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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**

**Sole Placing Agent**



**黃河證券有限公司**  
Yellow River Securities Limited

**Yellow River Securities Limited**

On 21 September 2018, after trading hours, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best efforts basis, up to 173,692,000 Placing Shares, at the Placing Price and the Company agreed to allot and issue the Placing Shares at the Placing Price.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further approval of the Shareholders. The Placing is conditional upon, among other things, the Stock Exchange granting a listing of and permission to deal in the Placing Shares on the Stock Exchange.

The maximum number of Placing Shares represent (i) approximately 19.72% of the issued share capital of the Company as at the date of the this announcement; and (ii) approximately 16.47% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the completion of the Placing (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing).

Assuming the maximum number of 173,692,000 Placing Shares have been placed, the net proceeds to be received by the Company from the Placing will amount to approximately HK\$26,588,000. The net proceeds from the Placing will be used to: 1) repay the outstanding loan of HK\$21,500,000 which was due and matured on 21 August 2018; 2) for general working capital and administrative expenses of the Company.

## **I. THE PLACING AGREEMENT**

### **Date**

21 September 2018 (after trading hours)

### **Parties**

- (i) the Company; and
- (ii) the Placing Agent

### **The Placing and Number of Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has agreed to place, either by itself or through its sub-placing agents, on a best efforts basis, up to 173,692,000 new Shares, representing (i) approximately 19.72% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.47% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately after the completion of the Placing (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing).

The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,736,920.

## **Placing Price**

The Placing Price of HK\$0.159 per Placing Share represents:

- (i) a discount of approximately 3.64% to the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on 21 September 2018, being the date of the Placing Agreement;
- (ii) a discount of approximately 4.79% to the average closing price of the Shares of approximately HK\$0.167 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of this announcement.

The net Placing Price, after deduction of placing commission and all other fees and expenses, is estimated to be approximately HK\$0.153 per Placing Share.

## **Placing Commission**

The Placing Agent will receive a placing commission of 3% on the gross proceeds of the Placing.

## **Placing Agent**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons, and are not connected persons (as defined in the Listing Rules) of the Company.

## **The Placees**

The Placing Agent has agreed to procure that there will be not less than six Placees, being professional, institutional and other investors selected and procured by or on behalf of the Placing Agent. The Placees (and their beneficial owners) will be independent of the Company and its connected persons (as defined in the Listing Rules). None of the Placing Agent nor the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing.

## **Rights and Ranking of the Placing Shares**

The Placing Shares will be issued free of any encumbrances and third-party rights and rank, upon allotment and issue of the Placing Shares, *pari passu* in all respect among themselves and with Shares in issue as at the date of this announcement.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the granting by the Listing Committee or the Division of listing of, and permission to deal in, all of the Placing Shares being obtained on or before 5 October 2018 (or such later date as may be agreed between the Placing Agent and the Company).

In the event that the aforementioned condition of the Placing is not fulfilled on or before 5 October 2018 (or such later date as may be agreed between the Placing Agent and the Company), the obligations and liabilities of the Company under the Placing shall be null and void. The Company shall be released from all rights and obligations pursuant to the Placing, except (i) the Company shall remain liable for the payment of all costs and expenses already incurred or to be incurred in consequence of such termination; (ii) any antecedent breach of any of the obligations and liabilities under the Placing Agreement; and (iii) that the provisions regarding indemnity in the Placing Agreement shall remain in full force and effect. None of the parties shall have any claim against the other under the Placing.

## **Completion**

Completion of the Placing shall take place on the fifth Business Day upon the fulfilment of the conditions set out in the paragraph headed “Conditions of the Placing” in this announcement or such later date as the Company and the Placing Agent may agree (the “**Closing Date**”).

## **Rescission**

The Placing Agent may rescind the Placing Agreement by notice in writing to the Company at any time on or prior to the Closing Date:

- (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 this 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.

## **Mandate to issue new Shares**

The Placing Shares will be issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the adjourned annual general meeting of the Company held on 10 July 2018, which authorized the Directors to allot and issue up to 173,694,000 Shares (representing 20% of the issued share capital of the Company as at the date of the adjourned annual general meeting on 10 July 2018). The issue of the Placing Shares will not be subject to the Shareholders' approval.

The General Mandate has not been utilized prior to entering into the Placing Agreement and the Company has not repurchased any Shares in the 30 days immediately preceding the date of the Placing Agreement.

Upon completion of the Placing, the Company will have unused General Mandate to issue up to 2,000 Shares.

## II. EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming the Placing Shares have been fully allotted and issued, the shareholding structure of the Company as at the date of this announcement and immediately after the Placing is summarised as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % (Note 2)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 2)</i>
<b>Public Shareholders</b>				
The Placees ( <i>Note 1</i> )	–	–	173,692,000	16.47%
Other Public Shareholders	<u>880,838,000</u>	<u>100%</u>	<u>880,838,000</u>	<u>83.53%</u>
Total	<u><u>880,838,000</u></u>	<u><u>100%</u></u>	<u><u>1,054,530,000</u></u>	<u><u>100%</u></u>

*Notes:*

1. The Placing Shares will be placed by the Placing Agent to currently expected not less than six Placees who are Independent Third Parties.
2. The percentages are subjected to rounding differences, if any.

## III. REASONS FOR THE PROPOSED ISSUE OF NEW SHARES AND USE OF PROCEEDS

The estimated expenses of the Placing (including the placing commission, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$1,029,000 and will be payable by the Company.

The net price per Placing Share upon full acceptance of the Placing Shares is expected to be approximately HK\$0.153. The gross proceeds from the Placing will amount to approximately HK\$27,617,000; and the net proceeds from the Placing, after deduction of commission and other expenses of the Placing, will amount to approximately HK\$26,588,000. The net proceeds of the Placing shall be utilized for repayment of the outstanding loan in a sum of HK\$21,500,000 which was due and matured on 21 August 2018; and the remaining balance of the proceeds in an estimated sum of approximately HK\$5,088,000 shall be reserved for general working capital and administration expenses of the Company.

The Directors are of the view that the Placing is necessary to maintain the Company's healthy long-term growth for its businesses both in PRC and in Hong Kong, and thus is in the interests of the Company and the Shareholders as a whole. It does not only help to strengthen the Company's financial position, but also help broaden the Group's shareholder and capital base to facilitate its future development and increase the liquidity of the Shares.

The Directors consider the terms of the Placing Agreement, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

#### **IV. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

#### **V. APPLICATION FOR LISTING**

Application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Placing Shares. Completion of the Placing is subject to fulfilment of certain conditions and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## VI. DEFINITIONS

“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which commercial banks generally are open for business in Hong Kong
“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
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the adjourned annual general meeting of the Company held on 10 July 2018, authorizing the Directors to allot and issue Shares up to 20% of the issued share capital of the Company as at that date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owners who, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	professional, institutional and other investors to be procured by the Placing Agent to purchase the Placing Shares pursuant to the terms and condition of the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Yellow River Securities Limited, a licensed corporation to carry out Type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 21 September 2018 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.159 per Placing Share
“Placing Shares”	up to 173,692,000 new Shares to be placed under the Placing
“Previous Announcements”	all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2017
“PRC”	People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”                   The Stock Exchange of Hong Kong Limited

“trading day”                       has the meaning ascribed to it in the Listing Rules

“%”                                     per cent.

By order of the Board  
**HUI SHENG INTERNATIONAL HOLDINGS LIMITED**  
**Chan Chi Ching**  
*Executive Director*

Hong Kong, 21 September 2018

*As at the date of this announcement, the Board comprises Mr. Chan Chi Ching, Dr. Liu Ta-pei, Ms. Lam Ka Lee and Mr. Suen Man Fung as executive Directors; and Mr. Wong Yuk Lun, Alan, Mr. Deng Jinping and Mr. Wong King Shiu, Daniel as independent non-executive Directors.*