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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all conditions precedent of the Subscription as set out in each Subscription Agreement have been satisfied, and the Subscription was completed on 18 December 2012 in accordance with the terms and conditions of each Subscription Agreement.

An aggregate of 300,000,000 Subscription Shares, representing approximately 9.65% of the total enlarged issued share capital of the Company, were allotted and issued to the Subscribers, at the Subscription Price of HK\$0.30 per Subscription Share under the General Mandate. As a result of the completion of the Subscription, each of Subscriber A and Subscriber B has become the beneficial owner of 150,000,000 Subscription Shares, each representing approximately 4.83% of the total enlarged issued share capital of the Company.

Reference is made to the announcement of the Heng Xin China Holdings Limited (the “Company”) dated 12 December 2012 (the “Announcement”) in relation to, among other things, the placing of new shares of the Company to Mr. Yuan Hailin and Mr. Tan Zhenyu respectively. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent of the Subscription as set out in each Subscription Agreement have been satisfied, and the Subscription was completed on 18 December 2012 in accordance with the terms and conditions of each Subscription Agreement.

An aggregate of 300,000,000 Subscription Shares, representing approximately 9.65% of the total enlarged issued share capital of the Company, were allotted and issued to the Subscribers, at the Subscription Price of HK\$0.30 per Subscription Share under the General Mandate. As a result of the completion of the Subscription, each of Subscriber A and Subscriber B has become the beneficial owner of 150,000,000 Subscription Shares, each representing approximately 4.83% of the total enlarged issued share capital of the Company.

* For identification purposes only

The gross proceeds arising from the Subscription amounted to approximately HK\$90.0 million and the net proceeds arising from the Subscription amounted to approximately HK\$89.9 million. The net proceeds raised per Subscription Share arising from the Subscription amounted to approximately HK\$0.29 per Subscription Share.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the completion of the Subscription is set out below:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription after all Subscription Shares are fully allotted and issued (Note 3)	
	<i>No. of Shares</i>	<i>Approx. percentage</i>	<i>No. of Shares</i>	<i>Approx. percentage</i>
Team Effort Investments Limited (Note 1)	623,542,451	22.20%	623,542,451	20.06%
Directors (Note 2)	2,273,334	0.08%	2,273,334	0.07%
Subscriber A	—	—	150,000,000	4.83%
Subscriber B	—	—	150,000,000	4.83%
Other public shareholders	<u>2,182,774,403</u>	<u>77.72%</u>	<u>2,182,774,403</u>	<u>70.21%</u>
	<u><u>2,808,590,188</u></u>	<u><u>100%</u></u>	<u><u>3,108,590,188</u></u>	<u><u>100%</u></u>

Note:

1. Mr. Choi Chung Lam (“Mr. Choi”) is the legal and beneficial owner of the entire issued share capital of Team Effort Investments Limited. Hence, Mr. Choi is deemed to be interested in 623,542,451 Shares through the shareholding interest of Team Effort Investments Limited in the Company.
2. Mr. Xiao Yan, an executive Director and Chief Executive Officer of the Company, is interested in 2,273,334 Shares.
3. This does not include any Shares which may be issued pursuant to the exercise of options, warrants or any conversion rights under any convertible securities of the Company in place as at the date of each Subscription Agreement.

By Order of the Board
Heng Xin China Holdings Limited
Xiao Yan
Chief Executive Officer

Hong Kong, 18 December 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 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 at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of posting and on the website of the Company at www.hengxinchina.com.hk.