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HENGXIN
恒芯中國

Heng Xin China Holdings Limited **恒芯中國控股有限公司***

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POSSIBLE ACQUISITION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

Memorandum of Understanding in respect of the Possible Acquisition

The Board is pleased to announce that on 14 November 2012, the Purchaser entered into a non-legally binding MOU with the Vendor pursuant to which the Purchaser intended to acquire and the Vendor intended to sell 40% of the equity interest in the Target, which is principally engaged in production and sales of small physical foamed cable, small coaxial cable, access network and high-speed data transfer cable for broadband transmission cable television (CATV) in the PRC.

The consideration for the Possible Acquisition shall be determined based on the updated audited financial statements and the net asset value of the Target and subject to further agreement between both parties.

Shareholders of the Company should note that the Possible Acquisition may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Heng Xin China Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 14 November 2012, 北京金橋恒泰科技有限公司 (Beijing Jinqiao Hengtai Technology Co., Ltd (the “**Purchaser**”), an indirectly wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with 煙台新潮實業股份有限公司 (Yantai Xinchao Industry Co., Ltd) (the “**Vendor**”) pursuant to which the Purchaser intended to acquire and the Vendor intended to sell 40% of the equity interest (“**Possible Acquisition**”) in 煙台新牟電纜有限公司 (Yantai Xinmu Cable Co., Ltd (the “**Target**”), a subsidiary of the Vendor, which is principally engaged in production and sales of small physical foamed cable, small coaxial cable, access network, and high-speed data transfer cable for broadband transmission cable television (CATV) in the PRC.

* For identification purposes only

The consideration for the Possible Acquisition shall be determined based on the updated audited financial statements and the net asset value of the Target, and subject to further agreement between both parties. Pursuant to the MOU, the Purchaser and the Vendor shall negotiate in good faith the terms of the formal agreement for the Proposed Acquisition within an exclusive period of 2 month after the date of the MOU. The Purchaser will conduct and the Vendor will provide assistance to the Purchaser to conduct due diligence exercise on the Target and its business and affairs. In consideration to such exclusivity, the Purchaser agreed to pay RMB10,000,000 (equivalent to approximately HK\$12.2 million) refundable deposit to the Vendor within 5 business days after the signing of the MOU.

The Vendor is a company listed in Shanghai Securities Exchange. To the best knowledge of the directors of the Company and having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or any of their respective associates as defined in the GEM Listing Rules. In the event that the Possible Acquisition proceeds, the Company will comply with the relevant disclosure requirements of the GEM Listing Rules as and when appropriate.

Shareholders of the Company should note that the Possible Acquisition may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Xiao Yan
Chief Executive Officer

Hong Kong, 14 November 2012

As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Feng Yongming and Mr. Li Tao as executive directors; Mr. Xu Lei as non-executive director; Mr. Leung Wo Ping JP, Mr. Dong Shi and Mr. Hu Dingdong as independent non-executive directors.

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its posting and on the website of the Company at www.hengxinchina.com.hk