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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)

**LEGAL ACTION TO RECOVER REFUNDABLE DEPOSIT**

This announcement is made by Heng Xin China Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited 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 dated 1 December 2015 regarding the MOU and the Company’s announcement dated 31 May 2016 regarding the termination of the MOU (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

As disclosed in the Company’s announcement dated 31 May 2016 regarding the termination of the MOU, the Board has reviewed, among others, the preliminary results of the due diligence review on the Target Company and considered that it would be in the interests of the Company and the Shareholders as a whole to terminate the MOU.

The Board wishes to announce that the Deposit in the sum of HK\$36,000,000 (equivalent of RMB30,000,000) paid under the MOU has not yet been refunded to the Company by the Vendor and upon the legal advice that the Company has obtained from its solicitors, the Company has commenced legal action against the Vendor and Jiashunda Trading Limited (the “**Jiashunda Trading**”), the nominee appointed by the Vendor as the recipient to the Deposit, at the Court of First Instance in the High Court of Hong Kong on 24 March 2017 to claim for return of the Deposit in the sum of HK\$36,000,000 and interest.

The Company will make further announcement to update on the progress of the legal action against the Vendor and Jiashunda Trading to recover the Deposit and interest in due course.

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

Hong Kong, 24 March 2017

*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 and Mr. Wong Chi Keung, 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](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