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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) RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO EXISTING SHARES HELD ON RECORD DATE  
AND  
(2) CHANGE IN BOARD LOT SIZE**

**Financial adviser to the Company**



**INCU Corporate Finance Limited**

**Underwriter to the Rights Issue**

** KINGSTON SECURITIES**

### **RIGHTS ISSUE**

The Company proposes to raise approximately HK\$144.75 million, before expenses, by way of the Rights Issue of 289,490,000 Rights Shares to the Qualifying Shareholders at a subscription price of HK\$0.50 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. The Company plans to use (i) approximately 62.5% of the net proceeds from the Rights Issue for repayment of the borrowings of the Group and (ii) approximately 37.5% for general working capital of the Group and financing any future business opportunities as may be identified by the Company. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date. In order for their owners to be registered as members on the Record Date, any transfers of the Shares (with the relevant share certificates) must be lodged for registration by 4:30 p.m. on Thursday, 29 December 2016.

Mr. Wong and Able Power have given an irrevocable undertaking to the Company, to subscribe for, in aggregate, 86,247,364 Rights Shares to which Mr. Wong and Able Power are entitled to under the Rights Issue.

### **CHANGE IN BOARD LOT SIZE**

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 4,000 Shares with effect from 9:00 a.m. on Tuesday, 10 January 2017. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

### **GENERAL**

The Rights Issue is fully underwritten by the Underwriter. As the Rights Issue would increase neither the issued share capital nor the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

The Rights Issue Documents containing, among other things, further details of the Rights Issue are expected to be despatched by the Company to the Qualifying Shareholders on or before Monday, 9 January 2017 and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 28 December 2016. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 11 January 2017 to Wednesday, 18 January 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her position or any action to be taken is recommended to consult his/her own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

## **RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.50 per Rights Share
Net price per Rights Share	:	Approximately HK\$0.49
Number of Shares in issue at the date of this announcement	:	578,980,000 Shares
Number of Rights Shares	:	289,490,000 Rights Shares (assuming no further Shares will be issued on or before the Record Date)
Enlarged issued share capital upon completion of the Rights Issue	:	868,470,000 Shares
Aggregate nominal value of the Rights Shares	:	HK\$2,894,900 (assuming no further Shares will be issued on or before the Record Date)

The number of Rights Shares to be issued under the Rights Issue represents 50% of the issued share capital of the Company as at the date of this announcement and approximately 33.33% of enlarged issued share capital of the Company immediately following the completion of the Rights Issue.

As at the date of this announcement, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Company also has no intention to issue or grant any convertible securities, options and/or warrants on or before the Record Date.

### **Subscription Price**

The Subscription Price is HK\$0.50 per Rights Share, payable in full upon acceptance under the PAL(s), and where applicable, application for excess Rights Shares, or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares which represents:

- (i) a discount of approximately 5.66% to the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 7.06% to the average of the closing prices of HK\$0.538 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 3.85% to the theoretical ex-rights price of HK\$0.52 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, the prevailing market price and trading liquidity of the Shares. Having considered the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue, the Directors consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for by the Latest Acceptance Time.

### **Status of the Rights Shares**

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

### **The Irrevocable Undertaking**

As at the date of this announcement, Mr. Wong, the substantial shareholder of the Company as defined under the Listing Rules, personally owns 54,000 Shares and is beneficial interested in 172,440,728 Shares through Able Power. Mr. Wong and Able Power are, in aggregate, interested in 172,494,728 Shares, representing approximately 29.79% of the issued share capital of the Company.

Mr. Wong and Able Power have given an irrevocable undertaking to the Company and the Underwriter, to subscribe for, in aggregate, 86,247,364 Rights Shares to which Mr. Wong and Able Power are entitled to under the Rights Issue.

### **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot to and will not accept applications for any fractions of Rights Shares from the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Such fractional entitlements will be aggregated and the fractions of nil-paid Rights Shares shall be provisionally allotted to a nominee of the Company. The Company shall

procure such nominee, if possible, to sell all the fractions of the nil-paid Rights Shares in the market and the net proceeds of such sales, after deduction of expenses, will be aggregated and an equivalent amount will accrue for the benefit of the Company.

### **Odd lot arrangement**

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from 10 January 2017 to 28 February 2017 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholders who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Details of the odd lot arrangement will be provided in the Prospectus.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Company, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as the Qualifying Shareholders.

Based on the register of members of the Company as at the date of this announcement, there are no Overseas Shareholders. Further information in this connection will be set out in the Prospectus to be despatched to the Shareholders.

In order to be registered as members of the Company at the close of business on the Record Date, beneficial owners must lodge any Share transfer documents (together with the relevant share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. (Hong Kong Time) on Thursday, 29 December 2016.

The Company will send the Rights Issue Documents to the Qualifying Shareholders on or about Monday, 9 January 2017.

### **Non-Qualifying Shareholders**

The Company will send the Prospectus only (without PAL or EAF) to the Non-Qualifying Shareholders, if any, for information only, on or about Monday, 9 January 2017.

Arrangement will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold on the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares

end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of the HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be taken up by the Underwriter.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Non-Qualifying Shareholders, (ii) any Rights Shares provisionally allotted but not accepted, and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Monday, 23 January 2017 (Hong Kong time).

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

### **Closure of register of members**

The register of members of the Company will be closed from Friday, 30 December 2016 to Friday, 6 January 2017 (both days inclusive). No transfers of Shares will be registered during this period.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 4,000 Rights Shares. Dealing in the Rights Shares will be subject to the payment of the stamp duty and other applicable fees and charges in Hong Kong.

## **Certificates for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Thursday, 2 February 2017 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Rights Issue Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up And Miscellaneous) Ordinance not later than the Posting Date;
- (ii) the posting of the Rights Issue Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Overseas Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;

- (iv) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days at any time prior to the Latest Time for Acceptance;
- (v) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (vi) compliance with and performance of all the undertakings and obligations of Mr. Wong and Able Power under the terms of the Irrevocable Undertaking;
- (vii) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement; and
- (viii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The conditions set out above are incapable of being waived. If all of the above conditions are not satisfied by 4:30 p.m. (Hong Kong time) on Tuesday, 24 January 2017, the Latest Time for Termination, or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Rights Issue will not proceed.

## **UNDERWRITING ARRANGEMENT FOR THE RIGHTS ISSUE**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite all the Rights Shares under the Rights Issue, other than those agreed to be taken by Mr. Wong and Able Power pursuant to the Irrevocable Undertaking.

Agreement date	:	15 December 2016
Underwriter	:	Kingston Securities Limited
Total number of Underwritten Share	:	203,242,636 Rights Shares
Commission	:	The Underwriter will receive 2.5% of the aggregate subscription price of the Underwritten Shares

Kingston Securities Limited is a licensed corporation to carry on Type 1 (dealing in securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are independent third parties not connected with the Company and its connected persons within the meaning of the Listing Rules.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issues, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable.

### **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospectus of the Group as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Rights Issue Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

## CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming no Rights Shares are subscribed by the Qualifying Shareholders, except for Mr. Wong and Able Power)		Immediately after completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Able Power (Note 1)	172,440,728	29.78	258,661,092	29.78	258,661,092	29.78
Mr. Wong	<u>54,000</u>	<u>0.01</u>	<u>81,000</u>	<u>0.01</u>	<u>81,000</u>	<u>0.01</u>
<i>Sub-total</i>	172,494,728	29.79	258,742,092	29.79	258,742,092	29.79
Public Shareholders	406,485,272	70.21	406,485,272	46.81	609,727,908	70.21
Underwriter (Note 2)	<u>—</u>	<u>—</u>	<u>203,242,636</u>	<u>23.40</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u><u>578,980,000</u></u>	<u><u>100.0</u></u>	<u><u>868,470,000</u></u>	<u><u>100.0</u></u>	<u><u>868,470,000</u></u>	<u><u>100.0</u></u>

*Notes:*

1. These Shares are legally owned by Able Power which is wholly and beneficial owned by Mr. Wong. By virtue of the SFO, Mr. Wong is deemed to be interested in the 172,494,728 Shares.
2. Pursuant to the Underwriting Agreement, the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; (2) the Underwriter will not (together with its respective parties acting in concert or any of its respective connected persons or associates) hold in aggregate 19.9% or more of the voting rights of the Company immediately after the Rights Issue; and (3) each of the sub-underwriter(s) or each of the ultimate subscribers or purchasers procured by the Underwriter or the sub-underwriter(s) will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 19.9% or more of the voting rights of the Company immediately after the Rights Issue.

## REASONS FOR THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Group is principally engaged in the production and sale of pork products, and its operations mainly involve hog slaughtering as well as hog breeding and hog farming.

The gross proceeds and the net proceeds of the Rights Issue will be approximately HK\$144.75 million and HK\$140.53 million respectively. The Company intends to use (i) approximately 62.5% of the net proceeds from the Rights Issue for repayment of the borrowings of the Group and (ii) approximately 37.5% for general working capital of the Group and financing any future business opportunities as may be identified by the Company.

The Board considers that the Rights Issue will increase the capital base of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.**

## CHANGE IN BOARD LOT SIZE

In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 4,000 Shares with effect from 9:00 a.m. on Tuesday, 10 January 2017. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of approximately HK\$0.52 per Share (calculated based on the closing price of HK\$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$1,040 and the estimated market value of each proposed new board lot is HK\$2,080.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, a designated broker will be appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Tuesday, 10 January 2017 to 4:00 p.m. on Tuesday, 28 February 2017 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

All existing share certificates in board lot of 2,000 shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in the board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size 2,000 shares to new share certificate in board lot size of 4,000 shares is necessary.

#### **FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Intend use of proceeds</b>	<b>Actual use of proceeds</b>
21 June 2016	Placing of 96,496,000 new Shares under general mandate	HK\$65.8 million	For general working capital and funding for potential investments	For general working capital as intended

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

#### **TENTATIVE TIMETABLE**

<b>Event</b>	<b>Timeline</b>
	<b>2016</b>
Last day of dealings in Shares on a cum-rights basis	Friday, 23 December
Ex-date (the first day of dealings in Shares on ex-rights basis)	Wednesday, 28 December
Latest time for Shareholders for lodging transfer documents of Shares to qualify for the Rights Issue	4:30 p.m. on Thursday, 29 December
Closure of register of members (both days inclusive)	Friday, 30 December 2016 to Friday, 6 January 2017
	<b>2017</b>
Record Date for determining entitlements to the Rights Issue	Friday, 6 January
Register of member re-opens	Monday, 9 January
Despatch of Rights Issue Document	Monday, 9 January
Effective date of change in board lot size from 2,000 Shares to 4,000 Shares	Tuesday, 10 January

<b>Event</b>	<b>Timeline</b>
	<b>2017</b>
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	Tuesday, 10 January
First day of dealing in nil-paid Rights Shares	9:00 a.m. on Wednesday, 11 January
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 13 January
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Wednesday, 18 January
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Monday, 23 January
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:30 p.m. on Tuesday, 24 January
Announcement of results of the Rights Issue	Wednesday, 1 February
Despatch of certificates for fully-paid Rights Shares	Thursday, 2 February
Despatch of refund cheques for wholly and partially unsuccessful excess applications on or around	Thursday, 2 February
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 3 February
The last day for the designated broker to provide matching services for odd lots of Shares	Tuesday, 28 February

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

## **GENERAL**

As the Rights Issue would not increase either the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not required by the Listing Rules to be approved by the Shareholders in a general meeting.

The Rights Issue Documents containing, among other things, further details of the Rights Issue and application for excess Rights Shares, other information in respect of the Group, the PALs and the EAFs are expected to be despatched by the Company to Qualifying Shareholders on or before Monday, 9 January 2017, and the Prospectus (without any PAL or EAF) will be despatched to the Non-Qualifying Shareholders for information only.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 28 December 2016. Dealings in the Rights Shares in nil-paid form in the new board lots of 4,000 Rights Shares are expected to take place from Wednesday, 11 January 2017 to Wednesday, 18 January 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any person who is in any doubt about his/her position or any action to be taken is recommended to consult his/her own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **DEFINITIONS**

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

“Able Power”	Able Power Corporate Development Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is legally and beneficially owned by Mr. Wong
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Company”	Huisheng International Holdings Limited (stock code: 1340), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for additional Rights Shares proposed to be subscribed by the Qualifying Shareholders in addition to their assured entitlements under the Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking dated 15 December 2015 jointly given by Able Power and Mr. Wong in favour of the Company and the Underwriter to subscribe for, in aggregate, 86,247,364 Rights Shares to which Able Power and Mr. Wong are entitled to under the Rights Issue
“Last Trading Day”	15 December 2016, being the last trading day of the Shares on the Stock Exchange prior to the release of this announcement
“Latest Acceptance Time”	4:00 p.m. on Monday, 23 January 2017 (or such other time or date as the Underwriter may agree in writing with the Company), being the latest date for acceptance of, and payment of, Rights Shares
“Latest Time for Termination”	4:30 p.m. on Tuesday, 24 January 2017, being the second Business Day of the Latest Acceptance Time or such later time and/or date as the Company and the Underwriter may agree, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Kui Shing, Danny, the beneficial owner of Able Power and the substantial shareholder of the Company

“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue
“Posting Date”	Monday, 9 January 2017, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Rights Issue Documents
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 6 January 2017 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the issue of the Rights Shares by way of rights to the Qualifying Shareholders for subscription on the terms to be set out in the Rights Issue Documents and as contemplated under the Underwriting Agreement
“Rights Issue Documents”	the Prospectus, PAL and EAF
“Rights Share(s)”	289,490,000 new Shares to be offered to the Qualifying Shareholders for subscription on the basis of one (1) Rights Share for every two (2) existing Shares held at the Record Date under the Rights Issue
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.50 per Rights Share
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 15 December 2016 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Share(s)”	the number of Rights Shares to be underwritten by the Underwriter, which in maximum up to 203,242,636 Rights Shares, being the total number of Rights Shares less the number of Rights Shares which Able Power and Mr. Wong undertake to take up their respectively entitlement under the Rights Issue
“%”	percentage

By order of the Board  
**Huisheng International Holdings Limited**  
**Chan Chi Ching**  
*Executive Director*

Hong Kong, 15 December 2016

*As at the date of this announcement, the Board comprises Mr. Ding Biyan, Mr. Chan Chi Ching, Dr. Liu Ta-pei and Ms. Lam Ka Lee as executive Directors; and Mr. Ma Yiu Ho, Peter, Mr. Deng Jinping, Mr. Liao Xiujian and Mr. Wong King Shiu, Daniel as independent non-executive Directors.*