

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.



Heng Xin China Holdings Limited

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

CLARIFICATION ANNOUNCEMENT REGARDING ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the “**Board**”) of Directors (the “**Directors**”) of Heng Xin China Holdings Limited (the “**Company**”) refers to the annual report of the Company for the year ended 31 December 2013 (the “**Annual Report**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

The Board would like to provide an additional information under the heading “SUBSCRIPTION OF NEW SHARES” on pages 15 to 16 of the Annual Report as follows:

SUBSCRIPTION OF NEW SHARES

On 26 March 2013, the Company entered into a conditional subscription agreement with Easy Team Investment Limited and Mr. Tian Wei (田偉) respectively as the subscribers, pursuant to which the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 new shares of HK\$0.01 each of the Company (the “**First Subscription**”) with aggregate nominal value of HK\$1,000,000 at a price of HK\$0.25 per subscription share, representing a discount of approximately 2.0% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on 26 March 2013. The reasons for carrying out the First Subscription was to present an opportunity for the Company to strengthen the financial position (in particular the working capital and cash flow position) of the Group. The First Subscription enables the Group to enhance its capital base with a view to create more buffer to mitigate the business and financial risk and enhance the financial flexibility of the Group and improve

the cash reserve for the on-going development of the Group. In accordance with the terms and conditions of each of such subscription agreements, the Company allotted and issued a total of 100,000,000 Shares to the Subscribers on 8 April 2013 under the general mandate approved in the annual general meeting of the Company held on 17 December 2012. The net proceeds amounted to approximately HK\$24.9 million (equivalent to a net price of approximately HK\$0.25 per subscription share) was fully utilised as general working capital of the Group. For further details of the First Subscription, please refer to the announcements of the Company dated 26 March 2013 and 8 April 2013.

On 10 September 2013, the Company entered into a conditional subscription agreement with Mr. Yang Kui (楊魁) as the subscriber, pursuant to which such subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 new shares of HK\$0.01 each of the Company (the “**Second Subscription**”) with aggregate nominal value of HK\$2,000,000 at a price of HK\$0.25 per subscription share, representing a premium of approximately 18.5% to the closing price of HK\$0.211 per Share as quoted on the Stock Exchange on 10 September 2013. The reasons for carrying out the Second Subscription was to present an opportunity for the Company to strengthen the financial position (in particular the working capital and cash flow position) of the Group and improve the cash reserve for the on-going development of the Group. In accordance with the terms and conditions of such subscription agreement, the Company allotted and issued a total of 200,000,000 Shares to such subscriber on 17 September 2013 under the general mandate approved in the annual general meeting of the Company held on 21 June 2013. The net proceeds amounted to approximately HK\$50.0 million (equivalent to a net price of approximately HK\$0.25 per subscription share) has been applied as 40% of the net proceeds was for general working capital of the Group and 60% of the net proceeds were placed with banks in Hong Kong. For further details of the Second Subscription, please refer to the announcements of the Company dated 10 September 2013 and 17 September 2013.

The above additional information does not affect other information contained in the Annual Report and the content of the Annual Report remain correct and unchanged.

By Order of the Board
Heng Xin China Holdings Limited
Tse Kam Fai
Company Secretary

Hong Kong, 5 August 2014

As at the date of this announcement, the Board comprises Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin and Mr. Li Tao as executive Directors; Mr. Xu Lei as non-executive Director; and 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 Rules Governing the Listing of Securities on GEM 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 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.

** For identification purposes only*