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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)**

### **PROFIT WARNING**

This announcement is made by Huisheng International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on information that is currently available, the Group is expected to record a substantial decrease in profit for the year ended 31 December 2017 as compared to that in the last year which is mainly resulted from the decrease in revenue and average gross profit margin. The reason for such decrease is due to the decrease in the slaughtering volume and the selling price. The decrease of volume is a result of keen competition from imported pork products and also the changing dietary habit. The decrease of selling price is due to the lower unit price as compared with the last year as a result of supplies over demands. Given the selling price of pork products is more elastic than the cost of hogs, this resulted that the average selling price of pork products decreased at a faster pace than the average cost of hogs. Also, the smaller slaughtering volume means the lower utilization rate, and hence each products may bear more fixed costs. Secondly, the Company recognised an equity-settled share-based payment expenses of approximately RMB7.6 million for the share options granted to an executive director, employees and consultants on 10 April 2017. Furthermore, the Company recognised a loss arising from change in fair value of biological assets while there was a gain of approximately RMB16.3 million in 2016. This is mainly due to the decrease of hog price may also lead to the lower value of the breeder hogs.

The Company is still in the process of finalising the Group's financial information for the year ended 31 December 2017. This profit warning announcement is only based on the preliminary assessment by the Board with reference to the information currently available, which has not been audited or confirmed by the Company's auditors and may be subject to changes and adjustments. The actual financial results of the Group for the year ended 31 December 2017 may be different from what is disclosed in this announcement. Further details of the Group's financial results and performance for the year ended 31 December 2017 will be disclosed in the 2017 annual results announcement of the Company which is expected to be published on or about 16 March 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 March 2018

*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. Wong Yuk Lun, Alan, Mr. Deng Jinping and Mr. Wong King Shiu, Daniel as independent non-executive directors.*