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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)

CHANGE IN INDEPENDENT NON-EXECUTIVE DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

The Board announces the following changes, all with effect from 31 August 2016:-

CHANGE IN INDEPENDENT NON-EXECUTIVE DIRECTORS

1. Mr. Chan Fong Kong Francis has tendered his resignation as independent non-executive Director; and
2. Mr. Chau Sen Chung has been appointed as independent non-executive Director.

CHANGE IN COMPOSITION OF BOARD COMMITTEES

1. Following the resignation of Mr. Chan Fong Kong Francis with effect from 31 August 2016, he ceased to be the chairman of the Audit Committee and member of the Remuneration Committee; and
2. Mr. Chau Sen Chung has been appointed as member of the Remuneration Committee.

CHANGE IN INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of Heng Xin China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the following changes, all with effect from 31 August 2016:-

1. Mr. Chan Fong Kong Francis (“**Mr. Chan**”) has tendered his resignation as independent non-executive Director as he wish to focus on his other business commitment; and
2. Mr. Chau Sen Chung (“**Mr. Chau**”) has been appointed as independent non-executive Director.

Mr. Chan has confirmed to the Board that he has no disagreement with the Board and that there is no matter in respect of his resignation that needs to be brought to the attention of the shareholders of the Company.

The biographical details of Mr. Chau is set out below:

Mr. Chau Sen Chung (周晨仲)

Mr. Chau, aged 57, obtained a Bachelor degree from 華東師範大學 (East China Normal University) with a major in Mathematics. Mr. Chau had served as 上海市公共關係協會常務副秘書長 (the Deputy Secretary-General of Shanghai Public Relations Association) in 上海市委統戰部工商處 (the Economic Section of the United Front Work Department of Shanghai Committee of the Chinese People’s Political Consultative Conference) and had also served as the chief representative of the Shanghai representative office of 英國聯合多美集團公司 (Allied Domecq PLC), responsible for managing the wine trading business in provinces in Huadong region. He is currently a director of 暢邑 (上海) 國際貿易有限公司 (Changyi (Shanghai) International Trade Co., Ltd.). Mr. Chau has extensive experience in wine trading. In addition, Mr. Chau involved in clubhouse catering business since 2014 and entrenched well-developed relationships and network. Mr. Chau did not hold any directorship in any other listed public companies in the last three years.

Mr. Chau has entered into a service contract with the Company for an initial term of one year commencing from 31 August 2016, which is automatically renewable for successive terms of one year each which may be terminated by either party giving not less than three months prior notice. He is subject to retirement at the next following general meeting of the Company and at which he will be eligible for re-election and thereafter subject to retirement by rotation at least once every three years in accordance with the bye-laws of the Company. Pursuant to the terms of the service contract between the Company and Mr. Chau, he is entitled to a director fee of HK\$120,000 per annum which is determined by the Board by reference to his experience, duties and responsibilities, the prevailing market conditions and the recommendation from the remuneration committee of the Company (the “**Remuneration Committee**”).

As of the date of this announcement, Mr. Chau:-

- (i) does not hold any other positions with the Company or any other members of the Group;
- (ii) does not have any relationships with any other Directors, senior management or substantial or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)) of the Company; and
- (iii) does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is 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 subparagraphs (h) to (v) therein) nor are there of any other matters that need to be brought to the attention of the shareholders of the Company relating to the appointment of Mr. Chau.

The Board would like to extend its appreciation to Mr. Chan for his valuable contribution during his tenure of office in the Company and would also like to express its welcome to Mr. Chau for joining the Board.

CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board also announces the following changes in the composition of the Board committees, all with effect from 31 August 2016:-

1. Following the resignation of Mr. Chan with effect from 31 August 2016, he ceased to be the chairman of the audit Committee (the “**Audit Committee**”) and member of the Remuneration Committee; and
2. Mr. Chau has been appointed as member of the Remuneration Committee.

NON-COMPLIANCE WITH REQUIREMENTS UNDER RULES 5.05(2), 5.05A AND 5.28 OF THE GEM LISTING RULES

Following the aforesaid changes in Directors, the Company only has three independent non-executive Directors, thus the number of the independent non-executive Directors does not represent one-third of the Board as required under Rule 5.05A of the GEM Listing Rules and has failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company is simultaneously not in compliance with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

The Company will use its best endeavour to identify suitable candidate(s) to fill up the vacancy of independent non-executive Director as soon as practicable and in any event within three months as required under Rule 5.06 and 5.33 of the GEM Listing Rules, and will make further announcement(s) as and when appropriate.

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

Hong Kong, 31 August 2016

As at the date of this announcement, the Board comprises Tan Sri Dato' Lim Tong Yong (Chairman), Mr. Chen Rongbin (Vice Chairman and Chief Executive Officer), Mr. Qiu Bin, Mr. Gao Yang, Mr. Hu Qixian and Mr. Chen Xi as executive Directors, Mr. Wang Kun as non-executive Director and Ms. Chen Yan, Mr. Xu Haiou and Mr. Chau Sen Chung 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 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.

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