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Huisheng International Holdings Limited
惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

**(1) PLACING OF EXISTING SHARES;
(2) SUBSCRIPTION OF NEW SHARES; AND
(3) RESUMPTION OF TRADING**

Placing Agent

GET NICE SECURITIES LIMITED

PLACING AND SUBSCRIPTION

On 19 May 2015 (after trading hours), the Company entered into the Agreement with Huimin and the Placing Agent, pursuant to which the Placing Agent agreed to place, on a best effort basis, the Placing Shares comprising up to 80,000,000 existing Shares at the Placing Price of HK\$1.25 per Placing Share on behalf of Huimin to not less than six professional, institutional, corporate or individual investors who and whose ultimate beneficial owners will be third parties independent of the Company and its connected persons, and Huimin will subscribe for the Subscription Shares comprising up to 80,000,000 new Shares, being the same number of the Placing Shares actually placed by the Placing Agent, at the Placing Price.

The maximum number of the Placing Shares (or the maximum number of Subscription Shares) represent (i) approximately 19.88% of the existing issued share capital of the Company; and (ii) approximately 16.58% of the issued share capital of the Company as enlarged by the Subscription, assuming the Placing Shares are placed in full and no further new Shares will be issued before the completion of the Subscription.

The Subscription Shares will be in respect of such number which is equal to the number of Placing Shares successfully placed under the Placing.

The Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked); (ii) completion of the Placing having occurred pursuant to the terms of the Agreement; and (iii) the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Huimin and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them.

Assuming that 80,000,000 Placing Shares are placed to the Placees in full, the maximum gross proceeds from the Subscription will be approximately HK\$100.0 million and the

maximum net proceeds will be approximately HK\$97.0 million. The Company intends to use such net proceeds to finance future business development opportunities (including but not limited to the construction or acquisition of breeding farms) and/or as general working capital of the Group.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the Placing Price, the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate. As such, the allotment and issue of the Subscription Shares are not subject to Shareholders' approval.

TRADING HALT AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 20 May 2015 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 May 2015.

THE AGREEMENT

Date: 19 May 2015 (after trading hours)

Parties: (1) Huimin;

(2) the Company; and

(3) the Placing Agent

Pursuant to the Agreement, the Placing Agent agreed to place, on a best effort basis, the Placing Shares comprising up to 80,000,000 existing Shares at the Placing Price of HK\$1.25 per Placing Share on behalf of Huimin, and Huimin will subscribe for the Subscription Shares comprising up to 80,000,000 new Shares, being the same number of the Placing Shares actually placed by the Placing Agent, at the Placing Price.

A. THE PLACING

The Vendor

Huimin is a controlling shareholder (as defined under the Listing Rules) of the Company and is the beneficial owner of 171,390,728 Shares of approximately 42.58% of the existing issued share capital of the Company.

The Placing Agent

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares. The Placing Agent is a wholly-owned subsidiary of Get Nice Holdings Limited, which is a company listed on the Main Board of the Stock Exchange. The Placing Agent and Get Nice Holdings Limited are third parties independent of the Company and its connected persons.

The Placees

The Placing Shares shall be placed to not less than six professional, institutional, corporate, or individual investors. The Placees and their ultimate beneficial owners shall be third parties

independent of the Company and its connected persons. The Placees and their ultimate beneficial owners shall also be third parties independent of and not acting in concert with Huimin and its connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after completion of the Placing and the Subscription.

Number of Placing Shares

The number of Placing Shares shall be up to 80,000,000 Shares. The Placing Shares represent approximately 19.88% of the existing issued share capital of the Company and approximately 16.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Placing Price

The Placing Price of HK\$1.25 per Placing Share represents:

- (i) a discount of approximately 17.22% to the closing price of HK\$1.51 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 12.59% to the average of the closing prices of approximately HK\$1.43 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to (and including) the date of the Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the closing prices per Share as shown above. The Directors consider that the Placing Price and the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares will rank pari passu in all respects with the Shares in issue on the date of the Agreement.

Rights

The Placing Shares will be sold free from any lien, charge, encumbrance or third party right whatsoever and together with all rights attaching thereto as at the Trade Date and the Company has not exercised any lien over any of the Placing Shares.

Conditions of the Placing

The Placing is unconditional.

Completion

The Placing is expected to be completed at 10:00 a.m. on the Closing Date or such other time or date as the Placing Agent may notify Huimin in writing.

Termination

If at any time prior to 10:00 a.m. on the Closing Date:

- (i) there shall develop, occur, exist or come into effect:
 - (a) any significant change (whether or not permanent) in local, national or international political, military, economic, financial, or market (including stock market) conditions which in the opinion of the Placing Agent is or may be or is likely to be materially adverse to the success of the Placing; or

- (b) any change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agent's control, in each case, which in the opinion of the Placing Agent is or may be or is likely to prejudice the success of the Placing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it impracticable or inadvisable or inexpedient to proceed with the Placing; or
 - (c) trading generally having been suspended or materially limited on, or by, the stock exchanges of New York, London, Hong Kong and the PRC; or
 - (d) trading of any securities of the Company being suspended on any exchange or in any over the counter market; or
 - (e) a material disruption in securities settlement, payment or clearance services in the United States, London, Hong Kong or the PRC; or
 - (f) any moratorium on commercial banking activities being declared by any Federal or New York State, London, Hong Kong or the PRC authorities; or
- (ii) there is any breach of any of the representations, warranties and undertakings by Huimin or the Company set out under the Agreement or any event occurring or any matter arising on or after the date of the Agreement and prior to the Closing Date which, if it had occurred or arisen before the date of the Agreement, would have rendered any of such representations, warranties and undertaking untrue; or
 - (iii) there is any such material adverse change in the general affairs, management, business, shareholders' equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agent is or may be or is likely to be materially adverse to the success of the Placing,

then, in any such case, the Placing Agent may terminate the Agreement without liability to Huimin and the Company by giving notice in writing to Huimin and the Company, which notice may be given at any time prior to 10:00 a.m. on the Closing Date.

B. THE SUBSCRIPTION

The Issuer

The Company

The Subscriber

Huimin, which, as at the date of this announcement, is interested in 171,390,728 Shares, representing approximately 42.58% of the existing issued share capital of the Company.

Number of Subscription Shares

The number of Subscription Shares shall be equal to the total number of Placing Shares actually placed by the Placing Agent under the Placing, being a maximum of 80,000,000 Shares.

Subscription Price

The Subscription Price is HK\$1.25 per Subscription Share, which is equivalent to the Placing Price. In line with the market practice, the Company will bear all costs and expenses of the

Subscription and will reimburse Huimin all costs and expenses incurred and paid by Huimin in respect of the Placing because it is the fund raising conducted by the Company. Based on the estimated expenses for the Placing and the Subscription, the net subscription price is approximately HK\$1.21 per Share. The Directors are of the view that the Subscription Price is fair and reasonable.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares are to be issued under the General Mandate. Under the said General Mandate, up to 80,496,800 Shares may be issued by the Company. As at the date of this announcement, such General Mandate has not been utilised. There shall be sufficient General Mandate for the present purpose.

Conditions of the Subscription

The Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked);
- (ii) completion of the Placing having occurred pursuant to the terms of the Agreement; and
- (iii) the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Huimin and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them.

If the conditions of the Subscription are not fulfilled within 14 days after the date of the Agreement (or such later date as may be agreed between the Company and the Subscriber), the obligations and liabilities of the Subscriber and the Company under the Subscription will become null and void.

As the Placing and the Subscription are subject to the fulfillment of certain conditions and the Placing Agent's right of termination and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

Completion of the Subscription

Completion of the Subscription will take place as soon as possible provided that it shall take place on a date no later than a date falling 14 days after the date of the Agreement (or such other time and/or date as the Subscriber and the Company may agree in writing) (subject to compliance with all applicable requirements in relation to connected transactions under the Listing Rules).

Under Rule 14A.92(4) of the Listing Rules, no approval from Shareholders is required in connection with the Subscription if the Subscription is completed within 14 days from the date of the Agreement.

Application for listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued.

CHANGES OF SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing but before the Subscription (on the basis that all Placing Shares are sold); and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (b) the Placees do not and will not hold any Shares other than the Placing Shares:

| Shareholder | Notes | At the date of this announcement | | Immediately after completion of the Placing but before completion of the Subscription | | Immediately after completion of the Placing and the Subscription | |
|----------------------------|-------|----------------------------------|---------------|---|---------------|--|---------------|
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Huimin | 1 | 171,390,728 | 42.58 | 91,390,728 | 22.71 | 171,390,728 | 35.52 |
| Jisheng Holdings Limited | 2 | 82,147,999 | 20.41 | 82,147,999 | 20.41 | 82,147,999 | 17.03 |
| Yau Chung | 3 | 1,500,000 | 0.37 | 1,500,000 | 0.37 | 1,500,000 | 0.31 |
| Public Shareholders | | | | | | | |
| The Placees | | - | - | 80,000,000 | 19.88 | 80,000,000 | 16.58 |
| Other public Shareholders | | <u>147,445,273</u> | <u>36.63</u> | <u>147,445,273</u> | <u>36.63</u> | <u>147,445,273</u> | <u>30.56</u> |
| Total | | <u>402,484,000</u> | <u>100.00</u> | <u>402,484,000</u> | <u>100.00</u> | <u>482,484,000</u> | <u>100.00</u> |

Notes:

1. These Shares are held by Huimin, which is wholly owned by Mr. Ding Biyan (丁碧燕), an executive Director and Chairman of the Board.
2. Jisheng Holdings Limited is owned as to approximately 33.0% by Mr. Ding Jingxi (丁敬喜), 33.0% by Mr. Zhang Zhizhong (張志忠), 18.6% by Mr. Yu Jishi (于濟世), 11.0% by Mr. Zhou Shigang (周詩剛) (all of whom are Directors), 3.3% by Mr. Zhang Jianlong (張建龍) and 1.1% by Ms. Li Xianjie (李賢杰).
3. Mr. Yau Chung was a director of Hunan Huisheng Meat Products Company Limited (湖南惠生肉業有限公司), a subsidiary of the Company, until 12 May 2015. Hence Mr. Yau is a connected person of the Company. To the best of the Directors knowledge having made all reasonable enquiries, Mr. Yau beneficially owns 1,500,000 Shares as at the date of this Announcement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Directors have considered various ways of raising funds and consider that the Placing and the Subscription represent a good opportunity to raise capital for the Company while broadening the Shareholder base and strengthening the capital base of the Company. Accordingly, the Directors consider the Agreement is in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of 80,000,000 Placing Shares are placed by the Placing Agents and the equivalent number of Subscription Shares are subscribed for under the Subscription, the gross proceeds and net proceeds from the Subscription to be received by the Company will be approximately HK\$100.0 million and approximately HK\$97.0 million respectively. On such basis, the net price to the Company of each Subscription Share is approximately HK\$1.21. The Group intends to utilise the net proceeds from the Subscription to finance future business development opportunities (including but not limited to the construction or acquisition of breeding farms) and/or as general working capital of the Group. As at the date of this announcement, save for the development of breeding farms as stated in the prospectus of the Company dated 17 February 2014, no specific acquisition target has been identified and no new breeding farm construction plan has been finalised.

The Directors consider that the Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company, Huimin and the Placing Agent and that the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN PAST 12 MONTHS

There had not been other equity fund raising activity conducted by the Group in the past 12 months immediately preceding the date of this announcement.

INFORMATION RELATING TO THE GROUP

The Group is principally engaged in the production and sale of pork products. The Group's operation mainly involves hog slaughtering as well as hog breeding and hog farming.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

Huimin is a controlling shareholder of the Company. The entire issued share capital of Huimin is beneficially owned by Mr. Ding Biyan, an executive Director and Chairman of the Board.

As a result of the Placing, if the maximum number of the Placing Shares are placed in full, the aggregate percentage shareholding of Huimin and parties acting in concert with it will be reduced from approximately 42.58% to approximately 22.71%, and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 22.71% to approximately 35.52%.

An application will be made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Huimin and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them. As stated above, completion of the Subscription will be subject to the granting of the aforesaid waiver and none of the conditions for the Subscription can be waived by the parties to the Agreement.

TRADING HALT AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange has been halted

with effect from 9:00 a.m. on 20 May 2015 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 May 2015.

DEFINITIONS

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

| | |
|--------------------------------|--|
| “ Agreement ” | the agreement dated 19 May 2015 and entered into between Huimin, the Company and the Placing Agent in respect of the Placing and the Subscription |
| “ Board ” | the board of Directors |
| “ Business Day ” | a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are open for business throughout their normal business hours |
| “ Closing Date ” | the date of the completion of the Placing, being the second Business Day after the Trade Date (or such other time or date as the Placing Agent may notify Huimin) |
| “ Company ” | Huisheng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “ connected person(s) ” | has the meaning ascribed to this term under the Listing Rules |
| “ Director(s) ” | director(s) (including the non-executive and independent non-executive directors) of the Company |
| “ General Mandate ” | the general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2014 to allot or otherwise deal with the unissued shares of the Company |
| “ Group ” | the Company and its subsidiaries |
| “ Hong Kong ” | the Hong Kong Special Administrative Region of the PRC |
| “ Huimin ” | Huimin Holdings Limited, a company incorporated in the British Virgin Islands and a controlling shareholder (as defined under the Listing Rules) of the Company, which is interested in approximately 42.58% of the entire issued share capital of the Company immediately before the completion of the Placing and the Subscription |
| “ Last Trading Day ” | 19 May 2015, being the last trading day of the Shares immediately prior to the release of this announcement |
| “ Listing Rules ” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “ Placee(s) ” | the placee(s) to be procured by the Placing Agent under the Placing |

| | |
|-----------------------|---|
| “Placing” | the placing of the Placing Shares by the Placing Agent on behalf of Huimin pursuant to the Agreement |
| “Placing Agent” | Get Nice Securities Limited, a corporation incorporated in Hong Kong and licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the Securities and Futures Ordinance, acting as the placing agent for the Placing Shares pursuant to the Agreement |
| “Placing Price” | the placing price of HK\$1.25 per Placing Share |
| “Placing Shares” | up to 80,000,000 Shares which are beneficially owned by Huimin and will be placed by the Placing Agent on its behalf pursuant to the Agreement |
| “PRC” | the People’s Republic of China |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Subscription” | the subscription for the Subscription Shares by Huimin pursuant to the Agreement |
| “Subscription Price” | HK\$1.25 per Subscription Share |
| “Subscription Shares” | up to 80,000,000 Shares for which Huimin has conditionally agreed to subscribe pursuant to the Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Trade Date” | the second Business Day after the date of the Agreement, or where the trading of the Shares are halted or suspended for more than one Business Day, the first Business Day on which dealings resume after suspension of dealings in the Shares on the Stock Exchange |
| “HK\$” | Hong Kong dollars, the lawful currency for the time being of Hong Kong |
| “%” | per cent. |

By Order of the Board
**Huisheng International
Holdings Limited**
Ding Biyan
Chairman

Hong Kong, 20 May 2015

As at the date of this announcement, the Board comprises Mr. Ding Biyan, Mr. Yu Jishi, Mr. Ding Jingxi and Mr. Zhou Shigang as executive Directors; Mr. Zhang Zhizhong as

non-executive Director; and Mr. Ma Yiu Ho, Peter, Mr. Deng Jinping and Mr. Liao Xiujian as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.