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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 Pharmaceutical 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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百信集團
PASHUN GROUP

Pa Shun Pharmaceutical International Holdings Limited

百信藥業國際控股有限公司

(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
UNDER THE SHARE OPTION SCHEME;**
- (3) PROPOSED RE-ELECTION OF DIRECTORS;**
- (4) PROPOSED CHANGE OF COMPANY NAME;**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 4 to 15 of this circular.

A notice dated 28 April 2017 convening an annual general meeting of the Company to be held at Eurasia Convention International Hotel, No. 20 Jinyinhu Road, Dongxihu District, Wuhan, Hubei, People’s Republic of China on Thursday, 8 June 2017 at 2:30 p.m. is set out on pages 19 to 25 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 by 2:30 p.m. on Tuesday, 6 June 2017 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 or any adjournment thereof if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

28 April 2017

TABLE OF CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix – Explanatory statement on the Repurchase Mandate	16
Notice of Annual General Meeting	19

DEFINITIONS

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 to be held on Thursday, 8 June 2017, at 2:30 p.m. at Eurasia Convention International Hotel, No. 20 Jinyinhu Road, Dongxihu District, Wuhan, Hubei, PRC, the notice of which is set out on pages 19 to 25 of this circular, or any adjournment thereof
“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
“Change of Company Name”	the proposed change of the English name of the Company from “Pa Shun Pharmaceutical International Holdings Limited” to “Pa Shun International Holdings Limited” and the dual foreign name in Chinese of the Company from “百信藥業國際控股有限公司” to “百信國際控股有限公司”
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Company”	Pa Shun Pharmaceutical International Holdings Limited 百信藥業國際控股有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange

DEFINITIONS

“core connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“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
“GEM”	the Growth Enterprise Market of the Stock Exchange
“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 passing the relevant resolution as set out in the resolution numbered 5(A) in the notice convening the AGM
“Latest Practicable Date”	25 April 2017, 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

DEFINITIONS

“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
“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.

LETTER FROM THE BOARD



百信集團
PASHUN GROUP

Pa Shun Pharmaceutical International Holdings Limited
百信藥業國際控股有限公司
(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. Zhou Jian

Non-executive Directors:

Mr. Li Ho Tan
Mr. Masahiro Honna
Mr. Zhang Xiongfeng

Independent non-executive Directors:

Mr. Liu Liangzhong
Mr. Wong Tak Shing
Mr. Min Feng

Registered office:

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

*Principal place of business
in Hong Kong:*

Unit D-F
15/F Neich Tower
128 Gloucester Road
Wan Chai
Hong Kong

28 April 2017

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;**
(3) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(4) PROPOSED CHANGE OF COMPANY NAME

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; (iii) the re-election of Directors; and (iv) the Change of Company Name.

LETTER FROM THE BOARD

2. PROPOSED GRANT OF GENERAL MANDATES

At the annual general meeting of the Company held on 1 June 2016, the Directors were granted (i) a general mandate to allot, issue and deal with Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution; (ii) a general mandate to repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company as at the date of the passing of the resolution; and (iii) the power to extend the general mandate mentioned in (i) above by an amount representing the aggregate nominal amount of the shares of the Company 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 1 June 2016 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 1,000,000,000 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 100,000,000 Shares being repurchased by the Company, and the Directors will be authorised to allot and issue under the Issue Mandate up to 200,000,000 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.

LETTER FROM THE BOARD

The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (i) the date 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 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”.

LETTER FROM THE BOARD

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. The existing 10% General Limit is 100,000,000 Shares, being 10% of the number of Shares in issue as at 19 June 2015, the date when the Shares were first listed on the Stock Exchange. The 10% General Limit has not been refreshed since the adoption of the Share Option Scheme.

Since the adoption of the Share Option Scheme 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 10% of the issued Shares as at the Latest Practicable Date. Such share options consist of: (1) outstanding options to subscribe for 8,000,000 Shares granted to Mr. Zhang Xiongfeng, a non-executive Director; and (2) outstanding options to subscribe for 92,000,000 Shares granted to other eligible persons. All such outstanding options were granted on 8 July 2016 at an exercise price of HK\$0.60 per Share and exercisable by such grantees from the date of grant until 31 December 2019 (both dates inclusive), details of which are set out in the announcement of the Company dated 8 July 2016.

Since the adoption of the Share Option Scheme and up to the Latest Practicable Date, no share options granted by the Company has been exercised, cancelled or lapsed.

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.

On the basis of 1,000,000,000 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 100,000,000.

LETTER FROM THE BOARD

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.

Accordingly, the Directors retiring by rotation at the AGM are Mr. Li Ho Tan, Mr. Masahiro Honna and Mr. Liu Liangzhong. Mr. Masahiro Honna and Mr. Liu Liangzhong, being eligible, offer themselves for re-election at the forthcoming AGM. Due to other business commitments which require more of his dedications, Mr. Li Ho Tan, being eligible, will not offer himself for re-election at the AGM.

In accordance with Article 83 of the Articles of Association, Mr. Zhang Xiongfeng, being appointed by the Board as an addition to the existing Board, will hold office until the AGM and Mr. Zhang Xiongfeng, being eligible, will offer himself for re-election at the AGM.

LETTER FROM THE BOARD

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

NON-EXECUTIVE DIRECTORS

MASAHIRO HONNA (本名正博) (“**Mr. Honna**”), aged 43, was appointed as a non-executive Director on 27 February 2012. Mr. Honna has been a chief executive officer of Kygo Investment Limited after its establishment in 2009. He also worked for Goldman Sachs Gao Hua Securities Company Limited as an executive director from June 2007 to January 2009, for Goldman Sachs Japan Co., Ltd from January 2001 to June 2007, and for Nomura Securities Co., Ltd from April 1997 to December 2000. Mr. Honna graduated from the College of Arts and Sciences (Kyoyo-Gakubu) of the University of Tokyo with a diploma of bachelor of liberal arts in international relations in March 1997.

ZHANG XIONGFENG (張雄峰) (“**Mr. Zhang**”), aged 49, was appointed as a non-executive Director with effective from 1 July 2016. Mr. Zhang holds a bachelor’s of arts degree in German Language awarded by Shanghai International Studies University (上海外國語大學) in July 1990. Mr. Zhang has extensive experience in the investment banking industry, specialising in the area of corporate finance. From December 2004 to September 2010, Mr. Zhang was employed by Daiwa Capital Markets Hong Kong Limited. From October 2010 to May 2012, Mr. Zhang was the joint head of corporate finance department of Oriental Patron Asia Limited. Mr. Zhang is currently an independent non-executive director of Fire Rock Holdings Limited (Stock code: 8345), a company whose shares are listed on the GEM of the Stock Exchange, and an executive director and the chairman of the board of directors of Interactive Entertainment China Cultural Technology Investments Limited (Stock code: 8081), a company whose shares are listed on the GEM of the Stock Exchange.

LETTER FROM THE BOARD

INDEPENDENT NON-EXECUTIVE DIRECTOR

LIU LIANGZHONG (劉良忠) (“Mr. Liu”), aged 53, was appointed as an independent non-executive Director on 26 May 2015. He is mainly responsible for the overall supervision of compliance and corporate governance of the Group. Mr. Liu has about 30 years of experience in the food science and engineering industry. He has worked as a professor in Wuhan Polytechnic University* (武漢輕工大學) since 2004, specialising in food science and engineering. He worked as a lecturer and associated professor from 1992 to 2001 and as a teaching assistant from 1986 to 1989 in Yangtze University* (長江大學). Mr. Liu obtained a doctor degree in processing and storage of agricultural products from Huazhong Agricultural University* (華中農業大學) on 17 June 2004. In addition, he graduated from Beijing Agricultural University* (北京農業大學) in July 1992, majoring in storage and processing of agricultural products and obtained a bachelor degree in meat product safety from Hangzhou School of Commerce* (杭州商學院) (predecessor of Zhejiang Gongshang University (浙江工商大學)) in July 1986. Mr. Liu is the chairman of each of the audit committee and the remuneration committee of the Board and a member of the nomination committee of the Board.

Each of Mr. Honna and Mr. Liu has entered into a letter of appointment with the Company on 26 May 2015 for an initial term of 3 years commencing from 19 June 2015, the date when the Shares were first listed on the Stock Exchange, subject to termination by the appointee by service of notice in writing to the Company at least half month in advance or by the Company at any time.

Mr. Zhang has entered into a letter of appointment with the Company on 1 July 2016 for an initial term of 3 years commencing from 1 July 2016, subject to termination by Mr. Zhang by service of notice in writing to the Company at least half month in advance or by the Company at any time.

Each of Mr. Honna, Mr. Zhang and Mr. Liu is entitled to a basic remuneration (subject to an annual adjustment after consultation with the remuneration committee of the Board at the discretion of the Directors). The emoluments of each of these Directors have been determined by the Board with reference to his experience, duties, responsibilities, the Company’s remuneration policy, the results of the Group as well as prevailing market conditions. For the year ended 31 December 2016, pursuant to the appointment letters, each of Mr. Honna, Mr. Zhang and Mr. Liu received remuneration of RMB50,000, RMB50,000 and RMB100,000, respectively.

LETTER FROM THE BOARD

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Zhang was interested in 22,000,000 Shares, being the aggregate of 14,000,000 Shares and 8,000,000 underlying Shares to be issued upon exercise of the share options granted to Mr. Zhang on 8 July 2016, representing approximately 2.20% of the issued share capital of the Company.

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. Honna, Mr. Zhang and Mr. Liu 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. Honna, Mr. Zhang and Mr. Liu had no other interests in the Shares within the meaning of Part XV of the SFO;
- (iii) each of Mr. Honna, Mr. Zhang and Mr. Liu 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. Honna, Mr. Zhang and Mr. Liu.

LETTER FROM THE BOARD

5. PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 5 April 2017 in relation to the Change of Company Name.

The Board proposes to change the English name of the Company from “Pa Shun Pharmaceutical International Holdings Limited” to “Pa Shun International Holdings Limited” and the dual foreign name in Chinese of the Company from “百信藥業國際控股有限公司” to “百信國際控股有限公司”.

The Change of Company Name will be subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders at the AGM to approve the Change of Company Name; and
- (ii) the Registrar of Companies of the Cayman Islands granting the approval for the Change of Company Name by issuing a certificate of incorporation on change of name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of the certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Change of Company Name

Taking into account that the pharmaceutical industry in China is highly competitive, in addition to implementing the current strategies for its pharmaceutical business segments, the Group also intends to make good use of its existing resources and networks to seize the opportunity of extending to other areas of innovation for development.

LETTER FROM THE BOARD

The Board considers that the Change of Company Name could better reflect the future business development direction of the Group and strengthen the Group's corporate image and identity. The Board believes that the Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

Effect of the Change of Company Name

The Change of Company Name will not affect any rights of the holders of securities of the Company. The existing certificates of securities in issue bearing the present name of the Company will, after the Change of Company Name becoming effective, continue to be evidence of title to such securities and the existing certificates of securities will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing certificates of securities for new certificates bearing the new name of the Company. Should the Change of Company Name become effective, any new certificates of securities will be issued only in the new name of the Company.

Further announcement(s) will be made by the Company in due course to inform the Shareholders of the results of the AGM, the effective date of the Change of Company Name and the new stock short name of the Company for trading of the Shares on the Stock Exchange.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for registration of transfers of Shares from Monday, 5 June 2017 to Thursday, 8 June 2017 (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 Friday, 2 June 2017.

LETTER FROM THE BOARD

7. THE AGM, PROXY ARRANGEMENT AND DEMAND FOR POLL

A notice convening the AGM to be held on Thursday, 8 June 2017, at 2:30 p.m. at Eurasia Convention International Hotel, No. 20 Jinyinhu Road, Dongxihu District, Wuhan, Hubei, PRC is set out on pages 19 to 25 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 2:30 p.m. on Tuesday, 6 June 2017 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.

8. 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.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the Proposed Refreshment, the re-election of the retiring Directors, and the Change of Company Name 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.

10. GENERAL INFORMATION

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

Yours faithfully

By order of the Board

Pa Shun Pharmaceutical 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 1,000,000,000 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 100,000,000 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 the 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 2016 (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.

APPENDIX EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, Mr. Chen Yenfei, together with his associate, were beneficially interested in 480,040,000 Shares, representing approximately 48.00% 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 53.34% of the issued Shares, which will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. However, 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).

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:

Month	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	0.82	0.58
May	0.87	0.64
June	0.74	0.57
July	0.62	0.55
August	0.58	0.49
September	0.88	0.49
October	0.61	0.50
November	0.59	0.48
December	0.54	0.50
2017		
January	0.57	0.495
February	0.53	0.49
March	0.53	0.45
April (up to the Latest Practicable Date)	0.46	0.40

NOTICE OF ANNUAL GENERAL MEETING



百信集團
PASHUN GROUP

Pa Shun Pharmaceutical International Holdings Limited
百信藥業國際控股有限公司
(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 Pharmaceutical International Holdings Limited (“**Company**”) will be held on Thursday, 8 June 2017, at 2:30 p.m. at Eurasia Convention International Hotel, No. 20 Jinyinhu Road, Dongxihu District, Wuhan, Hubei, People’s Republic of China 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 2016.
2. (A) To re-elect Mr. Masahiro Honna as a Director.

(B) To re-elect Mr. Zhang Xiongfeng as a Director.

(C) To re-elect Mr. Liu Liangzhong 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 the auditor of the Company and to authorise the Directors to fix the remuneration of the auditor of the Company.

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:

NOTICE OF ANNUAL GENERAL MEETING

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
 - (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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**”).”

NOTICE OF ANNUAL GENERAL MEETING

(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
- (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.”

NOTICE OF ANNUAL 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);
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
6. As a special business, to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon the approval of the Registrar of Companies of the Cayman Islands by way of issuing a certificate of incorporation on change of name, the existing English name of the Company be changed from “Pa Shun Pharmaceutical International Holdings Limited” to “Pa Shun International Holdings Limited” and the dual foreign name in Chinese of the Company be changed from “百信藥業國際控股有限公司” to “百信國際控股有限公司” with effect from the date of the certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands; and any one Director be and is hereby authorised to do such acts and things and execute all documents or make such arrangements as he may in his absolute discretion consider necessary, desirable or expedient for the purpose of implementing and/or giving effect to the aforesaid change of name of the Company.”

By order of the Board

Pa Shun Pharmaceutical International Holdings Limited

Mr. Chen Yenfei

Chairman and Chief Executive Officer

Hong Kong, 28 April 2017

NOTICE OF ANNUAL GENERAL MEETING

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 Monday, 5 June 2017 to Thursday, 8 June 2017 (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 Friday, 2 June 2017.
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 2:30 p.m. on Tuesday, 6 June 2017 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.