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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)

**TERMINATION OF MEMORANDUM OF UNDERSTANDING IN  
RESPECT OF A POSSIBLE ACQUISITION**

This announcement is made by Heng Xin China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the Company’s announcement (the “**Announcement**”) dated 1 December 2015 in respect of the entering into of a non-legally binding memorandum of understanding (the “**MOU**”) between the Company and Mr. Qu Yong Bo (曲勇波) (the “**Vendor**”) in respect of the possible acquisition of 100% equity interest in 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.\*). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

Pursuant to the terms of the MOU, among other matters, in the event that the Formal Agreement is not entered into between the Company and the Vendor (himself or through entities controlled by him) within six months from the date of the MOU or if the Vendor has received a written termination notice from the Company (whichever is earlier), the MOU shall be terminated. The Board announces that as at the date of this announcement, the Company and the Vendor have not entered into any Formal Agreement. After taking into consideration of, among other factors, the preliminary results of the due diligence review, the Board decides not to proceed with the Possible Acquisition and accordingly, the Company served a written notification to the Vendor after the close of trading hours on 31 May 2016 informing the Vendor of its decision not to proceed with the Possible Acquisition.

Pursuant to the terms of the MOU, the Vendor shall, within seven days from the date of the termination of the MOU, refund the Deposit to the Company. Interest on the Deposit shall accrue at the rate of 1.5% per month calculated on the actual number of days elapsed from the date of termination of the MOU if the Vendor is unable to refund the Deposit in accordance with the terms of the MOU. Save for the above, neither party shall have any claim against the other in respect of the termination of the MOU.

The Board considers that termination of the MOU is in the interest of the Company and the Shareholders as a whole and does not have any material impact on the operations and financial position of the Group. The Group will continue to seek for other investment opportunities to broaden its income source and to further develop the Group's business.

By Order of the Board  
**HENG XIN CHINA HOLDINGS LIMITED**  
**Lim Tong Yong**  
*Chairman*

Hong Kong, 31 May 2016

*As at the date of this announcement, the Board comprises Tan Sri Dato' Lim Tong Yong (Chairman), Mr. Qiu Bin and Mr. Gao Yang 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.*

*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 at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at [www.hengxinchina.com.hk](http://www.hengxinchina.com.hk).*

*\* For identification purposes only*