

TARGET

Intelligence Report

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**HUASHENG INTERNATIONAL HOLDING LTD:
IT IS MUCH BETTER TO OVERCOME PASSIONS,
THAN TO BE OVERCOME BY THEM**

Notwithstanding Huasheng International Holding Ltd (華盛國際控股有限公司) (Code: 1323, Main Board, The Stock Exchange of Hongkong Ltd) having been well nourished with \$HK40.32 million, in cash, due mainly to a '*Placing of New Shares*' and the '*Results of The Rights Issue*' within a period of three months – November 3, 2023, to February 20, 2024 – the Company, at the conclusion of its Financial Year, ended March 31, 2024, the result was a Total Comprehensive Loss Attributable to Shareholders at the figure of \$HK44,531,000.00.

The following are verbatim copies of two announcements, published and disseminated in the Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC):

The November 3, 2023, Public Announcement

**'COMPLETION OF PLACING ON NEW SHARES
UNDER GENERAL MANDATE**

'Reference is made to the announcements of Huasheng International Holding Limited (the "Company") dated 6 October 2023 and 25 October 2023 (the "Announcements") in relation to the Placing. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

'The Board is pleased to announce that all the conditions set out in the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) had been fulfilled and completion of the Placing took place on 3 November 2023 in accordance with the terms and conditions of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement). The Placing Agent has successfully placed an aggregate of 839,600,000 Placing Shares, representing (i) approximately 20.00% of the issued share capital of the Company immediately before the Placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the

839,600,000 Placing Shares immediately upon Completion of the Placing and as at the date of this announcement.

‘The 839,600,000 Placing Shares have been successfully placed to not less than six Placees at the Placing Price of HK\$0.016 per Placing Share. To the best of the Directors’ knowledge, information and belief and after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owner(s), is an Independent Third Party; and (ii) none of the Placees is a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Placing. The gross proceeds from the Placing are approximately HK\$13.43 million and the net proceeds are approximately HK\$13.12 million (after deduction of commission and other relevant costs and expenses of the Placing, representing a net issue price of approximately HK\$0.016 per Placing Share). The net proceeds will be used for the repayment of outstanding short-terms liabilities of The Group.

‘To the best of the Directors’ knowledge, information and belief and after having made all reasonable enquiries, the shareholding structure of the Company immediately before and upon completion of the Placing and as at the date of this announcement is set out below:

Shareholders	Immediately before completion of the Placing		Immediately upon completion of the Placing and as at the date of this announcement	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Twin Star Global Limited (Note)	243,890,000	5.81	243,890,000	4.84
The Placees	–	–	839,600,000	16.67
Other public Shareholders	<u>3,954,208,293</u>	<u>94.19</u>	<u>3,954,208,293</u>	<u>78.49</u>
Total:	<u>4,198,098,293</u>	<u>100.00</u>	<u>5,037,698,293</u>	<u>100.00</u>

Note: Twin Star Global Limited (雙星環球有限公司) is wholly and beneficially owned by Mr. Wong Wai Sing (黃偉昇), the Chairman and executive director of the Company. Accordingly, Mr. Wong Wai Sing is deemed to be interested in the Shares held by Twin Star Global Limited.’

The February 20, 2024, Public Announcement

‘RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

‘Reference is made to the prospectus (the “**Prospectus**”) of Huasheng International Holding Limited (the “**Company**”) dated 22 January 2024 in relation to the Rights Issue and the announcement (the “**Announcement**”) of the Company dated 14 February 2024 in relation to, among other things, the Rights Issue and the placing of the Unsubscribed Rights Shares (the “**Placing**”). Unless otherwise defined

herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

'RESULTS OF THE RIGHTS ISSUE AND THE PLACING

'As disclosed in the Announcement, as at 4:00 p.m. on Monday, 5 February 2024 being the Latest Time for Acceptance, a total of 24 valid acceptances and applications had been received for a total of 75,916,814 Rights Shares, representing approximately 30.14% of the total number of Rights Shares offered under the Rights Issue. As at the Record Date, there was no Non-Qualifying Shareholder and the number of the NQS Unsold Rights Shares was nil. Based on the above results of valid acceptance and application, the total number of Unsubscribed Rights Shares subject to the Compensatory Arrangements shall be 175,968,100 Rights Shares. The Company has, pursuant to Rule 7.21(1)(b) of the Listing Rules, made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares in accordance with the terms of the Placing Agreement.

'The Board wishes to announce that at 6:00 p.m. on Friday, 16 February 2024, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 175,968,100 Unsubscribed Rights Shares were successfully placed at the price of HK\$0.115 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders and Non-Qualifying Shareholder under the Placing.

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