

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.



JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED

錦 恆 汽 車 安 全 技 術 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 872)

Profit Warning

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management account of the Group for the six months ended 30 June 2014, the Group is expected to record an unaudited consolidated loss for the six months ended 30 June 2014.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Jinheng Automotive Safety Technology Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(2)(a) of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board of directors of the Company (the "Board") wishes to inform the shareholders (the "Shareholders") and potential investors of the Company that based on the preliminary review of the unaudited consolidated management account of the Group for the six months ended 30 June 2014, the Group is expected to record an unaudited consolidated loss for the six-months period ended 30 June 2014. The expected loss was mainly attributable to (i) the production capacity of the new facilities were still in the test-run phase and has yet to reach the optimum utilization in the first half of current year, with the net effect of reduction of gross profit amounted to approximately HK\$2 million; (ii) certain expenses were incurred for relocation of new production plant, including the written-off of certain old facilities and equipment with net book value amounted to approximately HK\$5 million; (iii) additional expenses for marketing activities for exploration of new markets and introduction of our new and upgraded products, with the net effect of increment in distribution costs amounted to approximately HK\$1 million; and (iv) increment of research and development expenses related to the research and development of new models and product enhancement to cope with the market demand amounted to approximately HK\$14 million.

The Company is still in the process of finalising the Group's interim results for the six months ended 30 June 2014. The information contained in this announcement is only based on the Board's preliminary assessment in accordance with the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014 and other information currently available to the Company, which have not been audited or reviewed by the Company's auditors and may be subject to adjustments. Details of the Group's financial performance will be disclosed in the 2014 interim results announcement of the Company, which is expected to be published before the end of August 2014. Shareholders and investors are advised to read carefully the interim results announcement.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
**Jinheng Automotive Safety Technology
Holdings Limited**
Li Feng
Chairman

Hong Kong, 20 August 2014

As at the date of this announcement, the Board comprises Mr. Li Feng, Mr. Xing Zhanwu, Mr. Yang Donglin, Mr. Foo Tin Chung, Victor and Mr. Wong Ka Ching who are executive Directors, and Mr. Hui Hung Kwan, Mr. Chen Li Zhou and Mr. Zhu Tong who are independent non-executive Directors.