
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 your 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, together with the 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 the 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)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
(2) RE-ELECTION OF RETIRING DIRECTORS,
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER
THE SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of Heng Xin China Holdings Limited (the “Company”) to be held at Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2016 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular. Whether or not you intend to attend the AGM and/or vote at the AGM in person, 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, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM 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 Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“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.

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.

CHARACTERISTICS OF GEM

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, the following expressions have the following meanings unless the context requires otherwise:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2016 at 11:00 a.m. or any adjournment thereof to consider and, if thought fit, to approve the resolutions contained in the notice of the meeting which is set out on pages AGM-1 to AGM-5 of this circular
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company and as amended from time to time
“Company”	Heng Xin China Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“GEM”	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 PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares up to 20% of the number of issues Shares as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the number of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	22 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares up to 10% of the number of issued Shares as at the date of passing of the relevant resolution granting such mandate
“Scheme Mandate Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme, being 10% of the total number of issued Shares as at the date of adoption of the Share Option Scheme, and may be refreshed on or pursuant to the rules of the Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 30 December 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Tan Sri Dato' Lim Tong Yong (*Chairman*)
Mr. Xiao Yan (*Chief Executive Officer*)
Mr. Qiu Bin
Mr. Li Tao
Mr. Li Nan
Mr. Gao Yang
Mr. Yu Bun

Non-executive Director:

Mr. Wang Kun

Independent non-executive Directors:

Mr. Leung Wo Ping *JP*
Mr. Hu Dingdong
Mr. Lei Yong
Mr. Chiu Chi Kong

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
(It will be relocated to
Suite 3604, 36/F., Central Plaza,
18 Harbour Road, Wanchai,
Hong Kong with effect from 12 May 2016)

28 April 2016

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER
THE SHARE OPTION SCHEME

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to, among other things, (i) granting to the Directors the Issue Mandate and the Repurchase Mandate; (ii) re-election of retiring Directors; and (iii) refreshment of the Scheme Mandate Limit under the Share Option Scheme. The notice of the AGM containing the proposed resolutions and other information is set out on pages AGM-1 to AGM-5 of this circular.

** for identification purpose only*

LETTER FROM THE BOARD

PROPOSED GRANTING OF GENERAL MANDATES

At the special general meeting of the Company held on 28 January 2016, the Shareholders (other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) approved an ordinary resolution to grant to the Directors a general mandate to allot up to 1,052,038,037 Shares (the “**Existing Issue Mandate**”). As at the Latest Practicable Date, no Share has been allotted and issued under the Existing Issue Mandate. The Existing Issue Mandate will lapse at the conclusion of the AGM.

At the annual general meeting of the Company held on 15 May 2015 (“**2015 AGM**”), general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with Shares up to 20% of the number of issued Shares on the date of passing of such resolution (i.e. 1,556,559,567 Shares) on the basis that 7,782,797,837 Shares were in issue at the Latest Practicable Date and assuming that no Share will be issued or repurchased by the Company from the Latest Practicable Date up to the date of the AGM (the “**Issue Mandate**”);
- (b) to purchase Shares up to 10% of the number of issued Shares on the date of passing of such resolution (i.e. 778,279,783 Shares) on the basis that 7,782,797,837 Shares were in issue at the Latest Practicable Date and assuming that no Share will be issued or repurchased by the Company from the Latest Practicable Date up to the date of the AGM (the “**Repurchase Mandate**”); and
- (c) to extend the Issue Mandate by an amount representing the number of issued Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate. The Issue Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of AGM as set out on pages AGM-1 to AGM-5 of this circular.

With reference to the Issue Mandate and Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto. In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the GEM Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Pursuant to Bye-law 86(2) of the Bye-laws, the Directors shall have the power from time to time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting. Pursuant to Bye-law 87(2) of the Bye-laws, any Director appointed pursuant to Bye-law 86(2) of the Bye-laws shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Pursuant to Bye-law 87(1) of the Bye-laws, Mr. Xiao Yan (“**Mr. Xiao**”), Mr. Li Tao and Mr. Hu Dingdong (“**Mr. Hu**”) shall retire from office by rotation at the AGM and Tan Sri Dato’ Lim Tong Yong (“**Tan Sri Dato’ Lim**”), Mr. Li Nan and Mr. Yu Bun (“**Mr. Yu**”), who were appointed as additional Directors by the Board after the 2015 AGM, shall retire at the AGM pursuant to Bye-law 86(2) of the Bye-laws. All the retiring Directors are eligible for re-election.

Each of Mr. Li Tao, Mr. Hu, Tan Sri Dato’ Lim, Mr. Li Nan and Mr. Yu, being eligible, will offer himself for re-election at the AGM. Mr. Xiao has confirmed that he will not offer himself for re-election as a Director at the AGM, and will retire from office as a Director after the conclusion of the AGM. Mr. Xiao has confirmed that he has no disagreement with the Board and there is no other matter in relation to his retirement that needs to be brought to the attention of the Stock Exchange and the Shareholders.

Mr. Hu, being an independent non-executive Director eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. As an independent non-executive Director, Mr. Hu has demonstrated his ability to provide an independent view to the Company’s matters. The Board is of the view that Mr. Hu is able to continue to fulfill his role as an independent non-executive Director and thus recommends him for re-election at the AGM. Further, the Board is also of the view that Mr. Hu meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and is independent in accordance with the terms of the guidelines.

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders’ approval at that relevant general meeting (including, but not limited to, an annual general meeting). Biographies and other details of the above mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular. At the AGM, ordinary resolutions will be proposed to approve their re-election.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Shareholders on 30 December 2011. Pursuant to the GEM Listing Rules and the terms of the Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. As at 30 December 2011, being the date on which the Share Option Scheme was adopted, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme was 248,709,199 Shares, being 10% of the Shares in issue on 30 December 2011. The Company has not refreshed the Scheme Mandate Limit since then. The Share Option Scheme shall be valid and effective for a period of ten years commencing from its adoption date.

Up to the Latest Practicable Date, a total of 3,000,000 share options were granted under the Share Option Scheme since its adoption on 30 December 2011 and all of these Share Options were lapsed. Accordingly, the Company may grant up to 248,709,199 options under the Share Option Scheme. Assuming all options under the Share Option Scheme are granted and exercised, 248,709,199 Shares will be issued, representing approximately 3.20% of the total number of Shares as at the Latest Practicable Date. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force, and has no option remains outstanding, unexercised or unvested as at the Latest Practicable Date.

In order to provide the Company with greater flexibility in granting options under the Share Option Scheme to reward the eligible participants who have contributed or will contribute to the Group and to maintain or attract business relationship with eligible participants whose contributions are or may be beneficial to the growth of the Group, the Board decided to seek the approval from the Shareholders to refresh the Scheme Mandate Limit at the Annual General Meeting. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme. The Directors consider that such refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

Based on 7,782,797,837 Shares in issue as at the Latest Practicable Date and assuming no further Shares are repurchased or issued prior to the Annual General Meeting, upon the approval of the refreshment of the Scheme Mandate Limit, the Directors will be authorised to issue 778,279,783 options to subscribe for a total of 778,279,783 Shares, representing 10% of the number of Shares in issue as at the date of the Annual General Meeting, which is within the overall limit of 30% as prescribed under Rule 23.03(3) of the GEM Listing Rules.

LETTER FROM THE BOARD

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of new Shares representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit, which may fall to be issued pursuant to the exercise of the share options to be granted under the Scheme Mandate Limit as refreshed.

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of share options that may be granted under the refreshed Scheme Mandate Limit.

ANNUAL GENERAL MEETING

Set out on pages AGM-1 to AGM-5 of this circular is the notice convening the AGM to consider and, if appropriate, to approve, among other things, the ordinary resolutions in relation to the re-election of the retiring Directors, the Issue Mandate (and any extension thereof) and the Repurchase Mandate and the refreshment of the Scheme Mandate Limit under the Share Option Scheme.

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the branch share registrar of the Company in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

VOTING AT ANNUAL GENERAL MEETING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the AGM will be voted by poll. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

So far as the Directors are aware and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

COMPETING INTERESTS

None of the Directors or their associates had an interest in a business, which competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

RECOMMENDATION

The Directors consider that the grant of the Issue Mandate, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit under the Share Option Scheme and the re-election of retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Xiao Yan
Chief Executive Officer and Executive Director

The following is an explanatory statement required by the GEM Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the approval of the Repurchase Mandate.

1. PROVISIONS OF THE GEM LISTING RULES**(a) Shareholders' approval**

All proposed repurchase of securities on GEM by a company with its primary listing on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval in relation to a particular transaction.

(b) Source of funds

Any repurchases must be financed out of funds legally available for the purpose and in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(c) Core connected person

Under the GEM Listing Rules, a company shall not knowingly repurchase shares from a core connected person (as defined under the GEM Listing Rules) and a core connected person shall not knowingly sell his shares to the company. As at the Latest Practicable Date and to the best of the knowledge of the Directors who have made all reasonable enquiries, none of the Directors or their close associates has a present intention to sell Shares to the Company or has undertaken not, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

2. NUMBER OF SHARES SUBJECT TO THE REPURCHASE MANDATE

It is proposed that the Repurchase Mandate will authorise the repurchase by the Company of up to 10% of the Shares in issue as at the date of passing the relevant resolution. As at Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 and the paid-up share capital was HK\$77,827,978 representing 7,782,797,837 Shares in issue. On the basis of the 7,782,797,837 Shares in issue (assuming no Shares will be issued or repurchased by the Company after the Latest Practicable Date and prior to the AGM), the Company would be authorised under the Repurchase Mandate to repurchase a maximum of 778,279,783 Shares during the period in which the Repurchase Mandate remains in force.

3. REASONS FOR THE REPURCHASE MANDATE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and Shareholders as a whole to have a general authority to enable the Directors to purchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings (in each case on a per Share basis) and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2015) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and the Bye-laws, the GEM Listing Rules, and the applicable laws of Bermuda. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their close associates have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and the Bye-laws and the applicable laws of Bermuda.

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code approved by the Securities and Futures Commission of Hong Kong as amended from time to time. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

If the Repurchase Mandate were exercised in full, the shareholding percentage of the Shareholders, who have an interest in 10% or more of the issued Shares (based on the information available to the Directors as at the Latest Practicable Date), before and after such repurchase would be as follows:

Name of Shareholder	Number of Shares	Percentage of existing shareholding	Percentage of shareholding of the Repurchase Mandate is exercised in full
Tang Hanbo	1,557,744,000	20.02%	22.24%
Lim Tong Yong	870,000,000	11.18%	12.42%

The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase made under the Repurchase Mandate.

8. SHARE REPURCHASES MADE BY THE COMPANY

No purchases of Shares have been made by the Company, whether on GEM or otherwise, in the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	0.225	0.124
May	0.240	0.183
June	0.305	0.160
July	0.181	0.081
August	0.140	0.091
September	0.128	0.094
October	0.149	0.110
November	0.209	0.129
December	0.320	0.161
2016		
January	0.350	0.230
February	0.300	0.241
March	0.295	0.237
April (up to and including the Latest Practicable Date)	0.270	0.220

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED
AT THE ANNUAL GENERAL MEETING**

Mr. Li Tao

Mr. Li Tao, aged 47, was appointed as an executive Director on 25 April 2008. Mr. Li Tao had been the vice president of Yunnan Baiyao Technology (Beijing) Co., Ltd. Mr. Li Tao has over 20 years of experience in the administration and management of different companies and businesses.

As at the Latest Practicable Date, Mr. Li Tao did not hold any directorships in any other listed public companies in the past three years and does not hold any other position with the Company or other members of the Group.

Mr. Li has entered into a service contract with the Company for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment. The service contract shall continued until termination by either party giving not less than three months' prior notice. Mr. Li Tao is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Li Tao is entitled to an annual remuneration of HK\$960,000 which was determined by the Board with reference to his duties and responsibilities within the Company.

Mr. Li Tao does not have any relationship with Director, senior management or substantial shareholders or controlling shareholders (as respectively defined in the GEM Listing Rules) of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters need to be brought to the attention of the Shareholders in respect of Mr. Li Tao.

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED
AT THE ANNUAL GENERAL MEETING**

Mr. Li Nan

Mr. Li Nan, aged 31, was appointed as an executive Director on 9 November 2015. Mr. Li Nan holds a Bachelor of Arts degree in business and finance and a Master of Science degree in Marketing from the Oxford Brookes University. He has wide experience in IPO transactions, merger and acquisitions transactions and fund raising activities. Mr. Li Nan has worked for The Tsinghua Holdings Industry Investment Fund and had participated in fund raising projects for various companies including Dalian Wanda Commercial Properties Co., Ltd. and Aigo Digital Technology Co. Ltd. He also worked in the Investment Banking Department of Huatai United Securities Co., Ltd. and participated in various significant IPO projects. He co-founded Yunsheng Investment Management Co., Ltd. and managed over RMB1 billion in assets.

As at the Latest Practicable Date, Mr. Li Nan did not hold any directorships in any other listed public companies in the past three years and does not hold any other position with the Company or other members of the Group.

Mr. Li Nan has entered into a service contract with the Company for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment. He is subject to retirement at the next following annual general meeting of the Company after his appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Bye-laws. The service contract shall continue until terminated by either party giving not less than three-month prior notice. Mr. Li Nan is entitled to an annual remuneration of HK\$960,000 which was determined by the Board with reference to his duties and responsibilities within the Company.

Mr. Li Nan does not have relationship with any Director, senior management or substantial shareholders or controlling shareholders (as respectively defined in the GEM Listing Rules) of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters need to be brought to the attention of the Shareholders in respect of Mr. Li Nan.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Heng Xin China Holdings Limited (the “**Company**”) will be held at Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2016 at 11:00 a.m. (or any adjournment thereof) for purpose of transacting the following businesses:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company for the year ended 31 December 2015.
2.
 - (a) To re-elect Tan Sri Dato’ Lim Tong Yong as an executive Director.
 - (b) To re-elect Mr. Li Tao as an executive Director.
 - (c) To re-elect Mr. Li Nan as an executive Director.
 - (d) To re-elect Mr. Yu Bun as an executive Director.
 - (e) To re-elect Mr. Hu Dingdong as an independent non-executive Director.
 - (f) To authorize the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and authorise the Board to fix their remuneration.

As special businesses, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares (as defined below) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

** for identification purpose only*

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or 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; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
 - (bb) (provided that resolution numbered 6 is passed) the aggregate number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate number of issued Shares on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;

- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purposes 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 the bye-laws of the Company or any applicable laws of Bermuda to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means 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 on the register of members of the Company on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong); and

“**Shares**” means ordinary share(s) of HK\$0.01 each in the share capital of the Company.”

5. **“THAT:**

- (a) Subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares (as defined below) on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the number of issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from 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 the bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Shares**” means ordinary share(s) of HK\$0.01 each in the share capital of the Company.”

6. “**THAT** subject to the ordinary resolutions numbered 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate number of Shares repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate number of issued Shares on the date of the passing of resolution numbered 5.”
7. “**THAT** the conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares of HK\$0.01 each in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme of the Company, the refreshment of the scheme mandate limit of the Company’s share option scheme adopted on 30 December 2011, up to 10 per cent. of the number of Shares in issue as at the date of passing this resolution (the “**Scheme Mandate Limit**”) be and is hereby approved and any one Director be and is hereby authorised to do such act and execute such document to effect the Scheme Mandate Limit.”

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

Hong Kong, 28 April 2016

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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
Hong Kong
(It will be relocated to
Suite 3604, 36/F., Central Plaza,
18 Harbour Road, Wanchai,
Hong Kong with effect from 12 May 2016)

Notes:

1. A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxies to attend the meeting and, subject to the provisions of the bye-laws of the Company, to vote on his/her or stead. A proxy need not be a member of the Company but must attend the meeting in person to represent the member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment thereof, if he so wish. In that event, his form of proxy will be deemed to have been revoked.
3. 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 was solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. As at the date of this notice, the board of Directors comprises Tan Sri Dato' Lim Tong Yong (Chairman), Mr. Xiao Yan (Chief Executive Officer), Mr. Qiu Bin, Mr. Li Tao, Mr. Li Nan, Mr. Gao Yang and Mr. Yu Bun as executive Directors, Mr. Wang Kun as non-executive Director and Mr. Leung Wo Ping *JP*, Mr. Hu Dingdong, Mr. Lei Yong and Mr. Chiu Chi Kong as independent non-executive Directors.