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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your 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 (“**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**百信集团**  
PASHUN GROUP

**Pa Shun International Holdings Limited**

**百信國際控股有限公司**

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

**(Stock Code: 574)**

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED REFRESHMENT OF THE 10% GENERAL LIMIT;**
- (3) PROPOSED RE-ELECTION OF DIRECTORS;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 4 to 16 of this circular.

A notice dated 30 April 2019 convening an annual general meeting of the Company to be held at Luxembourg Hall, 6th Floor, Jinyun Hotel, No. 668 Jinfu Road, Chengdu City, the PRC on Friday, 28 June 2019 at 2:00 p.m. is set out on pages 21 to 27 of this circular. Whether or not you intend to attend such meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event by 2:00 p.m. on Wednesday, 26 June 2019 or not less than 48 hours before the time fixed for holding the adjourned annual general meeting to the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting and any adjournment thereof if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

30 April 2019

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## DEFINITIONS

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

“10% General Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“AGM” or “Annual General Meeting”	the annual general meeting of the Company convened to be held on Friday, 28 June 2019, at 2:00 p.m. at Luxembourg Hall, 6th Floor, Jinyun Hotel, No. 668 Jinfu Road, Chengdu City, the PRC, the notice of which is set out on pages 21 to 27 of this circular
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“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
“core connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate as set out in the resolution numbered 5(C) in the notice convening the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to issue, allot and deal with up to 20% of the number of issued Shares as at the date of the passing the relevant resolution as set out in the resolution numbered 5(A) in the notice convening the AGM
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Refreshment”	the proposed refreshment of the 10% General Limit
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase up to 10% of the number of issued Shares as set out in the resolution numbered 5(B) in the notice convening the AGM

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company from time to time
“Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 26 May 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“%”	per cent.

*English translation of names in Chinese or another language which are marked with “\*” in this circular are for identification purpose only.*

*References to time and dates in this circular are to Hong Kong time and dates.*

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## LETTER FROM THE BOARD

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百信集團  
PASHUN GROUP

**Pa Shun International Holdings Limited**  
**百信國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 574)**

*Executive Directors:*

Mr. Chen Yenfei (*Chairman and Chief Executive Officer*)  
Mr. Shen Shun  
Mr. Chen Rongxin

*Non-executive Director:*

Mr. Zhang Xiongfeng

*Independent non-executive Directors:*

Mr. Liu Liangzhong  
Mr. Wong Tak Shing  
Mr. Lu Yongchao

*Registered office:*

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

*Principal place of business in*

*Hong Kong:*

Room 1803  
18/F Allied Kajima Building  
138 Gloucester Road  
Wanchai  
Hong Kong

30 April 2019

*To the Shareholders*

Dear Sir or Madam

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED REFRESHMENT OF THE 10% GENERAL LIMIT  
UNDER THE SHARE OPTION SCHEME;  
AND  
(3) PROPOSED RE-ELECTION OF DIRECTORS**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to (i) the granting to the Directors of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the Proposed Refreshment; and (iii) the re-election of Directors.

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## LETTER FROM THE BOARD

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### 2. PROPOSED GRANT OF GENERAL MANDATES

At the annual general meeting of the Company held on 28 June 2018, the Directors were granted (i) a general mandate to allot, issue and deal with Shares up to 20% of the number of issued Shares as at the date of the passing of the resolution; (ii) a general mandate to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of the passing of the resolution; and (iii) the power to extend the general mandate mentioned in (i) above by the number of Shares representing the number of issued Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (ii) above.

The general mandates previously granted to the Directors to repurchase and issue Shares by the Shareholders at the annual general meeting of the Company held on 28 June 2018 will expire at the conclusion of the AGM. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, at the AGM, the following separate ordinary resolutions will be proposed to approve the grant of new general mandates to the Directors:

- (a) the Issue Mandate to allot, issue and otherwise deal with Shares not exceeding 20% of the number of issued Shares as at the date of the passing of such resolution;
- (b) the Repurchase Mandate to repurchase issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares as at the date of the passing of such resolution; and
- (c) to add the number of the Shares repurchased by the Company pursuant to the Repurchase Mandate to the Issue Mandate.

As at the Latest Practicable Date, there were in aggregate 1,474,992,908 Shares in issue. Subject to the passing of the proposed resolutions for the grant of the Issue Mandate and the Repurchase Mandate, and on the basis that no further Shares will be issued or repurchased prior to the date of the AGM, exercise in full of the Repurchase Mandate will result in up to 147,499,290 Shares being repurchased by the Company, and the Directors will be authorised to allot and issue under the Issue Mandate up to 294,998,581 Shares, and to the extent the Repurchase Mandate is exercised, plus the number of Shares representing the number of issued Shares repurchased by the Company under the Repurchase Mandate.

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## LETTER FROM THE BOARD

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The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by any applicable law or by the Articles of Association; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in the Appendix to this circular.

### **3. PROPOSED REFRESHMENT OF THE 10% GENERAL LIMIT UNDER THE SHARE OPTION SCHEME**

Under the rules of the Share Option Scheme: (i) the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group is subject to the 10% General Limit; and (ii) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

The Company may seek approval from the Shareholders in general meeting for refreshing the 10% General Limit so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall be re-set at 10% of the number of Shares in issue as at the date of approval of the limit as “refreshed”. In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the 10% General Limit as “refreshed”.

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## LETTER FROM THE BOARD

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The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed by the Shareholders on 26 May 2015. As at the Latest Practicable Date, the Company did not have any share option schemes other than the Share Option Scheme. At the annual general meeting of the Company held on 8 June 2017, the 10% General Limit was refreshed (the “**Previous Refreshment**”) pursuant to which the Company was authorised to grant share options to subscribe for up to a maximum number of 100,000,000 Shares, representing 10% of the number of Shares then in issue. Since the adoption of the Share Option Scheme, the Company has granted to certain eligible persons share options to subscribe for an aggregate of 200,000,000 Shares under the Share Option Scheme. As at the Latest Practicable Date, 175,690,000 share options remained outstanding, representing 11.91% of the issued Shares as at the Latest Practicable Date.

After the Previous Refreshment and up to the Latest Practicable Date, share options entitling the holders thereof to subscribe for up to 100,000,000 Shares have been granted and remained outstanding under the existing 10% General Limit, representing 6.78% of the issued Shares as at the Latest Practicable Date and no such share options have been exercised, lapsed or cancelled during such period. Such share options consist of: (1) outstanding options to subscribe for 10,000,000 Shares granted to Mr. Chen Rongxin, an executive Director; (2) outstanding options to subscribe for 10,000,000 Shares granted to Mr. Zhang Xiongfeng, a non-executive Director; and (3) outstanding options to subscribe for 80,000,000 Shares granted to other eligible persons. All such outstanding options were granted on 7 September 2018 at an exercise price of HK\$0.67 per Share and exercisable by such grantees from the date of grant until 25 May 2025, details of which are set out in the announcement of the Company dated 7 September 2018. None of such share options have been exercised.

As disclosed above, the existing 10% General Limit has already been utilised in full and if the 10% General Limit is not refreshed, no further share options may be granted by the Company.

The Directors consider that it is in the interests of the Company and the Shareholders as a whole to refresh the 10% General Limit so as to maintain flexibility in granting share options to eligible participants under the Share Option Scheme, who, in the sole discretion of the Board, shall be rewarded for their past contributions, and for the purpose of attracting and retaining, or otherwise maintaining on-going relationships with such eligible participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

For these reasons, it is proposed that the Board shall seek the approval of the Shareholders by passing of an ordinary resolution for the grant of the refreshment of the 10% General Limit at the AGM.

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## LETTER FROM THE BOARD

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On the basis of 1,474,992,908 Shares being in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company will not change prior to the AGM, the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the 10% General Limit so refreshed is 147,499,290.

The refreshment of the 10% General Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, such number of new Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be allotted and issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% General Limit so refreshed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% General Limit so refreshed.

#### **4. RE-ELECTION OF DIRECTORS**

Pursuant to Article 84 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

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## LETTER FROM THE BOARD

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Pursuant to Article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Article 83(3) of the Articles of Association, Mr. Chen Rongxin being appointed by the Board as an addition to the existing Board shall hold office until the AGM and Mr. Lu Yongchao (“**Mr. Lu**”) who was appointed by the Board to fill a casual vacancy shall hold office until the first general meeting. Each of Mr. Chen Rongxin and Mr. Lu will retire and, being eligible, offers himself for re-election at the AGM.

Pursuant to Article 84 of the Articles of the Association and paragraph A.4.2 of Appendix 14 of the Listing Rules, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, the Directors retiring by rotation at the AGM are Mr. Chen Yenfei and Mr. Shen Shun (“**Mr. Shen**”), who being eligible, offers themselves for re-election at the forthcoming AGM.

The nomination committee of the Board has recommended the re-election of Mr. Lu to the Board, after reviewing the accomplishment, experience, working profile and other factors (including but not limited to gender, age, professional experience, cultural and educational background as set out in the board diversity policy of the Company) of Mr. Lu in accordance with the nomination policy and the board diversity policy of the Company. The nomination committee of the Board has also assessed the independence of Mr. Lu including reviewing his annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. Taking into account his diverse and different educational background and professional knowledge and experience in the respective fields of fund management and enterprises management as mentioned in his biographical details below, Mr. Lu as independent non-executive Director will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning. His appointments will contribute to the diversity (in particular in terms of skills) of the Board appropriate to the requirements of the Company’s business.

The Board is satisfied that Mr. Lu has the required character, integrity, perspectives, skills and experience to continuously fulfill his role as an independent non-executive Director effectively. The Board believes that the re-election of Mr. Lu as an independent non-executive Director would be in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The biographical details of all the Directors subject to re-election are as follows:

### **Executive Director**

**CHEN YENFEI or CHEN YEN FEI (陳燕飛)**, aged 71, was appointed as an executive Director on 3 May 2011. He is the founder of the Group, the chairman of the Board and the chief executive officer of the Company. He is also the chairman of the corporate governance committee and the nomination committee of the Board and a member of the remuneration committee of the Board. He is mainly responsible for the overall business management and strategic planning of the Group. Mr. Chen Yenfei has over 30 years of experience in the pharmaceutical industry. He has been the chairman of Chengdu Toyot Pa Shun Pharmacy Co. Ltd. (“**Chengdu Pashun**”) since 1995, and has been the chairman of Toyot Pa Shun Medicine Factory Company Limited since 1989. Mr. Chen Yenfei graduated from Zhongnan University of Economics (中南財經大學) (predecessor of Zhongnan University of Economics and Law (中南財經政法大學)) with a bachelor’s degree in July 1987, majoring in statistics and Hubei Traditional Chinese Medical Science College (湖北中醫學院) (predecessor of Hubei University of Chinese Medicine (湖北中醫藥大學)) in June 1998, majoring in traditional Chinese medicine, respectively. Mr. Chen Yenfei also was elected as one of the members of the first session of the standing committee of China Association of Traditional Chinese Medicine (中國中藥協會). He was the vice-president of Wuhan Pharmaceutical Profession Association (武漢醫藥行業協會) in 2003, vice-president of Hubei Guangcai Association (湖北光彩學會) since 2006 and the executive committee vice chairman of Hong Kong Chamber of Commerce in China-Wuhan (中國香港地區商會—武漢) since 2010, respectively.

As at the Latest Practicable Date, Mr. Chen Yenfei was the sole shareholder and sole director of Praise Treasure Limited (a company which was interested in the Shares as at the Latest Practicable Date, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Mr. Chen Yenfei and Praise Treasure Limited are the controlling shareholders (within the meaning of the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Chen Yenfei held (i) 3,746,000 Shares as beneficial owner; and (ii) 100% of the issued share capital of Praise Treasure Limited and was therefore deemed to be interested in the 753,040,000 Shares held by Praise Treasure Limited in the Company. Therefore, Mr. Chen Yenfei was interested in 756,786,000 Shares, representing 51.31% of the issued Shares, within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Chen Rongxin, an executive Director, is the nephew of Mr. Chen Yenfei.

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## LETTER FROM THE BOARD

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Pursuant to the service contract made between Mr. Chen Yenfei and the Company, Mr. Chen Yenfei has been appointed as an executive Director for a term of three years with effect from 19 June 2018, unless terminated by no less than three months' notice in writing served by either party on the other. Mr. Chen Yenfei will be subject to retirement by rotation and re-election and other related provisions as stipulated in the articles of association of the Company and the Listing Rules. Pursuant to his service contract, Mr. Chen Yenfei is entitled to an annual director's fee of RMB190,000, which was determined with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

**SHEN SHUN** (沈順), aged 46, was appointed as an executive Director on 27 February 2012. Mr. Shen is mainly responsible for the sales and internal control of the Group. He has over 15 years of experience in the pharmaceutical industry. Mr. Shen has been appointed as a vice general manager of 成都科訊藥業有限公司 (Chengdu Kexun Pharmaceutical Co., Ltd.\*) (“**Chengdu Kexun**”) since 1998, responsible for the sales of Chengdu Kexun. Mr. Shen obtained a master's degree of business administration from a course jointly cooperated by Southwest Jiaotong University (西南交通大學) and University of South Australia in May 2011. He graduated from Southwest Jiaotong University (西南交通大學), majoring in business administration in June 2006 by long-distance online education (網絡教育學院).

As at the Latest Practicable Date, Mr. Shen was interested in 3,500,000, representing approximately 0.24% of the issued Shares, within the meaning of Part XV of the SFO.

Pursuant to the service contract made between Mr. Shen and the Company, Mr. Shen has been appointed as an executive Director for a term of three years with effect from 19 June 2018, unless terminated by no less than three months' notice in writing served by either party on the other. Mr. Shen will be subject to retirement by rotation and re-election and other related provisions as stipulated in the articles of association of the Company and the Listing Rules. Pursuant to his service contract, Mr. Shen is entitled to an annual director's fee of RMB170,000, which was determined with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

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## LETTER FROM THE BOARD

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**CHEN RONGXIN** (陳榮新), aged 41, was appointed as the executive Director on 5 September 2018. Graduated from Military Economics Institute of Chinese People's Liberation Army (中國人民解放軍軍事經濟學院) in June 2009, majoring in management engineering. He worked as a vice general manager in Wuhan Bai Xin Food Company Limited (武漢百信食品有限公司) from February 2000 to November 2007. He has been working as a general manager in Hubei Bai Xin Food Company Limited (湖北百信食品有限公司) since December 2007. He worked as a general manager of Yanchi County Medical & Pharmaceutical Herbal Co., Ltd.\* (鹽池縣醫藥藥材有限公司), a wholly-owned subsidiary of the Company, from July 2017 to May 2018. He is currently a vice general manager of Chengdu business area in Wuhan Baixin Holdings Group Limited\* (武漢百信控股集團有限公司).

Mr. Chen Rongxin was the vice-president of Hubei Province Condiment Association from October 2008 to June 2018 and he has been the vice-president of Fujian Chamber of Commerce in Hubei since February 2016. As at the Latest Practicable Date, Mr. Chen Rongxin was interested in 10,414,820 Shares, representing approximately 0.71% of the issued Shares, within the meaning of Part XV of the SFO. Mr. Chen Rongxin is the nephew of Mr. Chen Yenfei who is the chairman, the chief executive officer, an executive Director and the controlling shareholder (having the meaning ascribed to it in the Listing Rules) of the Company.

Pursuant to the service contract made between Mr. Chen Rongxin and the Company, Mr. Chen Rongxin has been appointed as an executive Director for a term of three years with effect from 5 September 2018, unless terminated by no less than three months' notice in writing served by either party on the other. Mr. Chen will be subject to retirement by rotation and re-election and other related provisions as stipulated in the articles of association of the Company and the Listing Rules. Pursuant to his service contract, Mr. Chen Rongxin is entitled to an annual director's fee of RMB60,000, which was determined with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

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## LETTER FROM THE BOARD

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### Independent Non-executive Directors

**LU YONGCHAO** (呂永超), aged 39, was appointed as the independent non-executive Director on 14 September 2018. He is a member of each of the audit committee, the nomination committee and the corporate governance committee of the Board. He obtained a diploma in Business Administration for Real Estate Entrepreneurs in China at Sun Yat-sen University (中山大學) and a diploma in English at Guangdong University of Foreign Studies (廣東外語外貿大學). Mr. Lu was a team member of Ample Luck International Capital Group Limited which is a fund management group. Mr. Lu has extensive experience in business development, market development, media management, finance and Information Technology industry and years of investment, financing and fund management history. He has rich experience in the enterprise strategic management, internet strategy, brand management, investment and financing management.

Mr. Lu was the founder of Enjoymedia Holdings Company Limited, which was listed on the Over-The-Counter Bulletin Board (OTCBB) in 2006 and was named as one of the hundred most Chinese Concept corporation listed in the United States. Prior to that Mr. Lu had been the chief executive of the online websites YESITE and ITNOW, as well as the Whirlpool Kit Department Head in China. Mr. Lu had assisted listing and financing of different enterprises while working in an investment company in China, and had served as a director of China Mobile Digital Group, a company whose shares are listed on the Taiwan Stock Exchange Corporation. He had also served as a director of a German outdoor brand VAUDE. Mr. Lu is also a director of Eagle Pioneer Limited, Accurate Trade International Limited, China Safety Holdings Limited, Happy Way Technology Limited, Total Tycoon Limited and Great Select Global Limited. Mr. Lu served as the chief executive officer of Cybernaut International Holdings Company Limited (“**Cybernaut**”) (formerly known as Sinoref Holdings Limited), a company whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1020), from January 2015 to February 2017 and he has been an executive director of Cybernaut since February 2017.

Pursuant to the letter of appointment made between Mr. Lu and the Company, Mr. Lu has been appointed as an independent non-executive Director for a term of three years with effect from 14 September 2018, unless terminated by no less than 15 days’ notice in writing served by Mr. Lu on the Company or at any time by service of notice in writing served by the Company on Mr. Lu. Mr. Lu will be subject to retirement by rotation and re-election and other related provisions as stipulated in the articles of association of the Company and the Listing Rules. Pursuant to his letter of appointment, Mr. Lu is entitled to an annual director’s fee of HKD144,000, which was determined with reference to his background, experience, duties and responsibilities with the Group and the prevailing market conditions.

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## LETTER FROM THE BOARD

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Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the Board, the Directors confirmed that:

- (i) each of Mr. Chen Yenfei, Mr. Shen, Mr. Chen Rongxin and Mr. Lu did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company (having the meanings ascribed to them in the Listing Rules);
- (ii) each of Mr. Chen Yenfei, Mr. Shen, Mr. Chen Rongxin and Mr. Lu had no other interests in the Shares within the meaning of Part XV of the SFO;
- (iii) each of Mr. Chen Yenfei, Mr. Shen, Mr. Chen Rongxin and Mr. Lu did not hold any other major appointments and qualifications or directorships in other listed company in the last three years and did not hold other positions with the Company or other members of the Group;
- (iv) there was no other information required to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules; and
- (v) the Company was not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chen Yenfei, Mr. Shen, Mr. Chen Rongxin and Mr. Lu.

### **5. CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed for registration of transfers of Shares from Tuesday, 25 June 2019 to Friday, 28 June 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2019.

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## **LETTER FROM THE BOARD**

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### **6. THE AGM, PROXY ARRANGEMENT AND DEMAND FOR POLL**

A notice convening the AGM to be held on Friday, 28 June 2019, at 2:00 p.m. at Luxembourg Hall, 6th Floor, Jinyun Hotel, No. 668 Jinfu Road, Chengdu City, the PRC is set out on pages 21 to 27 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon by 2:00 p.m. on Wednesday, 26 June 2019 or not less than 48 hours before the time appointed for the adjourned AGM to the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

The Directors are not aware of any Shareholders who are required to abstain from voting in the AGM. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under rule 13.39(5) of the Listing Rules.

### **7. RESPONSIBILITY STATEMENT**

This circular, 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 circular 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 circular misleading.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the Proposed Refreshment, and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

### 9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully  
On behalf of the Board  
**Pa Shun International Holdings Limited**  
**Mr. Chen Yenfei**  
*Chairman and Chief Executive Officer*

*This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide all the requisite information in relation to the Repurchase Mandate.*

## **1.     LISTING RULES RELATING TO REPURCHASES OF SECURITIES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

### **(a)     Shareholders' approval**

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by its shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

### **(b)     Share capital**

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the number of issued Shares as at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company had 1,474,992,908 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 147,499,290 Shares being repurchased by the Company.

### **(c)     Reason for repurchase**

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**(d) Fund of repurchase**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its constitutive documents and the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

As compared with the financial position of the Company as at 31 December 2018 (being the date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate was to be exercised in full during the proposed repurchase period. In any event, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

**(e) Connected parties**

None of the Directors nor, to the best knowledge of the Directors having made all reasonable enquiries, any of their respective close associates has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders. As at the Latest Practicable Date, no core connected person had notified the Company that he had a present intention to sell Shares to the Company, or had undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

**(f) Undertaking by Directors**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**(g) Takeovers Code**

If as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code.

As at the Latest Practicable Date, Mr. Chen Yenfei, together with his associate, were beneficially interested in 756,786,000 Shares, representing approximately 51.31% of the issued Shares. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interests of Mr. Chen Yenfei, together with his associate, in the Company would be increased to approximately 57.01% of the issued Shares, which will not give rise to an obligation to make a mandatory offer under Rule 26 and 32 of the Takeovers Code.

The Directors are not aware of any consequences which may arise under Rule 26 of the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

The Directors have no present intention to exercise the power to repurchase the Shares pursuant to the Repurchase Mandate to such an extent as to result in mandatory offer obligations.

**(h) Public float**

The Directors confirm that the Repurchase Mandate will not be exercised to an extent where the amount of Shares held by the public will be reduced below 25%.

**2. SHARES REPURCHASES MADE BY THE COMPANY**

During the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).

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**APPENDIX                      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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**3.      SHARE PRICES**

During each of the twelve months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

<b>Month</b>	<b>Price Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2018</b>		
April	0.560	0.445
May	0.560	0.410
June	0.530	0.470
July	0.500	0.425
August	0.660	0.390
September	0.780	0.570
October	0.820	0.630
November	0.880	0.700
December	0.700	0.450
<b>2019</b>		
January	0.600	0.490
February	0.770	0.530
March	0.610	0.395
April (up to the Latest Practicable Date)	0.470	0.400

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## NOTICE OF ANNUAL GENERAL MEETING

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百信集团  
PASHUN GROUP

**Pa Shun International Holdings Limited**  
**百信國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 574)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (“**Meeting**”) of Pa Shun International Holdings Limited (“**Company**”) will be held on Friday, 28 June 2019, at 2:00 p.m. at Luxembourg Hall, 6th Floor, Jinyun Hotel, No. 668 Jinfu Road, Chengdu City, the PRC for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company, the reports of the directors (“**Directors**” and each a “**Director**”) and the independent auditor of the Company for the year ended 31 December 2018.
2.
  - (A) To re-elect Mr. Chen Yenfei as a Director.
  - (B) To re-elect Mr. Shen Shun as a Director.
  - (C) To re-elect Mr. Chen Rongxin as a Director.
  - (D) To re-elect Mr. Lu Yongchao as a Director.
3. To authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint CCTH CPA Limited as auditor of the Company and to authorise the Directors to fix the remuneration of the auditor of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

5. As special business to consider and, if thought fit, pass with or without modifications, each of the following resolutions as an ordinary resolution of the Company:

### ORDINARY RESOLUTIONS

(A) **“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (“Shares”) and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options, including warrants to subscribe for Shares, which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the cash payment for a dividend on Shares in accordance with the articles of association of the Company, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the number of issued Shares as at the date of the passing of this resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares as at the date of the passing of this resolution),

and the said approval shall be limited accordingly;

- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of the Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the applicable laws in the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the number of the Shares which may be purchased or repurchased by the Company or agreed to be purchased or repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the date which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon resolutions 5(A) and 5(B) set out above being passed, the number of Shares which is purchased or repurchased by the Company under the authority granted to the Directors as mentioned in resolution 5(B) above shall be added to the number of Shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the resolution 5(A) above, provided that such Shares shall not exceed 10 per cent. of the number of issued Shares as at the date of the passing of this resolution.”
- (D) “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company pursuant to an ordinary resolution of all the then shareholders of the Company passed on 26 May 2015 (“**Share Option Scheme**”), representing 10 per cent. of the number of issued Shares as at the date of the passing of this resolution, pursuant to the rules of the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries under the limit as refreshed hereby shall not exceed 10 per cent. of the number of the issued Shares as at the date of the passing of this resolution (options previously granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company and its subsidiaries) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the Directors or a duly authorised committee thereof be and is/are hereby authorised: (i) at their/its absolute discretion, to grant options to subscribe for Shares within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with the Shares pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate; and
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the Refreshed Scheme Mandate shall be adjusted to the effect that the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the Refreshed Scheme Mandate as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same.”

On behalf of the Board  
**Pa Shun International Holdings Limited**  
**Mr. Chen Yenfei**  
*Chairman and Chief Executive Officer*

Hong Kong, 30 April 2019

*Notes:*

1. Any shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the Meeting is entitled to appoint one or, if he is holder of more than one share, more proxies to attend and vote instead of him. A proxy need not be a Shareholder. A proxy so appointed shall be entitled to exercise the same powers on behalf of such Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. The register of members of the Company will be closed for registration of transfers of Shares from Tuesday, 25 June 2019 to Friday, 28 June 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2019.

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## NOTICE OF ANNUAL GENERAL MEETING

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3. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 2:00 p.m. on Wednesday, 26 June 2019 or not less than 48 hours before the time appointed for holding the adjourned Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
5. Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the Meeting convened and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint holders of any Share, any one of such persons may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting the vote of the senior holder who tenders a vote, whether personally or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of such Share.
7. As required by the Rules Governing the Listing of Securities on the Stock Exchange, all the above resolutions will be decided by way of poll.
8. References to time and dates in this notice are to Hong Kong time and dates.