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 2015

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 2015 together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**640,846**	516,252
Cost of sales		**(570,165)**	(443,450)
Gross profit		**70,681**	72,802
Other income	*3*	**3,040**	2,009
Gains/(losses) arising from changes in fair value less costs to sell of biological assets		**4,745**	(1,612)
Selling and distribution expenses		**(9,755)**	(6,982)
Administrative expenses		**(12,870)**	(21,524)
Finance costs		**(4,720)**	(4,562)
Profit before taxation		**51,121**	40,131
Taxation	*6*	**-**	-
Profit for the period	*5*	**51,121**	40,131
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**859**	1,080
Other comprehensive income for the period, net of income tax		**859**	1,080
Total comprehensive income for the period		**51,980**	41,211

		Six months ended 30 June	
		2015	2014
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		**51,256**	40,058
Non-controlling interests		**(135)**	73
		51,121	40,131
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**52,115**	41,138
Non-controlling interests		**(135)**	73
		51,980	41,211
Earnings per share attributable to owners of the Company	*8*		
Basic and diluted (RMB cents per share)		**12.3**	13.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**502,031**	377,630
Prepaid lease payments		**34,613**	34,419
Biological assets		**22,231**	21,424
Deposits and prepayments for property, plant and equipment		**29,101**	5,350
Available-for-sale investment		**1,500**	1,500
		589,476	440,323
Current assets			
Biological assets		**21,019**	14,762
Inventories		**17,665**	13,214
Prepaid lease payments		**808**	773
Trade receivables	*9*	**151,889**	134,490
Prepayments, deposits and other receivables		**1,011**	795
Bank balances and cash		**330,057**	366,894
		522,449	530,928
Current liabilities			
Trade payables	*10*	**121,776**	117,324
Accruals and other payables		**22,873**	24,684
Amount due to a shareholder		**1,889**	1,894
Bank borrowings - due within one year		**57,000**	43,000
Deferred revenue		**51**	55
		203,589	186,957
Net current assets		**318,860**	343,971
Total assets less current liabilities		**908,336**	784,294
Non-current liabilities			
Loan from government		**461**	440
Notes payable		**58,747**	57,695
Deferred revenue		**403**	433
		59,611	58,568
Net assets		**848,725**	725,726
Equity			
Share capital		**3,801**	3,168
Reserves		**840,182**	717,681
Equity attributable to owners of the Company		**843,983**	720,849
Non-controlling interests		**4,742**	4,877
Total equity		**848,725**	725,726

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2015

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 2015 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants 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.

3. REVENUE AND OTHER INCOME

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of pork products	**635,127**	513,478
Others (*note*)	**5,719**	2,774
	640,846	516,252

Note: Others include sale of processed pork products and porkers and provision of slaughtering services.

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Interest income on:		
Bank deposits	**603**	582
Amortisation of deferred revenue	**27**	44
Total interest income	**630**	626
Government grants (*note*)	**2,361**	940
Gains from selling of non-current biological assets, net	**-**	60
Sundry income	**49**	383
	3,040	2,009

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, in order to allocate resources to segments and to assess their performance. The operations of the Group constitute 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 condensed consolidated financial statements. The differences between the profit before taxation and assets reported to the CODMs and those in the condensed consolidated interim financial statements are as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Segment profit before taxation reported to the CODMs	**46,376**	41,743
Add:		
Gains/(losses) arising from changes in fair value less costs to sell of biological assets (*note*)	**4,745**	(1,612)
Profit before taxation reported in the condensed consolidated interim financial statements	**51,121**	40,131

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Segment assets reported to the CODMs	**843,980**	728,087
Add:		
Gains/(losses) arising from changes in fair value less costs to sell of biological assets (*note*)	**4,745**	(2,361)
Net assets reported in the condensed consolidated interim financial statements	**848,725**	725,726

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

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

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	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Hunan Province	**526,874**	447,260
Guangdong Province	**52,050**	43,631
Beijing City	**3,103**	12,791
Others	**58,819**	12,570
	640,846	516,252

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.

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.

The Group's geographical concentration risk is mainly in Hunan Province, which accounted for 82% of the total revenue during the six months ended 30 June 2015 (six months ended 30 June 2014: 87%).

Information about major customers

No individual customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' emoluments	**545**	284
Other staff costs:		
Salaries and other benefits	**10,568**	9,616
Retirement schemes contributions	**2,301**	2,026
Total staff costs	**13,414**	11,926
Depreciation of property, plant and equipment	**13,141**	1,253
Amortisation of prepaid lease payments	**367**	367

6. TAXATION

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Income tax expense	**-**	-

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the six months ended 30 June 2015.

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 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 (2013: Nil).

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share for the six months ended 30 June 2014 is based on the profit attributable to the owners of the Company of approximately RMB40,058,000 and the weighted average of 299,179,000 ordinary shares in issue during the period.

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on the profit attributable to the owners of the Company of approximately RMB51,256,000 and the weighted average of 417,070,000 ordinary shares in issue during the 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 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Trade receivables	**151,889**	134,490

The fair values of trade receivables approximate their carrying amount.

The credit period on sale of pork products is 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 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Within 30 days	**138,623**	127,398
31 days to 60 days	**12,607**	6,424
61 days to 80 days	**-**	317
Over 81 days	**659**	351
	151,889	134,490

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.

Trade receivables that are past due are not considered impaired. These related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Over 81 days	**659**	351

10. TRADE PAYABLES

	As at 30 June 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
Trade payables	**121,776**	117,324

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 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
Within 30 days	**121,738**	103,461
31 days to 60 days	**38**	13,863
	121,776	117,324

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 product line ranges from fresh, chilled and frozen pork, side products as well as processed pork products including cured pork and sausages.

One of the Group's long term development strategies is to increase the supply of self-breed hogs and reduce the reliance on hogs procured from third parties in order to improve the overall quality of the pork products and also secure additional profits from the breeding business. The breeding farm acquired by the Group in the fourth quarter of 2014 has already commenced operations. The first batch of breeder hogs have already delivered piglets, and they are expected to be sold in the market in the near future. Furthermore, in June 2015 the Group also acquired a breeding farm in Bianshanpu with a site area of approximately 39mu (equivalent to approximately 26,000 square metres) for RMB19 million, as well as a breeding farm in Tian He with a site area of approximately 107mu (equivalent to approximately 71,333.69 square metres) for RMB54 million. It is expected that the Tian He breeding farm can breed about 3,000 sows and bring about 60,000 hogs each year when in full operation, while the Bianshanpu breeding farm can provide additional fattening capacity.

In May 2015, the Company entered into a placing and subscription agreement for placing 80,000,000 ordinary shares of the Company to not less than six independent investors (the "**Top-up Placing**"). The Top-up placing was completed in May 2015 and has raised net proceeds of approximately HK$97 million. This share placement not only broadened the Company's shareholder base and strengthened its capital base, the proceeds will also help the Group to implement its development strategy.

Financial Review

For the six months ended 30 June 2015, the Group recorded revenue of approximately RMB640.8 million, which represented an increase of approximately 24.1% from approximately RMB516.3 million for the same period in 2014. Such increment was mainly due to the growth in sales volume of major pork products, which increased by approximately 15.3% compared with the same period of last year due to the enhanced slaughtering capacity and technology.

The average gross profit margin during the current period was approximately 11.0% compared to approximately 14.1% during the first half of 2014. Although the average selling price of major pork products increased mildly during the first six months of 2015, the average cost of hogs rose at a slightly faster pace and the result was a decrease in the average gross profit margin. The average gross profit margin is expected to improve after the full operations of those new and existing self-breeding farms, which will reduce the proportion of hogs acquired from third parties.

In view of the recovering market price of hogs during the period under review, the Group recognised gains from changes in fair value less cost to sell of biological assets by approximately RMB4.7 million, while a loss of approximately RMB1.6 million was recorded in the same period of last year.

During the six months ended 30 June 2015, the Group's selling and distribution expenses were approximately RMB9.8 million compared to approximately RMB7.0 million for the same period in 2014. The increment was mainly due to an increase in sales volume and the commitment by the Group to explore new markets. The Group's selling and distribution expenses as a percentage of revenue remained relatively stable at approximately 1.5% and 1.4% for the six months ended 30 June 2015 and 2014 respectively.

The Group's administrative expenses decreased from approximately RMB21.5 million for the six months ended 30 June 2014 to approximately RMB12.9 million for the six months ended 30 June 2015. The difference was primarily due to the one-off listing expenses of approximately RMB7.8 million during the six months ended 30 June 2014.

The Group's finance costs remained relatively stable at approximately RMB4.7 million and RMB4.6 million for the six months ended 30 June 2015 and 2014 respectively.

During the period under review, the profit attributable to owners of the Company was approximately RMB51.3 million, representing an increase of approximately 27.9% from approximately RMB40.1 million for the same period in 2014. The increment was mainly attributable to the growth in sales volume and the changes in the fair value of the hogs as discussed above.

Liquidity, Financial Resources and Funding and Treasury Policy

As at 30 June 2015, the Group had bank balances and cash of approximately RMB330.1 million (31 December 2014: RMB366.9 million). The Group also had net current assets of approximately RMB318.9 million as at 30 June 2015, while it was approximately RMB344.0 million as at 31 December 2014. Such decrease was mainly due to the decrease in bank balances and cash by approximately RMB36.8 million which was mainly used for acquisition of fixed assets. The total non-current assets of the Group increased by approximately RMB149.2 million from approximately RMB440.3 million as at 31 December 2014 to approximately RMB589.5 million as at 30 June 2015, which was mainly due to the increase of property, plant and equipment mostly related to the new breeding farms acquired during the period under review.

As at 30 June 2015, the Group had several outstanding bank loans with an aggregate amount of approximately RMB57.0 million with fixed interest rates ranging from 7.38% to 8.96% per annum. In January 2013, the Group issued collective notes to institutional investors of the Inter-bank Bond Market of the PRC at the principal amount of RMB60.0 million with a fixed interest rate at 5.9% per annum.

The Group intends to principally finance its operations and investing activities with its operating revenue, internal resources, bank facilities and collective notes. 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 2015, 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 2015, the Group had pledged certain buildings and prepaid lease payments of approximately RMB135.4 million.

Gearing Ratio

As at 30 June 2015, the Group's gearing ratio (being its total debts (which are the summation of bank borrowings, notes payable, loan from government and amount due to a shareholder) divided by its total equity and multiplied by 100%) decreased to approximately 13.9% (31 December 2014: 14.2%).

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 2015, the Directors were not aware of any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

On 29 June 2015, Taoyuan County Huisheng Meat Products Company Limited (桃源縣惠生肉業有限公司) ("**Taoyuan Huisheng**"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Taoyuan County Si Xi Breeding Limited (桃源縣四喜養殖有限責任公司) (an independent third party to the Group) to acquire all assets and the land use rights (which will expire in December 2031) of a breeding farm located in Fengshu Xiang, Taoyuan County, Hunan Province for RMB54 million. The said acquisition was completed in June 2015.

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 29 July 2015, Taoyuan Huisheng entered into an agreement with Deng Jie Wen (鄧杰文) (an independent third party to the Group) to acquire all assets and the land use rights (which will expire in March 2035) of Hong Feng breeding farm located in Fengshu Xiang, Taoyuan County, Hunan Province for RMB90 million. The said acquisition was completed in July 2015.

Save as disclosed above, no subsequent event has occurred after 30 June 2015 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 2015 (six months ended 30 June 2014: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group employed 503 staff members in Hong Kong and the PRC (31 December 2014: 486). 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 has adopted a share option scheme 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 8.3% of the issued share capital of the Company 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

On 29 May 2015, the Company issued 80,000,000 new shares to Huimin Holdings Limited, the controlling shareholder of the Company, to complete the Top-up Placing. The issued shares of the Company were then increased to 482,484,000 shares. Save as aforesaid, there has been no change in the capital structure of the Company during the six months ended 30 June 2015.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

After deduction of all related listing expenses and commissions, the net proceeds from the global offering and the partial exercise of over-allotment option (as described in the Prospectus) amounted to approximately HK$162.9 million (equivalent to approximately RMB128.8 million). Up to 30 June 2015, the Group has used part of the net proceeds in accordance to the proposed usage as set out in Prospectus and the announcement of the Company dated 19 December 2014:

	Net proceeds (RMB million)		
	Available	**Utilised**	**Unutilised**
Acquisition of freezer storage facilities for the new production base	50.2	50.2	-
Construction of the breeding, farming and environmental facilities in a breeding farm in Taoyuan	38.9	30.0	8.9
Acquisition of a breeding farm in Qinglin Xiang, Changde, Hunan Province	28.0	28.0	-
Construction and acquiring new hog breeding farms in Changde, Hunan Province	11.7	11.7	-
	128.8	119.9	8.9

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 2015.

COMPETING INTEREST

None of the Directors or 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

It is the Group's strategy and ultimate goal to streamline and vertically integrate its entire business operations by further implementing its breeding and farming model in order to maintain a stable supply of quality hogs and minimise the reliance on third party suppliers in the future. In July 2015, the Group acquired the Hong Feng breeding farm with a site area of approximately 101mu (equivalent to approximately 67,333.67 square metres) for RMB90 million. It is expected to be able to breed about 5,000 sows and bring about 100,000 hogs each year when in full operation. It is expected that during the second half of 2015, sows will be gradually procured for those newly acquired breeding farms. Together with the breeding farm located in Taoyuan County, Changde, Hunan Province (the construction of which is nearly completed), the proportion of the self-breed hogs of the Group will increase significantly. Given the recent recovery of the price of hogs and pork products across the PRC, the Group is expected to realise greater returns from its breeding business and provide pork products with better quality to its customers.

As outlined in the Prospectus, the Group is continuously improving and diversifying its processed pork products to cater for today's ever changing customer preferences. During the first half of 2015, the new bone soup products of the Group obtained the production approval and completed the trial production. It is expected to be introduced into the market during the second half of this year.

Apart from the development of new products, the Group also continues to put tremendous effort in exploring new markets. The pork slaughtering facilities and freezer storage facilities of the new production base have already commenced operations and have already significantly increased the Group's pork product freezing capacity, which will allow the Group to explore markets in other provinces across the PRC. Furthermore, the Group obtained an export licence in the first half of 2015 and has already commenced a small scale of export business. The Group will fully utilise the enhanced slaughtering and freezing capacity and further explore more markets with the aim to create better return to the Group and its shareholders.

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 2015.

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 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 2015.

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, internal control and risk management 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 accounting policies adopted by the Group and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015. It has also discussed the financial reporting process and internal control system of the Company with the management.

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 2015 will be available at the same websites and will be despatched to the Company's shareholders in due course.

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

Hong Kong, 13 August 2015

As at the date of this announcement, the Board comprises Mr. Ding Biyan, Mr. Yu Jishi, Mr. Ding Jingxi and Mr. Zhou Shigang as executive Directors; Mr. Zhang Zhizhong as non-executive Director; and Mr. Ma Yiu Ho, Peter, Mr. Deng Jinping and Mr. Liao Xiujian as independent non-executive Directors.