



**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)

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT** **For the three months ended 31 March 2013**

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors of Heng Xin China Holdings Limited (the “Directors”) 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 Heng Xin China Holdings Limited. 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.*

\* For identification purposes only

## RESULTS

The board of Directors (the “Board”) of Heng Xin China Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 31 March 2013 together with the comparative unaudited figures for the corresponding period in 2012.

		<b>Three months ended 31 March</b>	
		<b>2013</b>	<b>2012</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>129,154</b>	79,056
Cost of sales		<b>(76,408)</b>	(30,502)
<b>Gross profit</b>		<b>52,746</b>	48,554
Other income	3	<b>1,101</b>	33,899
Selling and marketing expenses		<b>(2,634)</b>	(1,593)
Other operating expenses		<b>(16,484)</b>	(19,741)
Finance costs	4	<b>(2,342)</b>	(3,544)
<b>Profit before taxation</b>		<b>32,387</b>	57,575
Taxation	5	<b>(5,668)</b>	(8,304)
<b>Profit for the period attributed to owners of the Company</b>	6	<b>26,719</b>	49,271
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		<b>10,171</b>	7,129
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTED TO OWNERS OF THE COMPANY</b>		<b>36,890</b>	56,400
Earnings per share — basic and diluted	7	<b>0.86 cent</b>	1.98 cents
Dividends	8	<b>—</b>	—

*Notes:*

## **1. General information**

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is an investment holding company. The shares of the Company have been listed on the GEM of the Stock Exchange since 16 April 2003.

The principal activities of the Group are engaged in digital cable television business, wireless digital television value-added services, wireless digital terrestrial television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

## **2. Basis of preparation and accounting policies**

The unaudited consolidated financial statements for the three months ended 31 March 2013 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial statements are consistent with those used in the financial statements for the six months ended 31 December 2012. These unaudited consolidated financial statements should be read in conjunction with the Company’s annual report for the six months ended 31 December 2012. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 31 December 2013 have no material impact on the Group.

The unaudited consolidated financial statements have not been audited by the auditors of the Company, but have been reviewed by the Company’s audit committee and were approved for issue by the Board.

### 3. Revenue

Revenue recognised by category during the three months ended 31 March 2013 are as follows:

	Three months ended 31 March	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Digital cable television business	57,111	38,440
Wireless digital television value-added services	10,959	8,849
Encrypted integrated circuits and the derived integrated business	7,698	1,845
Wireless digital audio products business	7,128	29,553
Wireless digital terrestrial television network equipment integration business	46,258	369
	<u>129,154</u>	<u>79,056</u>
Other income		
Bank interest income	73	129
Gain on disposal of intangible assets	—	33,547
Other interest income	1,028	—
Sundry income	—	223
	<u>1,101</u>	<u>33,899</u>

### 4. Finance costs

	Three months ended 31 March	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Effective interest expenses on straight bonds	2,219	—
Effective interest expenses on convertible notes	—	3,532
Interest element of finance leases	5	12
Interest on bank loans	118	—
	<u>2,342</u>	<u>3,544</u>

## 5. Taxation

	Three months ended 31 March	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Current tax:		
Hong Kong		
— charge for the period	—	—
Overseas		
— charge for the period	5,668	8,304
	<u>5,668</u>	<u>8,304</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for both periods. Pursuant to the relevant laws and regulations in the PRC, some of the Company's PRC subsidiaries are entitled to exemption from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, those subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years.

## 6. Profit for the period

Profit for the period has been arrived at after charging:

	Three months ended 31 March	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Cost of inventories recognised as expense	76,408	29,276
Depreciation	1,046	982
Exchange loss	8	25
Loss on fair value changes of financial assets at fair value through profit or loss	—	480
Operating lease charges on office premises	1,343	2,481
Research and development costs	259	3,207
Staff costs (including Directors' emoluments)		
— salaries and allowances	5,714	5,680
— pension scheme contributions	674	207
	<u>674</u>	<u>207</u>

## **7. Earnings per share**

### **(a) Basic**

Basic earnings per share for the three months ended 31 March 2013 is calculated by dividing the consolidated profit attributable to the owners of the Company for the three months ended 31 March 2013 of HK\$26,719,000 (2012: HK\$49,271,000) by the weighted average number of 3,108,590,000 (2012: 2,487,592,000) ordinary shares in issue during the period.

### **(b) Diluted**

No diluted earnings per share has been presented for the three months ended 31 March 2013 as the exercise price of the Company's outstanding share options and warrants were higher than the average market price of the Company's shares for the period.

Diluted earnings per share for the three months ended 31 March 2012 is calculated by dividing the adjusted profit attributable to the owners of the Company for the three months ended 31 March 2012 of HK\$52,802,000 by the total of the weighted average number of ordinary shares of 2,671,455,000 outstanding during the period, after adjusting for the effects of all dilutive potential ordinary shares.

The adjusted profit attributable to the owners of the Company for the three months ended 31 March 2012 is calculated based on the profit attributable to the owners of the Company for the period of HK\$49,271,000 as used in the calculation of basic earnings per share plus effective interest expenses on convertible notes of HK\$3,531,000. The weighted average number of ordinary shares used in the calculation of diluted earnings per share for the three months ended 31 March 2012 is calculated based on the weighted average of 2,487,592,000 ordinary shares in issue during the period as used in the calculation of basic earnings per share plus the weighted average of 949,000 ordinary shares deemed to be issued at no consideration as if all the Company's share options had been exercised and the weighted average of 182,914,000 ordinary shares deemed to be issued at no consideration as if all the Company's convertible notes had been converted for the three months ended 31 March 2012.

## **8. Interim dividend**

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2013 (2012: Nil).

## 9. Reserves

	Unaudited							
	Attributable to the owners of the Company							
	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Convertible notes reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 January 2012	1,107,946	2,325	64,239	(79,992)	11,215	134,254	565,476	1,805,463
Share options exercised	1,006	—	—	—	(215)	—	—	791
Recognition of share-based payments	—	—	—	—	965	—	—	965
Total comprehensive income for the three months ended 31 March 2012	—	—	7,129	—	—	—	49,271	56,400
<b>Balance at 31 March 2012</b>	<b><u>1,108,952</u></b>	<b><u>2,325</u></b>	<b><u>71,368</u></b>	<b><u>(79,992)</u></b>	<b><u>11,965</u></b>	<b><u>134,254</u></b>	<b><u>614,747</u></b>	<b><u>1,863,619</u></b>
Balance at 1 January 2013	1,394,441	2,325	66,821	(79,992)	11,322	—	613,901	2,008,818
Recognition of share-based payments	—	—	—	—	817	—	—	817
Transfer to retained profits upon expiry of share options	—	—	—	—	(10,330)	—	10,330	—
Disposal of subsidiaries	—	—	(28,269)	—	—	—	—	(28,269)
Total comprehensive income for the three months ended 31 March 2013	—	—	10,171	—	—	—	26,719	36,890
<b>Balance at 31 March 2013</b>	<b><u>1,394,441</u></b>	<b><u>2,325</u></b>	<b><u>48,723</u></b>	<b><u>(79,992)</u></b>	<b><u>1,809</u></b>	<b><u>—</u></b>	<b><u>650,950</u></b>	<b><u>2,018,256</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial review

For the three months ended 31 March 2013, the Group recorded a consolidated revenue of approximately HK\$129.2 million, representing an increase of approximately 63% when compared to approximately HK\$79.1 million for the corresponding period in 2012.

Gross profit margin of the Group decreased from approximately 61.4% for the corresponding period of last financial year to approximately 40.8% for the current three-month period, resulting from the change of business mix.

Other income amounted to HK\$1.1 million for the three months ended 31 March 2013, representing a decrease of about 97% when compared to approximately HK\$33.9 million for the corresponding period of the last financial year. The decrease was due to the absence of a gain on disposal of intangible assets.

Other operating expenses amounted to HK\$16.5 million for the three months ended 31 March 2013, representing a decrease of approximately 16% when compared to approximately HK\$19.7 million for the corresponding period of the last financial year. The decrease was principally due to the absence of a loss on fair value changes of securities held and the decrease of research and developments costs.

The profit attributable to owners of the Company amounted to approximately HK\$26.7 million for the three months ended 31 March 2013, representing a decrease of approximately 46% when compared to HK\$49.3 million over the corresponding period in the previous financial year. Basic earnings per share was approximately HK0.86 cent for the three months ended 31 March 2013, representing a decrease of approximately 57% compared to approximately HK1.98 cents for the corresponding period of the last year.

As at 31 March 2013, the cash and bank balances of the Group (including the restricted bank deposits) amounted to approximately HK\$34.3 million, representing an increase of approximately 57% when compared to that of approximately HK\$21.9 million as at 31 December 2012. As at 31 March 2013, the gearing ratio of the Group, calculated as total borrowings over total assets, was approximately 0.06 (31 December 2012: 0.08).

### Disposal of subsidiaries

On 20 November 2012, America Assets Holding Group Limited (“America Assets”) and Star Hub Investments Limited (“Star Hub”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement, pursuant to which Star Hub conditionally agreed to sell to America Assets, and America Assets conditionally agreed to purchase from Star Hub, the entire issued share capital of Magic Golden Limited, at a cash consideration of RMB328 million (equivalent to approximately HK\$403.4 million). The disposed group includes 北京中廣視通科技有限公司 (Beijing Zhongguang Shitong Technology Co., Ltd (“Beijing Zhongguang”)) which engages principally in the wireless digital terrestrial television network equipment integrated business, and research, design, manufacturing and trading of information safety products. Details of the disposal are set out in the Company’s circular dated 17 December 2012. The disposal was completed on 24 January 2013. The loss on disposal was approximately HK\$28 million. The disposal of Beijing Zhongguang can allow the Group to focus its resources, apply the proceeds from the disposal on its principal business of cable television and wireless digital television value-added services, and improve the financial strength of the Group.



## Subscription of new shares

On 26 March 2013, the Company entered into a conditional subscription agreement with each of the two independent investors respectively. Pursuant to the subscription agreements, the subscribers have conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 8 April 2013 and net proceeds amounted to approximately HK\$24.9 million, thereby providing the Group with additional cash resources for its operations.

## Business review

During the three months ended 31 March 2013, affected by low demand from the subscribers of television broadcasting during the Chinese New Year holidays and the effect of television broadcast security during the Two Sessions, and the drop of the revenue as a result of management resources being drawn to the disposal of a wholly-owned subsidiary, the results of the Group's business for the first quarter decreased as compared with that of the corresponding period.

### (i) *Digital cable television business*

The Group has achieved stable progress for its network construction project in the integration of the three networks and greater than expected revenue for the digital cable television operational business in rural areas. The revenues in the three months ended 31 March 2013 amounted to approximately HK\$57.1 million (2012: HK\$38.4 million) (around 44% (2012: 49%) of the total revenue of the Group). The revenue comprised operational revenues from basic subscription and other value added technology as well as market service income arising from the 1,000,000 subscribers of the Hebei rural television network and sales of digital cable television business related products. The basic network construction for 400,000 subscribers of broadcasting television in the rural areas is underway and expected to be completed in 2013.

For the cable television business related product market, the sales performance was partially affected due to holidays in the first quarter of 2013, which is basically normal for the market. With the assistance of externally engaged market and technology experts, the Group has made steady progress on the development of client channels for the technology development, products and services, which set up a solid platform for further sales of products in the cable market.

The Group's existing operation right on value-added business covers areas such as Anhui and Nanchang of Jiangxi province. The Group has signed contracts on establishment and operation of value-added business for 5.5 million cable television subscribers. In Hebei province and Datong of Shanxi province, the Group has signed contracts on establishment and operation of basic television business for 3.7 million cable television subscribers. During the first quarter of 2013, the Group has completed the building of platform and testing for the 301 remote medical treatment project and the Group enjoyed an immaterial revenue from such project.

### (ii) *Wireless digital television value-added services*

Revenue for the three months ended 31 March 2013 amounted to approximately HK\$10.9 million (2012: HK\$8.8 million) or around 8% (2012: 11%) of the total revenue. The Group has signed contracts on wireless mobile digital television operation in Hebei province, which includes operation for value-added businesses such as 6,000 advertising display panels in public areas.

(iii) *Encrypted integrated circuits and the derived integrated business*

The revenue for the three months ended 31 March 2013 generated from the encrypted integrated circuits and the derived integrated business and the related technical services amounted to approximately HK\$7.7 million (2012: HK\$1.8 million) or approximately 6% (2012: 2%) of the total revenue. During the first quarter ended 31 March 2013, the revenue from software sales and technical solution provision of this segment was materially affected due to less market demands and development cycle issues.

(iv) *Wireless digital audio products business*

The revenue for the three months ended 31 March 2013 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$7.1 million (2012: HK\$29.6 million) or approximately 6% (2012: 37%) of the total revenue. During the first quarter of 2013, the demand from both domestic and overseas markets was mediocre. The Group's market share has been growing correspondingly with the expanding scale of cooperation with the domestic and overseas customers over the past few years. This has provided the Group with an effective protection of high revenue as well as a profit driver in future.

(v) *Wireless digital terrestrial TV network equipment integration business*

Approximately HK\$46.3 million (2012: HK\$0.4 million) or around 36% (2012: 1%) of the total revenue of the Group in the three months ended 31 March 2013 was derived from the trading of the wireless digital terrestrial television related products.

## **Prospects**

The Group will continue to engage in full-scale basic television broadcasting business, television broadcasting value added business and wireless television broadcasting business as well as satellite business according to the characteristics of the broadcasting television subscribers in different regions in mainland China.

The Group shall take the opportunities arising during the peak season of Spring Festival and the period of intensive tendering activities to gain greater market shares, in a bid to maximize the income. The Group will reinforce, set up and properly operate the networks for its contracted broadcasting television subscribers, build a foundation for achieving the overall objectives of development of the Group and obtain some new cooperation opportunities in other provinces with further expansion of businesses in the existing cooperation provinces. The Group shall continue to enhance the research and development of technology and expect new products will generate income.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2013, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) 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 required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Name	Capacity	Number of shares	Approximate percentage of interests in the issued share capital
Mr. Xiao Yan	Beneficial owner	2,273,334	0.07%
Mr. Qiu Bin	Beneficial owner	2,408,000	0.08%

Save as disclosed above, at no time during the three months ended 31 March 2013 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2013, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

### Interests in the shares of the Company

Name of shareholder	Number or attributable number of shares or underlying shares held	Type of interests	Approximate percentage of interests
Choi Chung Lam ( <i>Note</i> )	623,542,451 (L)	Interest in controlled corporation	19.43%
Team Effort Investments Limited ( <i>Note</i> )	623,542,451 (L)	Beneficial owner	19.43%

*L: Long Position*

*Note:*

Mr. Choi Chung Lam is the legal and beneficial owner of the entire issued share capital of Team Effort Investments Limited. Hence, Mr. Choi Chung Lam is deemed to be interested in the shares held by Team Effort Investments Limited.

Save as disclosed above, as at 31 March 2013, the Directors or chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

## EMPLOYEE SHARE OPTION SCHEMES

Details of the employee share option schemes (“Share Option Schemes”) of the Company were disclosed in the annual report of the Company for the six months ended 31 December 2012. The following shows the outstanding positions of the eligible persons as at 31 March 2012 with respect to their share options granted under the Share Option Schemes:

Participants	Number of Shares <i>(Note)</i>					As of 31 March 2013	Date of grant	Exercise period	Exercise price per share <i>HK\$</i>
	As of 1 January 2013	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Directors</b>									
Mr. Xiao Yan	1,500,000	-	-	-	(1,500,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Li Tao	1,500,000	-	-	-	(1,500,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Xu Lei	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Leung Wo Ping	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Dong Shi	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Hu Dingdong	800,000	-	-	-	(800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
Subtotal	<u>6,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,200,000)</u>	<u>-</u>			
<b>Other participants</b>	23,800,000	-	-	-	(23,800,000)	-	13/04/2011	14/05/2011- 12/03/2013	1.54
	3,000,000	-	-	-	-	3,000,000	29/02/2012	01/03/2013- 29/02/2016	0.84
<b>Total</b>	<u><u>33,000,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(30,000,000)</u></u>	<u><u>3,000,000</u></u>			

*Note:*

Number of shares in the Company over which options granted under the Share Option Schemes is exercisable.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the controlling shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business, which competes or may compete with the business of the Group or had any other conflict of interests with the Group.

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Leung Wo Ping JP (Chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The duties of the audit committee include reviewing the Group's annual reports and accounts, half-yearly reports and quarterly reports and providing advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the three months ended 31 March 2013. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the three months ended 31 March 2013.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2013.

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

Hong Kong, 14 May 2013

*As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Li Tao and Mr. Qiu Bin 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 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](http://www.hengxinchina.com.hk).*