
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Heng Xin China Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HENG XIN CHINA HOLDINGS LIMITED

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



大有融資有限公司
MESSIS CAPITAL LIMITED

A notice convening the special general meeting of Heng Xin China Holdings Limited (the “**Company**”) to be held at Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 25 February 2015 at 11:00 a.m. is set out on pages 22 to 24 of this circular. Whether or not you intend to attend at the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company’s branch share registrar in Hong Kong, Union Registrars Limited, A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the special general meeting or any adjournment if you so wish.

This circular, for which the directors of the Company (“**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) 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 circular 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 circular misleading.

This circular 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 its posting and on the website of the Company at www.hengxinchina.com.hk.

5 February 2015

* For identification purpose only

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

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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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2014 AGM”	the annual general meeting of the Company held on 8 May 2014
“Announcement”	the announcement made by the Company dated 5 February 2015 relating to the proposed refreshment of the Existing General Mandate
“associate(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued shares are listed on the GEM (Stock Code: 8046)
“controlling shareholder”	has the same meaning ascribed to it under the GEM Listing Rules
“Directors”	director(s) of the Company
“Existing General Mandate”	the general mandate granted to the Directors by the Shareholders at the 2014 AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the 2014 AGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the proposed grant of Refreshed General Mandate
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate
“Independent Shareholders”	Shareholders other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	2 February 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Refreshed General Mandate”	the new general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Refreshed General Mandate by the Independent Shareholders
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



HENG XIN CHINA HOLDINGS LIMITED

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

Executive Directors:

Mr. Xiao Yan (*Chief Executive Officer*)

Mr. Li Tao

Mr. Qiu Bin

Mr. Wang Kun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

Mr. Xu Lei

*Head office and principal place of
business in Hong Kong:*

Unit 2, 24/F, Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

Independent non-executive Directors:

Mr. Leung Wo Ping *JP*

Mr. Dong Shi

Mr. Hu Dingdong

Mr. Lei Yong

5 February 2015

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement dated 5 February 2015 relating to the proposed refreshment of the Existing General Mandate. The purpose of this circular is to provide you with information in respect of (i) the proposed grant of the Refreshed General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate, and (iv) the notice of the SGM.

** For identification purpose only*

LETTER FROM THE BOARD

EXISTING GENERAL MANDATE

At the 2014 AGM, the Shareholders approved, among other things, the Existing General Mandate which authorised the Directors to issue not more than 681,718,037 Shares, being 20% of the issued share capital of the Company of 3,408,590,188 Shares as at the date of the 2014 AGM.

Since the date of the grant of the Existing General Mandate up to the Latest Practicable Date, an aggregate of 541,600,000 new Shares have been issued pursuant to the Existing General Mandate, representing approximately utilisation of 79.45% of the Existing General Mandate. Such 541,600,000 new Shares were allotted and issued by way of subscription as disclosed in the announcements of the Company dated 18 December 2014 as well as 9 January 2015, 19 January 2015 and 28 January 2015.

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot and issue new Shares up to 20% of the issued share capital of the Company as at the date of passing of such resolution.

As at the Latest Practicable Date, the Company had an aggregate of 4,000,190,188 Shares in issue and 140,118,037 Shares remained unissued pursuant to the Existing General Mandate, representing approximately 3.50% of the existing issued share capital of the Company. Save for the proposed grant of the Refreshed General Mandate, there has been no refreshment of the Existing General Mandate since the 2014 AGM.

Subject to the approval of the Independent Shareholders of the Refreshed General Mandate, and assuming that no other Shares will be issued and/or repurchased by the Company on or prior to the date of the SGM, the Shares in issue as at the date of the SGM would be 4,000,190,188 Shares, which means that under the Refreshed General Mandate, the Directors would be authorised to allot and issue a maximum of 800,038,037 Shares, being 20% of the Shares in issue as at the Latest Practicable Date.

The Refreshed General Mandate will, if granted, expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the Company is required by the Bye-Laws or any applicable laws to hold its next annual general meeting; and (c) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying the authority given by such mandate to the Directors.

LETTER FROM THE BOARD

SHAREHOLDINGS STRUCTURE OF THE COMPANY

The following table sets out (by reference to the information on shareholdings available to the Company as at the Latest Practicable Date) the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustration purpose only, upon full utilisation of the Refreshed General Mandate assuming that there will be no other change to the share capital of the Company from the Latest Practicable Date up to the date of full utilisation of the Refreshed General Mandate.

Shareholders	As at the Latest Practicable Date		Upon full utilization of the Refreshed General Mandate	
	Number of Shares	%	Number of Shares	%
Team Effort Investments Limited (<i>Note 1</i>)	623,542,451	15.59	623,542,451	12.99
Xiao Yan (<i>Note 2</i>)	2,273,334	0.06	2,273,334	0.05
Qiu Bin (<i>Note 3</i>)	2,408,000	0.06	2,408,000	0.05
Shares available to be issued under the Refreshed General Mandate	—	—	800,038,037	16.67
Public Shareholders	3,371,966,403	84.29	3,371,966,403	70.24
Total	<u>4,000,190,188</u>	<u>100</u>	<u>4,800,228,225</u>	<u>100</u>

Notes:

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 is the chief executive officer of the Company and the executive Director.
3. Mr. Qiu Bin is the executive Director.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES INVOLVING THE UTILISATION OF THE EXISTING GENERAL MANDATE

Save as disclosed below, the Company has not raised any funds on any issue of equity securities involving the utilisation of the Existing General Mandate during the period from the date of the 2014 AGM and up to the Latest Practicable Date.

Date of announcements	Fund-raising activity	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
18 December 2014, 9 January 2015, 19 January 2015 and 28 January 2015	Issue of 541,600,000 new Shares at HK\$0.12 each by way of subscription	HK\$65 million	Used by the Company as to approximately (i) HK\$53 million for reduction of the Group's level of debt; and (ii) HK\$12 million as general working capital of the Group and/or for financing future investment opportunities	Used by the Company (i) as to approximately HK\$53 million for reduction of the Group's level of debt; and (ii) as general working capital

REASONS FOR THE PROPOSED GRANT OF THE REFRESHED GENERAL MANDATE

Although the Company had no imminent funding needs with its financial positions as at the Latest Practicable Date, it is always the Company's objective to strengthen its financial position in light of the business plan and for the future development of the Group. The Directors consider that the granting of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole as it will provide the Company with more flexibility in raising funds through the issue of new Shares for its general working capital and business development as and when the Directors consider appropriate in the future. Therefore, the Board proposes to seek the approval of Independent Shareholders to refresh the Existing General Mandate at the SGM.

LETTER FROM THE BOARD

The Board is now proposing to seek the approval of Independent Shareholders at the SGM for the refreshment of the Existing General Mandate such that, should attractive terms for investment in the Shares become available from potential investors, the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a simpler and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Directors consider that funding requirements or appropriate investment opportunities may or may not arise at any time prior to the next annual general meeting. If such opportunities arise prior to the next annual general meeting, decisions may have to be made within a limited period of time. Having considered that equity financing under general mandates (i) provides more flexibility for financing to the Group for future possible funding needs and enable the Company to capture possible equity fund raising or investment opportunities in a timely manner when compared to specific mandates; (ii) does not incur interest obligations on the Group and thus the cost of funding under general mandates is lower than debt financing; (iii) is less costly and time consuming than equity fund raising by way of rights issue or open offer; (iv) provides a good opportunity to enlarge the shareholder and capital base of the Company; and (v) the shareholding of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of general mandate, the Board considers that the Refreshed General Mandate is fair and reasonable and in the best interests of the Company and its shareholders as a whole.

SGM

A notice convening the SGM of the Company to be held at Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 25 February 2015 at 11:00 a.m. is set out on pages 22 to 24 of this circular.

As the proposed grant of the Refreshed General Mandate is to be proposed to the Shareholders before the Company's next annual general meeting, pursuant to the GEM Listing Rules, this proposal is subject to the Independent Shareholders' approval by way of poll at the SGM. According to Rule 17.42A of the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

As at the Latest Practicable Date, the Company had no controlling Shareholder and the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, holding in aggregate of 4,681,334 Shares, are required to abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate at the SGM.

LETTER FROM THE BOARD

Mr. Xiao Yan, an executive Director and the chief executive officer of the Company, is holding 2,273,334 Shares (representing approximately 0.06% of the issued Shares) as at the Latest Practicable Date).

Mr. Qiu Bin, an executive Director, is holding 2,408,000 Shares (representing approximately 0.06% of the issued Shares) as at the Latest Practicable Date.

The Independent Board Committee, comprising Mr. Leung Wo Ping *JP*, Mr. Dong Shi, Mr. Hu Dingdong and Mr. Lei Yong, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. Messis Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person should you so wish.

RECOMMENDATION

Your attention is drawn to the (i) letter from the Independent Board Committee set out on page 10 of this circular which contains its recommendation to the Independent Shareholders on the proposed grant of the Refreshed General Mandate; and (ii) the letter of advice from the Independent Financial Adviser set out on pages 11 to 21 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its advice.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

LETTER FROM THE BOARD

Accordingly, the Directors (including the independent non-executive Directors) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

Yours faithfully,

By Order of the Board

HENG XIN CHINA HOLDINGS LIMITED

Xiao Yan

Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HENG XIN CHINA HOLDINGS LIMITED

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

5 February 2015

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 5 February 2015 (“**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board set out on pages 3 to 9 of the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the proposed grant of the Refreshed General Mandate set out on pages 11 to 21 of the Circular.

Having considered the advice of Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully

Independent Board Committee

Mr. Leung Wo Ping JP

Independent

non-executive Director

Mr. Dong Shi

Independent

non-executive Director

Mr. Hu Dingdong

Independent

non-executive Director

Mr. Lei Yong

Independent

non-executive Director

* For identification purpose only

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

5 February 2015

*To: The Independent Board Committee and the Independent Shareholders of
Heng Xin China Holdings Limited*

Dear Sir/Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 5 February 2015, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

Pursuant to Rule 17.42(A)(1) of the GEM Listing Rules, the refreshment of the Existing Issue Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the granting of the Refreshed General Mandate to be proposed at the SGM. To the best of the Company’s information and belief after having made reasonable enquiries, as at the Latest Practicable Date, there was no controlling Shareholder. Accordingly, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution approving the granting of the Refreshed General Mandate at the SGM.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Wo Ping JP, Mr. Dong Shi, Mr. Hu Dingdong and Mr. Lei Yong, all being independent non-executive Directors, has been established to advise whether the granting of the Refreshed General Mandate is in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 17.97 of the Listing Rules and accordingly, were qualified to advise the Independent Board Committee and the Independent Shareholders with respect to the refreshment of the Existing Issue Mandate. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted any independent investigation into the business and affairs of the Group.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background and reasons for the refreshment of the Existing General Mandate

The Company is an investment holding company. The Group is principally 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.

At the annual general meeting of the Company held on 8 May 2014, the Shareholders approved, among other things, ordinary resolution to approve the granting of the Existing General Mandate to the Directors to allot, issue and deal with up to 681,718,037 Shares, being 20% of the entire issued share capital of the Company as at the date of the annual general meeting.

As at the Latest Practicable Date, the Existing General Mandate was utilised as to approximately 79.45%, representing an aggregate of 541,600,000 new Shares issued under the Existing General Mandate. In order to maintain financial flexibility for the Company to raise further funds through the issue of new Shares for its proposed transactions to be discussed below as well as its future business development as and when an opportunity arises, the Board proposes to seek the approval of Independent Shareholders at the SGM to grant the Refreshed General Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company at the date of SGM.

(i) *Capital Injection*

On 17 January 2014, the Company entered into a letter of intent with an independent third party (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 山西經作蓖麻科技有限公司 (Shanxi Jingzuo Bima Technology Limited*, “Shanxi Jingzuo Bima”). The consideration for the possible acquisition is expected to be in the range from RMB800 million (equivalent to approximately HK\$1,024 million) to RMB1,200 million (equivalent to approximately HK\$1,536 million). Shanxi Jingzuo Bima 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.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

On 26 January 2015, 北京凱僑立盛科技有限公司 (Beijing Kaiqiao Lisheng Technology Company Limited*, “**Beijing Kaiqiao**”), a wholly-owned subsidiary of the Company, entered into an agreement (the “**Capital Injection Agreement**”) with 中祥恒遠投資管理有限公司 (Zhong Xiang Heng Yuan Investment Management Company Limited*, “**Zhong Xiang**”) and 胡國勝 (Hu Guosheng), pursuant to which Beijing Kaiqiao has conditionally agreed to inject the sum of RMB52 million (equivalent to approximately HK\$65 million) in cash (the “**Capital Injection**”) into the 山西中澤恒遠生物科技股份有限公司 (Shanxi Zhongze Heng Yuan Biological Technology Company Limited*, the “**Target Company**”). Upon the completion, the Target Company will be owned as to 51% by Beijing Kaiqiao, as to 24.5% by Zhong Xiang and as to 24.5% by Hu Guosheng respectively. The Target Company is a company incorporated in the PRC with limited liability and principally engaged in research and development, manufacturing and selling of castor seeds, manufacturing and selling of castor beans, research and development of technology of biological products, research and development of technology of new technology of castor industry, promotion of technology, application of technology and selling of castor oil.

Pursuant to the Capital Injection Agreement and assuming the completion is on or before 30 May 2015, Hu Guosheng and Zhong Xiang have guaranteed that the audited net profit after tax of the Target Company (the “**Actual Profit**”), as prepared in accordance with the HKFRS, for the three years ending 30 June 2016, 2017 and 2018. If any shortfall exists for the years ending 30 June 2016, 2017 and 2018, Hu Guosheng and Zhong Xiang shall compensate the Target Company for the shortfall amount by cash payment within 10 business days after the issue of the audited financial statements of the Target Company for the relevant year. Hu Guosheng and Zhong Xiang further agree to use their respective 24.5% interest in the Target Company as security in support of satisfaction of their obligation to compensate the shortfall by way of cash. In addition, in the event that the three years aggregate Actual Profits (without taking into account the above compensation of shortfall) falls below RMB109.2 million (being the three years aggregate Guaranteed Profits), Zhong Xiang and Hu Guosheng jointly and severally agree and undertake to repurchase Beijing Kaiqiao’s equity interest in the Target Company at a compensation at the sole discretion of Beijing Kaiqiao pursuant to the terms of the Capital Injection Agreement. Further details of the Capital Injection are contained in the announcement of the Company dated 26 January 2015.

The amount of the Capital Injection will be satisfied by internal resources of the Group. Completion of the Capital Injection is subject to the fulfillment of the conditions precedent to the Capital Injection Agreement. As at the Latest Practicable Date, the Capital Injection was not completed.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

(ii) *Share Acquisition*

To take part in the digital transformation scheme which is about developing cable television networks in PRC on 15 July 2014, 深圳中澤明芯集團有限公司 (Shenzhen Champion Maxiumic Group Co., Limited*, “**Shenzhen Champion**”), an indirect wholly-owned subsidiary of the Company, and 北京華視星源科技有限公司 (Beijing Huashi Xinyuan Technology Limited*, “**Beijing Huashi**”) entered into the share purchase agreement (the “**Share Acquisition**”), pursuant to which Beijing Huashi as vendor agreed to transfer 100% equity interests in 北京亞澳博視技術有限公司 (Beijing Yaa Boshi Technology Limited*, “**Beijing Yaa Boshi**”) to Shenzhen Champion as purchaser at a consideration of RMB80 million (equivalent to approximately HK\$100 million). Beijing Yaa Boshi is principally engaged in processing radio and television broadcasting equipment, telecommunication equipment; high-technology products’ technology development, transfer, service, consulting and training; selling machinery equipment, electrical equipment and instruments.

The consideration of RMB80 million (equivalent to approximately HK\$100 million) for the Share Acquisition will be applied to off-set the accounts receivable of RMB176.70 million (or approximately HK\$220.87 million). As such, Shenzhen Champion is not required to make any payment to Beijing Huashi pursuant to the Share Acquisition. Shenzhen Champion will continue to negotiate with Beijing Huashi for the recovery of the remainder of the accounts receivable of RMB96.70 million (equivalent to approximately HK\$120.87 million) within one year after signing of the Share Purchase Agreement (“**Share Purchase Agreement**”).

The Share Acquisition was completed on 20 August 2014. Further details of the Share Acquisition are contained in the announcement of the Company dated 15 July 2014. In view of the potential funding needs arising from the (i) Capital Injection; (ii) the general working capital of the Group as well as future investment opportunities, the Group has carried the following fund raising exercises under the Existing General Mandate. On 18 December 2014, the Company entered into three separate subscription agreements with three subscribers respectively. Pursuant to the subscription agreements, the subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 583,200,000 Shares at the subscription price of HK\$0.12 per Share. On 28 January 2015, the Company and the first subscriber entered into the supplemental agreement to amend the number of subscription shares from 166,600,000 to 125,000,000. As a result, the total number of Shares to be allotted and issued under the aforesaid subscription agreements becomes 541,600,000. The 541,600,000 Shares represent approximately 13.54% of the existing issued share capital of the Company of 4,000,190,188 Shares as at the Latest Practicable Date.

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The aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$65 million, representing a net issue price of approximately HK\$0.12 per subscription share. It is intended that the net proceeds arising from the subscription will be used by the Company (i) as to approximately HK\$53 million for reduction of the Group's level of debt; and (ii) as to approximately HK\$12 million as general working capital of the Group and/or for financing future investment opportunities. The issue and allotment of 541,600,000 subscription Shares will utilize approximately 79.45% of the Existing General Mandate. Details of the subscription of new shares under general mandate are contained in the announcement of the Company dated 18 December 2014.

On 9 January 2015, all conditions precedent under each of the second subscription agreement and the third subscription agreement have been fulfilled and the completion of the second subscription and the third subscription took place in accordance with the relevant subscription agreement. Accordingly, 333,300,000 new Shares and 83,300,000 new Shares were issued and allotted to the second subscriber and the third subscriber respectively at the subscription price of HK\$0.12 per subscription share. On 30 January 2015, the completion of the first subscription took place and a total of 125,000,000 Shares have been issued and allotted to the first subscriber. Further details of the completion of subscription of new shares under general mandate are contained in the announcement of the Company dated 9 January 2015, 19 January 2015 and 28 January 2015.

We have analysed, on the other hand, the latest financial position of the Group. Based on the unaudited consolidated statement of financial position as contained in the interim report of the Company for the six months ended 30 June 2014, the Group recorded net current assets of approximately HK\$605.91 million, down from that of HK\$648.05 million as at 31 December 2013. It is noted that the cash and bank balances of the Group as at 30 June 2014 amounted to approximately HK\$22.42 million, down from that of HK\$130.73 million as at 31 December 2013, while the amount of notes payable amounted to HK\$150 million, resulting in net debt of approximately HK\$127.58 million. The notes payable consists an aggregate of HK\$50 million and HK\$100 million principal amount of redeemable notes which was originally set to mature on redemption on 20 December 2014 and 29 December 2014 respectively. As mentioned above, the net proceeds arising from the subscription will be used by the Company as to approximately HK\$53 million for reduction of the Group's level of debt. On 12 January 2015, the Company and Sandmartin International Holdings Limited entered into the extension agreement to extend the maturity date for the outstanding part of the redeemable notes in the principal amount of HK\$70 million until 30 June 2015. Besides, it is noted that the Group recorded a loss attributable to owners of the Company of approximately HK\$32.51 million for the six months ended 30 June 2014, as compared with a profit of approximately HK\$21.86 million for the prior corresponding period.

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Considering the funding needs arising from the Capital Injection as discussed above, we consider that the granting of the Refreshed General Mandate is necessary for the Group to maintain financial flexibility. As at the Latest Practicable Date, the Company had an aggregate of 4,000,190,188 Shares in issue. Subject to the passing of the ordinary resolution approving the granting of the Refreshed General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the Refreshed General Mandate would allow the Directors to issue, allot and deal with up to 800,038,037 new Shares, representing 20% of the total issued share capital of the Company as at the Latest Practicable Date.

On 1 December 2014, the Company has filed a statement of claim to Shijiazhuang Intermediate People's Court in the Hebei Province, the PRC (the "**Court**") and has received a notification of acceptance from the Court regarding the conditional termination agreement between Shenzhen Champion and 河北廣電網絡投資有限公司 dated 31 December 2013. Shenzhen Champion, an indirect wholly-owned subsidiary of the Company, as vendor (the "**Vendor**") and 河北廣電網絡投資有限公司 as purchaser (the "**Purchaser**") in relation to, among others, the sale and purchase of the telecommunication equipment in relation to digital cable television broadcasting network and the termination of the cooperation agreement. The Vendor has initiated a civil action against the Purchaser concerning the Vendor's claim for payment by the Purchaser in accordance with the terms of the termination agreement of (i) the overdue payment penalty of approximately RMB597,000 due to the delay in settlement of the First Payment amounting to RMB30 million; (ii) the Second Payment amounting to RMB20 million and the relevant default interest accrued on the Second Payment; and (iii) the court costs of the above civil action. As the case is still under legal proceedings, it is uncertain whether the amount can be recovered. Accordingly, we are of the view that cash inflow arising from the civil claim is highly dependent on the favorable decision of the court and may not meet the funding needs of the Company for the time being.

Having considered that (i) the Existing Issue Mandate is almost fully utilised, and it is expected that the next annual general meeting will not take place until May 2015; (ii) the funding needs arising from the Capital Injection and; (iii) the deteriorating financial position of the Company as analysed above; (iv) cash inflow arising from civil claim is uncertain to meet the funding needs of the Company for the time being, we are of the view that the granting of the Refreshed General Mandate would provide the Company with necessary financing flexibility for its potential financing needs for the Capital Injection and any future investments and business developments as and when they arise in a timely manner, as well as means for improving its working capital position of the Company when necessary, and are therefore of the view that the granting of Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

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2. Equity fund raising activities involving the utilization of the Existing General Mandate

Set out below is the fund raising activity of the Company during the period from the date of the 2014 AGM and up to the Latest Practicable Date:

Date of announcement	Transaction	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
18 December 2014, 9 January 2015, 19 January 2015 and 28 January 2015	Issue of 541,600,000 new Shares at HK\$0.12 each by way of subscription	Approximately HK\$65 million	Used by the Company (i) as to approximately HK\$53 million for reduction of the Group's level of debt; and (ii) as to approximately HK\$12 million as general working capital of the Group and/or for financing future investment opportunities.	Used by the Company (i) as to approximately HK\$53 million for reduction of the Group's level of debt; and (ii) as general working capital

Save as disclosed above, the Company had not conducted any other equity fund raising activities during the period from the date of the 2014 AGM and up to the Latest Practicable Date.

The net proceeds from the share subscription has been fully utilised as initially intended. The Directors consider that the granting of the Refreshed General Mandate is intended to provide financial flexibility to the Company in view of its current funding needs arising from the proposed transactions, and for future investments as and when they arise.

In view of the above, the Board considers the use of general mandate is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions and the Refreshed General Mandate, which may or may not be utilised, is in the interests of the Company and the Shareholders as a whole.

We concur with the Director's view that the granting of the Refreshed General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it offers the Group the financial flexibility for both current and future funding needs, taking into account the financial position of the Group.

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3. Other financing alternatives

As advised by the Company, apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making any investment decisions. The Group will consider the cost and other terms of the funding before deciding on the means of financing in order to maximum the benefit to the Shareholders. Furthermore, these alternatives may be subject to lengthy due diligence and negotiations. The Group will consider other pre-emptive equity financing methods such as rights issue and open offer as compared with the equity financing under the Refreshed General Mandate, taking into the timing of the funding needs as compared with the time required for carrying a rights issue/open offer, the then market condition, and the interest expressed by and the terms offered by any prospective underwriters in respect of rights issue/open offer, which we consider reasonable factors to take into consideration when deciding the merits of such pre-emptive equity financings. The Directors advised us that they would exercise due and careful consideration when choosing the best method of financing for the Group.

We consider that the granting of the Refreshed General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods, among the various means of financing, including but not limited to equity financing either under the Refreshed General Mandate or a specific mandate, pre-emptive equity financing and debt financing, for its future business development and the efficient use of its funds. Based on the above, we are of the view that the granting of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

4. Potential dilution to Independent Shareholders' shareholdings

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the Refreshed General Mandate assuming no new Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the SGM:

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Shareholders	As at the		Immediately upon full	
	Latest Practicable Date		utilisation of the	
	<i>No. of Shares</i>	<i>approximate</i>	<i>No. of Shares</i>	<i>approximate</i>
			Refreshed General Mandate	
Team Effort Investments Limited (<i>Note 1</i>)	623,542,451	15.59%	623,542,451	12.99%
Xiao Yan (<i>Note 2</i>)	2,273,334	0.06%	2,273,334	0.05%
Qiu Bin (<i>Note 3</i>)	2,408,000	0.06%	2,408,000	0.05%
Maximum number of new Shares can be issued pursuant to the Refreshed General Mandate if granted	—	—	800,038,037	16.67%
Public Shareholders	3,371,966,403	84.29%	3,371,966,403	70.24%
Total	4,000,190,188	100.00%	4,800,228,225	100.00%

Notes:

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 is the chief executive officer of the Company and the executive Director.
3. Mr. Qiu Bin is the executive Director.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date to the date of the SGM, 800,038,037 new Shares can be issued upon full utilisation of the Refreshed General Mandate, representing 20% of the issued share capital as at the date of SGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 84.29% as at the Latest Practicable Date to approximately 70.24% upon full utilisation of the Refreshed General Mandate, representing a potential maximum decrease in shareholding of approximately 14.05%.

It is noted that the Existing General Mandate has been utilised as to approximately 79.45% under the three subscription agreements entered into by the Company dated 18 December 2014 (as supplemented by a supplemented agreement dated 28 January 2015), of which the majority of the proceeds raised has been utilised to reduce the Group’s level of debt. We were given to understand that in deciding fund raising by means of utilising the Refreshed General Mandate, under which new Shares representing 20% of the issued share capital as at the date of SGM can

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be issued upon full utilization thereof, the Company shall consider other financing alternatives and the respective advantages/disadvantages in context of the Group's funding needs, including but not limited to dilution effect, scale of the funding needs and timeliness of the financing means relative to the funding needs. In any case, the Refreshed General Mandate offers flexibility and options of financing to the Group, and the Directors advised us that they would exercise due and careful consideration when choosing the best method of financing for the Group.

Taking into account that the granting of the Refreshed General Mandate (i) would allow the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) would provide more flexibility and options of financing to the Group for its current and future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a time and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; (iv) the possible acquisitions engaged by the Group and the timely funding need as a consequence; and (v) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as just mentioned is acceptable.

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the granting of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the granting of the Refreshed General Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

Mr. Robert Siu is a licensed person registered with the SFC and regarded as a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

** For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING



HENG XIN CHINA HOLDINGS LIMITED

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Heng Xin China Holdings Limited (the “**Company**”) will be held at Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 25 February 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT**

- (a) the general mandate granted to the directors of the Company (the “**Directors**”) to exercise the powers of the Company to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 May 2014 to the extent not already exercised be and is hereby revoked (but without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (d) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to allot, issue and otherwise deal with additional shares of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers be and it is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the Directors during the Relevant Period to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers after the end of the Relevant Period;
- (d) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (b) above, otherwise than pursuant to (i) a Rights Issue

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

(as defined below); or (ii) the exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or (iii) the exercise of any option granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or (iv) any scrip dividend or under similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the authority pursuant to paragraph (b) of this resolution shall be limited accordingly; and

(e) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by applicable laws or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means the allotment, issue and grant of Shares pursuant to an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

Yours faithfully,

By Order of the Board

HENG XIN CHINA HOLDINGS LIMITED

Xiao Yan

Chief Executive Officer

Hong Kong, 5 February 2015

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit 2, 24/F, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the bye-laws of the Company, vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the SGM the vote of the joint holder whose name stands first on the register of members of the Company in respect of the joint holding who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
3. In order to be valid, the form of proxy for use at the SGM must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, at the office of the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the SGM or adjournment thereof.
4. As at the date of this notice, the board of Directors consists of Mr. Xiao Yan (Chief Executive Officer), Mr. Li Tao, Mr. Qiu Bin and Mr. Wang Kun as executive Directors; Mr. Xu Lei as non-executive Director; Mr. Leung Wo Ping *JP*, Mr. Dong Shi, Mr. Hu Dingdong and Mr. Lei Yong as independent non-executive Directors.