” under the section headed “Proposed Rights Issue” of this Prospectus, including, among other things, and the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

Any Shareholders or potential investors contemplating selling or purchasing the Shares, and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus. In case of any inconsistency between the English and Chinese versions of this Prospectus, the English version will prevail.

By the order of the Board
Pa Shun International Holdings Limited
Ma Qinghai
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

Financial information of the Group for each of the three financial years ended 31 December 2023, 2024 and 2025, together with the relevant notes thereto, were disclosed in the relevant annual reports of the Company which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<https://www.irasia.com/listco/hk/pashun/index.htm>), the links to which are shown below for reference:

- (i) the annual report of the Company for the year ended 31 December 2023 (pages 49 to 146), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042604235.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2024 (pages 47 to 127), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0527/2025052701183.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2025 (pages 42 to 116), which is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0428/2026042802307.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Bank borrowings

As at 31 March 2026, the Group had bank borrowings of approximately RMB19.0 million due to banks, which was guaranteed by the directors of the subsidiaries, secured by the leasehold land and buildings, bore interest at fixed interest rate ranging from approximately 3.1% – 6.0% per annum, and repayable within one year.

Other borrowings and related payables

As at 31 March 2026, the Group had other borrowings of approximately RMB35.1 million (including related payables) due to creditors. The loan was unguaranteed, unsecured, bore interest at fixed interest rate ranging from 4.0% – 15.0% per annum and repayable within one to two years.

Repayment obligations under the Scheme of Arrangement

As at 31 March 2026, the Group had outstanding repayment obligations under the Scheme of Arrangement of approximately RMB160.2 million.

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, 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 audited 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 audited 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.

Mortgage and charges

As at 31 March 2026, the Group had charged the leasehold land and buildings with aggregate net carrying amount of approximately RMB24 million for the bank borrowings. There are no mortgage and charges for the other borrowings.

Contingent liabilities

As at 31 March 2026, there was no contingent liabilities noted for the Group.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseen circumstances, and after taking into account the Group's business prospects, the committed financial support from independent third party, the renewed and extended financing facilities, the other financial resources currently available to the Group, and the partial repayment of outstanding loan from the net proceeds from the Rights Issue, the Group will have sufficient working capital for its business operations for at least the next twelve months from the date of this Prospectus. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**General business environment**

The Group operates in the pharmaceutical distribution and manufacturing sectors in the PRC, with operations primarily in Sichuan Province. During FY2025, the PRC economy continued on a path of subdued and steady development, with the wholesale and consumer market for pharmaceutical products remaining highly competitive and challenging. A particularly significant development during FY2025 was the inclusion of a substantial portion of the Group's pharmaceutical products in the National Centralised Drug Procurement programme (the "**Centralised Procurement Programme**") launched by the PRC government. The Centralised Procurement Programme is a key national policy measure designed to reduce drug prices and alleviate the burden of medical expenses on the general public. In compliance with the pricing mechanism of the Centralised Procurement Programme, the Group was required to adjust the selling prices of the relevant procured products, which resulted in a significant contraction in gross profit margins on the affected products.

The management of the Group expects the wholesale and consumer market for pharmaceutical products to remain competitive and challenging in the near term, and will continue to focus on improving the Group's production and distribution capabilities to capture business opportunities arising from market recovery.

Review of financial performance for the financial year ended 31 December 2025

For FY2025, the Group recorded total revenue of approximately RMB86.8 million, representing a marginal increase of approximately 0.3% from approximately RMB86.6 million for FY2024. Within revenue, the pharmaceutical distribution segment grew by approximately 17.7% to approximately RMB71.7 million (FY2024: approximately RMB60.9 million), driven by an increase in sales to wholesalers. This was partially offset by a decrease in the pharmaceutical manufacturing segment, which recorded revenue of approximately RMB15.1 million (FY2024: approximately RMB25.7 million), representing a decline of approximately 41.2%, principally attributable to the impact of price adjustments under the Centralised Procurement Programme.

The Group's cost of goods sold increased by approximately 7.6% from approximately RMB69.5 million for FY2024 to approximately RMB74.8 million for FY2025. As a result, gross profit decreased by approximately 29.8% to approximately RMB12.0 million (FY2024: approximately RMB17.1 million), and the gross profit margin contracted significantly from approximately 19.7% to approximately 13.8%, primarily due to the mandated price reductions under the Centralised Procurement Programme.

Selling and distribution expenses decreased by approximately 42.5% to approximately RMB4.6 million (FY2024: approximately RMB8.0 million), reflecting cost control measures implemented by management in light of the Group's ongoing loss position. Administrative and other operating expenses remained broadly stable at approximately RMB14.6 million (FY2024: approximately RMB14.5 million).

Finance costs increased marginally to approximately RMB15.0 million (FY2024: approximately RMB14.8 million), comprising primarily imputed interest on repayment obligations under the Scheme of Arrangement of approximately RMB11.4 million (FY2024: approximately RMB8.9 million) and interest on bank and other borrowings.

As a result of the foregoing, the Group recorded a loss attributable to equity holders of approximately RMB15.9 million for FY2025 (FY2024: approximately RMB15.3 million), and a basic loss per share of approximately RMB1.07 cents (FY2024: approximately RMB1.04 cents).

Liquidity and financial position

The Group's financial position weakened during FY2025. Cash and cash equivalents decreased to approximately RMB5.5 million at 31 December 2025 (31 December 2024: approximately RMB16.0 million), reflecting net cash used in operating activities of approximately RMB10.1 million during the year. The current ratio declined to 0.85 at 31 December 2025 (31 December 2024: 1.01), with net current liabilities of approximately RMB17.4 million (31 December 2024: net current assets of approximately RMB1.3 million).

Total bank borrowings amounted to approximately RMB19.0 million at 31 December 2025 (31 December 2024: approximately RMB11.4 million). Total other borrowings amounted to approximately RMB26.5 million (31 December 2024: approximately RMB32.6 million). Repayment obligations under the Scheme of Arrangement amounted to approximately RMB160.2 million at 31 December 2025 (31 December 2024: approximately RMB163.7 million), of which approximately RMB8.8 million was classified as current (31 December 2024: approximately RMB6.9 million). The Group had net liabilities of approximately RMB148.0 million at 31 December 2025 (31 December 2024: approximately RMB136.0 million).

During FY2025, the Group successfully extended other borrowings of approximately RMB19.0 million for a further one to one and a half years, renewed bank borrowings of approximately RMB12.0 million for an additional year, and secured new bank and other borrowings totalling approximately RMB10.4 million. Subsequent to 31 December 2025, the Group further renewed bank and other borrowings of approximately RMB5.4 million for an additional year, and obtained a commitment from an independent third party to provide continuous financial support of up to approximately RMB13.5 million as necessary to meet the Group's day-to-day operations and financial obligations as they fall due.

Going Concern

The Directors would like to draw the Shareholders' attention to the going concern disclosure set out in the consolidated financial statements of the Group for FY2025. As disclosed therein, the Group incurred a net loss of approximately RMB15.9 million and used net cash in operating activities of approximately RMB10.1 million during FY2025, and had net current liabilities and net liabilities of approximately RMB17.4 million and RMB148.0 million respectively at 31 December 2025. The Group also had outstanding repayment obligations under the Scheme of Arrangement of approximately RMB160.2 million and cash and cash equivalents of only approximately RMB5.5 million at that date. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The auditors of the Company, Forvis Mazars CPA Limited, have included an emphasis of matter paragraph in their audit report in relation to the going concern uncertainty. Their opinion is not modified in respect of this matter.

Having considered the plans and measures described above, the financial support committed by the independent third party subsequent to the year end, the expected net proceeds of the Rights Issue, and the Group's cash flow projections for a period of not less than twelve months from the date of this Prospectus, the Directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Notwithstanding the above, material uncertainty exists as to whether these plans can be successfully implemented.

Current trading and prospects

Since 31 December 2025 and up to the Latest Practicable Date, the Group has continued to operate its pharmaceutical distribution and manufacturing businesses in the PRC. Management is focused on the following key priorities:

- (i) stabilising revenue from the pharmaceutical distribution segment by diversifying the customer base, including broadening the wholesaler network as demonstrated by the growth in wholesale revenue during FY2025;
- (ii) adapting the manufacturing segment's product mix and cost structure in response to the pricing constraints arising from the Centralised Procurement Programme;
- (iii) continuing to implement cost control measures across operating expenses;
- (iv) managing the Group's financing obligations, including continued negotiations with the scheme administrator to the Scheme of Arrangement in respect of the annual cash payment for 2024 of HK\$5 million and preparation for the annual cash payment for 2025 of HK\$10 million due no later than 30 June 2026; and
- (v) applying the net proceeds of the Rights Issue to support the Group's debt servicing requirements.

As at 31 December 2025, the Group did not have any significant contingent liabilities. There were no significant events subsequent to 31 December 2025 save as disclosed in this Prospectus.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules, is set out to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 as if the Rights Issue had been completed on 31 December 2025.

The Unaudited Pro Forma Financial Information has been prepared based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group as at 31 December 2025 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 31 December 2025, as extracted from the Group’s consolidated financial statements for the year ended 31 December 2025 set out in the published annual report of the Company with adjustments described below.

Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after completion of the Rights Issue	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company per share before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per share immediately after completion of the Rights Issue
<i>RMB’000</i> <i>(Note 1)</i>	<i>RMB’000</i> <i>(Note 2)</i>	<i>RMB’000</i> <i>(Note 3)</i>	<i>RMB</i> <i>(Note 4)</i>	<i>RMB</i> <i>(Note 5)</i>
Rights Issue of 737,496,454 Rights Shares to be issued at the Subscription Price of HK\$0.01356 per Rights Share	(147,981)	8,336	(139,645)	(0.10)
	<u><u>(147,981)</u></u>	<u><u>8,336</u></u>	<u><u>(139,645)</u></u>	<u><u>(0.10)</u></u>

Notes:

- (1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 is extracted from the published annual report of the Company for the year ended 31 December 2025, which is based on the consolidated net liabilities of the Group attributed to the owners of the Company as at 31 December 2025 of approximately RMB147,981,000.
- (2) The estimated net proceeds from the Rights Issue are calculated based on gross proceeds of approximately HK\$10,000,000 (equivalent to approximately RMB8,816,000) from the issue of 737,496,454 Rights Shares at the Subscription Price of HK\$0.01356 per Rights Share after deduction of the estimated professional fees and other related expenses payable by the Company of approximately HK\$544,000 (equivalent to approximately RMB480,000) attributable to the Rights Issue. The estimated net proceeds are approximately HK\$9,456,000 (equivalent to approximately RMB8,336,000).
- (3) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company after the completion of the Rights Issue represents the unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025 plus the estimated net proceeds from the Rights Issue as set out in note 2 above, as appropriate.
- (4) The audited consolidated net tangible liabilities per existing shares before completion of the Rights Issue is determined based on the amount as disclosed in note 1 above, divided by 1,474,992,908 shares before the completion of the Rights Issue.
- (5) The unaudited pro forma adjusted consolidated net tangible liabilities per share immediately after completion of the Rights Issue is determined on the amount as disclosed in note 3 above, divided by 2,212,489,362 shares, comprising 737,496,454 Rights Shares to be issued immediately after the completion of the Rights Issue.
- (6) No other adjustments have been made the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

2. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountant's assurance report received from Forvis Mazars CPA Limited, Certified Public Accountants, the Hong Kong reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of inclusion in this prospectus.

Independent Reporting Accountant's Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Pa Shun International Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") prepared by the directors of the Company (the "**Directors**") for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out in Appendix II of the prospectus dated 11 May 2026 (the "**Prospectus**") issued by the Company in connection with the proposed rights issue on the basis of one rights share for every two shares (the "**Rights Issue**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group's consolidated net tangible liabilities attributable to owners of the Company as at 31 December 2025 as if the Rights Issue had taken place on 31 December 2025. As part of this process, information about the Group's consolidated financial position as at 31 December 2025 has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2025 set out in the published annual report of the Company.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 ("**AG 7**") "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Reporting accountant's independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Hong Kong Standard on Quality Management 1 “*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant’s responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares and no further issue or repurchase of Shares from the Latest Practicable Date up to the completion of the Rights Issue) are set out as follows:

(i) As at the Latest Practicable Date:	<i>HK\$</i>
<i>Authorised:</i>	
5,000,000,000 Shares of HK\$0.001 each	<u>5,000,000.00</u>
<i>Issued and paid-up share capital:</i>	
1,474,992,908 Shares of HK\$0.001 each	<u>1,474,992.91</u>
(ii) Immediately upon completion of the Rights Issue (assuming no Shares are issued and repurchased on or before the Record Date):	
<i>Authorised:</i>	
5,000,000,000 Shares of HK\$0.001 each	<u>5,000,000.00</u>
<i>Issued and paid-up share capital:</i>	
1,474,992,908 Shares of HK\$0.001 each	1,474,992.91
737,496,454 Rights Shares to be allotted and issued upon completion of the Rights Issue	<u>737,496.45</u>
2,212,489,362 Shares in issue immediately after completion of the Rights Issue	<u>2,212,489.36</u>

All of the Shares in issue are fully-paid and rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates for which fall on or after the date of allotment and issue of the Rights Shares. As at the Latest Practicable Date, there was no treasury Share held by the Company or its subsidiaries or through their agents or nominees.

The Shares and the Rights Shares to be issued will be listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

As at the Latest Practicable Date, the Company did not have any options outstanding under any share option scheme of the Company, any share awards outstanding under any share award scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company had not issued any Shares since 31 December 2025, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the group and its associated corporations

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) The interests of substantial shareholders and the interests and short position of other persons in the shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors are aware, the interests or short positions owned by the following persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long position in the Shares and underlying Shares

Name	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding (Note 1)
PTL ^(Note 2)	Beneficial owner	753,040,000	51.05%
Mr. Chen Yenfei ^(Note 2)	Interest in a controlled corporation	753,040,000	51.05%
Win Win Stable No. 3 Fund SP ^(Note 3)	Beneficial owner	13,560,000	0.92%
Zhongtai Innovation Capital Management Limited ^(Note 3)	Person having a security interest in share	100,500,000	51.05%
Osman Mohammed Arab ^(Note 3)	Investment manager	100,500,000	51.05%
Lai Wing Lun ^(Note 3)	Agent	56,500,000	51.05%
	Agent	56,500,000	51.05%

Notes:

- There were 1,474,912,908 Shares in issue as at the Latest Practicable Date.
- Mr. Chen Yenfei beneficially owns 766,600,000 Shares, of which (i) 13,560,000 Shares are held directly by him; and (ii) 753,040,000 Shares are held by PTL, a company which is controlled by Mr. Chen Yenfei.
- The Charged Shares were pledged by PTL in favour of an original chargee whose rights have been assigned to Zhongtai International Asset Management (Singapore) Pte. Limited (for the account and on behalf of Win Win Stable No. 3 Fund SP), and on 27 July 2022, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited were appointed as joint and several receivers and managers over the Charged Shares. The Charged Shares represent approximately 51.05% of the issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors (i) had any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date up to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or controlling shareholders (within the meaning as ascribed thereto under the Listing Rules) of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this Prospectus:

Name	Qualifications
Forvis Mazars CPA Limited	Certified Public Accountants

Forvis Mazars CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and/or the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Forvis Mazars CPA Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

9. MATERIAL CONTRACTS

Saved as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which had been entered into by members of the Group within the two years immediately preceding and up to (and including) the Latest Practicable Date:

(a) the Supplemental Loan Agreement; and

(b) the Placing Agreement.

10. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to the placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Shares are placed by the Placing Agent), printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$0.5 million, which are payable by the Company.

11. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office:	Cricket Square Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong:	Suites 2601-2603, 26/F Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Principal place of business in the PRC:	No. 608-616, Building 28 Longfor North Paradise Walk 2 229 Wufuqiao East Road Jinniu District Chengdu, Sichuan Province PRC
Authorised representative of the Company:	Mr. Yuan Hongbing 2nd Floor, No. 5 Jincheng Jianguo Jianguomen North Street Dongcheng District Beijing PRC Ms. Li Yan Room 907, No. 13, Avenida Dongpu Tianhe District, Guangzhou City Guangdong Province PRC
Company secretary:	Ms. Lui Mei Ka <i>(member of the Hong Kong Institute of Certified Public Accountants)</i>
Auditors and reporting accountants:	Forvis Mazars CPA Limited Certified Public Accountants 42nd Floor, Central Plaza 18 Harbour Road, Wanchai Hong Kong

Principal Bank:	Bank of Communications Co., Ltd 20/F, Henley Building 5 Queen's Road Central Hong Kong
Principal share registrar and transfer office:	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office:	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Legal advisers to the Company as to Hong Kong laws:	Loeb & Loeb LLP 2206-19 Jardine House 1 Connaught Place Central Hong Kong
Placing Agent:	Metaverse Securities Limited Suite 4806-07 48/F Central Plaza 18 Harbour Road Wanchai, Hong Kong
Company Secretary:	Ms. Lui Mei Ka <i>Member of the Hong Kong Institute of Certified Public Accountants</i>

12. PARTICULAR OF THE DIRECTORS

Executive Directors

Mr. Yuan Hongbing (袁紅兵) (“Mr. Yuan”), aged 48, was appointed as an executive Director with effect from 28 March 2023. Mr. Yuan has over 20 years of work experiences in investment industry. He is skilled in capital management, mergers and acquisitions as well as investment banking. Mr. Yuan is the founder and the chairman of the board of directors of Yuanchuang Capital, which is principally engaged in venture investment, investment in mergers and acquisitions and reorganization, industrial investment and fund management. Mr. Yuan has been an executive director and the chief executive officer of Jintai Energy Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2728), since 31 May 2019 and 27 September 2019 respectively. Mr. Yuan was an executive director of China Clean Energy Technology Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2379), from 3 October 2022 to 17 March 2023.

Mr. Ma Qinghai (馬清海) (“Mr. Ma”), aged 61, graduated from Jingdezhen Health School (景德鎮市衛生學校) in Jiangxi Province with major in medicine specialist (醫士專業) and once participated in the correspondence learning course of Traditional Chinese Medicine of Traditional Chinese Medicine (江西中醫學院) and the MBA training program of Shanghai University of Finance and Economics (上海財經大學). Mr. Ma has many years of experience in clinical medical practice, over 10 years of experiences in front-line practice of pharmaceutical marketing and over 10 years of experiences in the management in pharmaceutical enterprises. He served in several well-known domestic pharmaceutical enterprises, and just resigned as the assistant general manager of Sinopharm Holding Xinye (Hubei) Pharmaceutical Co., Ltd. (國藥控股鑫燁(湖北醫藥有限公司) and the director of Guangji Business Division (廣濟事業部) of the company. Mr. Ma is a comprehensive professional manager with extensive experience in pharmaceutical enterprise management, marketing practice and team internal training.

Non-executive Directors

Mr. Chen Zhongzheng (陳中正) (“Mr. Chen”), aged 33, graduated from Wuhan Textile University and obtained a Bachelor’s degree from the Engineering Department. He has many years of experience in business administration of enterprises and projects, including management experience in universal health projects. Mr. Chen is currently the assistant to the general manager of Zhongnan Fanhua Construction (Hubei) Co., Ltd. (中南泛華建設(湖北)有限公司).

Mr. Zhou Jinkai (周金凱) (“Mr. Zhou”), aged 73, graduated from the Renmin University of China with a Bachelor’s degree in Business Administration. Mr. Zhou was the chairman of the board of directors of 深圳市金凱利實業發展有限公司 from 1993 to 2003 and 深圳市嘉士圖實業發展有限公司 from 2004 to 2012. Mr. Zhou was also the shareholder and director of China Dynamics (Holdings) Limited (中國動力(控股)有限公司) (now known as Ev Dynamics (Holdings) Limited) (stock code: 476), a company listed on the Main Board of the Stock Exchange, from 2013 to 2020. Mr. Zhou is currently the chairman of the board of directors of 香港寶祥國際有限公司 since 2021.

Independent non-executive Directors

Ms. Li Yan (李燕) (“Ms. Li”), aged 48, graduated from the Wuhan Institute of Chemical Technology (武漢化工學院) (currently known as Wuhan Institute of Technology (武漢工程大學)) in July 2000 with a bachelor’s degree in accounting. Ms. Li has been a Chinese Certified Public Accountant since 2002 and a Certified Financial Manager since 2014. She started to work in auditing in 2000 and worked in a well-known domestic accounting firm. Ms. Li has been engaged in accounting and financial management since 2008. She has been appointed as the chief financial officer of a number of listed companies, and led or participated in a number of investment, financing and merger and acquisition projects, and participated in a number of corporate restructuring and initial public offering projects of these companies.

Dr. Lowe Chun Yip (婁振業) (“Dr. Lowe”), aged 44, obtained a degree of Bachelor of Art and master of philosophy from the Chinese University of Hong Kong in December 2004 and December 2009, respectively. After completing his master’s degree, he furthered his studies at the Free University of Berlin in Germany, where he successfully earned his doctorate in philosophy in February 2014. Dr. Lowe has an extensive academic background and a wealth of teaching experience. Dr. Lowe is currently a scholar serving as a lecturer at the Chinese University of Hong Kong and the Hong Kong Baptist University International College. His professional courses encompass a wide range of areas, including political philosophy, ethics of public policy, world civilization relations and classic readings. Dr. Lowe also held a position as a research associate at the Chinese University of Hong Kong, where his research expertise is primarily focused on moral and political philosophy, political economy and international relations. Dr. Lowe’s academic research findings have been published in various international academic journals and presented at conferences. Dr. Lowe has also served as an independent non-executive director of China Smartpay Group Holdings Ltd., a company listed on the GEM of the Stock Exchange (stock code: 8325) which was delisted on 5 August 2024, from November 2023 to August 2024. Dr. Lowe served as an independent non-executive Director of IDT International Limited (stock code: 167) since 25 September 2024.

Mr. Wong Tung Yuen (王東源) (“Mr. Wong”), aged 35, has over 10 years of experience in capital markets advisory at various investment banks, specialising in initial public offerings and capital fund raising for companies in Hong Kong. He is the chief executive officer of Anchorage Capital (Hong Kong) Limited since November 2025 and had been previously working in several corporate finance advisory companies. Mr. Wong obtained a bachelor degree in accounting and finance from Lancaster University in the United Kingdom in 2013 and a master degree in management from University College London in the United Kingdom in 2015.

Business address of the Directors

The business address of the Directors is the same as the Company’s principal place of business in Hong Kong at Suites 2601–2603, 26/F Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to the paragraph headed “8. Expert and consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.irasia.com/listco/hk/pashun/index.htm>) for the period of 14 days from the date of this Prospectus:

- (i) the annual reports of the Company for each of the years ended 31 December 2023, 2024 and 2025;
- (ii) the letter issued by Forvis Mazars CPA Limited regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (iii) the written consent as referred to in the paragraph headed “8. Expert and Consent” in this appendix;
- (iv) the material contracts referred to in the paragraph headed “9. Material Contracts” in this appendix; and
- (v) the Prospectus Documents.

16. MISCELLANEOUS

- (i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he/she/it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis.
- (iii) In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text unless otherwise specified.