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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KOALA Securities Limited

樹熊證券有限公司

THE PLACING

On 21 June 2016 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, an aggregate of up to 96,496,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

The maximum number of 96,496,000 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 482,484,000 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 578,980,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$964,960.

The Placing Price of HK\$0.70 per Placing Share represents a discount of approximately 10.26% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.78 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.75 per Share for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

The maximum gross proceeds from the Placing will be approximately HK\$67,500,000. The maximum net proceeds from the Placing will amount to approximately HK\$65,800,000. The net proceeds from the Placing will be used for the Company's general working capital and funding for potential investments to be identified by the Company. The maximum net price raised per Share upon completion of the Placing will be approximately HK\$0.682 per Placing Share. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

21 June 2016 (after trading hours)

Issuer

The Company

Placing Agent

Koala Securities Limited

The Placing Agent has conditionally agreed to place a maximum of 96,496,000 Placing Shares on a best endeavour basis and will receive a placing commission of 2.5% of the aggregate Placing Price of the Placing Shares placed. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

Number of Placing Shares

The 96,496,000 Placing Shares under the Placing represent approximately 20.00% of the existing issued share capital of the Company of 482,484,000 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 578,980,000 Shares as enlarged by the Placing. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$964,960.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the existing Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.70 per Placing Share represents a discount of approximately 10.26% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.78 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.75 per Share for the last 5 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the approval of the Shareholders passed on 2 June 2016 subject to the limit of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution at the annual general meeting on 2 June 2016. Under the General Mandate, the Company is authorised to issue up to 96,496,800 Shares, being 20% of the number of issued shares of the Company in issue on the date of the passing of the relevant ordinary resolution passed at the annual general meeting on 2 June 2016. Up to the date of this announcement, no Share has been issued under the General Mandate. The Placing Shares will be issued under the General Mandate and therefore the Placing is not subject to any Shareholders' approval.

Application for listing of Placing Shares

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing under the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

If the above condition is not satisfied on or before 11 July 2016 (or such later date as the Company and the Placing Agent may agree in writing), all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties shall have any claim against the other in relation thereto.

Termination of the Placing

Under the Placing Agreement, the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all liabilities of the parties to the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion shall take place at 4:00 p.m. at the office of the Placing Agent on the fourth Business Day after the fulfillment of the condition set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the Group is principally engaged in breeding and slaughtering of hogs and sale of pork products in the PRC.

The Directors are of the view that the Placing will strengthen the financial position of the Group to be able to fund any potential development and investment opportunities to be identified by the Company. It can also broaden the shareholders base and the capital base of the Company.

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

The maximum gross proceeds from the Placing will be approximately HK\$67,500,000. The maximum net proceeds from the Placing will amount to approximately HK\$65,800,000. The net proceeds from the Placing will be used for the Company's general working capital and funding for potential investments to be identified by the Company.

The maximum net price raised upon the completion of the Placing will be approximately HK\$0.682 per Placing Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholdings structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

Shareholders	At the date of this announcement and immediately before completion of the Placing		Shareholding immediately after completion of the Placing	
	No. of shares	Approx. %	No. of shares	Approx. %
Huimin Holdings Limited (<i>Note</i>)	172,440,728	35.74%	172,440,728	29.78%
Public Shareholders				
Other public Shareholders	310,043,272	64.26%	310,043,272	53.55%
The Placees	—	—	96,496,000	16.67%
Total	<u>482,484,000</u>	<u>100.00%</u>	<u>578,980,000</u>	<u>100.00%</u>

Note:

These shares are legally owned by Huimin Holdings Limited (“**Huimin**”), a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Ding Bi Yan, an executive Director (“**Mr. Ding**”). By virtue of his 100% shareholding interests in Huimin, Mr. Ding is taken to be interested in all the shares of the Company held by Huimin pursuant to Part XV of the SFO.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Huisheng International Holdings Limited, a company with limited liability incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange
“Completion Date”	the date of completion of transactions contemplated under the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company, held on 2 June 2016 to issue and allot up to 96,496,800 new Shares, representing 20.00% of the share capital of the Company in issue on the date of passing of the relevant ordinary resolution
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 96,496,000 new Shares on a best endeavour basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Koala Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 21 June 2016 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.70 per Placing Share
“Placing Share(s)”	a maximum of 96,496,000 new Shares to be allotted and issued pursuant to the Placing Agreement
“Previous Announcements”	all the announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2015
“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)

