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HOSA INTERNATIONAL LIMITED

浩沙國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02200)

INSIDE INFORMATION AND RESUMPTION OF TRADING

INSIDE INFORMATION

This announcement is made by Hosa International Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

The board of directors of the Company has noted the recent decrease in the price and increase in the trading volume of the shares of the Company (the “**Shares**”).

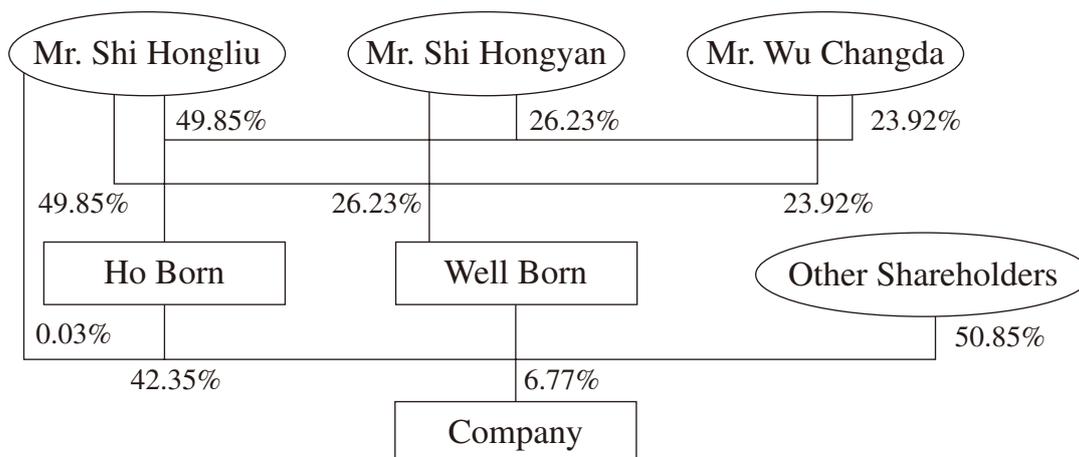
Deeds of Gift by Mr. Shi Hongliu

The Company has been informed by its immediate controlling shareholder, Ho Born Investment Holdings Limited (“**Ho Born**”), that Mr. Shi Hongliu, the chairman and an executive director of the Company, has, for the purpose of distribution of his assets to his family, entered into two separate deeds of gift on 29 June 2018 in relation to the transfer of 14,000 and 9,400 ordinary shares, being 14% and 9.4% of the shareholding, of Ho Born to Ms. Shi Cuilian (施翠蓮), the wife of one of his younger brothers, and Mr. Shi Hongyan, his other younger brother, respectively (the “**Transfers**”). Ho Born is a company held by, among others, Mr. Shi Hongliu and Mr. Shi Hongyan. As at the date of this announcement, Ho Born owns an aggregate of 706,092,859 Shares.

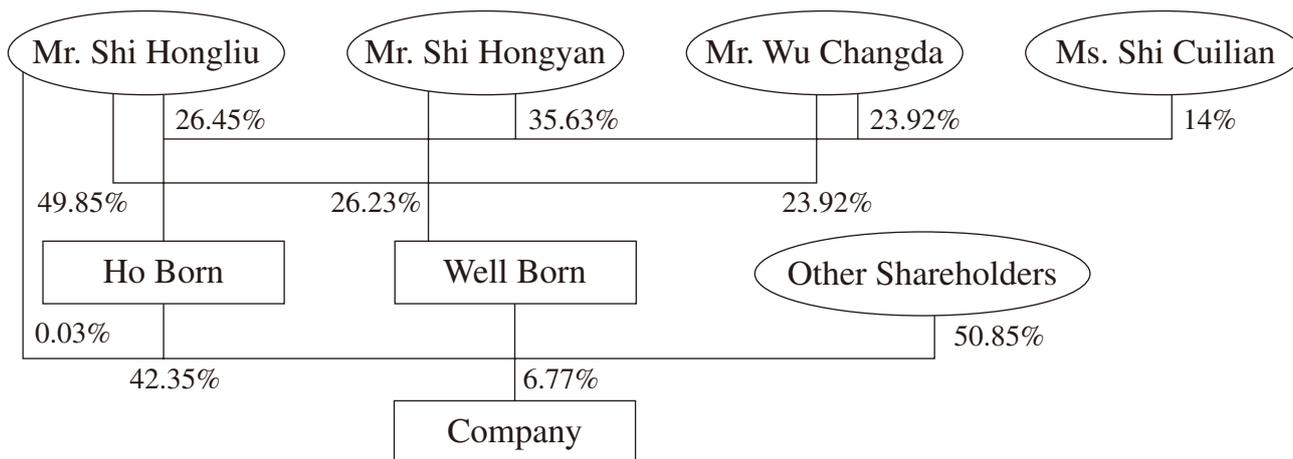
The table and corporate chart below (and its explanatory notes) set out the direct and indirect shareholding of Mr. Shi Hongliu, Ms. Shi Cuilian and Mr. Shi Hongyan in the Company immediately before and after the Transfers:

Shareholder	As of the date of this announcement and immediate before the Transfers		Immediate after the Transfers	
	No. of Shares held in the Company	Approximate percentage of shareholding of the Company	No. of Shares held in the Company (Expected)	Approximate percentage of shareholding of the Company (Expected)
Mr. Shi Hongliu ¹	500,000	0.03%	500,000	0.03%
Ho Born ^{1,2}	706,092,859	42.35%	706,092,859	42.35%
Well Born ^{1,3}	112,826,000	6.77%	112,826,000	6.77%
Sub-total	<u>819,418,859</u>	<u>49.15%</u>	<u>819,418,859</u>	<u>49.15%</u>

As of the date of this announcement and immediately before the Transfers:



Immediately after the Transfers:



Notes:

- (1) Mr. Shi Hongliu is a director of both Ho Born and Well Born. Mr. Shi Hongliu, Ho Born and Well Born are parties acting in concert under the Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission (the “**SFC**”).
- (2) Ho Born is owned by (i) Mr. Shi Hongliu, Mr. Shi Hongyan and Mr. Wu Changda, the husband of the elder sister of Mr. Shi Hongliu and Mr. Shi Hongyan, as to approximately 49.85%, 26.23% and 23.92%, respectively, before the Transfers and (ii) Mr. Shi Hongliu, Ms. Shi Cuilian, Mr. Shi Hongyan and Mr. Wu Changda as to approximately 26.45%, 14%, 35.63% and 23.92%, respectively, after the Transfers. Ms. Shi Cuilian is not a shareholder of Ho Born before the Transfers.
- (3) Well Born Industrial Group Limited (“**Well Born**”), another immediate shareholder of the Company, is owned by Mr. Shi Hongliu, Mr. Shi Hongyan and Mr. Wu Changda as to approximately 49.85%, 26.23% and 23.92%, respectively, both before and after the Transfers. Ms. Shi Cuilian is not a shareholder of Well Born both before and after the Transfers.

The Transfers would result in a change in control of the Company under the Takeovers Code. Under Rule 26.1 of the Takeovers Code, Mr. Shi Hongyan would be obliged to make a mandatory general offer to the Shareholders for all issued Shares and other securities of the Company not already owned or agreed to be acquired by the Mr. Shi Hongyan and any parties acting in concert with him, unless a waiver is obtained from the Executive Director of the Corporate Finance Division of the SFC (the “**Executive**”). Mr. Shi Hongyan has applied to the Executive for the said waiver in connection with the Transfers and this waiver has not been granted as of the date of this announcement. The parties to the deeds of gift had subsequently agreed in writing that the completion of the Transfers shall be subject to the granting of the said waiver and the Transfers has therefore not been completed as of the date of this announcement. The Transfer will not be completed if the said waiver is not granted.

Disposal of Shares held by Ho Born and Well Born

The Company has been informed by Ho Born and Well Born that they had previously entered into certain margin financing arrangements with certain securities firms (the “**Securities Firms**”) and, pursuant to such arrangements, deposited a total of 589,731,739 Shares held by them (the “**Margin Securities**”), amounting to approximately 35.37% of the shareholding of the Company, with the Securities Firms as collateral to secure such margin financing before the disposals as disclosed below.

Ho Born informed the Company that 200,000 Shares and 3,784,000 Shares, being approximately 0.01% and 0.23% of the shareholding of the Company, deposited with the Securities Firms as Margin Securities, were sold by the Securities Firms on 28 June 2018 and 29 June 2018 respectively as a result of the decrease in share price of the Company.

Well Born informed the Company that 6,982,000 Shares, being approximately 0.42% of the shareholding of the Company, deposited with the Securities Firms as Margin Securities, were sold by the Securities Firms on 29 June 2018 as a result of the decrease in share price of the Company.

Ho Born and Well Born were in a passive position and did not have control over the abovementioned disposals. As a result of these disposals, the respective shareholding of Ho Born and Well Born reduced from approximately 42.59% and 7.19% to 42.35% and 6.77% respectively.

Save as disclosed above, as of the date of this announcement, the Company is not aware of any reason for any unusual movement in the price of the shares of the Company and any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 10:57 a.m. on 29 June 2018 pending the release of an announcement of inside information of the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 11 July 2018.

By order of the Board
Hosa International Limited
Shi Hongliu
Chairman

Hong Kong, 10 July 2018

As at the date of this announcement, the executive directors are Mr. Shi Hongliu, Mr. Shi Hongyan, Mr. Shi Zhixiong and Mr. Lui Wai Ming, and the independent non-executive directors are Mr. Yau Chi Ming, Mr. Yao Ge and Mr. He Wenyi.

All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.