



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

2024

INTERIM REPORT



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Yuan Hongbing (*Chairman*)

Mr. Ma Qinghai

(*appointed on 2 April 2024*)

Professor Xiao Kai (*retired on 22 February 2024*)

Mr. Feng Junzheng

(*retired on 22 February 2024*)

NON-EXECUTIVE DIRECTORS

Mr. Chen Zhongzheng

(*appointed on 2 April 2024*)

Mr. Zhou Jinkai

(*appointed on 2 April 2024*)

Mr. Zhang Tong

(*retired on 22 February 2024*)

Mr. Chen Yunwei

(*retired on 22 February 2024*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Li Yan

Mr. Khor Khie Liem Alex

Dr. Lowe Chun Yip

(*appointed on 20 May 2024*)

Mr. Wong Tung Yuen

(*appointed on 20 May 2024*)

Mr. Cao Lei

(*retired on 22 February 2024*)

AUTHORISED REPRESENTATIVE

Mr. Yuan Hongbing

Ms. Li Yan

COMPANY SECRETARY

Ms. Lui Mei Ka

(*appointed on 15 July 2024*)

Ms. Lam Yuen Ling Eva

(*resigned on 15 July 2024*)

AUDIT COMMITTEE

Ms. Li Yan (*Chairman*)

Mr. Khor Khie Liem Alex

Dr. Lowe Chun Yip

(*appointed on 20 May 2024*)

Mr. Cao Lei

(*retired on 22 February 2024*)

REMUNERATION COMMITTEE

Ms. Li Yan (*Chairman*)

Mr. Khor Khie Liem Alex

Dr. Lowe Chun Yip (*appointed on 20 May 2024*)

Mr. Cao Lei

(*retired on 22 February 2024*)

NOMINATION COMMITTEE

Mr. Khor Khie Liem Alex (*Chairman*)

Ms. Li Yan

Mr. Wong Tung Yuen

(*appointed on 20 May 2024*)

Mr. Chen Yunwei

(*retired on 22 February 2024*)

CORPORATE GOVERNANCE COMMITTEE

Ms. Li Yan (*Chairman*)

Mr. Khor Khie Liem Alex

Mr. Wong Tung Yuen

(*appointed on 20 May 2024*)

Mr. Cao Lei

(*retired on 22 February 2024*)

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2601–2603, 26/F

Shui On Centre

6–8 Harcourt Road

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

AUDITORS

CCTH CPA Limited

Certified Public Accountants

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Kowloon Commerce Centre

No. 51 Kwai Cheong Road, Kwai Chung

New Territories, Hong Kong

STOCK CODE

00574

COMPANY'S WEBSITE

www.pashun.com.cn

PRINCIPAL BANK

Bank of Communications Co., Ltd.

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

The board (the “**Board**”) of directors (the “**Directors**”) of Pa Shun International Holdings Limited (the “**Company**”) is pleased to announce the interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023. The Group’s interim results are unaudited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	Notes 3(a)	48,830	82,832
Cost of sales		(39,303)	(62,720)
Gross profit		9,527	20,112
Gain on restructuring of the Company’s debts	14	47,356	-
Other income	4(a)	734	1,829
Other gains/(losses), net	4(b)	(6,362)	-
Selling and distribution expenses		(3,408)	(4,503)
General and administrative expenses		(7,281)	(7,386)
Finance costs	5	(5,075)	(5,471)
Profit before tax	6	35,491	4,581
Income tax expense	7	(64)	(64)
Profit for the period attributable to equity shareholders of the Company		35,427	4,517

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Profit for the period	35,427	4,517
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of entities outside the People's Republic of China ("PRC" or "China")	3,158	6,209
Total comprehensive income for the period attributable to equity shareholders of the Company	38,585	10,726

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Profit per share		
Basic	2.4	0.31
Diluted	N/A	N/A

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	31,166	32,397
Right-of-use assets	11	1,843	1,872
Other intangible assets		15	26
Property development project		<u>48,000</u>	<u>48,000</u>
		81,024	82,295
CURRENT ASSETS			
Inventories		7,467	5,378
Trade and other receivables	12	51,284	37,017
Prepayments and deposits paid		69,148	65,329
Amounts due from related parties		36	36
Income tax receivables		416	-
Cash and cash equivalents		<u>4,634</u>	<u>16,511</u>
		132,985	124,271
CURRENT LIABILITIES			
Trade and other payables	13	100,175	130,169
Bank borrowings		7,160	7,160
Amount due to a shareholder		804	804
Amounts due to related parties		2,022	1,132
Corporate bonds payable		-	83,473
Other borrowings		1,809	24,418
Repayment obligation under scheme of arrangement	14	6,222	-
Income tax payable		<u>-</u>	<u>588</u>
		118,192	247,744
NET CURRENT ASSETS (LIABILITIES)		14,793	(123,473)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,817</u>	<u>(41,178)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30 June 2024

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
	<i>Notes</i>	
NON-CURRENT LIABILITIES		
Deferred income – government grant	21,750	22,005
Deferred tax liabilities	2,061	1,997
Other borrowings	35,000	50,919
Repayment obligation under scheme of arrangement	14 <u>114,520</u>	<u>-</u>
	<u>173,331</u>	<u>74,921</u>
NET LIABILITIES	<u>(77,514)</u>	<u>(116,099)</u>
CAPITAL AND RESERVES		
Share capital	15 <u>1,216</u>	1,216
Reserves	<u>(78,730)</u>	<u>(117,315)</u>
DEFICIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	<u>(77,514)</u>	<u>(116,099)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity shareholders of the Company							Total
	Share capital RMB'000	Share premium RMB'000	PRC statutory reserve RMB'000	Share option reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	
At 31 December 2023 and 1 January 2024 (audited)	1,216	691,882	33,143	11,456	(18,526)	(28,150)	(807,120)	(116,099)
Profit for the period	-	-	-	-	-	-	35,427	35,427
Other comprehensive income for the period								
Exchange differences on translation of financial statements of entities outside the PRC	-	-	-	-	3,158	-	-	3,158
Total comprehensive income for the period	-	-	-	-	3,158	-	35,427	38,585
At 30 June 2024 (unaudited)	<u>1,216</u>	<u>691,882</u>	<u>33,143</u>	<u>11,456</u>	<u>(15,368)</u>	<u>(28,150)</u>	<u>(771,693)</u>	<u>(77,514)</u>
At 1 January 2023 (audited)	1,216	691,882	33,143	11,456	(15,597)	(28,150)	(809,470)	(115,520)
Profit for the period	-	-	-	-	-	-	2,350	2,350
Other comprehensive expense for the period								
Exchange differences on translation of financial statements of entities outside the PRC	-	-	-	-	(2,929)	-	-	(2,929)
Total comprehensive loss for the period	-	-	-	-	(2,929)	-	2,350	(579)
At 31 December 2023 (audited)	<u>1,216</u>	<u>691,882</u>	<u>33,143</u>	<u>11,456</u>	<u>(18,526)</u>	<u>(28,150)</u>	<u>(807,120)</u>	<u>(116,099)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Net cash (used in)/ generated from operating activities	<u>(14,548)</u>	<u>5,500</u>
Investing activities		
Other net cash (outflow)/ inflow	<u>(20)</u>	<u>430</u>
Net cash (used in)/ generated from investing activities	(20)	430
Financing activities		
Drawn down of other borrowings	2,691	8,762
Drawn down of bank borrowings	-	500
Repayment of corporate bonds payable	-	(1,326)
Other net cash outflow	<u>-</u>	<u>(158)</u>
Net cash generated from financing activities	<u>2,691</u>	<u>7,778</u>
Net (decrease)/increase in cash and cash equivalents	(11,877)	13,708
Cash and cash equivalents at the beginning of the period	16,511	1,901
Effect of changes in foreign exchange rates	<u>-</u>	<u>(4)</u>
Cash and cash equivalents at the end of the period	<u>4,634</u>	<u>15,605</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong.

In addition, the condensed consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. The condensed consolidated financial statements have been prepared under the historical cost convention. These condensed consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

The HKICPA has issued the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current interim period beginning on or after 1 January 2024 for the preparation of the condensed consolidated financial statement of the Group.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has not resulted in significant impact on the Group's condensed consolidated financial statements. The Group has also not applied any new or amended standards that are not effective in respect of the current interim period.

Amendments to HKFRSs in issue but not yet effective

The Group has not applied any revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2024. These revised HKFRSs include the following which may be relevant to the Group.

Amendments to HKAS 21	Lack of Exchange Ability ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution to Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for accounting periods beginning on or after 1 January 2025

² Effective for accounting periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these amendments to HKFRSs, which are not yet effective, will have no material impact on these condensed consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

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

Revenue represents the sales value of goods supplied to customers. The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Pharmaceutical distribution	33,267	71,472
Pharmaceutical manufacturing	15,563	11,360
	48,830	82,832

All of the Group's revenue is recognised at a point of time for both periods.

3. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

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

- Pharmaceutical distribution: this segment generates revenue primarily from sales of pharmaceutical products to (i) wholesalers, (ii) franchise retail pharmacy chain stores and (iii) hospitals and other medical institutions in rural areas.
- Pharmaceutical manufacturing: this segment generates revenue primarily from sales of pharmaceutical products manufactured by the Group.

The Group's revenue and operating profit were entirely derived from activities of pharmaceutical distribution and pharmaceutical manufacturing in the PRC and the principal assets employed by the Group were located in the PRC for the six months ended 30 June 2024 and 2023. Accordingly, no analysis by geographical segments has been provided for the six months ended 30 June 2024 and 2023.

No analysis of the Group's assets and liabilities by operating segments was regularly provided to the chief operating decision makers for review during the six months ended 30 June 2024 and 2023 for the purposes of resource allocation and performance assessment.

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

3. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment revenue and results

Segment information regarding the Group's revenue and results as provided to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below.

Six months ended 30 June 2024 (unaudited)					
Pharmaceutical distribution					
	Sales to wholesalers	Sales to hospitals and other medical institutions in rural areas	Sub-tota	Pharmaceutical manufacturing	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Revenue from external	10,891	22,376	33,267	15,563	48,830
Reportable segment profit	358	3,326	3,684	5,843	9,527
Other segment information					
Depreciation and amortisation	-	-	-	14	14

Six months ended 30 June 2023 (unaudited)					
Pharmaceutical distribution					
	Sales to wholesalers	Sales to hospitals and other medical institutions in rural areas	Sub-tota	Pharmaceutical manufacturing	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Revenue from external	42,500	28,972	71,472	11,360	82,832
Reportable segment profit	9,997	4,909	14,906	5,206	20,112
Other segment information					
Depreciation and amortisation	-	-	-	29	29

3. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue		
Reportable segment revenue	48,830	82,832
Elimination of inter-segment revenue	-	-
Consolidated revenue (note 3(a))	<u>48,830</u>	<u>82,832</u>
Profit		
Reportable segment profit	9,527	20,112
Elimination of inter-segment loss	-	-
Gross profit derived from external customers	9,527	20,112
Gain on restructuring of the Company's debts	47,356	-
Other income	734	1,829
Other gains/(losses), net	(6,362)	-
Selling and distribution expenses	(3,408)	(4,503)
General and administrative expenses	(7,281)	(7,386)
Finance costs	(5,075)	(5,471)
Consolidated profit before tax	<u>35,491</u>	<u>4,581</u>
Other items		
Depreciation and amortisation		
Reportable segment total	14	29
Unallocated total	<u>1,286</u>	<u>1,146</u>
Consolidated total	<u>1,300</u>	<u>1,175</u>

4. OTHER INCOME AND OTHER GAINS/(LOSSES), NET

(a) Other income

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Bank interest income	7	4
Deferred income – government grant	256	256
Royalty fee income	-	670
Waive of debt	-	878
Short-term lease rental income	444	-
Others	27	21
	<u>734</u>	<u>1,829</u>

(b) Other gains/(losses), net

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Impairment loss on:		
Trade receivables	(2,021)	-
Prepayment and deposits paid	(4,342)	-
Reversal of impairment loss on other receivables	53	-
Others	(52)	-
	<u>(6,362)</u>	<u>-</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on:		
Bank and other borrowings	2,115	317
Corporate bonds payable	519	5,151
Repayment obligation under scheme of arrangement	2,441	-
Lease liabilities	-	3
	<u>5,075</u>	<u>5,471</u>

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cost of inventories sold (<i>note i</i>)	39,303	62,720
Salaries, wages and other benefits	3,067	4,517
Contributions to defined contribution retirement plans	<u>353</u>	<u>246</u>
Total staff costs (<i>note ii</i>)	3,420	4,763
Depreciation of property, plant and equipment	1,271	983
Depreciation of right-of-use assets	29	192
Auditors' remuneration	<u>111</u>	<u>221</u>

Notes:

- (i) Cost of inventories sold for the six months ended 30 June 2024 includes staff costs and depreciation and amortisation expenses totalled RMB376,000 (six months ended 30 June 2023: RMB519,000) which are also included in the respective total amounts disclosed separately above.
- (ii) The total staff costs include directors' emoluments.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Current tax – PRC Enterprise Income Tax		
Provision for the period	-	-
Deferred tax		
Origination and reversal of temporary differences	<u>64</u>	<u>64</u>
	<u>64</u>	<u>64</u>

- (i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (iii) No provision for Hong Kong Profits Tax for the six months ended 30 June 2024 and 2023 has been made in the condensed consolidated statement of profit or loss as the Group has no assessable profits arising in Hong Kong for both of the periods presented.
- (iv) The Group's PRC subsidiaries are subject to PRC Enterprise Income Tax at the statutory rate of 25%. No provision for PRC Enterprises Income Tax for the current period has been made in the condensed consolidated statement of profit or loss as the Group had no profit for the period which is assessable to such PRC income tax.

8. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

9. PROFIT PER SHARE**(a) Basic profit per share**

The calculation of basic profit per share for the six months ended 30 June 2024 is based on the profit attributable to equity shareholders of the Company of RMB35,427,000 (six months ended 30 June 2023: profit of RMB4,517,000) and the weighted average of 1,474,993,000 ordinary shares (six months ended 30 June 2023: 1,474,993,000 ordinary shares) in issue.

(b) Diluted profit per share

The computation of diluted profit per share does not assume the exercise of the Company's share options granted because the exercise price of those share options was higher than the average market price of shares for both of the periods presented.

No diluted profit per share for the six months ended 30 June 2024 and 30 June 2023 is presented as, except for aforementioned, there are no potential ordinary shares in issue during both of the periods presented.

10. PROPERTY, PLANT AND EQUIPMENT

Depreciation of property, plant and equipment for the six months ended 30 June 2024 amounted to RMB1,271,000 (six months ended 30 June 2023: RMB983,000).

11. RIGHT-OF-USE ASSETS

The Group did not enter into any new lease agreement during the current interim period.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade and commercial bills receivables (note a)	23,822	27,006
Bank bills receivables (note b)	469	1,369
Other receivables	<u>26,993</u>	<u>8,642</u>
	<u>51,284</u>	<u>37,017</u>

Notes:

(a) **Trade and commercial bills receivables**

An ageing analysis of trade and commercial bills receivables, based on the dates of goods delivery and net of allowance for doubtful debts, is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	10,730	14,079
1 to 3 months	9,401	9,276
4 to 6 months	<u>3,691</u>	<u>3,651</u>
	<u>23,822</u>	<u>27,006</u>

An average credit period of 30 to 180 days is granted by the Group to its customers (31 December 2023: 30 to 180 days).

(b) **Bank bills receivables**

The bank bills receivables are aged within 180 days (31 December 2023: 180 days).

13. TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade payables (note (i))	32,614	32,631
Contract liabilities	16,513	12,842
Accrued corporate bond interests	-	29,510
Accrued interests for other borrowings	1,400	7,537
Other accrual fees	14,529	8,774
Other payables	35,119	38,875
	<u>100,175</u>	<u>130,169</u>

Notes:

- (i) An ageing analysis of trade payables, based on the dates of goods delivery, is as follows:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	979	3,769
1 to 3 months	4,097	3,766
Over 3 months	27,538	25,096
	<u>32,614</u>	<u>32,631</u>

The credit term granted to the Group by its suppliers is 30 to 180 days (31 December 2023: 30 to 180 days).

14. REPAYMENT OBLIGATION UNDER SCHEME OF ARRANGEMENT

On 12 March 2024, the scheme of arrangement ("Scheme of Arrangement") was effective for the restructuring of its overall indebtedness position, under which:

(i) all unsecured and non-preferential claims ("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 Scheme Claims ("Scheme Creditors"), which have been admitted by the administrators of the Scheme of Arrangement or the adjudicator, 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 ("Initial Cash Payment"); and
- annual cash payments from 2024 to 2028 ("Yearly Payments").

The Yearly Payments comprise a cash amount which shall be the higher of (i) HK\$5 million of 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 Company's audited consolidated net profits for the relevant financial year.

Details of the Scheme of Arrangement are set out in the announcement dated 15 September 2023 (the "Announcement") made by the Company. On 18 October 2023, over 50% in the number of, and representing not less than 75% in value of the claims of, the creditors included in the Scheme Creditors voted in favour of the Scheme of Arrangement. On 1 November 2023, the Hong Kong Court sanctioned the Scheme of Arrangement. The Scheme of Arrangement is effective subject to various conditions to be fulfilled, details of which are set out in the Announcement. All the conditions have been fulfilled and the Scheme of Arrangement becomes effective on 12 March 2024.

The initial payment of HK\$5,000,000 in the year 2024 is to be financed by a deposit of HK\$8,000,000 (equivalent to approximately RMB7,298,000) seized by the administrator of the Scheme of Arrangement as at 31 December 2023, which are included in prepayments and deposits paid in the consolidated financial statements as at 30 June 2024 and 31 December 2023.

The Scheme Claims include corporate bonds payables, certain other borrowings and certain other payables of the Company. As at the date of this interim report, the administrator of the Scheme of Arrangement is still the process of verifying the amounts of Scheme Claims as at 12 March 2024 with all Scheme Creditors and the amount of repayment obligations under scheme of arrangement may vary upon the completion of the verification process.

Upon the Scheme of Arrangement became effective on 12 March 2024, the Scheme Claims shall be discharged in exchange for the Scheme of Arrangement, which carry zero-coupon interest rate. As a result, based on management's best estimates, a gain of approximately RMB47,356,000 had been recognised as "Gain on restructuring of the Company's debts" in the condensed consolidated statement of profit or loss during the six months ended 30 June 2024 with taking into account certain costs and expenses associated with the restructuring.

15. SHARE CAPITAL

	Number of Shares '000	HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	5,000,000	5,000
	Nominal value of shares HK\$'000	Carrying amount RMB'000
	Number of shares '000	
Issued and fully paid:		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	1,474,993	1,216

16. CONTINGENT LIABILITIES

As at 30 June 2024 and 31 December 2023, there were no legal claims against the Group at that date.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group continued to focus on the pharmaceutical distribution and pharmaceutical manufacturing businesses in the PRC during the six months ended 30 June 2024.

REVENUE

For the six months ended 30 June 2024, the Group recorded a total revenue of RMB48.8 million, representing a decrease of approximately 41.0% from RMB82.8 million for the corresponding period last year. Such decrease was primarily due to intense competition in pharmaceutical industry and less revenue was recorded from sales to wholesalers.

COST OF SALES, GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's cost of sales decreased by approximately 37.3% from RMB62.7 million for the six months ended 30 June 2023 to RMB39.3 million for the six months ended 30 June 2024. Such decrease in cost of sales was in line with the decrease in revenue during the period under review.

The Group's gross profit decreased by approximately 52.6% from RMB20.1 million for the six months ended 30 June 2023 to RMB9.5 million for the six months ended 30 June 2024. The Group's gross profit margin decreased from 24.3% for the six months ended 30 June 2023 to 19.5% for the six months ended 30 June 2024. Such change was primarily attributable to the intense competition in pharmaceutical industry and the Group had to sell at lower margin.

GAIN ON RESTRUCTURING OF THE COMPANY'S DEBTS

Upon the Scheme of Arrangement became effective on 12 March 2024, the Scheme Claims have been discharged in exchange for the Scheme of Arrangement, which carry zero-coupon interest rate. As a result, a gain of approximately RMB47,356,000 had been recognised as "Gain on restructuring of the Company's debts" in the condensed consolidated statement of profit or loss during the six months ended 30 June 2024 taking into account certain costs and expenses associated with the restructuring.

OTHER INCOME AND OTHER GAINS/(LOSSES), NET

For breakdown of other income and other gains/(losses), net, please refer to note 4 to this interim report. The other gains/(losses), net for the six months ended 30 June 2024 was RMB6.4 million, mainly comprised of impairment loss on trade receivables and prepayment and deposits paid, while no such impairment was made during the six months ended 30 June 2023.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses decreased by approximately 24.3% from RMB4.5 million for the six months ended 30 June 2023 to RMB3.4 million for the six months ended 30 June 2024. The decrease was attributable to the decrease in the revenue of the Group and less selling activities and promotions were done during the period under review.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expense slightly decreased by approximately 1.4% from RMB7.4 million for the six months ended 30 June 2023 to RMB7.3 million for the six months ended 30 June 2024. The decrease was due to more legal and professional fees incurred for handling the trading resumption application of the Company during the six months ended 30 June 2023.

FINANCE COSTS

Finance costs slightly decreased by approximately 7.2% from RMB5.5 million for the six months ended 30 June 2023 to RMB5.1 million for the six months ended 30 June 2024.

PROFIT FOR THE PERIOD

As a result of the foregoing, the Group's profit for the six months ended 30 June 2024 was approximately RMB35.4 million as compared to a profit of RMB4.5 million for the six months ended 30 June 2023. The increase in profit for the period was mainly due to the gain of RMB47.4 million arising from the restructuring of the Company's debts.

OUTLOOK

With the Epidemic being contained and release of various restriction measures in 2023, business and economic activities in the PRC have gradually returned to normal. Accordingly, the Company expects that market demand would recover but with more competitors in the market. The management of the Group will focus its efforts on improving the production and distribution capabilities to seize the business opportunities arising from the market recovery.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group had total cash and cash equivalents of RMB4.6 million as at 30 June 2024 as compared with RMB16.5 million as at 31 December 2023.

The Group recorded net current assets of RMB14.8 million and net current liabilities of RMB123.5 million as at 30 June 2024 and 31 December 2023 respectively. The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was 1.13 as at 30 June 2024, as compared with 0.50 as at 31 December 2023.

As at 30 June 2024, the total amount of bank and other borrowings was RMB44.0 million, as compared with RMB82.5 million as at 31 December 2023.

As at 30 June 2024, the total number of issued ordinary shares of the Company ("Shares") was 1,474,992,908 Shares (31 December 2023: 1,474,992,908 Shares). In 2018, the Company has granted to certain eligible persons share options ("Options") to subscribe for an aggregate of 100,000,000 Shares under the share option scheme adopted by the Company by ordinary resolution of the Company passed on 26 May 2015. As at 30 June 2024, 100,000,000 Options remained outstanding. Please refer to the announcement of the Company dated 7 September 2018 for details of the grant of the Options. No Options were granted during the six months ended 30 June 2024.

On 12 March 2024, the Scheme of Arrangement became effective for the restructuring of the Company's indebtedness position. For details, please refer to note 14 to this interim report.

The Group actively and regularly reviews and manages its capital structure to enhance its financial strength for the Group's long-term development. There were no changes in the Group's approach to capital management during the six months ended 30 June 2024.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE RISKS

The functional currency of the Group is Renminbi while a portion of funds raised by the Group from its initial public offering and issue of corporate bonds and convertible bonds is still in the form of bank deposits denominated in Hong Kong dollars. Therefore, it may be subject to the risks of exchange rate fluctuations between the Renminbi and the Hong Kong dollars. Apart from the above, most of the assets and transactions of the Group are denominated in Renminbi, and the Group mainly settles its operating expenses in the PRC with income generated from operations in Renminbi. Therefore, the Group is not exposed to any significant foreign exchange risks.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2024, the Group did not make any significant investments, acquisitions or disposals that was required to be disclosed under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

MEMORANDUM OF UNDERSTANDING REGARDING CO-OPERATION WITH PHARMACEUTICAL BUSINESS

On 16 May 2024, the Group entered into a memorandum of understanding (the "MoU") with Hongtai Pharmaceutical Technology Company Limited (泓泰醫藥科技有限公司) ("Hongtai Pharmaceutical"), a company incorporated in the PRC. The principal activities of Hongtai Pharmaceutical are GAP management of Chinese medicine materials, research and development and sales of proprietary Chinese medicines, and overseas export of in-hospital preparations which covers the entire Chinese medicine industry chain. Hongtai Pharmaceutical currently has four innovative traditional Chinese medicines that have completed Phase II clinical trials in China. According to the MoU, the Company and Hongtai Pharmaceutical intend to have in-depth cooperation in Chinese medicine research and development, production and distribution. Further announcement will be made by the Company when there are further updates on the cooperation.

HUMAN RESOURCES

As at 30 June 2024, the Group had a total of 90 (31 December 2023: 90) staff, primarily in the PRC. The total staff cost was RMB3.4 million (six months ended 30 June 2023: RMB4.8 million) for the six months ended 30 June 2024.

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

OTHER INFORMATION

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

CORPORATE GOVERNANCE

The Group has committed to achieving high corporate governance standards in order to safeguard the interests of shareholders and enhance corporate value and accountability of the Company. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance. Save as disclosed below, during the six months ended 30 June 2024, the Company has complied with the code provisions set out in the CG Code.

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors.

Pursuant to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Pursuant to Rule 3.25 of the Listing Rules, an issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors. Pursuant to the terms of reference of the Remuneration Committee, the Remuneration Committee shall consist of not less than three members.

Pursuant to Rule 3.27A of the Listing Rules, an issuer must establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprising a majority of independent non-executive directors. Pursuant to the terms of reference of the Nomination Committee, the Nomination Committee shall consist of not less than three members.

During the annual general meeting of the Company held on 22 February 2024, (i) Professor Xiao Kai retired as an executive Director and also ceased to be the chairman of the Board; (ii) Mr. Feng Junzheng retired as an executive Director; (iii) Mr. Zhang Tong retired as a non-executive Director; (iv) Mr. Chen Yunwei retired as a non-executive Director and also ceased to be a member of the Nomination Committee; and (v) Mr. Cao Lei retired as an independent non-executive Director and also ceased to be the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Corporate Governance Committee. Ms. Li Yan was appointed as the chairman of the Remuneration Committee with effect from 22 February 2024.

Following the retirement of the aforesaid Directors, the Company had only two independent non-executive Directors, only two members in each of the Audit Committee, the Nomination Committee and the Remuneration Committee. This falls below the minimum number of independent non-executive directors under Rule 3.10(1) of the Listing Rules, the minimum number of members of audit committee requirement under Rule 3.21 of the Listing Rules and the minimum number of members of the Remuneration Committee and the Nomination Committee under the respective terms of reference.

With effect from 20 May 2024, (i) Dr. Lowe Chun Yip (“Dr. Lowe”) has been appointed as an independent non-executive Director and a member of each of the Audit Committee and the Remuneration Committee; and (ii) Mr. Wong Tung Yuen (“Mr. Wong”) has been appointed as an independent non-executive Director and a member of each of the Nomination Committee and the Corporate Governance Committee. Upon the appointments of Dr. Lowe and Mr. Wong, the Company has fulfilled the requirements under the Listing Rules regarding the composition of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee and the independent non-executive Directors.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

NON-COMPLIANCE WITH RULE 3.10(1) AND RULE 3.21 OF THE LISTING RULES

During the period under review, the Company failed to comply with Rule 3.10(1) and Rule 3.21 of the Listing Rules and the non-compliances have already been remedied on 20 May 2024. For details, please refer to the paragraph headed “CORPORATE GOVERNANCE” above.

AUDIT COMMITTEE

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

The Audit Committee comprises three independent non-executive Directors, namely, Ms. Li Yan, Mr. Khor Khie Liem Alex and Dr. Lowe Chun Yip. The chairman of the Audit Committee is Ms. Li Yan. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, and discussed the internal controls and financial reporting matters, including a review of the interim financial statements for the six months ended 30 June 2024.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions ("Model Code"). Upon specific enquiries, all Directors confirmed that they have complied with the relevant provisions of the Model Code for the six months ended 30 June 2024.

SHARE OPTION SCHEME

The Company adopted the share option scheme (the "Share Option Scheme") on 26 May 2015 for the purpose of rewarding certain Eligible Persons (as defined below) for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such Eligible Persons (as defined below) who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on 26 May 2015.

Subject to the requirements of the Listing Rules, eligible participants of the Share Option Scheme include, (i) any proposed, full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any director or proposed director (including an independent non-executive director) of the Company or any of its subsidiaries; (iii) any direct or indirect shareholder of the Company or any of its subsidiaries; (iv) any supplier, customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Company or any of its subsidiaries; (v) any person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Company or any of its subsidiaries and (vi) any associate of any of the persons referred to in paragraphs (i) to (v) above (the persons referred above are the "Eligible Persons").

In accordance with the resolution passed at the annual general meeting held in 28 June 2019 ("2019 AGM"), the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of the 2019 AGM, i.e. 147,499,290 Shares. During the period under review, no share options was granted, exercised, lapsed or cancelled under the Share Option Scheme. As at 30 June 2024, the total number of securities available for issue pursuant to the options granted under the Share Option Scheme was 100,000,000 Shares, representing in aggregate approximately 6.78% of the Company's issued share capital as at the date of this interim report.

As at 1 January 2024 and 30 June 2024, the total number of Shares in respect of which options available for grant under the Share Option Scheme were 47,499,290 Shares, representing in aggregate approximately 3.22% of the Company's issued share capital as at the date of this interim report. Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may grant options beyond the 10% limit to the Eligible Persons specifically identified by the Board.

The maximum number of Shares issued and to be issued upon the exercise of options granted under the Share Option Scheme (including exercised or outstanding options) to each grantee within any 12-month period, is limited to 1% of the Shares in issue at any time. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder (within the meaning of the Listing Rules) or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the Shares in issue at any time and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

The Board shall not offer the grant of any option to any Eligible Person after inside information has come to its knowledge until it has announced the information pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements provided that no option may be granted during any period of delay in publishing a results announcement.

Subject to the requirements of the Listing Rules, the exercise period of the share options granted is determinable by the Directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date.

The exercise price of the share options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as quoted on the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a Share.

The movements of share options under the Share Option Scheme during the six months ended 30 June 2024 are set out as follows:

Name	Date of grant	Vesting date	Number of share options					Outstanding as at 30 June 2024
			Outstanding as at 1 January 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Mr. Chen Rongxin (a former executive Director)	7 September 2018	7 September 2018	10,000,000 (Note 1)	-	-	-	-	10,000,000
Mr. Zhang Xiongfang (a former non-executive Director)	7 September 2018	7 September 2018	10,000,000 (Note 1)	-	-	-	-	10,000,000
Employees in aggregate	7 September 2018	7 September 2018	10,000,000 (Note 1)	-	-	-	-	10,000,000
Other eligible participants in aggregate	7 September 2018	7 September 2018	70,000,000 (Note 1)	-	-	-	-	70,000,000
Total			100,000,000	-	-	-	-	100,000,000

Notes:

1. The exercise price of these options is HK\$0.67 and the exercise period is from 7 September 2018 to 25 May 2025, both dates inclusive. The closing price of the Shares immediately preceding the date of grant of these options was HK\$0.70. The Company received HK\$1.0 from each of the grantees of these options upon acceptance of the options granted.

The share option granted under all share schemes of the Company during the period under review divided by the weighted average number of Shares in issue (excluding treasury shares) was nil.

From 1 January 2024, the Company will rely on the transitional arrangements provided by the Stock Exchange for share schemes should it decide to grant any share options. The Company will amend the terms of the Share Option Scheme or consider to adopt a new share option scheme in compliance with the new Chapter 17 of the Listing Rules as and when appropriate.

Save and except the Share Option Scheme, the Company did not have any other share scheme during the six months ended 30 June 2024.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, none of the directors and chief executive has any interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 to the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, during the period under review, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as the Directors and chief executive of the Company were aware, the following persons and corporations (excluding the directors and chief executive of the Company) had interests or short positions in any of the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

(i) Substantial shareholder's long position in the Shares

Name of Shareholder	Capacity/ nature of interest	Number of Shares held	Approximate percentage of issued share capital <i>(Note 1)</i>
Praise Treasure Limited	Beneficial owner	753,040,000	51.05%
Mr. Chen Yenfei	Interest of a controlled corporation	753,040,000	51.05%
	Beneficial owner	<u>13,560,000</u>	<u>0.92%</u>
		<u>766,600,000</u>	<u>51.97%</u>

(ii) Other persons' long positions in the Shares

Name of Shareholder	Capacity/ nature of interest	Number of Shares held	Approximate percentage of issued share capital <i>(Note 1)</i>
Win Win Stable No. 3 Fund SP	Person having a security interest in shares	753,040,000	51.05%
Zhongtai Innovation Capital Management Limited	Investment manager	753,040,000	51.05%
Osman Mohammed Arab <i>(Note 2)</i>	Agent	753,040,000	51.05%
Lai Wing Lun <i>(Note 2)</i>	Agent	753,040,000	51.05%

Notes:

1. The total number of Shares in issue as at 30 June 2024 (i.e. 1,474,992,908 Shares) has been used for the calculation of the approximate percentage of interest.
2. 753,040,000 Shares (the "Charged Shares") were pledged by Praise Treasure Limited in favour of an original chargee whose rights have been assigned to Win Win International Strategic Investment Funds SPC (for the account and on behalf of Win Win Stable No.3 Fund SP), and on 27 July 2023, 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 date of this interim report.

Save as disclosed above, as at 30 June 2024, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in any of the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

In order to conform to the core shareholder protection standards as set out in Appendix A1 of the Listing Rules, the Company has adopted the second amended and restated memorandum and articles of association (the "Restated M&A") during the annual general meeting of the Company held on 22 February 2024. The Restated M&A is available on the websites of the Company and the Stock Exchange.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

With effect from 19 February 2024, the principal place of business of the Company in Hong Kong has been changed to Suites 2601–2603, 26/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

CHANGE IN DIRECTORS' INFORMATION

Ms. Li Yan, an independent non-executive Director, was appointed as the chairman of the Remuneration Committee with effect from 22 February 2024.

Since the date of the annual report of the Company for the year ended 31 December 2023 and up to the date of this report, save as disclosed in this interim report, there were no substantial changes to the Directors' information required to be disclosed pursuant to Rule 13.51(B) of the Listing Rule.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event that has taken place subsequent to 30 June 2024 and up to the date of this interim report.

On behalf of the Board

Pa Shun International Holdings Limited

Yuan Hongbing

Chairman and Executive Director

Hong Kong, 30 August 2024