

# TARGET

## Intelligence Report

VOLUME XXIII No. 205

T H U R S D A Y

September 16, 2021

### **PA SHUN INTERNATIONAL HOLDINGS LTD: SHOULD MINORITY SHAREHOLDERS BE CONCERNED IN RESPECT OF THEIR EQUITY HOLDINGS ?**

Notwithstanding the poor state of the financial health of Pa Shun International Holdings Ltd (百信國際控股有限公司) (Code: 574, Main Board, The Stock Exchange of Hongkong Ltd), there is, inter alia, a number of other important considerations, facing minority shareholders; and these considerations are not very far down the path that leads to extirpation.

These considerations are:

1. The material uncertainty, relating to the Company, being a going concern;
2. The basis of the Qualified Opinion of CCTH CPA Ltd (中正天恆會計師有限公司), contained in this company's Independent Auditor's Report;
3. The continued, escalating Net Losses Attributable to Shareholders in respect of the three Financial Years, ended December 31, 2020; and,
4. The strong probability that, sometime in the very near future, there could well be a complete change of the Controlling Shareholder of the Company.

On or about Thursday, April 29, 2021, the Annual Report of Pa Shun International Holdings Ltd was published and disseminated in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

At Page Four of the 2020 Annual Report, the following Financial Highlights were presented as follows:

	For The Year, Ended December 31		Percentage Increase/(Decrease)
	2020	2019	
	All Figures Are Denominated In Renminbi'000 (except where otherwise specified)		
Revenue	474,835	845,448	(43.80)
Gross Profit	17,697	41,932	(57.80)
Loss For The Year	(419,189)	(193,399)	116.70
Net Loss Attributable To Shareholders Of The Company	(418,454)	(193,721)	116.00

Basic Loss Per Share In RMB Cents	(28.37)	(13.38)	112.00
-----------------------------------	---------	---------	--------

Note: Renminbi, or RMB, is the lawful currency of the PRC.

At Page Five of the 2020 Annual Report of Pa Shun International Holdings Ltd, the following statistics were presented:

- Revenue had fallen, during the five Financial Years, ended December 31, 2020, by about 44.82 percent, from RMB860,574,000 to RMB474,835,000;
- Profit/(Loss) for the five Financial Years, ended December 31, 2020, had depreciated from a Profit of the 2016 Financial Year of about RMB7,675,000 to a Loss of about (RMB419,189,000);
- Earnings/(Loss) Per Share, with regard of those five Financial Years, had depreciated from 77 (RMB cents) to the negative figure of (28.37) (RMB cents); and,
- Shareholders' Funds (Net Assets) had fallen from the 2016 figure of RMB724,768,000 to the 2020-Year's negative figure of (RMB277,982,000), a depreciation of about 61.65 percent.

### **The Business Of Pa Shun International Holdings Ltd**

The Principal Activities of Pa Shun International Holdings Ltd is given at Page 34 of the 2020 Annual Report as follows:

*‘The principal activity of the Company is investment holding and the Group primarily operates in three business segments in China, namely (1) pharmaceutical distribution, (2) self-operated retail pharmacies, and (3) pharmaceutical manufacturing ...’.*

At Page Nine of the 2020 Annual Report, one discovers, under the subheading, ‘**CONTINGENT LIABILITIES**’, the matter of a petition, lodged in the HKSAR High Court ... for Pa Shun International Holdings Ltd to be wound up.

The following is a verbatim copy of this matter:

*‘A petition (the “Petition”) was filed on 16 November 2020 by Ms. Feng Lihua (馮立華) (the “Petitioner”) against the Company in the High Court of the Hong Kong Special Administrative Region (the “Court”) for an order that the Company be wound up by the Court. The Petition was filed against the Company for the Company’s failure to settle the principal payment in the sum of HK\$10,000,000 due on 3 June 2020 in respect of the bond issued to the Petitioner by the Company as well as the interest accrued on the bond from 1 October 2019 to 30 September 2020 in the sum of HK\$650,000. The Petition was heard on 10 February 2021 as scheduled at the High Court before a Master. The Petitioner and the Company have reached settlement agreement and the Petition is expected to be withdrawn by the Petitioner upon the Company’s full payment of the*

*outstanding debt owed to the Petitioner. The Petition is adjourned to be heard by a Master at 3 p.m. on Wednesday, 9 June 2021. '*

As at December 31, 2020, the Company had Cash and Cash Equivalents of RMB5,262,000 and Current Liabilities of RMB200,259,000. (Page 65 of the 2020 Annual Report)

Mr Chen Yen Fei (陳燕飛) ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*