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HUI SHENG INTERNATIONAL HOLDINGS LIMITED

惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board hereby announces that, on 20 January 2022, the Company disposed of the Sale Shares on open market, together with the Previous Sale Shares disposed on open market, at an aggregate consideration of approximately HK\$3,219,000 (exclusive of transaction costs). As a result of the Disposal, the Board expects the Group will recognise a book loss of approximately HK\$15,000 (exclusive of transaction costs) for the year ending 31 December 2022, which is calculated on the basis of the difference between the fair value of the Sale Shares as at 31 December 2021, being approximately HK\$181,000 and the gross sales proceeds of the Sale Shares, being approximately HK\$166,000 (exclusive of transaction costs).

Upon settlement of the Disposal, the Group does not hold shares in the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

Since the Sale Shares was disposed of and conducted within 12 months of the completion of the disposal of Previous Sale Shares, the Previous Sale Shares and the Sale Shares were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more than one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in relation to the Disposal, is more than 5% but less than 25%. As such, the Disposal contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

THE DISPOSAL

The Board hereby announces that, on 20 January 2022, the Company disposed of the Sale Shares on open market, together with the Previous Sale Shares disposed on open market, at an aggregate consideration of approximately HK\$3,219,000 (exclusive of transaction costs). As a result of the Disposal, the Board expects the Group will recognise a book loss of approximately HK\$15,000 (exclusive of transaction costs) for the year ending 31 December 2022, which is calculated on the basis of the difference between the fair value of the Sale Shares as at 31 December 2021, being approximately HK\$181,000 and the gross sales proceeds of the Sale Shares, being approximately HK\$166,000 (exclusive of transaction costs).

Upon settlement of the Disposal, the Group does not hold shares in the Target Company.

As the Disposal was conducted through the sales in the open market, the Company is not aware of the identities of the purchasers. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers and their ultimate beneficial owners are the Independent Third Parties.

INFORMATION OF THE TARGET COMPANY

The Target Company, a company incorporated in Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1725). The Target Company is principally engaged in (i) EMS business which includes provision of design enhancement and verification, offering of technical advice and engineering solutions, raw materials selection and procurement, quality control, logistic and delivery and after-sale services to the customers in respect of the assembling and production of printed circuit board assemblies (the “**PCBA**”) and fully-assembled electronic products; and (ii) aerospace business, currently under the “Golden Bauhinia Constellation” project, which includes (1) smart city with satellite big data applications and solutions; (2) satellite measurement and controlling; (3) satellite manufacturing; and (4) satellite launching.

The following financial information is extracted from the published annual report of the Target Company for the years ended 31 December 2020 and 2019:

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	547,825	546,325
Profit before tax	20,327	29,187
Profit after tax	17,323	3,730

	As at 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Total assets	575,763	444,549
Net assets value	250,290	236,181

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is engaged in the production and sale of daily consumption pork and related meat food products for domestic market as well as hog breeding and hog farming in Changde, Hunan Province, the PRC. Moreover, the Group is also engaged in selling and distributing of pipe system products, and conducting in the provision of technical advisory services on the design, application, implementation and installation.

REASON FOR AND BENEFIT OF THE DISPOSAL

The Group acquired the Previous Sale Shares and the Sale Shares for investment purpose. As a result of the Disposal, the Board will enhance the liquidity of the Company by liquidating its securities investment and to re-allocate its resources for other investment purposes or the Group's business development. The Board intends to use the net sales proceeds from the Disposal for general working capital.

Based on the above and taking into consideration the recent market condition, the Board considers that the Disposal, including the consideration of the Disposal is on normal commercial terms which is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Since the Sale Shares was disposed of and conducted within 12 months of the completion of the disposal of Previous Sale Shares, the Previous Sale Shares and the Sale Shares were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more than one of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in relation to the Disposal, is more than 5% but less than 25%. As such, the Disposal contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“%”	per cent
“Board”	the board of Directors
“Company”	Huisheng International Holdings Limited (惠生國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares and the Previous Sale Shares by way of on market transactions at an aggregate consideration of approximately HK\$3,219,000 (exclusive of transaction costs)
“Group”	the Company and its subsidiaries

“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
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected person (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Sale Shares”	a total of 178,400 ordinary shares of HK\$0.01 each in the existing issued share capital of the Target Company, representing approximately 0.058% of the issued share capital of the Target Company as at the date of this announcement, the said shares were disposed of on 2 February 2021, 3 February 2021, 16 February 2021, 9 July 2021, 5 August 2021, 15 September 2021 and 30 December 2021
“Sale Shares”	6,600 ordinary shares of HK\$0.01 each in the existing issued share capital of the Target Company, representing approximately 0.002% of the issued share capital of the Target Company as at the date of this announcement
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”

Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司)(formerly known as Eternity Technology Holdings Limited (恆達科技控股有限公司)), a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1725)

By Order of the Board

Huisheng International Holdings Limited

Chan Chi Ching

Executive Director

Hong Kong, 21 January 2022

As at the date of this announcement, the Board comprises Mr. Chan Chi Ching and Ms. Qin Yuanling as executive Directors; and Mr. Chan Hin Hang, Mr. Wong King Shiu, Daniel, Mr. Wong Yuk Lun, Alan and Dr. Wang Guiping as independent non-executive Directors.