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HENGXIN
恒芯中國

Heng Xin China Holdings Limited

恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES

The Board proposes to refresh the Existing General Mandate for the Directors to issue and allot new Shares up to 20% of the issued share capital of the Company as at the date of passing of such resolution at the SGM. As the proposed grant of the Refreshed General Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 17.42A of the GEM Listing Rules, the Refreshed General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the SGM.

GENERAL

The SGM will be held to consider and, if thought fit, passing the ordinary resolution to approve the Refreshed General Mandate. 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. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A circular containing, among others, information regarding the proposed grant of the Refreshed General Mandate, advice from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, and a notice of SGM to the Shareholders will be despatched to the Shareholders on the same date of this announcement.

* For identification purpose only

1. PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES

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 at the SGM.

2. BACKGROUND TO AND REASONS FOR THE REFRESHMENT OF 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 date of this announcement, an aggregate of 541,600,000 new Shares have been issued pursuant to the Existing General Mandate, representing utilisation of approximately 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.

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

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.

3. REFRESHED GENERAL MANDATE

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.

Pursuant to Rule 17.42A of the GEM Listing Rules, the Refreshed General Mandate is subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM.

4. SGM

The SGM will be held to consider, and if thought fit, passing the ordinary resolution to approve the Refreshed General Mandate. 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 date of this announcement, 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.

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. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A circular containing, among others, information regarding the proposed grant of the Refreshed General Mandate, advice from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, and a notice of SGM to the Shareholders will be despatched to the Shareholders on the same date of this announcement.

DEFINITIONS

In this announcement, 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
“Board”	the board of Directors
“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
“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
“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 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
“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
“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.

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

Hong Kong, 5 February 2015

As at the date of this announcement, the Board comprises 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website 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.