RENHENG ENTERPRISE HOLDINGS LIMITED
仁恒實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3628)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

HIGHLIGHTS

- Revenue for the six months ended 30 June 2017 was approximately HK$13,009,000, representing a decrease of approximately 37.3% as compared with the corresponding period in 2016;
- Loss attributable to shareholders of the Company for the six months ended 30 June 2017 was approximately HK$2,359,000, while loss attributable to shareholders of the Company for the six months ended 30 June 2016 was approximately HK$1,711,000;
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017.

The board (the "Board") of directors (the "Directors") of RENHENG Enterprise Holdings Limited (the "Company") hereby announces the unaudited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2017 together with the unaudited comparative figures for the corresponding year in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2017	2016
		HK$'000	HK$'000
	Notes	**(Unaudited)**	(Unaudited)
Revenue	4	**13,009**	20,760
Cost of sales		**(7,357)**	(13,212)
Gross profit		**5,652**	7,548
Other income and gains	5	**1,707**	1,962
Selling and distribution costs		**(2,960)**	(3,340)
Administrative expenses		**(6,285)**	(7,170)
Research and development costs		**(473)**	-
Loss before taxation	6	**(2,359)**	(1,000)
Taxation	7	**-**	(711)
Loss for the period		**(2,359)**	(1,711)
Other comprehensive (expense) income for the period:			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation		**1,766**	(419)
Total comprehensive expense for the period		**(593)**	(2,130)
Loss per share	8	**HK cents**	HK cents
- Basic		**(0.3)**	(0.2)
- Diluted		**(0.3)**	(0.2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2017 HK$'000 (Unaudited)**	As at 31 December 2016 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**10,340**	10,799
Land use rights		**2,452**	2,476
Investment properties		**17,960**	17,631
		30,752	30,906
Current assets			
Inventories	11	**23,644**	7,767
Trade and other receivables	12	**45,027**	30,261
Land use rights		**69**	68
Amounts due from customers for contract work		**-**	2,139
Amounts due from related companies		**847**	410
Restricted bank deposits	13	**38,376**	8,367
Bank balances and cash	13	**19,237**	68,291
		127,200	117,303
Current liabilities			
Trade and other payables	14	**47,966**	34,146
Tax payable		**1,394**	4,879
		49,360	39,025
Net current assets		**77,840**	78,278
Total assets less current liabilities		**108,592**	109,184
Non-current liabilities			
Deferred tax liabilities		**79**	78
		108,513	109,106
Capital and reserves			
Share capital	15	**2,010**	2,010
Reserves		**106,503**	107,096
Total equity		**108,513**	109,106

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK$'000 (unaudited)	**Share premium** HK$'000 (unaudited)	**Merger reserve** HK$'000 (unaudited)	**Discretionary surplus reserve** HK$'000 (unaudited)	**Statutory surplus reserve** HK$'000 (unaudited)	**Capital reserve** HK$'000 (unaudited)	**Property revaluation reserve** HK$'000 (unaudited)	**Share option reserve** HK$'000 (unaudited)	**Translation reserve** HK$'000 (unaudited)	**Accumulated loss** HK$'000 (unaudited)	**Total** HK$'000 (unaudited)
At 1 January 2016	2,010	41,818	49,091	3,338	21,055	999	2,775	-	7,520	-	128,606
Loss for the period	-	-	-	-	-	-	-	-	-	(1,711)	(1,711)
Exchange differences arising on translation	-	-	-	-	-	-	-	-	(419)	-	(419)
Total comprehensive expense for the period		-	-	-	-	-	-	-	(419)	(1,711)	(2,130)
Transfer	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2016	2,010	41,818	49,091	3,338	21,055	999	2,775	-	7,101	(1,711)	126,476
At 1 January 2017	**2,010**	**41,818**	**49,091**	**3,338**	**22,156**	**999**	**2,775**	**-**	**1,007**	**(14,088)**	**109,106**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,359)**	**(2,359)**
Exchange differences arising on translation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,766**	**-**	**1,766**
Total comprehensive income (expense) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,766**	**(2,359)**	**(593)**
Transfer	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2017	**2,010**	**41,818**	**49,091**	**3,338**	**22,156**	**999**	**2,775**	**-**	**2,773**	**(16,447)**	**108,513**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

		For the six months ended 30 June	
		2017	2016
		HK$'000	HK$'000
	Note	**(Unaudited)**	(Unaudited)
Net cash used in operating activities		**(20,357)**	(8,993)
Net cash used in investing activities		**(29,744)**	(45,430)
Net cash from financing activities		**-**	228
Net decrease in cash and cash equivalents		**(50,101)**	(54,195)
Cash and cash equivalents at the beginning of period		**68,291**	60,919
Effect of foreign exchange rate changes		**1,047**	(176)
Cash and cash equivalents at the end of period	13	**19,237**	6,548

NOTES TO INTERIM REPORT

1. GENERAL

The Company was incorporated in the Cayman Islands on 2 February 2011 and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company acts as an investment holding company while its subsidiaries are principally engaged in the manufacture and sale of tobacco machinery products in the People's Republic of China (the "PRC"). The addresses of the registered office and principal place of business of the Company are PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Room 3805, 38/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, respectively.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The financial results for the six months ended 30 June 2017 were unaudited but have been reviewed by the audit committee of the Company. The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and the disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (The "Stock Exchange").

The accounting policies used in the preparation of the unaudited consolidated financial statements for the six months ended 30 June 2017 are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 31 December 2016.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied all the standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2017. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and presentation of the Group's unaudited consolidated financial statements.

4. REVENUE

Revenue represents revenue arising from sale of goods and construction contracts of casing and flavouring system. An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Sales of goods	**11,149**	5,660
Revenue from construction contracts of casing and flavouring system	**1,860**	15,100
	13,009	20,760

4. REVENUE (Continued)

The Group's operating activities are attributable to a single operating segment focusing on manufacture and sale of tobacco machinery products. An analysis of the Group's revenue by products is as follows:

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Revenue from construction contracts of casing and flavouring system	**1,860**	15,100
Sales of		
- pneumatic feeding system	**9,730**	1,420
- pre-pressing packing machine	**388**	134
- other products	**1,031**	4,106
	13,009	20,760

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Sales of materials, parts and components, net gain	**711**	842
Rental income	**207**	204
Interest income	**356**	293
Subsidy income (note)	**433**	623
	1,707	1,962

Note: Based on the document issued by the People's Government of Baoying, Baoying Renheng is entitled to tax refunds representing approximately 12.5% of the excess value added tax paid in prior year as compared with the reference amount as stated in that document.

There were no unfulfilled conditions attached to the subsidy and the refund, therefore, the Group recognised the income and refund upon receipts.

6. LOSS BEFORE TAXATION

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss before taxation has been arriving at after charging:		
Directors' emoluments	**870**	700
Other staff costs:		
Salaries, bonus and allowances	**4,042**	5,853
Retirement benefits scheme contributions	**323**	368
Total staff costs	**5,235**	6,921
Depreciation of property, plant and equipment	**890**	962
Auditor's remuneration	**375**	375
Cost of inventories recognised as an expense	**4,066**	2,540
Construction contract costs recognised as an expense	**3,291**	10,672
Release of land use rights	**37**	37
Operating lease rentals in respect of office premise	**132**	132

7. TAXATION

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
The charge comprise:		
PRC Enterprise Income Tax – current period	**-**	711

No provision for Hong Kong Profits Tax has been made in the unaudited consolidated financial statements as the Group has no assessable profit arisen in, or was derived from Hong Kong.

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for PRC taxation purposes at 25% (six months ended 30 June 2016: 25%) pursuant to the Law of the PRC on Enterprise Income Tax and Implementation Legislation.

8. LOSS PER SHARE

The calculation of the basic and diluted earnings per share for both periods is based on the following data:

	For the six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purposes of basic loss per share	**(2,359)**	(1,711)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	**804,000,000**	804,000,000

No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group purchased property, plant and equipment amounting to approximately HK$91,000 (six months ended 30 June 2016: approximately HK$875,000).

11. INVENTORIES

	As at 30 June 2017	As at 31 December 2016
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Raw materials	**13,734**	6,052
Work in progress	**9,910**	1,715
	23,644	7,767

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
Trade receivables	**22,491**	20,422
Less: Allowance for doubtful debts	**(2,207)**	(2,639)
	20,284	17,783
Retention money receivables	**8,413**	8,635
Prepayments and deposits	**10,659**	1,087
Sundry receivables	**6,379**	3,294
Less: Allowance for doubtful debts	**(708)**	(538)
	24,743	12,478
	45,027	30,261

The Group normally allows a credit period of three months to its trade customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits. Retention money receivables refer to the sum retained by customers after the delivery and completion of the contracts but before the expiry of the warranty period given by the Group, which in general, a period of 12 months.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of the reporting period.

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
0 – 90 days	**7,637**	8,328
91 – 365 days	**3,514**	1,966
1 – 2 years	**6,299**	4,372
Over 2 years	**2,834**	3,117
	20,284	17,783

12. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of the reporting period which are past due but not impaired as the management of the Group considers that there has not been a significant change in credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
91 – 365 days	**3,514**	1,966
1 – 2 years	**6,299**	4,372
Over 2 years	**2,834**	3,117
	12,647	9,455

13. RESTRICTED BANK DEPOSITS/ BANK BALANCES AND CASH

Bank balances comprising cash and short-term deposits with an original maturity of three months or less carried at prevailing market deposit rate. The effective interest rate of these deposits ranged from 0.001% to 3.50% (31.12.2016: 0.001% to 2.10%) per annum.

As at 30 June 2017, restricted bank deposits represent deposits of approximately HK$38,376,000 (31.12.2016: HK$8,367,000) with effective interest rate of 3.00% (31.12.2016: 1.52%) per annum reserved to banks, not available for use in the Group's daily operation.

14. TRADE AND OTHER PAYABLES

	As at 30 June 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
Trade payables	**17,480**	6,915
Bills payables	**3,505**	4,243
	20,985	11,158
Advances from customers	**23,355**	17,529
Accrued welfare expense	**1,652**	1,622
Valued added tax payable	**204**	1,115
Other payables	**1,551**	2,600
Other tax payables	**219**	122
	47,966	34,146

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 2017 HK$'000 (Unaudited)	As at 31 December 2016 HK$'000 (Audited)
0 – 90 days	**20,396**	8,961
91 – 365 days	**459**	1,625
1 – 2 years	**-**	202
Over 2 years	**130**	370
	20,985	11,158

The average credit period on purchase of goods is 90 days.

15. SHARE CAPITAL

Ordinary shares of HK$0.0025 each	**Number of shares**	**Amount HK$'000**
Authorised:		
At 1 January 2016, 31 December 2016 (Audited) and 30 June 2017 (Unaudited)	**4,000,000,000**	**10,000**
Issued and fully paid:		
At 1 January 2016, 31 December 2016 (Audited) and 30 June 2017 (Unaudited)	**804,000,000**	**2,010**

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture, sale and provision of maintenance, overhaul and modification services in respect of tobacco machinery products in the PRC. We generate our turnover primarily from projects related to three types of catalogued special-purpose tobacco machinery products, namely the casing and flavouring systems, pneumatic feeding systems ("PF systems") and pre-pressing packing machines ("PP systems").

FINANCIAL REVIEW

For the six months ended 30 June 2017, the Group's revenue decreased by approximately 37.3% to HK$13,009,000 (six months ended 30 June 2016: approximately HK$20,760,000) as compared to the corresponding period last year. Such decrease in revenue was mainly due to less projects completed, especially the casing and flavouring systems during the period. Revenue from our casing and flavouring systems for the six months ended 30 June 2017 was approximately HK$1,860,000 while the revenue in the corresponding period last year was approximately HK$15,100,000, resulting from fewer projects from our cigarette manufacturers. Gross profit margin for the six months ended 30 June 2017 was 43.4% (six months ended 30 June 2016: 36.4%). The increase in gross profit margin was because we completed more PF systems with traditional high gross profit margin during the current period. Revenue from our PF systems for the six months ended 30 June 2017 was approximately HK$9,730,000 while the revenue in the corresponding period last year was approximately HK$1,420,000.

The operating expenditure of the Group, comprising the selling and distribution costs and administrative expenses, amounted to approximately HK$10,510,000 and HK$9,245,000 for the six months ended 30 June 2016 and 2017 respectively. The other income and gains decreased from approximately HK$1,962,000 for the six months ended 30 June 2016 to approximately HK$1,707,000 for the six months ended 30 June 2017, because we received less subsidy income during the current period. The net loss for the six months ended 30 June 2017 was approximately HK$2,359,000 (six months ended 30 June 2016: approximately HK$1,711,000). The loss for the current period was due to fewer casing and flavouring systems projects resulted from our cigarette manufacturers.

As at 30 June 2015, the Group had a stable capital structure with a net current assets of approximately HK$77,840,000 (31 December 2016: approximately HK$78,278,000) and continued with zero bank borrowings (31 December 2016: zero). As at 30 June 2017, trade receivables balance (net of allowance for doubtful debt) increased by approximately HK$2,501,000 or 14.1% to HK$20,284,000 (31 December 2016: approximately HK$17,783,000).

BUSINESS REVIEW

For the six months ended 30 June 2017, the Group generated majority of the revenue from the sale of catalogued special-purpose tobacco machinery products, amounting to approximately HK$11,978,000 (six months ended 30 June 2016: approximately HK$16,654,000) with a decrease of approximately HK$4,676,000 or 28.1% as compared with the same period last year. During the period under review, the Group has provided our casing and flavouring systems to customers mainly located in Shanghai.

BUSINESS REVIEW (Continued)

Revenue arising from PF systems for the six months ended 30 June 2017 amounted to HK$9,730,000, representing an increase of approximately 585.2% or HK$8,310,000 as compared to approximately HK$1,420,000 for the six months ended 30 June 2016. During the period under review, the Group has provided our PF system to customer mainly located in Shanghai.

Meanwhile, our sales and marketing personnel were still actively identifying and discussing with respective cigarette manufacturers and tobacco redrying factories in respect of contracting three types of catalogued special-purpose tobacco machinery products in the market. Based on the current economic, political and social developments in the PRC, the Group continued our estimation in early this year that the market in this year is still challenging.

PRE-IPO SHARE OPTION SCHEME

The Company's pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") was adopted pursuant to a written resolution passed by the shareholders on 20 October 2011. The purpose of the Pre-IPO Share Option Scheme is to grant options to the participants as incentive or rewards for their contributions to the Group.

Options to subscribe for an aggregate of 1,300,000 shares at an exercise price of HK$0.96 were originally granted to 10 participants including one executive Director, four members of the senior management of the Group and five employees of the Group, each at a consideration of HK$10.00 under the Pre-IPO Share Option Scheme on 20 October 2011.

Up to 30 June 2017, all options granted to Directors, eligible employees under the pre-IPO Share Option Scheme were exercised or cancelled.

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a written resolution passed by the shareholders on 20 October 2011 for the primary purpose of providing the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

Up to 30 June 2017, no options were granted to Directors, eligible employees and other outside third parties under the Share Option Scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (The "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange pursuant to the required standard of dealings by Directors as referred to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to The Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules"), were as follows:

Long positions

Ordinary shares of HK$0.0025 each of the Company

Name	Capacity/ Nature of Interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Directors			
Mr. Wei Sheng Peng (1)	Interest of a controlled corporation and family interest	600,000,000	74.6%
Ms. Liu Li (2)	Interest of a controlled corporation and family interest	600,000,000	74.6%
Mr. Xu Jiagui	Personal interest	800,000	0.1%

Notes:

1. LinkBest Capital Group Limited ("LinkBest"), which is wholly owned by Mr. Wei Sheng Peng, is interested in 360,000,000 shares of the Company. Mr. Wei Sheng Peng is also the spouse of Ms. Liu Li, so he is deemed to be interested in 240,000,000 shares held by Open Venture Global Limited ("Open Venture"), being a corporation wholly owned by Ms. Liu Li.

   Mr. Wei Sheng Peng passed away in May 2016 and his heritage is still under process as at 30 June 2017.

2. Open Venture, which is wholly owned by Ms. Liu Li, is interested in 240,000,000 shares of the Company. Ms. Liu Li is also the spouse of Mr. Wei Sheng Peng, so she is deemed to be interested in 360,000,000 shares held by LinkBest, being a corporation wholly owned by Mr. Wei Sheng Peng.

Save as disclosed above, none of the Directors and the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2017.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, according to the register of interests required to be kept by the Company under Section 336 of the SFO other than the interests disclosed above in respect of Directors and chief executive of the Company, the following parties had interests in shares of the Company, as notified to the Company and The Stock Exchange, as follows:

Long positions

Ordinary shares of HK$0.0025 each of the Company

Name of shareholders	Capacity/ Nature of Interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
LinkBest (1)	Beneficial owner	360,000,000	44.8%
Open Venture (2)	Beneficial owner	240,000,000	29.8%
Mr. Wei Sheng Peng (3)	Interest of a controlled corporation and family interest	600,000,000	74.6%
Ms. Liu Li (4)	Interest of a controlled corporation and family interest	600,000,000	74.6%

Notes:

1. LinkBest is wholly owned by Mr. Wei Sheng Peng.

   Mr. Wei Sheng Peng passed away in May 2016 and his heritage is still under process as at 30 June 2017.

2. Open Venture is wholly owned by Ms. Liu Li.

3. Mr. Wei Sheng Peng is the sole shareholder of LinkBest which is interested in 360,000,000 shares of the Company and as the spouse of Ms. Liu Li, he is deemed to be interested in 240,000,000 shares held by Open Venture, being a corporation wholly owned by Ms. Liu Li.

   Mr. Wei Sheng Peng passed away in May 2016 and his heritage is still under process as at 30 June 2017.

4. Ms. Liu Li is the sole shareholder of Open Venture which is interested in 240,000,000 shares of the Company and as the spouse of Mr. Wei Sheng Peng, she is deemed to be interested in 360,000,000 shares held by LinkBest, being a corporation wholly owned by Mr. Wei Sheng Peng.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2017.

COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company nor their respective associates (as defined under the Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company.

CORPORATE GOVERNANCE PRACTICES

Pursuant to the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules which sets out the principles of good corporate governance and the code provisions (the “Code Provisions”), the Company has applied all the Code Provisions as set out in the CG Code during the six months ended 30 June 2017, except for the Code Provisions A.2.1 of the CG Code as follows:

The roles of chairman and chief executive officer are performed by the same individual.

AUDIT COMMITTEE

The Company has established an audit committee on 20 October 2011, currently comprising three independent non-executive Directors and is chaired by Mr. Wong Yiu Kit, Ernest. The rest of the members are Mr. Kong Hing Ki and Mr. Wu Wei. The interim report for the six months ended 30 June 2017 have been reviewed by the audit committee in accordance with Listing Rules. The audit committee was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

By order of the Board
RENHENG Enterprise Holdings Limited
Liu Li
Chairman & Chief Executive Officer

Hong Kong, 25 August 2017

As at the date of this announcement, the executive Directors are Ms. Liu Li and Mr. Xu Jiagui and the independent non-executive Directors are Mr. Wong Yiu Kit, Ernest, Mr. Kong Hing Ki and Mr. Wu Wei.