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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)

- (1) PROPOSED ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
AND
(2) PROPOSED ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 8 December 2015 (after trading hours), the Company and each of the CB Subscribers entered into the CB Subscription Agreements respectively in respect of the issue of and subscription for the Convertible Bonds in the aggregate principal amount of HK\$150,000,000.

Based on the initial Conversion Price of HK\$0.115 per Conversion Share, a total of 1,304,347,825 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing (i) approximately 24.80% of the existing issued share capital of the Company as at the date of the CB Subscription Agreement; (ii) approximately 19.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares; and (iii) approximately 15.71% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Subscription Shares (assuming

there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The Conversion Shares will be allotted and issued under the CB Specific Mandate to be sought from the Shareholders at the SGM. Assuming the Convertible Bonds are successfully subscribed by the CB Subscribers, the gross proceeds of the CB Subscription will be HK\$150,000,000 and the net proceeds of the CB Subscriptions amount to approximately HK\$150,000,000. The Company will on the First CB Subscription Completion Date, exercise the early redemption right under the Bond in full and the subscription price of the Convertible Bonds payable by the First CB Subscriber which is equal to the principal amount of the Convertible Bonds of HK\$100,000,000 will be partly settled by offsetting the principal amount of the Bond of HK\$70,000,000 to be repaid by the Company under the Redemption Notice and the remaining balance will be settled by the First CB Subscriber in cash. The Company intends to apply the net proceeds of the CB Subscriptions as to (i) HK\$70,000,000 for redeeming the Bond pursuant to the Bond Instrument; and (ii) the remaining net proceeds will be used for funding any future business developments and/or potential investment opportunities.

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

On 8 December 2015 (after trading hours), the Company entered into the First Share Subscription Agreement with the First Share Subscriber, pursuant to which the First Share Subscriber has conditionally agreed to subscribe, in cash, for and the Company has conditionally agreed to allot and issue a total of 870,000,000 new Shares (representing (i) approximately 16.54% of the existing issued share capital of the Company as at the date of the First Share Subscription Agreement; (ii) approximately 14.19% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares; (iii) approximately 12.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iv) approximately 10.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares) at the Subscription Price of HK\$0.115 per Subscription Share in an aggregate amount of HK\$100,050,000.

On 8 December 2015 (after trading hours), the Company entered into the Second Share Subscription Agreement with the Second Share Subscriber, pursuant to which the Second Share Subscriber has conditionally agreed to subscribe, in cash, for and the Company has conditionally agreed to allot and issue a total of 870,000,000 new Shares (representing (i) approximately 16.54% of the existing issued share capital of the Company as at the date of the Second Share Subscription Agreement; (ii) approximately 14.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Second Subscription Shares; (iii) approximately 12.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iv) approximately 10.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares) at the Subscription Price of HK\$0.115 per Subscription Share in an aggregate amount of HK\$100,050,000.

The Subscription Shares, in aggregate, represent (i) approximately 33.08% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 24.86% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 20.96% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Share Subscriptions).

The Subscription Shares will be allotted and issued pursuant to the Subscription Specific Mandate to be sought from the Shareholders at the SGM. On the assumption that all the Subscription Shares are successfully subscribed, the aggregate gross proceeds arising from the Share Subscriptions will be HK\$200,100,000 and the aggregate net proceeds arising from the Share Subscriptions, after deduction of expenses, are estimated to be approximately HK\$200,100,000, representing a net issue price of approximately HK\$0.115 per Subscription Share. The net proceeds from the Share Subscriptions will be applied as to (i) approximately HK\$56.95 million for the capital injection into 山西中澤恒遠生物科技股份有限公司 (Shanxi Zhongze Heng Yuan Biological Technology Company Limited*) (Details of the transaction are set out in the announcement of the Company dated 26 January 2015); and (ii) the remaining net proceeds will be used for funding any future business developments and/or potential investment opportunities (which may include the possible acquisition of the entire issued share capital of 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.*), which the Company has entered into a memorandum of understanding on 1 December 2015, details of which are set out in the announcement of the Company dated 1 December 2015).

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the CB Subscription Agreements and the Share Subscription Agreements and the transactions contemplated thereunder (including the grant of the CB Specific Mandate and the Subscription Specific Mandate). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as no Shareholder has an interest in the CB Subscription Agreements and the Share Subscription Agreements that is materially different from the other Shareholders, no Shareholder is required to abstain from voting at the SGM in respect of the CB Subscription Agreements and the Share Subscription Agreements.

A circular containing, among other things, details of the CB Subscription Agreements, Share Subscription Agreements, the Convertible Bonds, the CB Specific Mandate and the Subscription Specific Mandate and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that the CB Subscriptions and the Share Subscriptions are subject to fulfillment and/or waiver (as the case may be) of the conditions precedent to the respective CB Subscription Agreements and the respective Share Subscription Agreements, and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

(1) THE CB SUBSCRIPTIONS

On 8 December 2015 (after trading hours), the Company and each of the CB Subscribers entered into the CB Subscription Agreements respectively in respect of the issue of and subscription for the Convertible Bonds in the aggregate principal amount of HK\$150,000,000.

First CB Subscription Agreement

Date : 8 December 2015 (after trading hours)

Parties: (i) the Company (as issuer); and
(ii) the First CB Subscriber (as subscriber)

The First CB Subscriber is a company incorporated in Hong Kong with limited liability. Based on the public information available to the Company, the First CB Subscriber is an investment holding company and its shares are listed on the Main Board of the Stock Exchange. The First CB Subscriber, through its subsidiaries, is principally engaged in coking coal trading business, media and advertising business and provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement

management, commodity delivery management and related consulting services to customers nationwide in the People's Republic of China. As at the date of this announcement, the First CB Subscriber is the sole holder of the Bond and does not have any interest in the Shares. Based on the available information to the Company, Mr. Lo Ka Wai, the chief financial officer of the Company, is an executive director of the First CB Subscriber. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the First CB Subscriber is an Independent Third Party and is independent of and not connected with the Second CB Subscribers and the Share Subscribers. The Company is unaware who the ultimate beneficial owner of the First CB Subscriber is.

Subject matter

Pursuant to the First CB Subscription Agreement, the First CB Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$100,000,000. The Company will on the First CB Subscription Completion Date, exercise the early redemption right under the Bond in full. The subscription price of the Convertible Bonds to be subscribed by the First CB Subscriber which is equal to the principal amount of the Convertible Bonds of HK\$100,000,000 will be partly settled by offsetting the principal amount of the Bond of HK\$70,000,000 to be repaid by the Company under the Redemption Notice and the remaining balance will be settled by the First CB Subscriber in cash.

Upon all the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$100,000,000 are exercised by the First CB Subscriber in full at the initial Conversion Price, the First CB Subscriber will be interested in 869,565,217 Shares, representing (i) approximately 16.53% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 14.19% of the issued share capital of the Company as enlarged by the allotment and issue of such number of Conversion Shares.

Conditions Precedent to the First CB Subscription Agreement

The completion of the First CB Subscription Agreement is conditional upon:

- (a) the passing of the resolution(s) by the Shareholders (who are entitled to vote and not required to be abstained from voting) at the SGM approving the First CB Subscription Agreement and the transactions contemplated thereunder including but not limited to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares;
- (b) the GEM Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds;

- (c) the First CB Subscriber having entered into an amendment deed with the Company to amend the Bond Instrument to permit early redemption of the Bond by the Company without prior written notice;
- (d) all necessary consents and approvals to be obtained on the part of each of the Company and the First CB Subscriber in respect of the First CB Subscription Agreement and the transactions contemplated hereunder having been obtained;
- (e) the compliance with the applicable requirements under the GEM Listing Rules by the Company; and
- (f) the compliance with the applicable requirements under the Listing Rules by the First CB Subscriber.

The above conditions precedent are not capable of being waived by either the Company or the First CB Subscriber. If any of the conditions precedent to the First CB Subscription Agreement set out above is not fulfilled at or before 4:00 p.m. on the CB Subscription Long Stop Date (or such other time and date as may be agreed in writing by the parties to the First CB Subscription Agreement), the First CB Subscription Agreement and all rights and obligations thereunder will cease and terminate, save for any antecedent breaches of the First CB Subscription Agreement.

Termination of the First CB Subscription Agreement

Under the First CB Subscription Agreement, an innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the First CB Subscription Agreement without liability to defaulting party by giving notice in writing to the defaulting party if at any time before the First CB Subscription Completion Date, there occurs any material breach of any provision of the First CB Subscription Agreement.

In the event that the innocent party terminates the First CB Subscription Agreement, (i) the Redemption Notice will cease to have effect and will be taken not to have been given; and (ii) all the obligations of the parties under the First CB Subscription Agreement shall cease and determine and no party shall be liable to the other party save for antecedent breaches.

First CB Subscription Completion and Early Redemption of the Bond

Completion of the First CB Subscription Agreement shall take place on the First CB Subscription Completion Date, which shall be the date falling within three Business Days after the date on which the conditions precedent to the First CB Subscription Agreement are fulfilled or such other date as the Company and the First CB Subscriber may agree.

The Company will on the First CB Subscription Completion Date, exercise the early redemption right under the Bond in full. The subscription price of the Convertible Bonds payable by the First CB Subscriber which is equal to the principal amount of the Convertible Bonds of HK\$100,000,000 will be partly settled by offsetting the principal amount of the Bond of HK\$70,000,000 to be repaid by the Company under the Redemption Notice and the remaining balance will be settled by the First CB Subscriber in cash.

Second CB Subscription Agreement

Date : 8 December 2015 (after trading hours)

Parties: (i) the Company (as issuer); and
(ii) the Second CB Subscriber (as subscriber)

The Second CB Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings, with its entire issued share capital being wholly and beneficially owned by Chan Lai Pan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Second CB Subscriber and its ultimate beneficial owner is an Independent Third Party and is independent of and not connected with the First CB Subscriber and the Share Subscribers.

Subject matter

Pursuant to the Second CB Subscription Agreement, the Second CB Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$50,000,000.

As at the date of this announcement, the Second CB Subscriber does not have any interest in the Shares. Upon all the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$50,000,000 are exercised by the Second CB Subscriber in full at the initial Conversion Price, the Second CB Subscriber will be interested in 434,782,608 Shares, representing (i) approximately 8.27% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 7.63% of the issued share capital of the Company as enlarged by the allotment and issue of such number of Conversion Shares.

Conditions Precedent to the Second CB Subscription Agreement

The completion of the Second CB Subscription Agreement is conditional upon:

- (a) the passing of the resolution(s) by the Shareholders (who are entitled to vote and not required to be abstained from voting) at the SGM approving the Second CB Subscription Agreement and the transactions contemplated thereunder including but not limited to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares;

- (b) the GEM Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds; and
- (c) all necessary consents and approvals to be obtained on the part of each of the Company and the Second CB Subscriber in respect of the Second CB Subscription Agreement and the transactions contemplated hereunder having been obtained.

The above conditions precedent are not capable of being waived by either the Company or the Second CB Subscriber. If any of the conditions precedent to the Second CB Subscription Agreement set out above is not fulfilled at or before 4:00 p.m. on the CB Subscription Long Stop Date (or such other time and date as may be agreed in writing by the parties to the Second CB Subscription Agreement), the Second CB Subscription Agreement and all rights and obligations thereunder will cease and terminate, save for any antecedent breaches of the Second CB Subscription Agreement.

Termination of the Second CB Subscription Agreement

Under the Second CB Subscription Agreement, an innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the Second CB Subscription Agreement without liability to defaulting party by giving notice in writing to the defaulting party if at any time before the Second CB Subscription Completion Date, there occurs any material breach of any provision of the Second CB Subscription Agreement.

In the event that the innocent party terminates the Second CB Subscription Agreement, all the obligations of the parties under the Second CB Subscription Agreement shall cease and determine and no party shall be liable to the other party save for antecedent breaches.

Second CB Subscription Completion

Completion of the Second CB Subscription Agreement shall take place on the Second CB Subscription Completion Date, which shall be the date falling within three Business Days after the date on which the conditions precedent to the Second CB Subscription Agreement are fulfilled or such other date as the Company and the Second CB Subscriber may agree.

Principal terms of the Convertible Bonds

The terms of the Convertible Bonds (including the Conversion Price) were arrived at after arm's length negotiations between the Company and the CB Subscribers. Set out below are the terms of the Convertible Bonds:

- Issuer : the Company
- Aggregate Principal amount : HK\$150,000,000
- Maturity Date : the date falling twelve (12) months from the date of issue of the Convertible Bonds (or, if such date is not a Business Day, the first Business Day thereafter)
- Interest : the Convertible Bonds bear interest from the date of issue at 5% per annum on the principal amount of the Convertible Bonds from time to time outstanding and payment to be made on the Maturity Date. The Convertible Bonds will cease to bear interest on the earlier of (a) the date of redemption of the Convertible Bonds by the Company; and (b) the Maturity Date. In the event that the holder of the Convertible Bonds has converted part or whole of the principal amount of the Convertible Bonds, the holder of the Convertible Bonds shall not be entitled to any interest in respect of such part or whole of the principal amount of the Convertible Bonds
- Redemption : the Company may at any time before the Maturity Date and from time to time by serving at least ten (10) calendar days' prior written notice ("**Early Redemption Notice**") on the holder of the Convertible Bonds with the total amount proposed to be redeemed from the holder of the Convertible Bonds specified therein, redeem the Convertible Bonds (in whole or in part) at 110% of the total amount of such Convertible Bonds together with payment of interests accrued up to the date of such early redemption. Once the Early Redemption Notice is served, the Company shall not accept any request by the holder of the Convertible Bonds relating to the conversion of the Convertible Bonds (in whole or in part)
- any principal amount of the Convertible Bonds which has not been converted in accordance with the terms and conditions of the Convertible Bonds by the Maturity Date shall be redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the principal amount of the outstanding Convertible Bonds (together with all interest accrued thereon)
- Conversion period : any time after the date of issue of the Convertible Bonds and up to and including the Maturity Date

Conversion Price : the initial Conversion Price is HK\$0.115 per Conversion Share, subject to the adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds.

the initial conversion price of HK\$0.115 per Conversion Share represents:

- (i) a discount of approximately 30.72% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on 8 December 2015, being the date of the CB Subscription Agreements;
- (ii) a discount of approximately 31.87% to the average closing price of approximately HK\$0.169 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the CB Subscription Agreements; and
- (iii) a discount of approximately 36.64% to the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the CB Subscription Agreements

the Conversion Price was determined after arm's length negotiations between the Company and the CB Subscribers with reference to the prevailing market price of the Shares

Adjustment events : the Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

- (i) any consolidation or subdivision of the Shares;
- (ii) issue (other than in lieu of a cash dividend) of any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) any capital distribution to the Shareholders or granting the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;

- (iv) offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price per Share to Shareholders;
- (v) issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per new Share receivable is less than 80% of the market price, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable is less than 80% of such market price; and
- (vi) issue of Shares being made wholly for cash at a price less than 80% of the market price per Share

Conversion Shares : based on the initial Conversion Price of HK\$0.115, a total of 1,304,347,825 Conversion Shares will be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds in full, representing:

- (a) approximately 24.80% of the existing issued share capital of the Company as at the date of the CB Subscription Agreements;
- (b) approximately 19.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares;

The aggregate nominal value of the Conversion Shares shall be HK\$13,043,478.25

Conversion rights : the holder of the Convertible Bonds may, at any time during the period commencing from the date of issue of the Convertible Bonds and up to and including the Maturity Date, require the Company to convert the whole or any part of the principal amount outstanding (in minimum amount of HK\$100,000 or whole multiple thereof) under the Convertible Bonds into Shares. The Conversion Shares shall be allotted and issued in board lots in the name of the holder of the Convertible Bonds or if it so directs any other person(s) pursuant to such conversion and shall be delivered to the holder of the Convertible Bonds within fourteen (14) Business Days after the date of presentation of the relevant original certificate issued in respect of the

Convertible Bonds. Any balance of the Convertible Bonds not converted shall be returned to the holder of the Convertible Bonds

- Conversion restrictions
- : no fraction of a Share will be issued on conversion and no cash adjustments will be made in respect thereof. The Conversion Shares shall be entitled to all dividends, bonuses and other distributions the record date of which falls on a date on or after the date of issue and allotment of the Conversion Shares
 - : upon exercise of the conversion rights attaching to the Convertible Bonds,
 - (i) the holders of the Convertible Bonds and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code;
 - (ii) the public float of the Company will not be unable to meet the relevant requirements under the GEM Listing Rules;
 - (iii) no conversion rights may be exercised by any person who is a restricted holder (where a holder of the Convertible Bonds who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of the conversion rights by such holder of the Convertible Bonds or the performance by the Company of the obligations expressed to be assumed by it under the conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction), and the exercise of any conversion rights by the holder of the Convertible Bonds shall constitute a confirmation, representation and warranty by it to the Company that it is not a restricted holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by it to enable it to exercise legally and validly the relevant conversion rights, to hold the Conversion Shares allotted and issued upon exercise of the conversion rights, and the Company to legally and validly allot and issue the Conversion Shares

- Ranking : the Conversion Shares issued upon exercise of conversion rights attaching to the Convertible Bonds shall be free from any Encumbrance and will rank pari passu in all respects with all other existing Shares outstanding at the date of the conversion notice and all Conversion Shares shall include rights to participate in all dividends, bonuses and other distributions the record date of which falls on or after the date of issue and allotment of the Conversion Share
- Voting : the holders of the Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of being the holders of the Convertible Bonds
- Transferability : the Convertible Bonds are assignable and transferable subject to the applicable laws and regulations, and the GEM Listing Rules, provided always that no transfer or assignment of the Convertible Bonds shall be made to any connected person of the Company (as defined in the GEM Listing Rules)
- Listing : no application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares

CB Specific Mandate

The Convertible Bonds will be issued under the CB Specific Mandate which is subject to the Shareholders' approval at the SGM.

(2) THE SHARE SUBSCRIPTION AGREEMENTS

The First Share Subscription Agreement

Date : 8 December 2015 (after trading hours)

Parties: (i) the Company (as issuer); and
(ii) the First Share Subscriber (as subscriber)

The First Share Subscriber is an individual investor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the First Share Subscriber is an Independent Third Party and is independent of and not connected with the CB Subscribers and the Second Share Subscriber.

Pursuant to the First Share Subscription Agreement, the First Share Subscriber has conditionally agreed to subscribe, in cash, for and the Company has conditionally agreed to allot and issue 870,000,000 new Shares at the Subscription Price of HK\$0.115 per Subscription Share in an aggregate amount of HK\$100,050,000.

The First Subscription Shares

The First Subscription Shares comprise 870,000,000 new Shares, representing (i) approximately 16.54% of the existing issued share capital of the Company as at the date of the First Share Subscription Agreement; (ii) approximately 14.19% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares; (iii) approximately 12.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iv) approximately 10.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Share Subscriptions).

The Second Share Subscription Agreement

Date : 8 December 2015 (after trading hours)

Parties: (i) the Company (as issuer); and
(ii) the Second Share Subscriber (as subscriber)

The Second Share Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding, owned as to 50% by Mr. Chan Chun Wo and 50% by Ms. Huang Fan.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Second Share Subscriber and its ultimate beneficial owners is an Independent Third Party and is independent of and not connected with the CB Subscribers and the First Share Subscriber.

Pursuant to the Second Share Subscription Agreement, the Second Share Subscriber has conditionally agreed to subscribe, in cash, for and the Company has conditionally agreed to allot and issue 870,000,000 new Shares at the Subscription Price of HK\$0.115 per Subscription Share in an aggregate amount of HK\$100,500,000.

The Second Subscription Shares

The Second Subscription Shares comprise 870,000,000 new Shares, representing (i) approximately 16.54% of the existing issued share capital of the Company as at the date of

the Second Share Subscription Agreement; (ii) approximately 14.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Second Subscription Shares; (iii) approximately 12.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iv) approximately 10.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Conversion Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Share Subscriptions).

PRINCIPAL TERMS OF EACH OF THE SHARE SUBSCRIPTION AGREEMENTS

Apart from the number of the Subscription Shares to be subscribed for by each of the Share Subscribers set out above and the identities of the Share Subscribers, the remaining terms of each of the Share Subscription Agreements are the same. Set out below are the key terms of the Share Subscription Agreements.

Share Subscription Refundable Deposit

Each of the Share Subscribers shall, within 7 Business Days upon signing of the respective Share Subscription Agreements, pay to the Company the Share Subscription Refundable Deposit, amounting to HK\$10,000,000, as deposit and part payment of the full Subscription Price pursuant to the relevant Share Subscription Agreements.

If all the conditions precedent to the respective Share Subscription Agreements are fulfilled or waived (if applicable) at or before 4:00 p.m. on the Share Subscription Long Stop Date but the Company does not proceed to the completion of the respective Share Subscription Agreements for any reason not caused by the relevant Share Subscriber, the Company shall refund the relevant Share Subscription Refundable Deposit, without interest, to the respective Share Subscribers within 7 Business Days as full and final settlement under the relevant Share Subscription Agreements. If all the conditions precedent to the respective Share Subscription Agreements are fulfilled or waived (if applicable) at or before 4:00 p.m. on the Share Subscription Long Stop Date but completion of the relevant Subscription agreements does not proceed for any reason caused by the respective Share Subscribers, the Company shall have the right to forfeit the relevant Share Subscription Refundable Deposit as liquidated damages. If all the conditions precedent to the respective Share Subscription Agreements are fulfilled or waived (if applicable) at or before 4:00 p.m. on the Share Subscription Long Stop Date but completion of the relevant Share Subscription Agreements does not proceed for any reason not caused by the Company or the respective Share Subscribers, the Company shall refund the relevant Share Subscription Refundable Deposit, without interest, to the respective Share Subscribers.

The remaining Subscription Price for the First Subscription Shares and the Second Subscription Shares respectively is payable in cash by each of the First Share Subscriber and the Second Share Subscriber upon the completion of the respective Share Subscription Agreements.

Conditions precedent

The completion of each of the First Share Subscription and the Second Share Subscription is conditional upon fulfillment (or where applicable, waiver) of the following conditions:

- (i) the Shareholders having passed resolution(s) at the SGM to approve each of the respective Share Subscription Agreements and the transactions contemplated thereunder (including the grant of the Subscription Specific Mandate in respect of the respective Subscription Shares);
- (ii) the granting of the listing of and permission to deal in the respective Subscription Shares by the GEM Listing Committee of the Stock Exchange (and such listing and permission not subsequently revoked prior to the completion of the respective Share Subscriptions);
- (iii) the warranties given by the Company under the respective Share Subscription Agreements remaining true, accurate and not misleading in all material respects, as given on the date of the relevant Share Subscription Agreements and at the date of the completion of the relevant Share Subscriptions;
- (iv) in accordance with the laws or rules of any relevant jurisdiction, the Company having obtained all consent, approval, filing and records (if applicable) from any governmental or regulatory authorities or other third parties necessary for the purposes of executing and performing the respective Share Subscription Agreements and completing the transactions contemplated under the respective Share Subscription Agreements; and
- (v) the obtaining of all necessary consent and approval by each of the Share Subscribers and the respective Share Subscribers have complied with their responsibility and obligation under the relevant Share Subscription Agreements and there has been no breach of any representations or warranties of the respective Share Subscribers.

Save that each of the Share Subscribers may waive the conditions precedent in paragraph (iii) above, none of the other conditions precedent may be waived by the Company or the respective Share Subscribers. If any of the above conditions precedent is not fulfilled or waived (if applicable) at or before 4:00 p.m. on the Share Subscription Long Stop Date or such other time and date as may be agreed between the Company and the respective Share Subscribers in writing, the respective Share Subscription Agreements and all rights and obligations thereunder will cease and terminate, save for any antecedent breaches of the respective Share Subscription Agreements.

Termination

An innocent party may after consultation with the defaulting party (to the extent that the same is reasonably practicable) terminate the respective Share Subscription Agreements without liability to defaulting party by giving notice in writing to the defaulting party before the completion of the respective Share Subscription Agreements, there occurs any material breach of any provision of the respective Share Subscription Agreements.

In the event that the innocent party terminates the respective Share Subscription Agreements:

- (i) as a result of the default of the Company alone, the Company shall refund the relevant Share Subscription Refundable Deposit, without interest, to the respective Share Subscribers;
- (ii) as a result of the default of the respective Share Subscribers alone, the Company shall forfeit the relevant Share Subscription Refundable Deposit; and
- (iii) all obligations of each of the parties under the respective Share Subscription Agreements shall cease and determine and no party shall be liable to the other party save for antecedent breaches.

Completion

Completion of each of the Share Subscription Agreements shall take place on the Share Subscription Completion Date, which shall be the date falling within three Business Days after the date on which all the conditions precedent under the respective Share Subscription Agreements are fulfilled (or waived, if applicable) or such other date as the Company and the relevant Share Subscribers may agree.

Completion of any Share Subscriptions is not inter-conditional upon each other.

Subscription Price

The Subscription Price of HK\$0.115 per Subscription Share represents:

- (i) a discount of approximately 30.72% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on 8 December 2015, being the date of the Share Subscription Agreements;
- (ii) a discount of approximately 31.87% to the average closing price of approximately HK\$0.169 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreements; and
- (iii) a discount of approximately 36.64% to the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Share Subscription Agreements.

The aggregate net proceeds from the Share Subscriptions is estimated to be approximately HK\$200,100,000. The net subscription price per Subscription Share is approximately HK\$0.115.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Share Subscribers with reference to the recent trading performance of the Shares. The Directors consider that the terms of the Share Subscription Agreements (including the Subscription Price) are on normal commercial terms and are fair and reasonable.

Ranking of the Subscription Shares

The aggregate nominal value of the Subscription Shares is HK\$17,400,000. The Subscription Shares will be allotted and issued free of any Encumbrance, and will rank pari passu in all respects among themselves and all other Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all dividends declared or payable or distribution made or proposed to be made at any time by reference to a record date falling on or after the date of the completion of the Share Subscriptions.

Application for Listing

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Subscription Specific Mandate

The Subscription Shares will be allotted and issued by the Company pursuant to the Subscription Specific Mandate proposed to be sought from the Shareholders at the SGM.

REASONS FOR AND BENEFITS OF THE CB SUBSCRIPTIONS AND THE SHARE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the 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.

On the assumption that all the Subscription Shares are successfully subscribed, the aggregate gross proceeds arising from the Share Subscriptions will be HK\$200,100,000 and the aggregate net proceeds arising from the Share Subscriptions, after deduction of expenses, are estimated to be approximately HK\$200,100,000, representing a net issue price of approximately HK\$0.115 per Subscription Share. The net proceeds from the Share Subscriptions will be applied as to (i) approximately HK\$56.95 million for the capital injection into 山西中澤恒遠生物科技有限公司 (Shanxi Zhongze Heng Yuan Biological Technology Company Limited*) (Details of the transaction are set out in the announcement of the Company dated 26 January 2015); and (ii) the remaining net proceeds will be used for funding any future business developments and/or potential investment opportunities (which may include the possible acquisition of the entire issued share capital of 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.*), which the Company has entered into a memorandum of understanding on 1 December 2015, details of which are set out in the announcement of the Company dated 1 December 2015).

Assuming the Convertible Bonds are successfully subscribed, the gross proceeds of the CB Subscription will be HK\$150,000,000 and the net proceeds of the CB Subscription amount to approximately HK\$150,000,000. Based on the net proceeds from the CB Subscription, the net subscription price per Conversion Share is estimated to be approximately HK\$0.115. The Company intends to apply the net proceeds of the CB Subscriptions as to (i) HK\$70,000,000 for redeeming the Bond pursuant to the Bond Instrument; and (ii) the remaining net proceeds will be used for funding any future business developments and/or potential investment opportunities.

The Directors are of the view that the Share Subscriptions and the CB Subscriptions represent an opportunity for the Company to raise funds to strengthen its overall financial position as well as to provide funding to the Group for its development and investment with an objective to provide attractive returns for the Shareholders. The Board considers that the early redemption of the Bond could save the finance cost to the Company by the CB Subscription.

The Directors consider that the terms of the Share Subscription Agreements (including the Subscription Price) and the CB Subscription Agreements (including the interest rate and the Conversion Price) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE AS A RESULT OF THE CB SUBSCRIPTION AND THE SHARE SUBSCRIPTIONS

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Share Subscriptions (assuming the Subscription Shares were subscribed in full); (iii) immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the Convertible Bonds were successfully subscribed); and (iv) immediately after the completion of the Share Subscriptions and exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the Subscription Shares and the Convertible Bonds were successfully subscribed and there is no other change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds):

	<i>As at the date of this announcement</i>		<i>Immediately upon completion of the Share Subscriptions</i>		<i>Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds</i>		<i>Immediately upon completion of the Share Subscriptions and exercise in full of the conversion right attaching to the Convertible Bonds</i>	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Team Effort Investments Limited (Note 1)	623,542,451	11.85	623,542,451	8.91	623,542,451	9.50	623,542,451	7.51
Xiao Yan (Note 2)	2,273,334	0.04	2,273,334	0.03	2,273,334	0.03	2,273,334	0.03
Qiu Bin (Note 3)	2,408,000	0.05	2,408,000	0.03	2,408,000	0.04	2,408,000	0.03
Ascent Creations Group Limited (Note 4)	590,000,000	11.22	590,000,000	8.43	590,000,000	8.99	590,000,000	7.10
First CB Subscriber	-	-	-	-	869,595,217	13.25	869,565,217	10.47
Second CB Subscriber	-	-	-	-	434,782,608	6.62	434,782,608	5.23
First Share Subscriber	-	-	870,000,000	12.43	-	-	870,000,000	10.48
Second Share Subscriber	-	-	870,000,000	12.43	-	-	870,000,000	10.48
Public Shareholders	4,041,966,403	76.84	4,041,966,403	57.74	4,041,966,403	61.57	4,041,966,403	48.67
Total	5,260,190,188	100.00	7,000,190,188	100.00	6,564,538,013	100.00	8,304,538,013	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 an executive Director.
3. Mr. Qiu Bin is an executive Director.
4. Mr. Wang Peng (王鵬) (“**Mr. Wang**”) is the legal and beneficial owner of the entire issued share capital of Ascent Creations Group Limited. Hence, Mr. Wang is deemed to be interested in 590,000,000 Shares through the shareholding interest of Ascent Creations Group Limited in the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the proposed subscription of a total of 400,000,000 new Shares as announced by the Company dated 14 May 2015 which was terminated on 29 June 2015 and the proposed subscription of a total of 360,000,000 new Shares as announced by the Company dated 18 August 2015 which was terminated on 30 September 2015, the Board confirms that the Company has not raised any funds on any issue of equity securities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
18 December 2014, 9 January 2015, 19 January 2015 and 28 January 2015	Issue of an aggregate of 541,600,000 new Shares at HK\$0.12 each by way of subscription of new Shares	HK\$65.0 million	(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 to approximately HK\$12 million as general working capital of the Group
12 March 2015 and 25 March 2015	Issue of an aggregate of 300,000,000 new Shares at HK\$0.12 each by way of subscription of new Shares	HK\$36 million	(i) as to approximately HK\$20 million for reduction of the Group's level of debt; and (ii) as to approximately HK\$16 million as general working capital of the Group	Used as intended
14 May 2015 and 10 June 2015	Issue of an aggregate of 100,000,000 new Shares at HK\$0.17 each by way of subscription of new Shares	HK\$17 million	As general working capital of the Group	Used by the Company as to approximately HK\$14 million for the repayment of other payables, and approximately HK\$3 million for general working capital of the Group

Date of announcement	Fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
18 August 2015, 27 August 2015 and 14 September 2015	Issue of an aggregate of 270,000,000 new Shares at HK\$0.10 each by way of subscription of new Shares	HK\$27 million	For reduction of the Group's level of debt and general working capital of the Group	Used by the Company as to approximately HK\$20 million for reduction of Group's level of debt, and approximately HK\$7 million for general working capital of the Group
28 October 2015 and 9 November 2015	Issue of a total of 590,000,000 new Shares at HK\$0.105 each by way of subscription of new Shares	HK\$61.95 million	(i) approximately HK\$5 million as general working capital of the Company; and (ii) approximately HK\$56.95 million for the capital injection into 山西中澤恒遠生物科技有限公司 (Shanxi Zhongze Heng Yuan Biological Technology Company Limited*) and/or to finance any potential investment opportunities of the Group that may arise from time and time	(i) Used as intended; (ii) HK\$20.95 million for the payment of other payable of the Group; and HK\$36 million was used to pay as deposit to the vendor for the possible acquisition of the entire issued share capital of 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.*) pursuant to the memorandum of understanding dated 1 December 2015

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the CB Subscription Agreements and the Share Subscription Agreements and the transactions contemplated thereunder (including the grant of the CB Specific Mandate and the Subscription Specific Mandate). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as no Shareholder has an interest in the CB Subscription Agreements and the Share Subscription Agreements that is materially different from the other Shareholders, no Shareholder is required to abstain from voting at the SGM in respect of the CB Subscription Agreements and the Share Subscription Agreements.

A circular containing, among other things, details of the CB Subscription Agreements, Share Subscription Agreements, the Convertible Bonds, the CB Specific Mandate and the Subscription Specific Mandate and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that the completion of the CB Subscriptions and the Share Subscriptions are subject to fulfillment and/or waiver (as the case may be) of the conditions precedent to the CB Subscription Agreements and the respective Share Subscription Agreements, and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meaning:

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	board of Directors
“Bond”	the 11% coupon bond in the principal amount of HK\$70,000,000 issued by the Company to the First CB Subscriber on 2 April 2015 maturing on 1 April 2016, which are constituted by and subject to the terms and conditions set out in the Bond Instrument
“Bond Instrument”	the instrument constituting the Bond (with such amendments thereto as the Company and the First CB Subscriber may agree) which was executed by the Company by way of a deed poll on 12 January 2015
“Business Day(s)”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong during normal working hours

“CB Specific Mandate”	the mandate to be sought from the Shareholders at the SGM to allot and issue the Conversion Shares upon exercise of the conversion rights under the Convertible Bonds
“CB Subscribers”	collectively, the First CB Subscriber and the Second CB Subscriber and a “ CB Subscriber ” means any or each of them
“CB Subscriptions”	the subscription of the Convertible Bonds pursuant to the terms of the CB Subscription Agreements
“CB Subscription Agreements”	collectively, the First CB Subscription Agreement and the Second CB Subscription Agreement and a “ CB Subscription Agreement ” means any or each of them
“CB Subscription Completion”	completion of the CB Subscription Agreements
“CB Subscription Completion Date”	the date on which the CB Subscription Completion occurs
“CB Subscription Long Stop Date”	the day falling one month after the date on which the CB Specific Mandate is granted or such other date as may be mutually agreed between the relevant CB Subscribers and the Company
“Company”	Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Conversion Price”	the conversion price of the Convertible Bonds, which is initially set at HK\$0.115 per Conversion Share (subject to adjustment)
“Conversion Share(s)”	the new Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds

“Convertible Bonds”	the 5% coupon convertible bonds in the aggregate principal amount of HK\$150,000,000 to be issued by the Company to the CB Subscribers pursuant to the CB Subscription Agreements
“Director(s)”	director(s) of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“First CB Subscription Agreement”	the conditional subscription agreement dated 8 December 2015 and entered into between the Company and the First CB Subscriber in relation to the First CB Subscription
“First CB Subscriber”	National United Resources Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange, the sole holder of the Bond and a subscriber of the Convertible Bonds in the principal amount of HK\$100,000,000
“First CB Subscription”	the subscription for the Convertible Bonds in the principal amount of HK\$100,000,000 pursuant to the First CB Subscription Agreement
“First CB Subscription Completion”	completion of the First CB Subscription Agreement
“First CB Subscription Completion Date”	the date on which the First CB Subscription Completion occurs
“First Share Subscription”	the subscription for the First Subscription Shares by the First Share Subscriber pursuant to the First Share Subscription Agreement

“First Share Subscription Agreement”	the conditional subscription agreement dated 8 December 2015 and entered into between the Company and the First Share Subscriber in relation to the First Share Subscription
“First Share Subscription Completion”	completion of the First Share Subscription
“First Share Subscriber”	Lim Tong Yong, an individual investor, a subscriber for the First Subscription Shares
“First Subscription Shares”	870,000,000 new Shares to be subscribed by the First Share Subscriber and to be allotted and issued by the Company pursuant to the First Share Subscription Agreement
“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
“Independent Third Party(ies)”	party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected person(s) (as defined under the GEM Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling 12 months from the date of issue of the Convertible Bonds
“Redemption Notice”	the early redemption notice to be issued by the Company to the First CB Subscriber exercising the Company’s early redemption right under the Bond to redeem the Bond in full prior to its maturity date on 1 April 2016 pursuant to the Bond Instrument and the First CB Subscription Agreement

“Second CB Subscriber”	Sino King Trading (HK) Co., Limited, a company incorporated in Hong Kong with limited liability, a subscriber for the Convertible Bonds in the principal amount of HK\$50,000,000
“Second CB Subscription”	the subscription for the Convertible Bonds in the principal amount of HK\$50,000,000 pursuant to the Second CB Subscription Agreement
“Second CB Subscription Agreement”	the conditional subscription agreement dated 8 December 2015 and entered into between the Company and the Second CB Subscriber in relation to the Second CB Subscription
“Second CB Subscription Completion”	completion of the Second CB Subscription Agreements
“Second CB Subscription Completion Date”	the date on which the Second CB Subscription Completion occurs
“Second Share Subscription”	the subscription for the Second Subscription Shares by the Second Share Subscriber pursuant to the Second Share Subscription Agreement
“Second Share Subscription Agreement”	the conditional subscription agreement dated 8 December 2015 and entered into between the Company and the Second Share Subscriber in relation to the Second Share Subscription
“Second Share Subscriber”	Sino Perfect Investments Limited, a company incorporated in Hong Kong with limited liability, a subscriber for the Second Subscription Shares
“Second Subscription Shares”	870,000,000 new Shares to be subscribed by the Second Share Subscriber and to be allotted and issued by the Company pursuant to the Second Share Subscription Agreement

“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve, the CB Subscription Agreements, the Share Subscription Agreements and the transactions contemplated thereunder, including the grant of the CB Specific Mandate and the Subscription Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Subscribers”	collectively, the First Share Subscriber and the Second Share Subscriber and a “ Share Subscriber ” means any or each of them
“Share Subscriptions”	collectively, the First Share Subscription and the Second Share Subscription
“Share Subscription Agreements”	collectively, the First Share Subscription Agreement and the Second Share Subscription Agreement and a “ Share Subscription Agreement ” means any or each of them
“Share Subscription Completion Date”	the date on which the Subscription Shares will be allotted and issued to the respective Share Subscribers by the Company, which shall be the date falling within three Business Days after the date on which the conditions precedent under the respective Share Subscription Agreements are fulfilled (or waived, as the case may be), or such other date as may otherwise be agreed by the respective Share Subscribers and the Company in writing
“Share Subscription Long Stop Date”	the day falling one month after the date on which the Subscription Specific Mandate is granted or such other date as may be mutually agreed between the Company and the relevant Share Subscribers
“Share Subscription Refundable Deposit”	the refundable deposit amounting to HK\$10,000,000 payable by each of the Share Subscribers pursuant to the respective Share Subscription Agreements

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.115 per Subscription Share
“Subscription Share(s)”	collectively, the First Subscription Shares and the Second Subscription Shares
“Subscription Specific Mandate”	the mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the SGM to authorise the Directors to issue the Subscription Shares
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 8 December 2015

As at the date of this announcement, the Board comprises Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin, Mr. Li Tao, Mr. Wang Kun and Mr. Li Nan as executive Directors; Mr. Xu Lei as non-executive Director; and Mr. Leung Wo Ping JP, Mr. Dong Shi, Mr. Hu Dingdong, Mr. Lei Yong and Mr. Gao Yang 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.

** For identification purposes only*