

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board (the “**Board**”) of directors (the “**Directors**”) of Huisheng International Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2016 together with the comparative figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	3	788,218	640,846
Cost of sales		(707,449)	(570,165)
Gross profit		80,769	70,681
Other income	3	3,448	3,040
Gain arising from changes in fair value less costs to sell of biological assets		9,383	4,745
Selling and distribution expenses		(14,599)	(9,755)
Administrative expenses		(15,635)	(12,870)
Finance costs		(8,117)	(4,720)
Profit before taxation		55,249	51,121
Taxation	6	-	-
Profit for the period	5	55,249	51,121

		Six months ended 30 June	
		2016	2015
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income for the period:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>4,114</u>	<u>859</u>
Other comprehensive income for the period, net of income tax		<u>4,114</u>	<u>859</u>
Total comprehensive income for the period		<u>59,363</u>	<u>51,980</u>
Profit/(loss) for the period attributable to:			
Owners of the Company		54,654	51,256
Non-controlling interests		<u>595</u>	<u>(135)</u>
		<u>55,249</u>	<u>51,121</u>
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		58,768	52,115
Non-controlling interests		<u>595</u>	<u>(135)</u>
		<u>59,363</u>	<u>51,980</u>
Earnings per share attributable to owners of the Company			
Basic and diluted (RMB cents per share)	8	<u>11.3</u>	<u>12.3</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	<i>Notes</i>	As at 30 June 2016 <i>RMB'000</i> (Unaudited)	As at 31 December 2015 <i>RMB'000</i> (Audited)
Assets			
Non-current assets			
Property, plant and equipment		627,420	640,530
Prepaid lease payments		33,936	34,360
Biological assets		53,048	28,743
Deposits and prepayments for property, plant and equipment		28,962	30,466
Available-for-sale investment		1,500	1,500
		744,866	735,599
Current assets			
Biological assets		49,289	25,909
Inventories		16,645	13,319
Prepaid lease payments		842	840
Trade receivables	9	114,499	183,847
Prepayments, deposits and other receivables		20,468	17,858
Bank balances and cash		332,926	249,783
		534,669	491,556
Current liabilities			
Trade payables	10	101,978	140,107
Accruals and other payables		19,771	30,924
Amount due to a shareholder		374	1,992
Bank borrowings - due within one year		106,730	76,731
Other loans		80,103	-
Deferred revenue		25	49
		308,981	249,803
Net current assets		225,688	241,753
Total assets less current liabilities		970,554	977,352
Non-current liabilities			
Loan from government		-	476
Notes payable		-	59,816
Deferred revenue		365	378
		365	60,670
Net assets		970,189	916,682
Equity			
Share capital		3,801	3,801
Reserves		960,238	907,326
Equity attributable to owners of the Company		964,039	911,127
Non-controlling interests		6,150	5,555
Total equity		970,189	916,682

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

1. REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements are unaudited but have been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). They have been prepared under the historical cost convention, except for biological assets, which are carried at fair value. The condensed consolidated interim financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and methods of computation used in the preparation of this interim results announcement are consistent with those adopted by the Group in the 2015 annual financial statements, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning 1 January 2016. The effect of the adoption of these standards, amendments and interpretations was not material to the Group’s results of operations or financial position.

3. REVENUE AND OTHER INCOME

An analysis of the Group’s revenue for the reporting period is as follows:

	Six months ended 30 June	
	2016	2015
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue		
Sale of pork products	785,052	635,127
Others (<i>note</i>)	3,166	5,719
	788,218	640,846

Note: Others include processed pork products, porkers and slaughtering services.

	Six months ended 30 June	
	2016	2015
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Other income		
Interest income on:		
Bank deposits	492	603
Amortisation of deferred revenue	13	27
Total interest income	505	630
Government grants (<i>note</i>)	1,803	2,361
Sundry income	1,140	49
	3,448	3,040

Note: Government grants mainly represent incentive subsidies in relation to processing of ill hogs and subsidies on interest expenses of collective notes. There is no condition or limitation attached to the subsidies of the Group by the respective government authorities of the People's Republic of China (the "PRC").

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("CODMs"), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance. The operation of the Group constitutes one reportable segment, i.e. slaughtering and trading of pork products. This is also the basis upon which the Group is arranged and organised.

The information reported to the CODMs for the purpose of resource allocation and assessment of performance, is with reference to profit before taxation and assets which do not contain the gains/(losses) arising from changes in fair value less costs to sell of biological assets. In the reports to the CODMs, the biological assets are stated at cost but the biological assets are stated at their fair value less costs to sell under the consolidated financial statements. The differences between the profit before taxation and assets reported to the CODMs and those in the consolidated financial statements are as follows:

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
Segment profit before taxation reported to the CODMs	45,866	46,376
Add:		
Gain arising from changes in fair value		
less costs to sell of biological assets (<i>note</i>)	<u>9,383</u>	<u>4,745</u>
Profit before taxation reported in the condensed consolidated interim financial statements	<u>55,249</u>	<u>51,121</u>

Note: The amounts represent fair values changes in live hogs at the end of each reporting period.

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in the reporting period.

	As at 30 June 2016 <i>RMB'000</i> (Unaudited)	As at 31 December 2015 <i>RMB'000</i> (Audited)
	Segment assets reported to the CODMs	960,806
Add:		
Gain/(losses) arising from changes in fair value		
less costs to sell of biological assets (<i>note</i>)	<u>9,383</u>	<u>(363)</u>
Net assets reported in the condensed consolidated interim financial statements	<u>970,189</u>	<u>916,682</u>

Note: The amounts represent fair values changes in live hogs at the end of the reporting period.

As the Group's segment liabilities are not regularly provided to CODMs for review, the measurement of total liabilities for the respective segment is not presented.

Geographical information

The Group's revenue from external customers by geographical locations in the PRC during the reporting period is as follows:

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Hunan Province	611,971	526,874
Guangdong Province	65,446	52,050
Beijing City	1,394	3,103
Others	109,407	58,819
	<u>788,218</u>	<u>640,846</u>

The Group's non-current assets are principally attributable to a single geographical region, which is the PRC, and accordingly, no further geographical segment information is presented.

The Group's geographical concentration risk is mainly in Hunan Province, which accounted for approximately 78% of the total revenue during the six months ended 30 June 2016 (six months ended 30 June 2015: 82%).

Information about major customers

No individual customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Directors' emoluments	470	545
Other staff costs:		
Salaries and other benefits	12,961	10,568
Retirement schemes contributions	2,588	2,301
Total staff costs	<u>16,019</u>	<u>13,414</u>
Depreciation of property, plant and equipment	15,489	13,141
Amortisation of prepaid lease payments	422	367

6. TAXATION

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Income tax expense	<u>-</u>	<u>-</u>

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the six months ended 30 June 2016.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises nor is derived from Hong Kong.

PRC

The PRC Enterprise Income Tax (the "PRC EIT") is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of a PRC company is 25% from 1 January 2008 onwards.

According to the prevailing tax rules and regulations, Hunan Huisheng Meat Products Company Limited (湖南惠生肉業有限公司), which has been operating in the business of primary processing of agriculture products, was exempted from the PRC EIT during the period under review.

7. DIVIDENDS

During the six months ended 30 June 2016, the Board declared and paid HK\$0.015 per share or approximately HK\$7,237,000 in aggregate as final dividend for the year ended 31 December 2015.

During the six months ended 30 June 2015, the Board declared and paid HK\$0.015 per share or approximately HK\$7,237,000 in aggregate as final dividend for the year ended 31 December 2014.

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the six months ended 30 June 2016 of approximately RMB54,654,000 (six months ended 30 June 2015: RMB51,256,000) and the weighted average number of 482,484,000 (six months ended 30 June 2015: 417,070,000) ordinary shares in issue during the reporting period.

Diluted earnings per share were same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the periods under review.

9. TRADE RECEIVABLES

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade receivables	114,499	183,847

The Group offered credit period on sales of pork products of within 80 days. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 30 days	107,063	169,719
31 days to 60 days	7,086	13,880
61 days to 80 days	350	-
Over 81 days	-	248
	<u>114,499</u>	<u>183,847</u>

The Group's policy for impairment loss on trade receivables is based on an evaluation of collectability and aged analysis of the receivables which requires the use of judgment and estimates. Provisions would apply to the receivables when there are events or changes in circumstances indicate that the balances may not be collectible. The management closely review the trade receivables balances and any overdue balances on an ongoing basis and assessments are made by our management on the collectability of overdue balances.

The Group does not hold any collateral over the balances.

10. TRADE PAYABLES

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade payables	<u>101,978</u>	<u>140,107</u>

The Group was offered credit period on purchase of goods within 60 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 30 days	100,285	140,107
31 days to 60 days	1,274	-
Over 61 days	419	-
	<u>101,978</u>	<u>140,107</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is one of the largest pork suppliers in Changde, Hunan Province, the PRC, and is principally engaged in the production and sale of pork products, and its operations mainly involve hog slaughtering as well as hog breeding and hog farming. The Group's pork products range from fresh, chilled and frozen pork, side products to processed pork products including cured pork and sausages.

In 2015, the Group acquired two breeding farms in Hunan Province, the PRC, with a total site area of approximately 208 mu (equivalent to approximately 138,667.36 square metres). The Group had put efforts into renovating and upgrading the facilities of these two farms during the past few months in order to meet the production standard of the Group, and the first batch of breeder hogs had already been introduced into these farms during the first half of 2016. These farms are expected to provide valuable contributions to the Group in the foreseeable future.

In January 2016, the Group intended to acquire all assets of two hog fattening farms in Hunan Province, the PRC, at a consideration of RMB85.0 million (equivalent to approximately HK\$101.2 million) from Huimin Holdings Limited and Jisheng Holdings Limited respectively (each of them a connected person of the Company) (the "**Vendors**"). The said consideration was intended to be satisfied by the allotment and issuance of a total of 101,190,000 ordinary shares of the Company (the "**Shares**") to the Vendors (the "**Proposed Acquisitions**"). After careful consideration and further negotiations with the counterparties in light of the trend of the market development of the hog farming industry, the Company decided not to proceed with the Proposed Acquisitions. Please refer to the announcements of the Company dated 21 January 2016, 26 February 2016, 14 April 2016, 13 May 2016 and 24 May 2016 for further information regarding the Proposed Acquisitions.

In June 2016, the Company entered into a placing agreement for placing 96,496,000 Shares to not less than six independent investors (the "**Placing**"). The Placing was completed in July 2016 and has raised net proceeds of approximately HK\$65.8 million. The Directors are of the view that the Placing has strengthened the financial position of the Group and enabled the Group to fund any potential development and investment opportunities to be identified by the Company. It has also broadened the shareholders and the capital bases of the Company. The Placing was completed in July 2016. Please refer to the announcements of the Company dated 21 June 2016 and 7 July 2016 for information regarding the Placing.

Financial Review

For the six months ended 30 June 2016, the Group recorded revenue of approximately RMB788.2 million, which represented an increase of approximately 23.0% from approximately RMB640.8 million for the same period in 2015. Such increment was mainly due to the growth of average unit price of our pork products by approximately 41.1% during the first six months of 2016.

The average gross profit margin during the current period was approximately 10.2% compared to approximately 11.0% during the first half of 2015. During the past few months, as the two newly acquired breeding farms had not yet reached the economics of scale since the commencement of their operations, the Group recorded a higher increase in cost of sales than revenue.

During the six months ended 30 June 2016, the Group's selling and distribution expenses were approximately RMB14.6 million as compared to approximately RMB9.8 million for the same period in 2015, representing an increase of approximately 49.0%, which is mainly due to the increment of turnover.

The Group's administrative expenses increased from approximately RMB12.9 million for the six months ended 30 June 2015 to approximately RMB15.6 million for the six months ended 30 June 2016. The increment of approximately 20.9% was mainly due to the continuous expansion of the business scale.

During the period under review, the finance costs of the Group was approximately RMB8.1 million, while it was approximately RMB4.7 million in the same period of 2015. The increment of approximately 72.3% was mainly due to the increase in bank borrowings, which were used for the business development and general working capital of the Group.

During the period under review, the profit attributable to owners of the Company was approximately RMB54.7 million, representing an increase of approximately 6.6% from approximately RMB51.3 million for the same period in 2015. The increment was mainly attributable to gains arising from changes in fair value less costs to sell of biological assets of approximately RMB9.4 million resulted from the increase in hog price. Taken out the effect of the fair value change, the profit of the Group slightly decreased compared to the same period of last year due to the decrease in average gross profit margin and increase in expenses.

Liquidity, Financial Resources and Funding and Treasury Policy

As at 30 June 2016, the Group had bank balances and cash of approximately RMB332.9 million (31 December 2015: RMB249.8 million). The Group also had net current assets of approximately RMB225.7 million as at 30 June 2016, while it was approximately RMB241.8 million as at 31 December 2015. The total non-current assets of the Group increased by approximately RMB9.3 million from approximately RMB735.6 million as at 31 December 2015 to approximately RMB744.9 million as at 30 June 2016, which was mainly due to the increase of breeder hogs introduced to the new breeding farms commenced operation this year.

As at 30 June 2016, the Group had several outstanding bank loans with an aggregate amount of approximately RMB106.7 million with fixed interest rates ranging from 1.58% to 8.83% per annum.

The Group intends to finance its operations and investing activities principally with funds generating from its operating revenue, internal resources and bank facilities. The Directors believe that the Group has a healthy financial position and has sufficient resources to satisfy its capital expenditure and working capital requirement.

Most of the Group's trading transactions, assets and liabilities were denominated in Renminbi and Hong Kong dollars. The Group adopted a conservative treasury policy with most of the bank deposits being kept in Hong Kong dollars, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 30 June 2016, the Group had no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

Charge of Group Assets

As at 30 June 2016, the Group had pledged certain buildings, equipment and prepaid lease payments of approximately RMB299.3 million for certain bank borrowings.

Gearing Ratio

As at 30 June 2016, the Group's gearing ratio (being its total debts (which are the summation of bank borrowings, notes payable, loan from government, other loans and amount due to a shareholder) divided by its total equity and multiplied by 100%) increased to approximately 19.3% (31 December 2015: 15.2%).

Foreign Exchange Exposure

Since almost all transactions of the Group are denominated either in Renminbi and Hong Kong dollars, and the exchange rates of such currencies were relatively stable over the period under review, the Directors believe that such exposure does not have any significant adverse effect to the Group. Therefore, the Group has not implemented any formal hedging or other alternative policies to deal with such exposure.

Contingent Liabilities

As at 30 June 2016, the Directors were not aware of any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2016, the Group did not have any material acquisition and disposal of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENT

Save as described in this announcement, there was no other significant investments during the period. Save as disclosed in the prospectus of the Company dated 17 February 2014 (the “**Prospectus**”), the Group did not have other plans for material investments and capital assets.

SUBSEQUENT EVENTS

On 21 June 2016, the Company entered into a placing agreement, pursuant to which the Company has conditionally agreed to place, through a placing agent on a best endeavour basis, an aggregate of up to 96,496,000 Shares to not less than six independent investors. The placing price was HK\$0.70 per share, and the net proceeds from the placing were approximately HK\$65.8 million. The placing was completed on 7 July 2016, and a total of 96,496,000 Shares were allotted and issued to not less than six places.

Save as disclosed above, no other subsequent event has occurred after 30 June 2016 which may have a significant effect on the assets and liabilities or future operations of the Group.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, the Group employed 615 staff members in Hong Kong and the PRC (31 December 2015: 525). The Group remunerates its employees based on their performance and experience, and their remuneration package will be reviewed periodically by the management. Other employee benefits include contributions to social security, medical insurance and retirement schemes and provision of appropriate training program.

The Company adopted a share option scheme on 11 February 2014 which enables it to grant share options to, among others, selected eligible employees as incentive or reward for their contributions to the Group. The total number of ordinary shares of the Company available for issue under the share option scheme as at the date of this announcement was 40,000,000 shares, which represented approximately 6.9% of the total number of issued Shares as at the date of this announcement. No option had been granted or agreed to be granted under the share option scheme as at the date of this announcement.

CAPITAL STRUCTURE

Save as disclosed above, there was no change in the capital structure of the Company during the six months ended 30 June 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2016.

COMPETING INTEREST

Huimin Holdings Limited, a company which holds 172,440,728 Shares (representing approximately 29.78% of the total issued Shares) and is wholly-owned by Mr. Ding Biyan (an executive Director) as at the date of this announcement, owns a fattening farm in Nan Zhu Shan Village (楠竹山村), Xie Jia Pu Town (謝家鋪鎮), Changde City, Hunan Province, the PRC. As at the date of this announcement, the said fattening farm does not have any commercial operation.

Jisheng Holdings Limited, a company which is owned approximately 33.0%, 33.0%, 18.6%, 11.0%, 3.3% and 1.1% by Mr. Ding Jingxi (an executive Director), Mr. Zhang Zhizhong (a former non-executive Director), Mr. Yu Jishi (an executive Director), Mr. Zhou Shigang (a former executive Director), Mr. Zhang Jianlong and Ms. Li Xianjie respectively as at the date of this announcement, owns a fattening farm in Shang Si Ping Village (尚寺坪村), Cha An Pu Town (茶庵鋪鎮), Changde City, Hunan Province, the PRC. As at the date of this announcement, the said fattening farm does not have any commercial operation.

Save as disclosed above, none of the Directors nor the controlling shareholders (as defined in the Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save for the service contracts and letters of appointment entered with the respective Directors, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or any time during the period.

OUTLOOK AND FUTURE PROSPECTS

Based on the experience of the management and the history of the hog farming industry, and also in light of the trend of the recent market development, the management of the Group considered that the Group may need to expend more effort to keep the operation running on a smooth path. The Group will commit its resources in refining the existing business, and will consider developing new products to cope with people's changing preferences in diet. The Group may explore various business opportunities with promising potential to diversify its operation risk.

In the meantime of exploring potential investment opportunities, the Board also regards optimizing the use of the existing resources of the Company as the area of focus. The Company will make use of its resources in a more effective and efficient manner so as to maximise the benefits to the Company and shareholders as a whole.

The Company will continue its strategy of refining the existing business with potentials while exploring for new business opportunities. The Company will keep pace with the market conditions and refine the business direction accordingly.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the six months ended 30 June 2016.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions (the “**Code Provisions**”) and certain recommended best practices contained in the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules as the code of the Company. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintain and improve the Company’s standards of corporate governance practices. The Company had complied with the Code Provisions during the six months ended 30 June 2016.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee (the “**Audit Committee**”) of the Company is primarily responsible for, among other things, reviewing the Group’s financial controls, risk management and internal control systems and monitoring the integrity of its financial statements and financial reports. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ma Yiu Ho, Peter, Mr. Deng Jinping and Mr. Liao Xiujian, with Mr. Ma Yiu Ho, Peter as its chairman.

The Audit Committee has reviewed with the management the financial and accounting policies and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2016. It has also discussed the financial reporting process and the risk management and internal control systems of the Company with the management.

CHANGE IN INFORMATION OF DIRECTORS

Mr. Ma Yiu Ho, Peter, an independent non-executive Director, has been appointed as an independent non-executive director, the chairman of the audit committee, and the member of the remuneration committee and nomination committee of TEM Holdings Limited (stock code: 8346), a company listed on the Growth Enterprise Market of the Stock Exchange, with effect on 20 April 2016. He has also been appointed as an independent non-executive director and the chairman of the audit committee of Royal Catering Group Holdings Company Limited (stock code: 8300), a company listed on the Growth Enterprise Market of the Stock Exchange, with effect on 21 July 2016.

Mr. Chan Chi Ching was appointed as an executive Director, and Mr. Wong King Shiu, Daniel was appointed as an independent non-executive Director with effect from 7 June 2016. Please refer to the announcement of the Company dated 7 June 2016 for information regarding the appointments.

Mr. Zhou Shigang resigned as an executive Director, and Mr. Zhang Zhizhong resigned as a non-executive Director while Dr. Liu Ta-pei and Ms. Lam Ka Lee were appointed as executive Directors with effect from 16 June 2016. Please refer to the announcement of the Company dated 16 June 2016 for information regarding the resignations and the appointments.

Save as disclosed above, there is no other change in information regarding the Directors or chief executives of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.hsihl.com. The Company’s interim report for the six months ended 30 June 2016 will be available at the same websites and will be despatched to the Company’s shareholders in due course.

By order of the Board
HUIHENG INTERNATIONAL HOLDINGS LIMITED
Ding Biyan
Chairman

Hong Kong, 31 August 2016

As at the date of this announcement, the Board comprises Mr. Ding Biyan, Mr. Yu Jishi, Mr. Ding Jingxi, Mr. Chan Chi Ching, Dr. Liu Ta-pei and Ms. Lam Ka Lee as executive Directors; and Mr. Ma Yiu Ho, Peter, Mr. Deng Jinping, Mr. Liao Xiujian and Mr. Wong King Shiu, Daniel as independent non-executive Directors.