



RENHENG ENTERPRISE HOLDINGS LIMITED

仁恒實業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8012)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors (the “Directors”) of RENHENG Enterprise Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- Turnover for the nine months ended 30 September 2013 was approximately HK\$75,677,000, representing a decrease of approximately 11.7% as compared with the corresponding period in 2012;
- Profit attributable to shareholders of the Company for the nine months ended 30 September 2013 was approximately HK\$13,276,000, representing an increase of approximately 1.5% as compared with the corresponding period in 2012; and
- The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2013.

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and the nine months ended 30 September 2013 together with the unaudited comparative figures for the corresponding period in 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Turnover	4	30,954	32,821	75,677	85,729
Cost of sales		<u>(18,170)</u>	<u>(17,617)</u>	<u>(44,131)</u>	<u>(48,473)</u>
Gross profit		12,784	15,204	31,546	37,256
Other income and gains	5	3,364	3,230	9,104	4,715
Other gains and losses	6	-	-	(26)	(42)
Selling and distribution costs		(2,925)	(2,624)	(8,065)	(6,646)
Administrative expenses		(3,074)	(3,522)	(9,951)	(11,450)
Research and development costs		<u>(1,558)</u>	<u>(1,844)</u>	<u>(5,569)</u>	<u>(6,015)</u>
Profit before taxation	7	8,591	10,444	17,039	17,818
Taxation	8	<u>(1,449)</u>	<u>(2,552)</u>	<u>(3,763)</u>	<u>(4,739)</u>
Profit for the period		7,142	7,892	13,276	13,079
Other comprehensive income:					
Items that may be reclassified subsequently to profit and loss:					
Exchange differences arising on translation of a foreign subsidiary		<u>1,721</u>	<u>(682)</u>	<u>5,137</u>	<u>(1,468)</u>
Total comprehensive income for the period		<u>8,863</u>	<u>7,210</u>	<u>18,413</u>	<u>11,611</u>
Earnings per share	9	HK cents	HK cents	HK cents	HK cents
- Basic		3.6	3.9	6.6	6.5
- Diluted		<u>3.6</u>	<u>3.9</u>	<u>6.6</u>	<u>6.5</u>

NOTES TO QUARTERLY RESULTS

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 unaudited financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirement of the GEM Listing Rules.

The accounting policies used in the preparation of the unaudited consolidated financial statements for the nine months ended 30 September 2013 are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 31 December 2012.

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

The Group has applied all the standards, amendments and interpretations issued by HKICPA, which are effective for the Group's financial year beginning 1 January 2013. 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. TURNOVER

Turnover 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 three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Sales of goods	6,275	9,250	15,827	27,752
Revenue from construction contracts of casing and flavouring system	<u>24,679</u>	<u>23,571</u>	<u>59,850</u>	<u>57,977</u>
	<u>30,954</u>	<u>32,821</u>	<u>75,677</u>	<u>85,729</u>

4. TURNOVER (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 turnover by products is as follows:

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Revenue from construction contracts of casing and flavouring system	24,679	23,571	59,850	57,977
Sales of				
- pneumatic feeding system	2,305	428	4,542	5,643
- pre-pressing packing machine	-	5,595	-	6,239
- other products	3,970	3,227	11,285	15,870
	<u>30,954</u>	<u>32,821</u>	<u>75,677</u>	<u>85,729</u>

5. OTHER INCOME AND GAINS

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Sales of materials, parts and components, net gain	936	765	2,199	1,567
Rental income	241	218	719	654
Interest income	928	135	2,626	373
Subsidy income (note)	1,259	1,905	3,555	1,905
Others	-	216	5	216
	<u>3,364</u>	<u>3,230</u>	<u>9,104</u>	<u>4,715</u>

Note: The amount for the nine months ended 30 September 2013 comprises a subsidy income and a tax refund of approximately HK\$2,495,000 and HK\$1,060,000 respectively granted by the People's Government of Baoying to Bao Ying Ren Heng Industrial Co., Ltd. ("Baoying Renheng").

Pursuant to a document issued by the People's Government of Yangzhou in promoting enterprise of Yangzhou and underneath counties to seek public listing, Baoying Renheng is eligible for a subsidy income after its successful listing.

Based on another 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 recognized the income and refund upon receipts.

6. OTHER GAINS AND LOSSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Allowance for doubtful debts	-	-	-	36
Loss on disposal of property, plant and equipment	-	-	26	6
	<u>-</u>	<u>-</u>	<u>26</u>	<u>6</u>
	<u>-</u>	<u>-</u>	<u>26</u>	<u>42</u>

7. PROFIT BEFORE TAXATION

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Profit before taxation has been arriving at after charging:				
Directors' emoluments	291	308	875	926
Other staff costs:				
Salaries, bonus and allowances	1,708	1,223	7,521	6,939
Retirement benefits scheme contributions	215	134	651	512
Share-based payment expense	-	130	-	392
Total staff costs	<u>2,214</u>	<u>1,795</u>	<u>9,047</u>	<u>8,769</u>
Depreciation of property, plant and equipment	417	499	1,192	1,204
Auditor's remuneration	200	175	600	525
Cost of inventories recognized as an expense	3,372	4,928	9,200	18,641
Construction contract costs recognized as an expense	14,798	12,689	34,931	29,832
Operating lease rentals in respect of land use rights	18	18	55	55
office premise	<u>66</u>	<u>40</u>	<u>198</u>	<u>119</u>

8. TAXATION

For the three months ended 30 September		For the nine months ended 30 September	
2013	2012	2013	2012
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

The charge comprise:

PRC Enterprise Income Tax - current period	<u>1,449</u>	<u>2,552</u>	<u>3,763</u>	<u>4,739</u>
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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 15% (nine months ended 30 September 2012: 15%) pursuant to the Law of the PRC on Enterprise Income Tax and Implementation Legislation.

9. EARNINGS PER SHARE

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

For the three months ended 30 September		For the nine months ended 30 September	
2013	2012	2013	2012
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Earnings

Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share

<u>7,142</u>	<u>7,892</u>	<u>13,276</u>	<u>13,079</u>
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Number of shares

Weighted average number of ordinary shares for the purposes of calculating basic earnings per share

<u>200,000,000</u>	200,000,000	<u>200,000,000</u>	200,000,000
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Effect of dilutive potential shares

Share options

<u>242,700</u>	-	<u>277,468</u>	-
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Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share

<u>200,242,700</u>	<u>200,000,000</u>	<u>200,277,468</u>	<u>200,000,000</u>
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For the nine months ended 30 September 2012, the computation of diluted earnings per share has not assumed the exercise of the Company's share options because the adjusted exercise price of the share options (after the adjustment of the fair value of the unvested share options) were higher than the average market prices of those shares for the outstanding period.

10. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2013 (nine months ended 30 September 2012: Nil).

11. MOVEMENT OF 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 profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
At 1 January 2012	2,000	52,940	49,091	3,338	6,053	999	2,775	124	9,193	53,383	179,896
Profit for the period	-	-	-	-	-	-	-	-	-	13,079	13,079
Exchange differences arising on translation of a foreign subsidiary	-	-	-	-	-	-	-	-	(1,468)	-	(1,468)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(1,468)	13,079	11,611
Transfer	-	-	-	-	6,248	-	-	-	-	(6,248)	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	464	-	-	464
At 30 September 2012	<u>2,000</u>	<u>52,940</u>	<u>49,091</u>	<u>3,338</u>	<u>12,301</u>	<u>999</u>	<u>2,775</u>	<u>588</u>	<u>7,725</u>	<u>60,214</u>	<u>191,971</u>
At 1 January 2013	2,000	52,940	49,091	3,338	12,318	999	2,775	742	9,212	76,804	210,219
Profit for the period	-	-	-	-	-	-	-	-	-	13,276	13,276
Exchange differences arising on translation of a foreign subsidiary	-	-	-	-	-	-	-	-	5,137	-	5,137
Total comprehensive income for the period	-	-	-	-	-	-	-	-	5,137	13,276	18,413
Transfer	-	-	-	-	4,398	-	-	-	-	(4,398)	-
At 30 September 2013	<u>2,000</u>	<u>52,940</u>	<u>49,091</u>	<u>3,338</u>	<u>16,716</u>	<u>999</u>	<u>2,775</u>	<u>742</u>	<u>14,349</u>	<u>85,682</u>	<u>228,632</u>

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 nine months ended 30 September 2013, the Group’s revenue decreased by approximately 11.7% to HK\$75,677,000 (nine months ended 30 September 2012: approximately HK\$85,729,000) as compared to the corresponding period last year. Such decrease in revenue was mainly due to the combination of (1) increase in revenue from construction contracts of casing and flavouring systems by approximately 3.2% to HK\$59,850,000, (2) decrease of revenue from the sales of PP systems by 100.0% and (3) decrease of revenue from the sales of other products (comprising the sales of dedusting system, swelling agent delivery system and hot stamped foil) by approximately 28.9% to HK\$11,285,000. During the period under review, there was no revenue generated from the sale of PP systems whereas the Group recognised revenue of approximately HK\$6,239,000 in the corresponding period last year. In addition, the Group completed a dedusting system project with aggregate contract value of approximately RMB8.4 million in 2012 while no such type of project was completed during the period under review. Gross profit margin for the nine months ended 30 September 2013 remained stable at approximately 41.7% as compared to 43.5% for the nine months ended 30 September 2012 respectively.

The operating expenditure of the Group, comprising the selling and distribution costs and administrative expenses, amounted to approximately HK\$18,096,000 and HK\$18,016,000 for the nine months ended 30 September 2012 and 2013 respectively. The net profit for the nine months ended 30 September 2013 was approximately HK\$13,276,000 (nine months ended 30 September 2012: approximately HK\$13,079,000), representing an increase of approximately 1.5% over the corresponding period in 2012. Despite the drop in revenue and gross profit for the period under review, the slight increase of net profit was mainly contributed by the receipt and recognition of a subsidy income of approximately HK\$2,495,000 (nine months ended 30 September 2012: nil) and a tax refund of approximately HK\$1,060,000 (nine months ended 30 September 2012: approximately HK\$1,905,000), as well as the interest income of approximately HK\$2,626,000 (nine months ended 30 September 2012: approximately HK\$373,000) recognised by the Group during the period under review.

BUSINESS REVIEW

For the nine months ended 30 September 2013, the Group generated majority of the revenue from the sale of catalogued special-purpose tobacco machinery products, amounting to approximately HK\$64,392,000 (nine months ended 30 September 2012: approximately HK\$69,859,000) with a decrease of approximately HK\$5,467,000 or 7.8% as compared with the same period last year. During the period under review, the Group has provided our casing and flavouring systems to customers located in Chongqing, Jiangxi and Jilin and commenced the casing and flavouring system contracts to other customers in Chongqing, Henan and Yunan with contract value ranging from approximately RMB7.3 million to RMB12.2 million.

BUSINESS REVIEW (Continued)

Revenue arising from PF systems for the nine months ended 30 September 2013 amounted to approximately HK\$4,542,000, representing a drop of approximately 19.5% as compared to approximately HK\$5,643,000 for the nine months ended 30 September 2012.

Projects in providing PF systems to cigarette manufacturers located in Henan and Yunan were undergoing and expected to be completed in the fourth quarter of 2013. There was no revenue generated from the sale of PP systems during the nine months ended 30 September 2013 and our sales and marketing personnel were actively identifying and discussing with respective tobacco redrying factories in respect of contracting PP system projects.

Our technical personnel is always committed to new product design and development and strives to bring along extended range of products to customers. For the nine months ended 30 September 2013, the Group has completed key and fundamental modules in respect of the development of a new set of casing and flavouring system, and is finalizing the software design and integration of respective modules. The Group has also proceeded the formulation of an initial prototype for a new set of spraying device and the feasibility study of tobacco bale slicer.

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 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. During the nine months ended 30 September 2013, options to subscribe for 100,000 shares held by one employee of the Group were cancelled.

As at 30 September 2013, details of the options granted under the Pre-IPO Share Option Scheme were as follows:

Name of grantee	Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Exercise price per share (HK\$)	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 September 2013	Percentage of issued share capital of the Company
Director										
Sun Zhaohui	20/10/2011	01/01/2013 – 19/10/2021	0.96	200,000	-	-	-	-	200,000	0.10%
Senior management and employees of the Group	20/10/2011	01/01/2013 – 19/10/2021	0.96	1,100,000	-	-	-	(100,000)	1,000,000	0.50%
				1,300,000	-	-	-	(100,000)	1,200,000	0.60%

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 September 2013, no options were granted to Directors, eligible employees and other outside third parties under the Share Option Scheme.

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

As at 30 September 2013, 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 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 in Rules 5.46 of the GEM Listing Rules, were as follows:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name	Capacity/ Nature of Interest	Number of issued ordinary shares held	Number of underlying shares subject to the Pre- IPO Share Option Scheme	Percentage of the issued share capital of the Company*
Directors				
Mr. Wei Sheng Peng ⁽¹⁾	Interest of a controlled corporation and family interest	150,000,000	-	75%
Ms. Liu Li ⁽²⁾	Interest of a controlled corporation and family interest	150,000,000	-	75%
Mr. Sun Zhaohui	Personal interest	-	200,000	0.10%

* The percentage represents the number of shares/underlying shares interested divided by the number of the Company's issued share as at 30 September 2013.

Notes:

1. LinkBest Capital Group Limited ("LinkBest"), which is wholly owned by Mr. Wei Sheng Peng, is interested in 90,000,000 shares of the Company. Mr. Wei Sheng Peng is also the spouse of Ms. Liu Li, so he is deemed to be interested in 60,000,000 shares held by Open Venture Global Limited ("Open Venture"), being a corporation wholly owned by Ms. Liu Li.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

- Open Venture, which is wholly owned by Ms. Liu Li, is interested in 60,000,000 shares of the Company. Ms. Liu Li is also the spouse of Mr. Wei Sheng Peng, so she is deemed to be interested in 90,000,000 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 September 2013.

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

As at 30 September 2013, 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\$0.01 each of the Company

Name of shareholders	Capacity/ Nature of Interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
LinkBest ⁽¹⁾	Beneficial owner	90,000,000	45%
Open Venture ⁽²⁾	Beneficial owner	60,000,000	30%
Mr. Wei Sheng Peng ⁽³⁾	Interest of a controlled corporation and family interest	150,000,000	75%
Ms. Liu Li ⁽⁴⁾	Interest of a controlled corporation and family interest	150,000,000	75%

Notes:

- LinkBest is wholly owned by Mr. Wei Sheng Peng.
- Open Venture is wholly owned by Ms. Liu Li.
- Mr. Wei Sheng Peng is the sole shareholder of LinkBest which is interested in 90,000,000 shares of the Company and as the spouse of Ms. Liu Li, he is deemed to be interested in 60,000,000 shares held by Open Venture, being a corporation wholly owned by Ms. Liu Li.
- Ms. Liu Li is the sole shareholder of Open Venture which is interested in 60,000,000 shares of the Company and as the spouse of Mr. Wei Sheng Peng, she is deemed to be interested in 90,000,000 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 September 2013.

COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company nor their respective associates (as defined under the GEM 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 nine months ended 30 September 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any shares of the Company.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Shenyin Wanguo Capital (H.K.) Limited ("Shenyin Wanguo"), the compliance adviser of the Company, neither Shenyin Wanguo nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2013.

Pursuant to the agreement dated 27 October 2011 entered into between Shenyin Wanguo and the Company, Shenyin Wanguo received and will receive fees for acting as the compliance adviser of the Company.

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. The rest of the members are Mr. Tam Yuk Sang, Sammy and Mr. Kong Hing Ki. The unaudited consolidated results for the nine months ended 30 September 2013 have been reviewed by the audit committee in accordance with GEM 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
Sun Zhaohui
Chief Executive Officer

Hong Kong, 7 November 2013

As at the date of this announcement, the executive Directors are Mr. Wei Sheng Peng, Ms. Liu Li and Mr. Sun Zhaohui and the independent non-executive Directors are Mr. Tam Yuk Sang, Sammy, Mr. Wong Yiu Kit and Mr. Kong Hing Ki.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the Company's website at www.renhengenterprise.com.