

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

LETTER OF INTENT IN RESPECT OF THE POSSIBLE ACQUISITION

The Board is pleased to announce that on 17 January 2014 (after trading hours), the Company entered into the Letter of Intent with the Vendor pursuant to which the Company intended to acquire (by itself or through its wholly-owned subsidiary) and the Vendor intended to sell the entire equity interest of the Target Company, a company incorporated in the PRC and principally engaged in research and development on the application technologies and genetic engineering of castor seeds, manufacturing and selling of castor seeds, castor oil and other related products such as biodiesel, Nylon 11 plastics, lubricants and so on.

Subject to the due diligence to be conducted by the Company, the consideration for the Possible Acquisition is expected to be in the range from RMB800 million (approximately HK\$1,024 million) to RMB1,200 million (approximately HK\$1,536 million) and may be satisfied by the Company by a combination of cash, consideration shares and convertible/promissory notes to be paid/issued by the Company to the Vendor.

The Letter of Intent, save for provisions relating to due diligence, confidentiality, exclusivity, governing law and jurisdiction provisions, is non-legally binding in nature. As such, the Possible Acquisition may or may not proceed.

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(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 17 January 2014 (after trading hours), the Company entered into a letter of intent (the “**Letter of Intent**”) with an independent third party (the “**Vendor**”) pursuant to which the Company intended to acquire (by itself or through its

* For identification purposes only

wholly-owned subsidiary) and the Vendor intended to sell the entire equity interest of 山西經作蓖麻科技有限公司 (Shanxi Jingzuo Bima Technology Limited*) (the “**Target Company**”), a company incorporated in the People’s Republic of China (the “**PRC**”) and principally engaged in research and development on the application technologies and genetic engineering of castor seeds, manufacturing and selling of castor seed, castor oil and other related products such as biodiesel, Nylon 11 plastics, lubricants and so on. The aforesaid possible transaction is referred to as the “**Possible Acquisition**”.

Subject to the due diligence to be conducted by the Company, the consideration for the Possible Acquisition is expected to be in the range from RMB800 million (approximately HK\$1,024 million) to RMB1,200 million (approximately HK\$1,536 million) and may be satisfied by the Company by a combination of cash, consideration shares and convertible/promissory notes to be paid/issued by the Company to the Vendor.

Pursuant to the Letter of Intent, the Company and the Vendor will negotiate in good faith the terms of a formal sale and purchase agreement for the Possible Acquisition within three months after the date of the Letter of Intent or such other period as agreed by the parties (the “**Effective Period**”). The Company will conduct and the Vendor will provide assistance to the Company to conduct due diligence exercise on the Target Company and its business and affairs.

The Vendor has undertaken that during the Effective Period, it will not (i) solicit, initiate, encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with any person or entity other than the Company with respect to the sale, subscription, or allotment of any part thereof or any other shares of the Target Company or the sale or transfer of the business and/or operations and/or assets of the Target Company directly or indirectly.

The Letter of Intent, save for provisions relating to due diligence, confidentiality, exclusivity, governing law and jurisdiction provisions, is non-legally binding in nature. As such, the Possible Acquisition may or may not proceed.

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 and/or shareholders’ approval 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.

For the purpose of this announcement, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.28. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Tse Kam Fai
Company Secretary

Hong Kong, 17 January 2014

As at the date of this announcement, the Board comprises Mr. Xiao Yan (CEO), Mr. Qiu Bin and Mr. Li Tao as executive directors; Mr. Xu Lei as a 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